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Home Equity Lines of Credit

Glenn B. Canner, James T. Fergus, and Charles A. Luckett, of the Board's Division of Research and Statistics, prepared this article, with the assistance of John P. Ferraro and Patricia A. Boerschig. In preparing the article, the authors benefited from discussions with, and comments from, John H. Lindgren, Jr., Richard F. DeMong, and Sandra L. Schmidt, of the Center for Financial Services Studies, McIntire School of Commerce, University of Virginia. Notes appear at the end of the article.

Prominent among the many innovations in consumer lending offered by financial institutions in recent years is the home equity line of credit, a revolving account that allows homeowners to borrow against the equity in their homes. Unlike traditional second mortgages, which are extended for a specified period of time and generally require repayment of principal and interest in equal monthly installments, home equity accounts are ongoing arrangements, often without a fixed maturity, that allow the borrower great flexibility in the size and timing of drawdowns and payments. The term "home equity accounts" will be used in this article to refer exclusively to these new lines of credit and not to traditional second mortgages or any other type of account.

Consumer surveys indicate that homeowners have been acquiring and borrowing against home equity accounts rapidly during the past two years, and lenders have been marketing them with increasing vigor. The proliferation of home equity accounts has focused attention on the risks as well as the benefits of using this type of credit. To learn more about this new credit instrument, the Federal Reserve Board sponsored surveys of consumers in 1987 (see appendix A). The results, along with those from several industry-sponsored surveys of financial institutions, provide information on the features and use of home equity accounts. In addition, the

year-end 1987 Report of Condition made comprehensive information available for the first time about the extension of home equity credit by commercial banks. This article uses this new information to describe the market for home equity accounts and relates the information to governmental proposals to modify the terms under which such accounts are advanced.

THE GROWTH AND THE CHARACTERISTICS OF HOME EQUITY ACCOUNTS

Although some consumers reported opening their home equity lines of credit as early as 1982, three-fourths of all existing accounts were opened in 1986 or 1987 (table 1). Balances owed on home equity lines are estimated to have doubled during 1986 to approximately \$40–\$45 billion. Recent information suggests that by year-end 1987, outstanding balances on home equity accounts had risen to about \$75 billion.

Reasons for Rapid Growth

The fast expansion of borrowing under home equity plans stems from several factors, including tax revisions affecting the deductibility of interest paid on consumer credit, finance rates

1. Distribution of home equity lines of credit, by year in which they were established, 1982–87

Year	Percent
1982	1
1983	3
1984	9
1985	11
1986	34
1987 ¹	42
Total	100

1. First 10 months.

SOURCE. For this and subsequent tables, unless otherwise noted, University of Michigan, Survey of Consumer Attitudes, March, April, September, and October 1987, Survey Research Center.

more attractive than for alternative loan products, and intensive marketing programs including price concessions.

The Tax Reform Act of 1986 mandates the gradual removal of federal income tax deductions currently allowed for interest paid on nonmortgage consumer credit. However, within specified limits, such deductions would still be allowed for interest paid on loans secured by a home. By raising the after-tax interest cost of consumer credit, the new tax rules encourage homeowners to substitute home equity loans for other types of consumer borrowing. Many creditors have prominently featured the tax advantages of home equity loans in their marketing programs.

For the past few years, the interest rates charged on home equity accounts have been significantly lower than on most types of consumer credit, especially credit cards (table 2). The relatively attractive finance rates on home equity accounts have created an incentive for consumers to use them both for new borrowing and to repay debts carrying higher interest rates.

Creditors have intensively promoted home equity accounts. In 1986, for example, nearly half of all large financial institutions spent more advertising dollars on home equity accounts than on any other loan product.¹ Moreover, creditors have offered substantial inducements to consumers—in the form of low introductory interest rates or discounted or rebated closing costs—to encourage them to establish home equity accounts.

Characteristics of Home Equity Accounts

Amounts borrowed under home equity accounts are secured by a lien on real estate, usually the borrower's principal residence. Consequently, the creditor may foreclose on the mortgage and force a sale of the property if the debt is not repaid as scheduled.

Other features of home equity accounts vary among creditors. According to a survey sponsored by the Consumer Bankers Association (see appendix B), most lenders limit the maximum line of credit to the equivalent of 70 to 80 percent of the homeowner's equity (the appraised value of the property less all mortgage indebtedness); however, some creditors allow the line to equal

2. Interest rates for home equity lines of credit and selected other types of consumer credit, 1984–87¹

Type of credit	Rate (percent, annual average)			
	1984	1985	1986	1987
Home equity line of credit	14.0	11.9	10.3	10.2
Credit card	18.8	18.7	18.3	17.9
New car loan (48-month maturity)	13.7	12.9	11.3	10.5
Personal loan (24-month maturity)	16.5	15.9	14.8	14.2

1. The rate shown for home equity accounts is the prime rate plus 2 percentage points. On average, a bank using a prime rate as its base index adds a margin of nearly 2 percentage points to determine its contract rate on the home equity account. The rates shown for other types of credit are those reported by commercial banks.

SOURCE: Federal Reserve Board statistical release G.19, February 5, 1988, and FEDERAL RESERVE BULLETIN, tables 1.33 and 1.56, various issues.

100 percent of the owner's equity in the property.² Most creditors specify a minimum and maximum dollar amount for the credit lines they offer; in 1987 the average minimum credit line was \$5,000, and the average maximum was \$100,000. Nearly all lenders evaluate a consumer's ability to repay when determining the size of the credit line they will allow; and if a family's income or home equity increases, 90 percent of surveyed lenders will increase the size of the line.

Creditors offer customers a variety of ways to draw on their lines of credit. We estimate that in rough terms 90 percent of lenders allow access by check, 20 percent permit telephone transfers, 13 percent provide access through automatic teller machines, and 9 percent permit access through credit cards. Although creditors rarely place restrictions on the frequency with which credit lines can be drawn down, they often establish a minimum amount for each draw; in 1987 the typical minimum for access by check was \$300.

The finance rate assessed for balances owed on most home equity accounts is variable (typically monthly) and is determined by adding a fixed margin to a specified index (table 3). About three-fourths of creditors use a prime rate as their selected index, most often the prime rate published in the *Wall Street Journal*; an additional 17 percent use the rate on one of several different Treasury bills; and the remainder use other indexes, such as their average cost of funds or the discount rate established by a Federal

3. Pricing of variable-rate home equity lines of credit, 1986

Type of index	Creditors using index (percent)	Average margin (basis points) ¹	Range of margin (basis points) ¹	Frequency of interest rate adjustment (percent of creditors)			
				Daily	Monthly	Quarterly	Other
Prime rate	77	184	0-400	4	69	16	11
Wall Street Journal	47	184	50-300	6	65	21	9
Bank	30	186	0-400	1	77	9	14
Treasury bill rate	17	396	200-550	0	60	33	7
1 year	1	450	400-500	0	33	0	67
6 month	7	397	300-550	0	68	32	0
90 day	8	394	200-550	0	52	43	5
30 day	1	338	325-350	0	100	0	0
Federal Reserve discount rate	2	369	175-500	0	67	17	17
Management discretion	1	75	0-150	0	100	0	0
Other	3	230	138-350	0	75	13	13

1. One hundred basis points equals 1 percent.

SOURCE: John H. Lindgren, Jr., Richard F. DeMong, and Sandra L. Schmidt, *Consumer Bankers Association Home Equity Lending*

Survey, Year-End 1986, conducted by the Center for Financial Services Studies, McIntire School of Commerce, University of Virginia (Arlington, Va.: Consumer Bankers Association, n.d.).

Reserve Bank. Only about 4 percent of creditors who provide home equity accounts offer such accounts with a fixed interest rate.

Until recently, most home equity accounts with variable rates have had no annual or lifetime limit on adjustments to the initial interest rate. However, the Competitive Equality Banking Act of 1987 requires all home equity accounts established after December 9, 1987, to carry a life-of-plan interest rate ceiling; the act does not specify any maximum or minimum for this ceiling nor any annual restriction on changes in interest rates. Only about 10 percent of creditors provide annual caps on the rate. A few creditors also establish annual or lifetime floors on the finance rates they charge.

As noted, some creditors have offered a low introductory interest rate to promote their home equity accounts. After a specified period of time, the promotional rate reverts to the interest rate determined by the formula in the credit contract. In the first half of 1987, about 23 percent of larger financial institutions used such promotions.

Competition among lenders to market home equity accounts in 1986 and 1987 caused many of them to absorb some or all of the fees that lenders usually charge to open credit accounts secured by real estate. These charges include origination fees and closing costs for items such as the title search, property appraisal, credit report, title insurance, and mortgage recording

fee. In 1987, 8 percent of large commercial banks and thrift institutions charged no fees, and 68 percent promoted home equity accounts by waiving fees or crediting them against accrued interest.³ Low introductory interest rates and rebating of initial fees encourage consumers to establish home equity plans and provide incentives for borrowing right away. Fee waivers, on the other hand, do not promote immediate use.

Some lenders assess other fees such as annual maintenance charges (31 percent of creditors) or transaction fees (about 1 percent of creditors).⁴ A few creditors also charge a fee when an account is terminated or is inactive for a period of time.

Most home equity accounts specify a maximum term for repayment. The duration of such accounts is usually about 10 to 15 years; however, nearly two-fifths of creditors offer accounts with indefinite terms.⁵ Virtually all agreements permit repayment of outstanding balances at any time without a penalty. Minimum payments on outstanding balances are nearly always required, usually monthly, but the calculation of the minimum varies widely among plans. The minimum can be a fixed dollar amount, a specified percentage of the outstanding balance, or only the interest due on the amount owed. A minimum monthly payment will not fully amortize the loan by the end of the term under many plans; in such cases the borrower faces a large end-of-term payment ("balloon" payment). In 1987, about 40

percent of creditors offering home equity accounts allowed an interest-only monthly payment option.

CONSUMER ACCEPTANCE AND USE OF HOME EQUITY ACCOUNTS

The surge of consumer borrowing through home equity accounts is noteworthy for several reasons. First, the rapid increase in such borrowing helps account for the sudden slowdown in the growth of consumer installment debt that began in late 1986 and carried through the first half of 1987. Also, a number of consumer interest organizations and some members of the Congress have expressed concern about the suitability of home equity loans for consumers. They have warned borrowers to exercise caution in using home equity accounts and have criticized certain lender practices in connection with them. On a broader scale, some observers have questioned the economic effects of home equity accounts, viewing them as an encouragement to increase current spending at the expense of saving and as an inducement for consumers to deplete their housing equity instead of preserving that asset to help finance longer-term needs such as retirement.

To obtain information about the prevalence of home equity accounts and the ways that homeowners have been using them, the Federal Reserve Board sponsored consumer surveys in the spring and fall of 1987. Consumers were asked whether they were aware of home equity accounts and whether they had one or had applied for one. Families with a home equity account were questioned about the amount of such credit available to them, how much of it they had used, how frequently they had made draws, and the purposes of the draws. This section discusses the results of these surveys.

Prevalence of Home Equity Accounts

Although home equity accounts were still relatively new in 1987, 80 percent of the homeowners interviewed were aware of such accounts (table 4). Only a small proportion of homeowners—about 4 percent—had a home equity account;

4. Distribution of homeowners, by status regarding home equity lines of credit, 1987

Status regarding home equity account	Percent
Holds.....	4
Applied.....	1
Considering.....	4
Aware of, but not interested.....	71
Not aware of.....	20
Total.....	100

another 1 percent of homeowners had applied for such an account but had not yet received approval. The American Bankers Association estimates that creditors approve roughly 75 to 85 percent of applications for home equity accounts; thus, most of these pending applications probably were approved by the end of 1987. If so, approximately 2.5 million to 3 million homeowners had home equity accounts at that time. Moreover, prospects for continued growth seemed good, since an additional 4 percent of homeowners interviewed said they were considering applying for such an account in the next few months.

Characteristics of Account Holders

As a group, families with home equity accounts have economic and demographic characteristics that set them apart from the average family. By definition, home equity accounts are available only to homeowners—about 65 percent of all families. Furthermore, home equity account holders typically have considerably higher incomes and have built up substantially more home equity than homeowners without such accounts (table 5). Families with home equity accounts had median 1986 family incomes of \$42,000, compared with \$27,000 for homeowners without such accounts. For homeowners with home equity accounts, the median amount of home equity was \$64,000; for homeowners without such accounts, it was \$46,000.

Holders of home equity accounts typically are younger and have had more years of education than other homeowners. According to information from the consumer surveys, the median age of the family head was 43 years for families that had home equity accounts, compared with 50

5. Selected characteristics of homeowners, by holding of home equity lines of credit, 1987

Homeowner	1986 family income (dollars)		Homeowner equity ¹ (dollars)		Median age (years)	Education (median grade completed)
	Mean	Median	Mean	Median		
Holds home equity account.....	49,611	42,000	83,549	64,000	43	14
Does not hold home equity account ..	34,027	27,000	61,907	46,000	50	12
All homeowners.....	34,711	28,000	62,761	47,000	50	12

1. Homeowner equity consists of the market value of the home less all debts secured by the home, including balances outstanding on equity lines of credit.

years for other homeowners. Heads of families that had home equity accounts typically had completed 14 years of education, compared with 12 years for other homeowners. In view of these financial and personal characteristics, home equity account holders seem to be better prepared than the average consumer to cope with the complexity and risks of using a home equity account.

Size of Credit Lines

One attraction of home equity accounts is the relatively large credit line for which many homeowners can qualify. Except for the wealthy, most homeowners can finance major expenditures only by borrowing against their major asset—the accumulated equity in their homes. More than 70 percent of the accounts sampled in 1987 had a credit line of \$20,000 or more (table 6).

Home equity credit lines are large relative to the lines ordinarily available with other types of loans, but on the whole, consumers and creditors have held credit lines to a rather moderate level. The typical home equity line averaged about half of the homeowner's equity, compared with an

upper limit of 70 to 80 percent that lenders ordinarily allow.

Use of Home Equity Accounts

The surveys suggest that, so far, consumers have used their home equity accounts in a fairly conservative manner. A substantial proportion of account holders—18 percent—had never borrowed against their credit lines (table 7, memo). Few of the unused accounts were opened only recently; almost all of them were at least three months old, and almost half were at least six months old. These account holders evidently had established their accounts either in anticipation of some specific use or as a standby source of liquidity.

Account holders who had used their credit line reported a large variety of first uses. Many of them reported more than one use for their first drawdown.

7. Uses of home equity lines of credit, by order of use, 1987

Percent of account users

Use	First use ¹	All later uses ²	Memo
Pay off other debt	53	7	...
Home improvement	25	19	...
Automobile purchase	12	16	...
Education and medical care.....	8	13	...
Other ³	48	21	...
MEMO			
Never used account .....	...	...	18
Used account only once.....	...	...	55

1. Percentages add to more than 100 because some account holders reported more than one type of first use.

2. Percentages do not add to 100 because some account users reported only a first use.

3. Includes real estate purchases, vacations, business investments, and financial investments such as individual retirement accounts.

6. Distribution of home equity lines of credit, by size of line, 1987

Amount (dollars)	Percent
Less than 10,000.....	8
10,000–19,999.....	20
20,000–49,999.....	39
50,000 or more.....	33
Total	100
MEMO (dollars)	
Mean amount	45,000
Median amount	30,000

The most prevalent first use—reported by over half of all account users—was to pay off other indebtedness (table 7), about two-thirds of which was credit card debt and auto loans. The substitution of home equity account balances for other types of consumer debt generally improves a consumer's current financial position because, at the prevailing interest rates for home equity accounts and most types of consumer installment loans, it reduces borrowing costs. Use of a home equity account also typically produces greater tax savings and, with the exception of credit cards and overdraft features of checking accounts, permits more flexibility in adjusting payments to match variations in income. Of course, it is difficult to evaluate the longer-run effects that could result if, for example, interest rates on home equity accounts should rise sharply.

The next most frequent first use of home equity accounts was for home improvements, suggesting that another large share of the initial debt substituted for unsecured home improvement loans and traditional second mortgages. Other first uses included purchases of automobiles, payment of educational and medical expenses, business and financial investments, and expenditures for various consumer durables. Fifty-five percent of account users drew against their accounts only once (table 7, memo). These borrowers established their accounts for particular purposes and have not drawn on them for any additional borrowing.

Table 7 also shows the percent of account users that employed home equity accounts for specified purposes after the first time the account had been tapped. Borrowings after the first tended to be for purposes different from those of the initial borrowing. For example, the proportion of users who paid off other debts in later uses was much smaller than the proportion who paid off debts for their first use. The most prevalent type of later use was for home improvement, followed closely by automobile purchases.

Information on outstanding balances also supports the view that consumers, on the whole, have been cautious in their use of home equity accounts. According to the 1987 consumer surveys, 28 percent of home equity account holders had at least half of their lines of credit in use (table 8), but an equal proportion had no out-

8. Distribution of home equity lines of credit, by proportion of credit line in use, 1987

Proportion of line in use (percent)	Percent
0	28 ¹
1-24	23
25-49	22
50-100	28
Total	100
MEMO ²	
Mean proportion	42
Median proportion	36

1. Differs from corresponding value in table 7 because it includes those who have used their line but have paid off their balance.

2. For accounts with an outstanding balance.

standing balance on their accounts. Overall, the median proportion of the credit line in use for those with such debt was 36 percent.

SUPPLIER PARTICIPATION IN THE MARKET

According to the 1987 consumer surveys, depository institutions have been the principal source of home equity accounts (table 9)—about 41 percent of such accounts were issued by commercial banks, 38 percent by thrift institutions (savings and loan associations and savings banks), and 12 percent by credit unions. Less than 10 percent of the accounts were issued by nondepository financial institutions, such as finance companies or brokerage firms.

Home Equity Account Debt Outstanding

Until recently, no comprehensive data have been available about suppliers of home equity account credit. The collection of information about bal-

9. Distribution of home equity lines of credit, by source of credit, 1987

Source	Percent
Commercial banks	41
Thrift institutions ¹	38
Credit unions	12
Other creditors ²	8
Total	100

1. Savings and loan associations and savings banks.

2. Includes finance and loan companies and brokerage firms.

10. Proportion of all commercial banks that offer home equity lines of credit, and home equity balances as a proportion of selected loan balances, by asset size of bank, December 31, 1987

Assets (millions of dollars)	Percent offering home equity accounts	Percent of total balance represented by home equity account balances	
		Consumer loans plus home equity accounts	Consumer loans plus all loans secured by homes
Less than 100	23	4	2
100-249	59	7	4
250-999	72	9	6
1,000 or more	84	9	6
All banks	32	8	5

SOURCE. Report of Condition for December 31, 1987.

ances outstanding on such accounts at all commercial banks began with the Report of Condition of December 31, 1987; comprehensive information on the home equity debt outstanding at other types of institutions is still not available. The Report of Condition shows that home equity account debt was outstanding at 32 percent of commercial banks (4,322 banks out of a total of 13,604) at the end of 1987, in the amount of \$30.4 billion.

The consumer surveys showed that about two-fifths of all home equity accounts had been obtained from banks. Assuming that nonbank home equity credit lines had been drawn down to the same extent as bank lines, two-fifths of all home equity account debt equaled about \$30 billion in late 1987, and therefore such debt from all sources equaled about \$75 billion (\$30 billion divided by 0.4)⁶

Differences in Participation, by Size of Lender

The data from the Report of Condition also indicate that participation by commercial banks in the home equity account market increases with the size of the bank. Less than one-fourth of the smallest commercial banks reported any revolving loans secured by residential properties (table 10). By contrast, more than four-fifths of the largest commercial banks offered open-end home equity lines of credit.

The importance of home equity account loans relative to other types of consumer lending also

varies substantially according to bank size (table 10). For example, at the smallest institutions, home equity account debt typically amounted to only 4 percent of consumer debt plus home equity account debt. By contrast, the ratio was 9 percent for banks in the largest size category, on average, partly reflecting the greater proportion of such banks that offer home equity accounts. Similarly, when measured as a percentage of consumer debt plus all loan balances secured by residential property, home equity account balances were only 2 percent for the smallest banks but were 6 percent for the largest banks.

A substantially different picture of small-bank involvement in home equity accounts emerges when banks that do not offer home equity accounts are excluded (table 11). As a group, the smaller banks had ratios of home equity lending to consumer and real-estate-secured lending little

11. Home equity credit line balances as a proportion of selected loan balances at banks offering home equity accounts, by asset size of bank, December 31, 1987

Assets (millions of dollars)	Percent of total balance represented by home equity account balances	
	Consumer loans plus home equity accounts	Consumer loans plus all loans secured by homes
Less than 100	10	5
100-249	11	6
250-999	12	7
1,000 or more	11	7
All banks	11	7

SOURCE. Report of Condition for December 31, 1987.

different from the corresponding proportions for the larger banks. This result suggests that, although a lower proportion of smaller banks participate in the home equity account market, those who do so are able to generate home equity account business in about the same proportion, relative to other types of loans, as larger institutions.

ADVANTAGES OF HOME EQUITY ACCOUNTS FOR LENDERS

Home equity accounts are attractive to lenders because the accounts provide opportunities for controlling or reducing costs and for increasing revenues. For instance, when compared with other types of consumer loans, particularly other types of revolving credit, home equity accounts carry a relatively low risk of loss from default because outstanding balances are secured by the borrower's home.

Lenders might achieve additional savings if the customer could be encouraged to make draws from a home equity line in place of a series of closed-end junior mortgages or personal loans, thereby avoiding the recurrent fixed costs associated with establishing successive loans. Expenses of originating a home equity line are relatively high, but the start-up costs are often at least partially offset by initial fees. Moreover, as discussed below, the credit line customer tends to be a customer of the same institution for future borrowing needs.

Variable-rate pricing for home equity accounts appeals to lenders because the automatic adjustment of interest rates to changes in financial market conditions shifts at least some of the risk of future rate movements to the borrower. Without such adjustments, lenders would bear the entire risk of losses due to increases in their cost of funds as well as the risk that returns on alternative investments might increase while the yields on home equity loans remained fixed.

Some features of home equity accounts may help to establish a long-term relationship with the borrower. Because of the relatively high lending limits on home equity accounts, and lender willingness to raise limits over time, a borrower would ordinarily want, or be able, to obtain only one such credit arrangement. The practice of

imposing appraisal fees, loan origination fees, and the like also fosters a long-term link between borrower and lender by making it costly for consumers to shift home equity accounts from one lender to another. In the early years of home equity accounts, virtually all lenders charged initial fees. But in the heavily competitive market of the past two years, many lenders have waived or substantially reduced these fees, thereby weakening the tie between an equity line user and the initial supplier of credit. Still, the complexity of the application process itself, and in some cases the charging of close-out fees, serve as disincentives to switch lenders frequently or for slight cause.

Home equity accounts are also desirable to creditors because they provide opportunities to cross-sell other products and services, such as checking accounts, credit or debit cards, or credit insurance. For example, roughly 60 percent of creditors offering home equity accounts also offer credit life insurance, and nearly 30 percent of their customers purchase such insurance. To be sure, other loan products also afford opportunities for cross-selling, but the home equity account is particularly attractive because it delivers a higher-income, more-educated pool of prospects. Moreover, homeowners with home equity and family incomes typical of home equity accounts holders are much more likely than other homeowners to hold money market deposit accounts, certificates of deposit, individual retirement accounts, and trust accounts (table 12). The

12. Proportion of selected groups using selected financial services, 1983

Percent			
Financial service	Home-owners typical of home equity account holders ¹	All home-owners	All families
Money market deposit account	29.6	12.0	9.4
Money market mutual fund	31.8	9.2	7.5
Certificate of deposit	36.9	26.6	20.2
IRA or Keogh account	60.0	23.1	17.4
Trust account	13.6	4.4	4.0

1. \$75,000 or more in home equity and family incomes greater than \$40,000.

SOURCE: Board of Governors of the Federal Reserve System, 1983 Survey of Consumer Finances, Division of Research and Statistics.

long-term relationship with the borrower promised by home equity accounts should provide numerous opportunities for the creditor to promote these ancillary services—for example, through mailings of periodic statements. In 1987, 9 percent of larger financial institutions reported they offered reduced fees for deposit accounts or lower finance rates for other credit products to customers that have home equity lines of credit.⁷

A final attraction of home equity accounts is that the prospects for longer-term growth of such accounts appear generally favorable. Substantial latitude exists for continued substitution of home equity accounts for consumer installment credit and traditional second mortgages. As discussed, only 4 or 5 percent of homeowners already have home equity accounts. In comparison, about 62 percent of homeowners have consumer installment debt obligations.⁸ About two-thirds of this group, or two-fifths of all homeowners, had at least \$25,000 in home equity, so there is considerable room for the expansion of home equity accounts merely as a substitute for other forms of credit. Second, the phaseout by 1991 of tax deductibility for interest on nonmortgage consumer loans provides an increasing incentive for replacing other kinds of consumer loans with home equity credit. Third, a growing proportion of the baby boom population has reached the stage at which increasing homeownership, growing home equity, rising needs for credit, and relatively high income levels seem likely to favor the growth of home equity accounts.

POSSIBLE DISADVANTAGES OF HOME EQUITY ACCOUNTS FOR LENDERS

From the lender's perspective, a number of actual or potential disadvantages are associated with home equity accounts. These drawbacks mainly involve credit standards and product pricing.

Credit Standards

The intensity of competition for home equity accounts among lenders has caused some observers to question the credit standards applied in granting such loans. For example, some lenders

have been criticized for using the less costly, but also less thorough, "drive-by" method of appraisal. Lenders who rely on less-rigorous evaluations of collateral value are exposed to greater risk of default, but the actual extent of the problem is unknown. However, in addition to evaluating the collateral, almost all lenders assess the borrower's ability to repay. We estimate that 98 percent of creditors who use drive-by appraisals also evaluate a loan applicant's debt-to-income ratio. Also, some of these lenders may be extending home equity accounts to customers who already have a first mortgage or other accounts at the same institution. Such creditors may be well-equipped to gauge creditworthiness and collateral value for such applicants. Thus, in itself, the use of drive-by appraisals does not indicate an absence of prudent credit standards.

Credit problems with home equity accounts at commercial banks have been fairly limited so far. About 0.7 percent of the home equity credit lines in use were delinquent, on average, during the last three quarters of 1987. By comparison, delinquency rates during the same period averaged 2.33 percent for credit card plans and 1.72 percent for new-auto loans.⁹ However, most home equity accounts have been opened relatively recently, so the delinquency experience on them may not remain as favorable once the accounts have aged.

Pricing Problems

Aggressive competition among lenders for home equity accounts—such as low interest rates and waived or discounted fees—has attracted customers, but such competition also can impair the profitability of the accounts. Survey evidence indicates that some consumers establish the account but use it little or not at all. Other consumers, attracted mainly by the pricing concessions, might close the account before interest earnings had offset the initial costs involved or might switch to a still more attractively priced account at another institution.

To protect themselves against these risks, some lenders charge a fee when an account is closed. Other institutions gradually rebate the initial fees against interest payments instead of absorbing all of them when the account is established.

Another problem with the low interest rates on home equity accounts is that the home equity account may be used to retire higher-priced credit, such as credit card debt, held by the same lender. However, the effect of such developments on net earnings is not entirely clear, because lower gross revenue on the home equity account might be matched to some extent by reductions in costs such as bad-debt expenses.

POLICY ISSUES

The recent proliferation of home equity accounts has focused public attention on their risks and benefits to consumers and stimulated debate about appropriate public policy. One area of concern involves the appropriateness of current disclosure rules for home equity accounts. Under current provisions of the Truth-in-Lending Act and the Federal Reserve's Regulation Z, which implements that law, home equity accounts are treated in the same manner as other types of open-end credit programs for purposes of disclosure and advertising. But home equity accounts are more complex than other types of open-end credit plans and may pose a greater risk to the financial well-being of consumers if they fail to understand the terms and conditions. Consequently, some have questioned whether existing disclosure rules ensure that consumers receive timely and adequate information about the key characteristics of these accounts.

A second area of concern involves features in many home equity accounts that, critics believe, pose significant risks to borrowers or are inherently unfair and therefore should be prohibited or severely restricted.¹⁰ One feature considered unfair allows creditors to change the terms and conditions of the plan unilaterally. Provisions frequently criticized as too risky for borrowers include repayment schedules, such as interest-only payment options, that may result in balloon payments and clauses allowing the creditor to terminate the account and demand full payment of the outstanding balance at any time.

Financial institutions and their trade associations have responded to some of the concerns raised about home equity accounts. For example, in December 1986 the American Bankers

Association (ABA) issued guidelines for lenders regarding proper advertising of home equity accounts. The ABA also has developed an educational brochure about home equity loans for distribution to consumers. Efforts to guide lenders and educate consumers regarding home equity accounts have also been made by the Consumer Bankers Association, the Credit Union National Association, and the U.S. League of Savings Institutions.¹¹

The Congress and the Federal Reserve Board have responded to the concerns raised about home equity accounts. The Congress currently is considering several bills that would amend the Truth-in-Lending Act to require creditors to provide prospective loan applicants with specific disclosures about home equity accounts.¹² These bills also would require creditors to provide consumers with a copy of an information brochure published by the Federal Reserve (or a suitable substitute) that describes how home equity accounts operate.

The Federal Reserve Board has issued proposed revisions to Regulation Z that would require home equity account creditors to provide disclosures when they give an application form to the consumer or before the consumer pays a nonrefundable fee, whichever is earlier. The Board also has proposed requiring that creditors distribute educational brochures explaining some of the key characteristics and potential risks associated with home equity plans. The Board's action reflects a view that providing enhanced disclosures about home equity lines at an earlier point in the credit approval process than is now required will help consumers understand and shop for this type of credit. Although the proposed rules would impose some additional costs on creditors, better-informed consumers are more likely to be cautious in their use of home equity accounts and therefore will be less likely to overextend themselves. Minimizing such problems would benefit consumers and creditors alike.

The Congress has considered other provisions that would restrict or prohibit credit terms that are commonly available under many home equity plans. For example, the Congress has enacted legislation potentially affecting the level of finance rates charged on home equity accounts.

As already mentioned, the Competitive Equality Banking Act of 1987 requires creditors to establish an interest rate ceiling applicable to all adjustable-rate mortgages secured by a consumer's dwelling, including home equity accounts. The practical effects of this rule are unclear because creditors are free to select whatever rate ceiling they choose. That rate, of course, would be subject to competitive market forces and, in some instances, to state usury laws, but would not be limited in any way by the Competitive Equality Banking Act.

Both S. 3456 and H.R. 3468 contain provisions that would limit some of the credit terms currently available on home equity accounts. For example, H.R. 3468 would require consumers to follow a fixed payment schedule that would fully amortize the principal and interest in connection with each separate credit extension under a home equity account over a specified period of time. This provision would eliminate options for non-amortizing payment schedules, which result in balloon payments. The bill also would limit the size of increases in the interest rate to no more than 2 percentage points per year and would require that introductory or promotional interest rates remain in effect for at least one year. Another provision of the bill would prohibit creditors from offering credit lines in excess of 75 percent of the equity in the home (its fair market value less all secured debts).

Provisions such as those in H.R. 3468 that restrict the credit terms of home equity accounts would result in major changes in the structure of the home equity plans offered by most financial institutions. For example, restrictions on repayment options, such as prohibiting interest-only plans and requiring all advances to be repaid under fixed amortization schedules, would reduce the flexibility now afforded borrowers. Consumers who prefer more flexible repayment options and who could use them prudently would be inconvenienced by having to abide by more rigid terms. Similarly, the proposed limitation of credit lines on home equity accounts to 75 percent of equity might hamper consumers who would like to obtain a larger credit line. Although such consumers could seek additional credit from other sources, the loans might bear higher interest rates and in any case would involve the

inconvenience and cost associated with making another credit application. In the absence of evidence that such restrictions are necessary to prevent misleading or abusive practices, the Federal Reserve Board testified before the Congress in opposition to regulations that would place these restrictions on home equity accounts.¹³

AGGREGATE CONSUMPTION AND BORROWING

Whether the availability of large equity-secured lines of credit affects the consumption or borrowing behavior of individual households has been an element of the public discussion of home equity accounts. This issue has implications for the pattern and aggregate level of economic activity. The following discussion briefly addresses some theoretical and empirical aspects of the interactions between home equity accounts and aggregate consumption and borrowing behavior.

Perhaps the most widely used descriptive model of consumer behavior is the "life-cycle" model, which asserts that consumers plan their spending with a view toward the earnings they expect to achieve over their lifetimes. During the early years of family formation, when needs are substantial and future earnings are expected to rise appreciably with work experience, families might spend beyond the limits of current income by borrowing. Later, during years of greater earning power, families build up assets by saving part of their income, and these accumulated assets then finance consumption during old age when labor income falls.

Under a life-cycle model, the willingness of a lender to provide someone credit under a home equity account generally would not alter that person's pattern of consumption, because the availability of credit would not affect a person's income prospects or asset values. Of course, if households in the early stage of their life cycles were unable to consume along a preferred path because of impediments to borrowing, development of a new source of credit could stimulate increased consumption in the short run. By and large, though, it would appear that home equity accounts do not greatly alter the liquidity con-

straints on consumption activity. Although home equity accounts clearly have advantages in convenience and flexibility, equity-secured credit has long been available through traditional second mortgages, at interest rates not much higher than those on the newer, open-end instruments.

In theory, the rapid growth of borrowing against home equity accounts could be adding to the total stock of household debt, or it could be substituting for other types of credit with little effect on the aggregate borrowing by households. An indication that debt under home equity accounts primarily has substituted for consumer debt is provided by statistical models designed to project the separate growth paths of consumer and home mortgage debt. We "explained" historical patterns for each credit aggregate through 1984 (that is, before the period of rapid growth of home equity accounts) by their correlation with such economic variables as outlays for housing construction, personal consumption expenditure, the proportion of spending devoted to consumer durables, mortgage interest rates, and the like.

We then projected the historical relationships into 1985–87 to obtain rates of credit growth that would have been expected to prevail in the absence of home equity accounts. The projected growth in consumer credit was stronger than actually occurred, and the projected growth in mortgage debt (of which debt under home equity accounts is a part) was weaker than actually took place. Moreover, when the projected amounts for mortgage and consumer credit were added together, the growth path of this series closely matched the path for the actual total of mortgage and consumer debt. This result suggests that consumers shifted from using consumer debt to a form of mortgage debt but that they did not much increase their total borrowing.

The purposes for which individuals say they have used home equity accounts also suggest that this credit instrument has proved to be more of a substitute for traditional means of borrowing than a supplement to them. As reported above, the most prevalent initial use that survey respondents had for their equity lines was to pay off existing loans, which doesn't expand total indebtedness, and to finance home improvements,

which may primarily entail substitution of open-end for closed-end second mortgage credit.

APPENDIX A: SURVEY OF CONSUMER ATTITUDES

To obtain information on the prevalence of home equity accounts and their use by homeowners, the Federal Reserve Board developed questions that were included in the March, April, September, and October 1987 rounds of the Survey of Consumer Attitudes, conducted by the Survey Research Center, University of Michigan. Interviews were conducted by telephone, with telephone numbers chosen from a cluster sample of residential numbers. The sample was chosen to be broadly representative of the four major regions—Northeast, North Central, South, and West—in proportion to their populations (Alaska and Hawaii were not included). At each telephone number drawn, an adult from the family was randomly selected as the respondent.

The survey defines the family to be any group of persons living together who are related by marriage, blood, or adoption, and any individual living alone or with persons to whom the individual is not related. The head of the family is defined as the individual living alone, the male of a married couple, or the adult in a family with more than one person and only one adult. Generally, when there is no married couple and more than one adult, the head is the economically dominant person or the one closest to age 45. Adults are persons aged 18 years or more.

Together the surveys sampled 2,454 families, 1,746 of whom were homeowners. Overall, 96 homeowners reported having home equity accounts. The survey data have been weighted to be representative of the population, thereby correcting for differences among families in the probability of their being selected as survey respondents. Estimates of population characteristics derived from samples are subject to errors based on the degree to which the sample differs from the general population. Table A.1 indicates the sampling errors for proportions derived from samples of different sizes.

A.1 Approximate sampling errors of survey results, by size of sample¹

Percentage points

Survey result (percent)	Size of sample		
	100	300	2,500
50	10.5	6.2	2.6
30 or 70	9.6	5.7	2.4
20 or 80	8.4	4.9	2.1
10 or 90	6.3	3.7	1.6
5 or 95	4.6	2.7	1.1

1. Ninety-five percent confidence level, 1.96 standard errors.

APPENDIX B:
HOME EQUITY LENDING SURVEY

To obtain current information on developments in the market for home equity accounts, the Center for Financial Services Studies of the McIntire School of Commerce, University of Virginia, surveyed 1,476 financial institutions in 1987.¹⁴ The Consumer Bankers Association, sponsor of the study, plans to repeat the survey.

Conducted by mail in June 1987, the survey covered a stratified systematic sample of financial institutions in the United States that had assets of at least \$100 million. The groups receiving questionnaires were all commercial banks with assets of more than \$250 million (954 banks), a random sample of 411 commercial banks drawn from the 1,645 banks in the \$100 million to \$250 million asset size category, and the 111 largest thrift institutions in the United States. From the total sample of 1,476 financial institutions, 302 responses were received.

NOTES

1. Trans Data Corporation, *Home Equity Lines of Credit: Structure, Marketing and Performance* (Salisbury, Md.: Trans Data, 1987), p. 17.

2. John H. Lindgren, Jr., Richard F. DeMong, and Sandra L. Schmidt, *Consumer Bankers Association Home Equity Lending Survey, Year-End 1986*, conducted by the Center for Financial Services Studies, McIntire School of Commerce, University of Virginia (Arlington, Va.: Consumer Bankers Association, n.d.). Unless otherwise noted, the data we report are from this survey; also, estimates we report as our own are based on the data in this survey.

3. Trans Data, *Home Equity Lines of Credit*, table 32, p. 36. Also, see Lindgren and others, *Home Equity Lending Survey*, for a description of the proportion of creditors that charge specific types of fees.

4. Trans Data, *Home Equity Lines of Credit*, table 24, p. 26.

5. Ibid., table 6, p. 9.

6. A more precise estimate of total home equity debt outstanding could be derived if consistent estimates of average balances at different types of institutions were available. However, evidence about average account sizes is mixed.

7. Trans Data, *Home Equity Lines of Credit*, table 28, p. 32.

8. Data as of 1986 for homeowners 25 or more years of age. Computed from data on interviews with 2,822 families (Board of Governors of the Federal Reserve System, 1986 Survey of Consumer Finances, Division of Research and Statistics.)

9. Various issues of the "Consumer Credit Delinquency Bulletin," published by the American Bankers Association, Washington, D.C. For each credit type, the delinquency rate is the number of loans delinquent 30 days or more as a percentage of the total number of loans outstanding.

10. The Consumer Federation of America and Consumers Union have argued for substantive regulation. See Stephen Brobeck and Tom Ciaglo, *Home Equity Loan Survey* (Washington, D.C.: Consumer Federation of America, May 1987); and Consumers Union, *The Inequities of Home Equity Lines of Credit: A Survey of Lenders in Three Major Metropolitan Areas* (Washington, D.C.: Consumers Union, May 1987). See also Robert M. Garsson, "Home Equity Safeguards Sought," *American Banker*, May 18, 1987, pp. 15, 18; and Thomas Durkin, "Home Equity Credit Lines in Perspective," *Finance Facts*, June-July 1987.

11. Another brochure about home equity accounts was recently issued for consumers by the American Institute of Certified Public Accountants in cooperation with the U.S. Office of Consumer Affairs and the Council of Better Business Bureaus' Foundation.

12. H.R. 3011, the Home Equity Loan Consumer Protection Act, originally introduced on July 23, 1987, was revised and reintroduced on December 26, 1987. H.R. 3468, the Home Equity Loan Disclosure Act of 1987, was introduced on October 9, 1987. S. 3456, the Home Equity Loan Consumer Protection Act of 1988, passed the Senate on March 30, 1988.

13. For testimony on H.R. 3011, see "Statement by Martha R. Seger, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Consumer Affairs and Coinage of the Committee on Banking, Finance and Urban Affairs, U.S. House of Representatives, October 6, 1987," *FEDERAL RESERVE BULLETIN*, vol. 73 (December 1987), pp. 910-13; for testimony on H.R. 3011 and on H.R. 3468, see "Statement by Martha R. Seger, Member, Board of Governors of the Federal Reserve System, before the Subcommittee on Consumer Affairs of the Committee on Banking, Housing, and Urban Affairs, U.S. Senate, November 18, 1987," *FEDERAL RESERVE BULLETIN*, vol. 74 (January 1988), pp. 27-31.

14. Lindgren and others, *Home Equity Lending Survey*. Copies of the executive summary are available from the Consumer Bankers Association, 1300 N. 17th St., Arlington, VA 22209-3880.

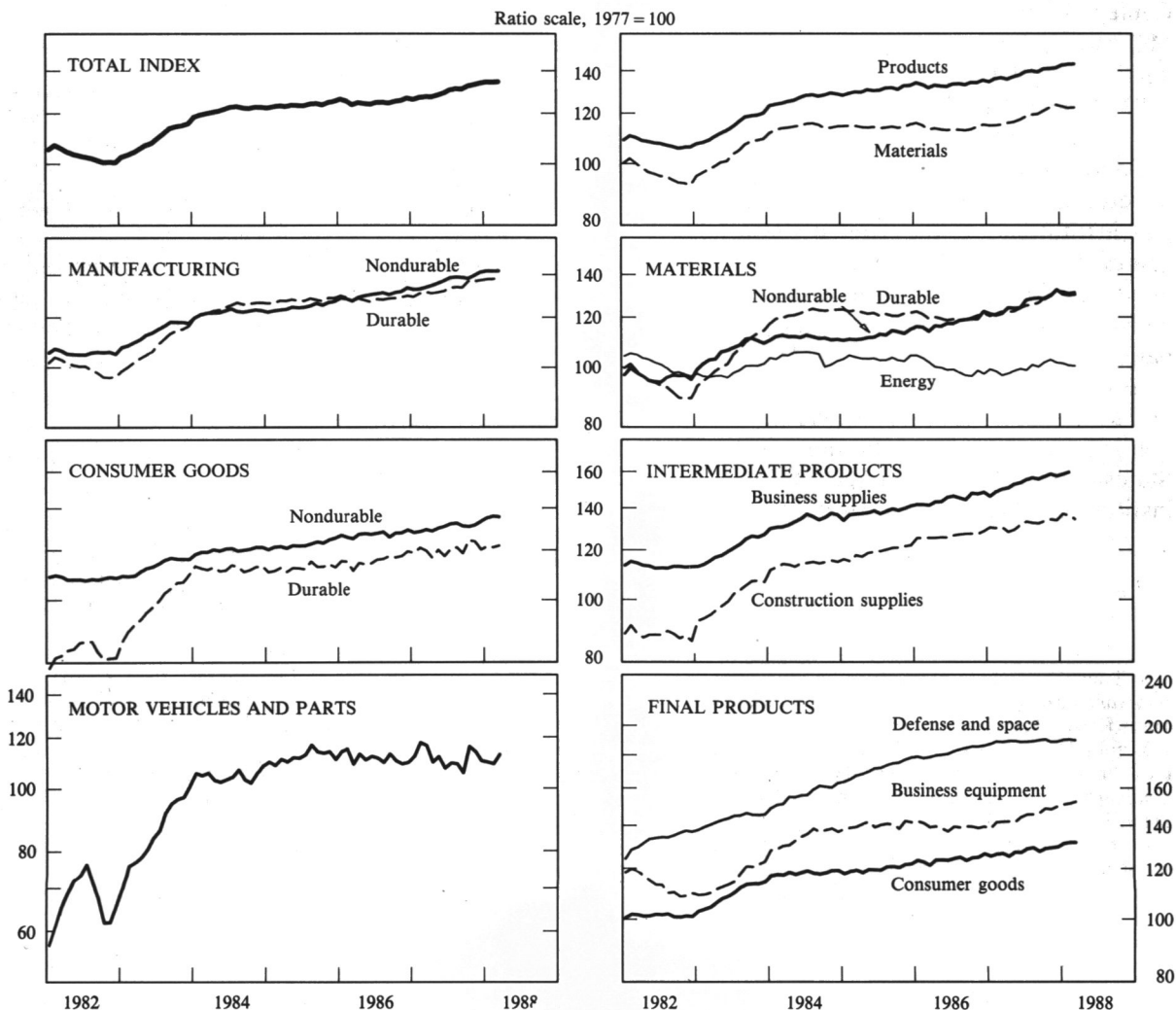
Industrial Production

Released for publication April 15

Industrial production edged up 0.1 percent in March, after no change in the index in February. Gains in business equipment and a pickup in motor vehicle assemblies during March were about offset by weakness in construction supplies and nonauto consumer goods. Output of materials edged up 0.2 percent in March, after

two months of declines. At 134.6 percent of the 1977 average, the total index in March was 5.6 percent higher than it was a year earlier.

In market groups, production of consumer goods was unchanged in March. Automobile assemblies rebounded to an annual rate of 6.6 million units from February's rate of 6.1 million units. Truck production also increased. But production of consumer home goods, which has



All series are seasonally adjusted. Latest figures: March.

Group	1977 = 100		Percentage change from preceding month					Percentage change, Mar. 1987 to Mar. 1988
	1988		1987		1988			
	Feb.	Mar.	Nov.	Dec.	Jan.	Feb.	Mar.	
	Major market groups							
Total industrial production	134.4	134.6	.5	.5	.4	.0	.1	5.6
Products, total.....	143.2	143.3	.1	.2	1.0	.3	.1	5.1
Final products.....	141.6	141.9	-.1	.4	.9	.3	.2	5.0
Consumer goods.....	131.9	131.9	.3	.3	1.2	.4	.0	4.0
Durable.....	121.2	122.0	-.4	-2.9	1.1	-.2	.6	1.9
Nondurable.....	135.8	135.5	.5	1.4	1.3	.6	-.2	4.8
Business equipment.....	151.4	152.4	-.2	1.0	.7	.3	.6	7.4
Defense and space.....	190.3	189.8	-.8	.1	.6	.1	-.3	.6
Intermediate products.....	148.8	148.3	.8	-.5	1.4	.2	-.3	5.2
Construction supplies.....	136.2	134.4	.7	-.3	2.3	-.5	-1.3	3.0
Materials	122.4	122.6	1.1	1.0	-.6	-.5	.2	6.4
	Major industry groups							
Manufacturing.....	139.5	139.8	.4	.7	.4	.0	.2	5.6
Durable	137.9	138.3	-.1	.4	.3	.1	.3	5.2
Nondurable	141.8	141.9	1.1	1.2	.4	.0	.0	6.1
Mining.....	101.9	102.3	1.0	-.1	-1.6	-1.0	.4	4.1
Utilities.....	115.8	114.4	1.0	-1.3	3.1	.5	-1.2	6.1

NOTE. Indexes are seasonally adjusted.

been weak since late last year, declined further, and output of consumer goods was cut back. Business equipment rose 0.6 percent; all major categories advanced, with the most significant gains in manufacturing equipment and motor vehicles for business use. Production of defense

and space equipment remained sluggish. Output of construction supplies fell for the second successive month, retracing some of the large January gain. After having surged in the second half of 1987, production of materials dropped back in January and February but rose moderately last month. The March levels of output of chemical and textile materials and basic metals—particularly steel—remained below levels for December 1987.

In industry groups, manufacturing output increased 0.2 percent in March. Durable manufacturing increased 0.3 percent, while nondurable manufacturing was unchanged. Production at utilities was down 1.2 percent, and mining output increased 0.4 percent.

Total industrial production—Revisions

Estimates as shown last month and current estimates

Month	Index (1977=100)		Percentage change from previous months	
	Previous	Current	Previous	Current
December.....	133.8	133.9	.5	.5
January.....	134.2	134.4	.3	.4
February.....	134.4	134.4	.2	.0
March.....	...	134.6	...	.1

Statement to Congress

Statement by William Taylor, Staff Director, Division of Banking Supervision and Regulation, Board of Governors of the Federal Reserve System, before the Subcommittee on General Oversight and Investigations of the Committee on Banking, Finance and Urban Affairs, House of Representatives, April 21, 1988.

I appreciate the opportunity to appear before this committee on behalf of the Board of Governors to discuss ongoing supervisory efforts to develop a risk-based framework for assessing the capital adequacy of commercial banking organizations.

As has been reported to this committee in the past, the Federal Reserve, together with the other federal banking agencies, has been working for some time on an approach for assessing capital adequacy that takes into account differences in risk profiles among banking organizations. Early last year, U.S. supervisory authorities issued for comment, jointly with the Bank of England, a risk-based capital proposal applicable to all U.S. and U.K. banking organizations. Action on this proposal was deferred in an effort to enlist the participation of a larger number of countries in the development of a more broadly based international framework.

An important measure of progress toward this goal was achieved last December when the central bank governors from the Group of Ten industrial countries endorsed a proposed framework developed jointly by the regulatory authorities represented on the Basle Supervisors' Committee.¹ This proposal, which supersedes the earlier U.S.-U.K. measure, is currently being reviewed, or has been published for public

comment, in each of the G-10 countries. The international framework and the implementing guidelines being proposed by the U.S. banking authorities incorporate many of the public comments received in response to prior risk-based capital proposals—although we recognize that additional comments and important issues will have to be carefully considered and discussed internationally before a final standard is adopted. It is our hope and expectation that the framework, with whatever modifications and refinements are deemed necessary, will be put into place by most or all of the major industrial countries by the end of this year or early next year.

The Board has long believed that capital adequacy is a particularly important factor in promoting the soundness of individual banking organizations as well as the health and stability of the banking and financial system. For this reason we have implemented policies and procedures over the years—both in connection with on-site examinations and in the review of regulatory applications—designed to encourage institutions, when necessary, to strengthen their capital positions. In this regard, the risk-based capital proposal represents a continuation of our ongoing efforts to ensure that banks are adequately capitalized and that our supervisory policies are responsive to changing practices and trends within the banking system.

Equally important, however, is the element of international cooperation that lies at the heart of this proposal. Indeed, development of the risk-based framework in conjunction with central bank and supervisory authorities from the major industrial countries represents a significant cooperative step at the international level toward greater harmonization of important supervisory standards among nations with major financial centers. This is particularly important in view of the growing internationalization of banking and financial markets around the world. The risk-

1. The Basle Supervisors' Committee consists of representatives of the central banks and supervisory authorities from the Group of Ten countries (Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, the United Kingdom, and the United States), Switzerland, and Luxembourg.

based capital proposal underscores the common interests that supervisors from the leading industrial countries share in fostering a stable and resilient international banking system and in reducing sources of competitive inequality for international banking organizations that stem from differences in national supervisory requirements.

Before addressing the risk-based capital proposal and related issues in greater detail, I would like to make some general observations about the Federal Reserve's supervisory policies on capital adequacy and why we believe movement to a risk-based standard is particularly important and timely.

BACKGROUND

As I have indicated, the Board has long viewed adequate capital as a critical determinant of the health of our nation's banking institutions—a view that I know is shared by many members of the Congress. The capital ratios of some of our larger banking organizations declined throughout most of the period from the early 1970s to the early 1980s. This was due, in part, to the rapid growth in assets, including the overseas loans of these institutions, the effect of intensified foreign and domestic competition on profit margins, and the adverse impact of inflation on bank balance sheets. These developments, together with increasing concern about the level of bank risks both domestically and internationally, led the Federal Reserve, in conjunction with the other federal banking agencies, to establish formal supervisory standards on minimum acceptable levels of capital.

These standards, stated in terms of the ratio of primary capital (equity plus loan-loss reserves and mandatory convertible debt securities) to total assets, were designed to establish a floor below which a banking organization's capital, under normal circumstances, would not be allowed to fall. In adopting these guidelines, the Federal Reserve indicated that it would modify its examination and regulatory policies to encourage organizations that did not meet the minimums to strengthen their capital bases over time. In our view, this program achieved an

important measure of success—since the end of 1981, the average ratio of primary capital (net of intangible assets) to total assets for the 50 largest U.S. banking organizations has risen from well below 5 percent to more than 7 percent today.

As we are all well aware, however, the difficulties and challenges facing banking organizations also increased during this period. Since the beginning of this decade, our banking system has been confronted with asset quality problems relating to the energy, agriculture, real estate, and export sectors of our economy and to a deterioration in the condition of some less developed country (LDC) borrowers. These conditions have led to a significant increase in the number of problem institutions and record levels of bank failures. While all of this has been happening, the environment in which banks operate has also been undergoing rapid change. Banking organizations today must cope with greater volatility in financial markets; intensified competition from both domestic and foreign banks, as well as nonbank financial institutions; the increasing size, complexity, and speed of financial transactions; accelerating financial and technological innovation; the rapid growth and widespread use of off-balance-sheet financing techniques; and an existing legal framework that hampers the ability of U.S. banking organizations to compete effectively in the provision of important financial services.

The pressures facing many banking organizations and the conditions that I have just described underscore the importance of strengthening capital ratios and suggest that the increase in primary capital to which I have alluded does not, by itself, give a complete picture of the capital adequacy of our nation's commercial banking organizations. For example, our traditional ratios of primary capital to total assets do not take explicit account of the growth of off-balance-sheet items; nor do they recognize differences in the level of risk among broad categories of bank assets. Moreover, primary capital includes certain convertible debt instruments and loan-loss reserves, whose relative roles in primary capital have changed as a result of heavy loan-loss provisions relating to LDC exposure and to other asset quality problems. At the same time, there

has been a decline in stockholders' equity in many of our larger institutions; in some cases, ratios of common equity to total assets have fallen below 4 percent—roughly the level at which they stood in the late 1970s and early 1980s.

Taken together, these developments suggest the need for a measure of capital adequacy that is more sensitive to broad differences in the degree of risk associated with a bank's assets, including the existence of off-balance-sheet exposures, and that addresses the changes that have been taking place in the composition and quality of bank capital.

Another major factor in the development of an international risk-based capital framework is the growing globalization of banking and financial markets. Over the last decade or more, U.S. banking organizations have increasingly found themselves in direct competition—both in this country and abroad—with major banking organizations from other countries. Moreover, technological advances and deregulation have resulted in increasingly complex financial linkages and trading relationships among the world's major financial centers. Given these developments, we simply cannot ignore the impact of differing regulatory standards on U.S. banks' ability to compete worldwide. More consistent supervisory standards among countries can contribute to greater competitive equality and, in the long run, to a safer and more stable international banking system.

The Congress, too, as you are well aware, recognized this situation in passing the International Lending Supervision Act of 1983. One of the major goals of this legislation was to strengthen the bank regulatory framework by encouraging greater coordination among regulatory authorities in different countries. In this regard, the act instructed U.S. banking authorities to work with governments, central banks, and regulatory authorities of other major countries in an effort to maintain and, when necessary, strengthen the capital positions of banking organizations involved in international lending. The active role played by U.S. regulators in formulating the international proposal represents an important step in carrying out the congressional mandate.

RISK-BASED CAPITAL FRAMEWORK

I would now like to summarize the major elements of the risk-based capital proposal and some of the issues relating to its implementation by the Federal Reserve.

Briefly stated, the risk-based capital framework comprises the following four elements:

1. A consistent international definition of core or common equity capital and a "menu" of recognized noncommon equity components that, at the discretion of the national supervisor, can supplement the equity capital base.

2. A framework for relating capital requirements in a more systematic fashion to broad risk considerations, including risks associated with off-balance-sheet activities.

3. A schedule for achieving a minimum ratio of total capital to weighted risk assets of 7.25 percent by 1990—of which at least 3.25 percentage points should be in the form of common stockholders' equity; and 8.0 percent by 1992—of which at least 4.0 percentage points should be in the form of common stock.

4. Transitional arrangements designed to provide a reasonable amount of time for organizations to bring their capital positions into conformity with the risk-based framework.

Proposed guidelines for implementing this framework for U.S. banking organizations have been issued for public comment, and I can assure you that the Federal Reserve will, as in the past, carefully consider these comments before continuing our international discussions on the final shape of the risk-based capital framework.

Time does not permit me to address the risk-based capital proposal in detail; however, there are several important general observations that I would like to make concerning the development and implementation of the standard.

Perhaps more significant than any specific provision or detail of the proposal is the recognition of the importance of international cooperation in achieving key supervisory goals. These goals are to encourage banking organizations, in particular large international institutions, to strengthen their capital positions when necessary, and to reduce sources of competitive inequality arising from significant differences in national supervisory requirements. We believe that the develop-

ment of the risk-based capital framework has contributed importantly not only to the realization of these goals, but also to strengthening and broadening the process of international cooperation itself—a point that is particularly important in light of increasing financial volatility and the growing internationalization of banking and financial markets.

The risk-based capital proposal is in some respects quite complex—indeed development of the framework required judgments and compromises on several complicated supervisory issues and difficult decisions at the margin. Nonetheless, we believe that implementation of the risk-based capital framework will improve our existing capital policies in two important respects:

1. The framework will require that any significant credit risks associated with off-balance-sheet items, including many of the more recent and innovative financial instruments, as well as more traditional contingencies and guarantees, be subject to minimum capital requirements.

2. The framework removes disincentives to holding liquid, low-risk assets by explicitly recognizing that assets such as cash, government securities, and liquid interbank claims require less capital support than do standard commercial loans. This is done by assigning assets and off-balance-sheet exposures to one of five risk categories based upon broad distinctions in relative credit riskiness. Unlike our current ratios, which treat all assets alike, the risk-based framework will apply lower risk weights and, therefore, establish lower capital requirements for those assets that involve credit risks that are less than normal.

While reasonable people may differ on certain details of the proposal, we believe that explicit recognition of off-balance-sheet exposures and differences in credit risk among major categories of assets will give clearer and more rational supervisory signals on the need to support risk-taking with adequate capital.

The risk-based capital proposal also addresses the composition of capital. In doing this, the proposal emphasizes the importance of a strong base of common stockholders' equity—requiring that, after the transition period, at least one-half of a bank's total capital be made up of this component—while giving appropriate credit,

subject to certain limitations, for the strength provided by other (supplementary) elements of bank capital, such as preferred stock, subordinated debt, and loan-loss reserves. The important role played by common equity capital reflects the fact that this component is both freely available to absorb unanticipated losses *and* provides maximum strength and flexibility to an organization when it is experiencing losses or other financial pressures.

The determination of what constitutes an “adequate” level of capital for banking organizations is obviously a difficult judgment that requires consideration of several complex factors. The major function of capital, of course, is to absorb unanticipated losses, thereby lessening the probability of bank failures and minimizing the attendant economic and social costs stemming from bank closings. In this regard, we believe that the equity and total capital standards incorporated in the risk-based capital framework should be viewed as minimums. Our experience suggests that banking organizations should endeavor to operate above these minimum standards if they are to maintain a critical buffer of safety during periods of financial strain or prolonged adversity. Indeed, banking organizations with strong capital bases are better positioned to withstand financial shocks, including large losses, and, other things equal, have more time to resolve their asset or earnings problems than those organizations with thin or marginal capital positions.

In general, the overwhelming majority of community and regional banking organizations will have little difficulty meeting the standards incorporated in the risk-based capital proposal. For those organizations that do have to raise additional capital, including some large institutions, the transitional arrangements and phase-in period should provide a reasonable amount of time to bring their capital bases into compliance with the minimum risk-based standards.

Another point that I would like to address relates to the manner in which the Federal Reserve is proposing to apply the risk-based capital ratio. The international proposal was designed to address the activities of international banking organizations and those institutions engaged in off-balance-sheet activities, although national supervisory authorities have the latitude to apply

the framework more broadly to banks under their jurisdiction. Because the fundamental principle of relating capital needs to risk considerations has wide applicability, we are proposing to employ the general framework in evaluating the capital adequacy of all U.S. banking organizations, regardless of size—although we intend to minimize any unnecessary burden or disruption the framework could entail, particularly for small institutions.

In accord with reasonable and prudent transitional arrangements, we also intend to apply the framework in analyzing the capital positions of foreign banks seeking to make acquisitions in the United States. This application is consistent with our nation's policy of national treatment in that it requires foreign banks operating in this country to be held to essentially the same standards of financial strength and soundness that apply to domestic institutions.

While the risk-based capital proposal establishes a broadly consistent framework for use in the leading industrial countries, it does not mandate rigid uniformity among countries. Instead, the proposal provides a degree of flexibility to national supervisory authorities to accommodate certain differences among countries in accounting conventions, the structure and evolution of banking and financial markets, and supervisory techniques and methodologies. Moreover, the proposal acknowledges that the evaluation of capital ratios is but one step in the overall assessment of capital adequacy. Any final judgment of an organization's capital position must take account of many other important factors that are not included in the risk-based capital calculation. These factors include the level and severity of an organization's problem assets, liquidity, exposure to interest rate movements, the level and trend of earnings, and the quality of an institution's internal systems and controls.

Ultimately, of course, no single index or ratio by itself can capture all of the critical factors that go into the assessment of capital adequacy. We believe, however, that by emphasizing the importance of a minimum base of equity capital and by making the assessment of capital needs more

systematically sensitive to risk considerations, including the risks associated with off-balance activities, the risk-based capital framework represents a significant strengthening of our supervisory policies for assessing capital adequacy. Certainly development of the framework underscores the critical role of capital in helping banking organizations withstand financial stress and weather prolonged periods of economic adversity—a point that is important for both small community or regional banking institutions as well as large international organizations.

In a very important sense, both bank regulators and bankers themselves share a common interest in the level of bank capital. The maintenance of strong capital positions need not be a burden or hamper a bank's ability to compete. Indeed banking organizations with strong core capital positions are often effective competitors with good earnings and sound asset portfolios. This is not surprising since a significant commitment of resources by the shareholder-owners gives them a particularly strong incentive to oversee the affairs of their bank. To be sure, strong capital positions may actually give institutions a competitive advantage during periods in which customers, depositors, or investors seek stability and fundamental strength as well as convenience and high returns. Moreover, strong capital can serve not only as a critical cushion to help banks weather the kinds of pressures experienced in the 1980s, but it can also provide banks with the financial strength to adapt successfully to future changes—changes that we hope and expect will involve additional powers and new opportunities to compete more freely in the provision of banking and financial services.

In the end, our banking organizations will be stronger and more competitive, and the international banking system more resistant to financial strains, if bank supervisory authorities from the major countries cooperate in the establishment of consistent and credible standards for the assessment of bank capital adequacy. I believe the risk-based capital proposal constitutes an important and constructive step in this direction.

Announcements

SUPERVISORY POLICY STATEMENT ISSUED

The Federal Reserve Board issued on April 20, 1988, a supervisory policy statement regarding selection of securities dealers and unsuitable investment practices.

The purpose of this supervisory policy is to provide state member banks with recommended procedures to be used in the selection of a securities dealer and to advise them of certain securities practices that are viewed by federal banking regulators as unsuitable for an investment portfolio.

In addition, the supervisory policy discusses several types of securities with very volatile prices and high risk characteristics that, therefore, may be unsuitable for an institution's investment portfolio, particularly if held in significant amounts.

ANNUAL REPORT ON PRICED SERVICE OPERATIONS ISSUED

The Federal Reserve Board issued on April 12, 1988, a report summarizing developments in the priced services areas for 1987, including detailed financial results of providing those services.

The Board issues a report on priced services annually and a priced service balance sheet and income statement quarterly in the *FEDERAL RESERVE BULLETIN*. The financial statements are designed to reflect standard accounting practices, taking into account the nature of the Federal Reserve's activities and its unique position in this field.

BANK HOLDING COMPANY SUPERVISION MANUAL: SUPPLEMENT 1 NOW AVAILABLE

The *Bank Holding Company Supervision Manual* was recently revised and updated by the

Division of Banking Supervision and Regulation. The update, Supplement 1, includes supervisory developments, regulatory requirements, policies, Board orders, and inspection procedures adopted through September 1987. The December 1987 "Guidelines for Real Estate Appraisal Policies and Review Procedures" are also included. The entire text was revised and published in December 1986 and was made available for purchase by the public and all previous subscribers at a cost of \$40.00 per copy. Supplement 1 will be mailed, free of charge, to all previous subscribers who paid the \$40.00 fee for the December 1986 publication. Copies may be ordered from Publications Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551 (tel. 202-452-3245).

When Supplement 1 is received, please refer to Sections 1040.0 and 1050.0 for the summary of changes and filing instructions. Comments and suggestions on the manual's contents should be directed to the Staff Director, Division of Banking Supervision and Regulation, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

If Supplement 1 is not received and the \$40.00 subscription fee has been paid, please contact Publications Services.

APPENDIX APPROVED FOR PROPOSED REGULATION CC

The Federal Reserve Board has approved Appendix D of proposed Regulation CC, which sets out endorsement standards to be used by banks—defined in the proposed regulation as all depository institutions—when processing checks for collection and return.

These standards will become effective on September 1, 1988, and are being made public before the adoption of the remainder of Regulation CC

to allow banks the maximum amount of time possible to comply.

PROPOSED ACTIONS

The Federal Reserve Board issued for public comment on April 5, 1988, a proposed concept of same-day payment for checks presented to paying banks by private-sector collecting banks.

Under the proposed concept, paying banks would pay for checks presented by collecting banks prior to 2:00 p.m. in same-day final funds, without the imposition of presentment fees.

Based upon the comments received, a specific proposal may be developed, which could be issued for public comment before establishment of formal rules on this issue. Comments should be submitted to the Board by August 3, 1988. Specific comment is requested on five aspects of same-day payment:

- What is the potential demand for same-day payment and the anticipated public benefits if it were implemented?
- What operational characteristics should a same-day payment arrangement assume?
- What impact would same-day payment have on various parties, and on the overall check collection system?
- What are the factors affecting risk arising from same-day payment?
- Are there alternatives to the same-day payment arrangement?

The Federal Reserve Board also issued for public comment on April 20, 1988, a proposed amendment to Regulation T (Credit by Brokers and Dealers) to make certain foreign sovereign debt securities marginable. Comments were to be submitted to the Board by May 27, 1988.

REVISED LIST OF OTC STOCKS SUBJECT TO MARGIN REGULATIONS NOW AVAILABLE

The Federal Reserve published on April 22, 1988, a revised list of over-the-counter (OTC) stocks

that are subject to its margin regulations, effective May 9, 1988.

The List of Marginable OTC Stocks supersedes the revised List of Marginable OTC Stocks that was effective on February 8, 1988. Changes that have been made in the list, which now includes 3,215 OTC stocks, are as follows: 75 stocks have been included for the first time, 62 under National Market System (NMS) designation; 55 stocks previously on the list have been removed for substantially failing to meet the requirements for continued listing; 81 stocks have been removed for reasons such as listing on a national securities exchange or involvement in an acquisition.

The list includes all over-the-counter securities designated by the Board pursuant to its established criteria as well as all stocks designated as NMS securities for which transaction reports are required to be made pursuant to an effective transaction reporting plan. Additional OTC securities may be designated as NMS securities in the interim between the Board's quarterly publications and will be immediately marginable. The next publication of the Board's list is scheduled for August 1988.

Besides NMS-designated securities, the Board will continue to monitor the market activity of other OTC stocks to determine which stocks meet the requirements for inclusion and continued inclusion on the list.

SYSTEM MEMBERSHIP: ADMISSION OF STATE BANKS

The following state banks were admitted to membership in the Federal Reserve System during the period April 1 through April 30, 1988:

Florida

Sarasota West Coast Bank of Sarasota

Ohio

Chardon First County Bank

Virginia

Leesburg Bank of Loudoun

Mechanicsville. Hanover Bank

Legal Developments

FINAL RULE—REGULATION CC

The Board of Governors has adopted a standard form of indorsement for use by banks (defined in the proposed regulation to include all depository institutions as well as branches of foreign banks in the United States) when indorsing checks during the collection and return process. The new standard is designed to provide for clear and uniform indorsements for all collecting and returning banks, plus a unique standard for depository bank indorsements. The standard will facilitate the identification of the depository bank and the prompt return of unpaid checks. This standard will be part of Regulation CC—Availability of Funds and Collection of Checks (12 C.F.R. Part 229) which the Board proposed for comment in December 1987. The Board expects to act on the remainder of Regulation CC in May 1988; it has adopted the indorsement standard now to give banks and equipment vendors additional time to comply with the standard.

Effective September 1, 1988, the Board adopts a final rule to Regulation CC as follows:

Part 229—Availability of Funds and Collection of Checks

1. The authority citation for 12 C.F.R. Part 229 continues to read as follows:

Authority: Title VI of Pub. L. No. 100–86, 101 Stat. 552, 635, 12 U.S.C. 4001 *et seq.*

2. Title 12, Chapter II of the Code of Federal Regulations is amended by adding Part 229 to read as follows:

Part 229—Availability of Funds and Collection of Checks

Subparts A-C—[Reserved]

Appendixes A-C—[Reserved]

Appendix D

Indorsement Standards

1. The depository bank shall indorse a check according to the following specifications:

- The indorsement shall contain—
 - the bank's nine-digit routing number, set off by arrows at each end of the number and pointing toward the number;
 - the bank's name/location;
 - the indorsement date.
- The indorsement may also contain—
 - an optional branch identification;
 - an optional trace/sequence number;
 - an optional telephone number for receipt of notification of large-dollar returned checks; and
 - other optional information provided that the inclusion of such information does not interfere with the readability of the indorsement.
- The indorsement shall be written in dark purple or black ink.
- The indorsement shall be placed on the back of the check in the following location:
 - The indorsement shall be placed so that the routing number is wholly contained in the area 3.0 inches from the leading edge of the check to 1.5 inches from the trailing edge of the check.¹
 - The indorsement shall not be placed in the MICR clear band, extending along the bottom edge of the check to a height of 0.625 inches.

2. Each subsequent collecting bank indorser shall protect the identifiability and legibility of the depository bank indorsement by:

- including *only* its nine-digit routing number (without arrows), the indorsement date, and an optional trace/sequence number;
- using an ink color other than purple;
- indorsing in the area on the back of the check from 0.0 inches to 3.0 inches from the leading edge of the check.

¹ The leading edge is defined as the right side of the check looking at it from the front. The trailing edge is defined as the left side of the check looking at it from the front. See American National Standards Committee on Financial Services *Specification for the Placement and Location of MICR Printing*, X 9.13.

3. Each returning bank indorser shall protect the identifiability and legibility of the depository bank indorsement by:

- using an ink color other than purple;
- staying clear of the area on the back of the check from 3.0 inches from the leading edge of the check to the trailing edge of the check.

AMENDMENT TO RULES REGARDING DELEGATION OF AUTHORITY

The Board of Governors is amending 12 C.F.R. Part 265, its Rules Regarding Delegation of Authority, to extend the 30-day period for buy-ins of securities that were not received.

Effective April 11, 1988, the Board amends 12 C.F.R. Part 265 as follows:

Part 265—Rules Regarding Delegation of Authority

1. The authority citation for 12 C.F.R. Part 265 continues to read as follows:

Authority: Sec. 11(K), 38 Stat. 261 and 80 Stat. 1314 (12 U.S.C. 248(k)).

2. Section 265.2 is amended by adding new paragraph (c)(36) as follows:

Section 265.2—Specific Functions Delegated to Board Employees and to Federal Reserve Banks

* * * * *

(c)* * *

(36) Under section 403.5(g) of the Treasury Department regulations (17 C.F.R. 403.5(g)) implementing the Government Securities Act of 1986 (Pub. L. 99-571), to approve the application of a state member bank, a state branch or agency of a foreign bank, a foreign bank, or a commercial lending company owned or controlled by a foreign bank to extend for one or more limited periods commensurate with the circumstances the 30-day time period for obtaining possession or control of securities specified in 17 C.F.R. 403.5(c)(1)(iii), provided the Staff Director is satisfied that the applicant is acting in good faith and that exceptional circumstances warrant such action.

AMENDMENT TO RULES REGARDING DELEGATION OF AUTHORITY

The Board of Governors is amending 12 C.F.R. Part

265, its Rules Regarding Delegation of Authority, to delegate to the General Counsel, after consultation with supervisory staff, the authority to grant requests for temporary director interlocks under the Board's Regulation L for newly chartered banking organizations, organizations in low-income areas or minority or women's banks. It is expected that this delegation of authority will relieve the Board from having to act on matters that are more efficiently and effectively handled by Board staff.

Effective May 4, 1988, the Board amends 12 C.F.R. Part 265 as follows:

Part 265—Rules Regarding Delegation of Authority

1. The authority citation for 12 C.F.R. Part 265 continues to read as follows:

Authority: Sec. 11(K), 38 Stat. 261 and 80 Stat. 1314 (12 U.S.C. 248(k)).

2. Section 265.2 is amended by adding new paragraph (b)(13) as follows:

Section 265.2—Specific Functions Delegated to Board Employees and to Federal Reserve Banks

* * * * *

(b)* * *

(13) Under the provisions of section 212.4(b)(1) and (2) of this chapter, after consultation with the Director of the Division of Banking Supervision and Regulation, to grant requests for temporary director interlocks under Regulation L for newly chartered banking organizations, organizations in low-income areas or minority or women's banks.

ORDERS ISSUED UNDER BANK HOLDING COMPANY ACT

Orders Issued Under Section 3 of the Bank Holding Company Act

City Financial Bancorp, Inc.
Chicago, Illinois

Order Approving Acquisition of a Bank Holding Company

City Financial Bancorp, Inc., Chicago, Illinois ("City Financial"), a bank holding company within the meaning of the Bank Holding Company Act ("Act"),

12 U.S.C. § 1841 *et seq.*, has applied for the Board's approval, pursuant to section 3(a)(3) of the Act, to acquire 100 percent of the voting shares of Potomac Bancorp, Inc., Potomac, Illinois, and thereby indirectly to acquire Goodwine State Bank, Potomac, Illinois; and to acquire 80.2 percent of the voting shares of Rankin State Bank, Rankin, Illinois.

Notice of the applications, affording interested persons an opportunity to submit comments, has been duly published (52 *Federal Register* 2,288 and 2,539 (1988)). The time for filing comments has expired, and the Board has considered the applications and all comments received in light of the factors set forth in section 3(c) of the Act.

City Financial, with deposits of \$58.0 million,¹ is one of the smaller commercial banking organizations in Illinois, controlling less than 1.0 percent of the total deposits in commercial banking organizations ("total deposits") in the state. Goodwine State Bank and Rankin State Bank are two of the smaller commercial banking organizations in Illinois, with deposits of \$19.0 million and \$4.8 million respectively, representing less than 1.0 percent of the total deposits in the state. Upon consummation of this proposal, City Financial will control deposits of \$81.8 million, representing less than 1.0 percent of the total deposits in the state. Consummation of this proposal would not have any significant adverse effect upon the concentration of banking resources in Illinois.

City Financial competes directly with Goodwine State Bank in the Danville banking market,² where City Financial is the eighth largest of 12 commercial banking organizations, controlling deposits of \$17.0 million, representing 3.0 percent of the total deposits in the market.³ Goodwine State Bank is the fifth largest commercial banking organization in the market, controlling 3.4 percent of the total deposits in the market. Upon consummation of this proposal, City Financial would become the fourth largest commercial banking organization in the market, controlling deposits of \$36.0 million, representing 6.4 percent of the total deposits in the market. The four-firm concentration ratio would increase from 78.7 percent to 81.2 percent, and the Herfindahl-Hirschman Index ("HHI") would increase by 20 points to 1981.⁴

1. State banking data are as of June 30, 1987.

2. The Danville banking market is approximated by Vermillion County, Illinois, except Butler, Grant and Sidell Townships.

3. Market data are as of June 30, 1986.

4. Under the revised Department of Justice Merger Guidelines, 49 *Federal Register* 26,823 (June 29, 1984), a market in which the post-merger HHI is above 1800 is considered highly concentrated. In such markets, the Department is likely to challenge a merger that increases the HHI by more than 50 points unless other factors indicate that the merger will not substantially lessen competition. The Department has informed the Board that a bank merger or acquisition

City Financial competes with Rankin State Bank in the Watseka banking market.⁵ City Financial is the second largest of 14 commercial banking organizations, controlling deposits of \$40.9 million, representing 11.4 percent of the total deposits in the market. Rankin State Bank is the 13th largest commercial banking organization in the market, controlling 1.6 percent of the total deposits in the market. Upon consummation of this proposal, City Financial will remain the second largest commercial banking organization in the market, controlling deposits of \$45.7 million, representing 13.0 percent of the total deposits in the market. The four-firm concentration ratio would increase from 48.1 percent to 49.7 percent and the HHI would increase by 34 points to 995.

In view of the market shares of the resulting organization and the small increase in concentration, the Board concludes that consummation of the proposal would not have a substantial adverse effect on existing competition in the Danville and Watseka banking markets.

In evaluating the applications, the Board has considered the financial resources of City Financial and the effect on these resources of the proposed acquisition. The Board has stated and continues to believe that capital adequacy is an important factor in the analysis of bank holding company proposals. In this regard, the Board notes that it appears that City Financial will be able to service its debt while maintaining capital above the minimum levels in the Board's Capital Adequacy Guidelines. Accordingly, the Board concludes that financial and managerial resources of City Financial, Potomac Bancorp, Inc., Goodwine State Bank and Rankin State Bank are consistent with approval. Considerations relating to the convenience and needs of the communities to be served also are consistent with approval.

Based on the foregoing and other facts of record, the Board has determined that the applications should be, and hereby are, approved. The transactions shall not be consummated before the thirtieth calendar day following the effective date of this Order, or later than three months after the effective date of this Order, unless such periods are extended for good cause by the Board or by the Federal Reserve Bank of Chicago, pursuant to delegated authority.

generally will not be challenged (in the absence of other factors indicating anticompetitive effects) unless the post-merger HHI is at least 1800 and the merger increases the HHI by at least 200 points. The Justice Department has stated that the higher than normal HHI thresholds for screening bank mergers for anticompetitive effects implicitly recognizes the competitive effect of limited-purpose lenders and other non-depository financial entities.

5. The Watseka banking market is approximated by Iroquois County, plus Butler and Grant Townships in Vermillion County, Illinois.

By order of the Board of Governors, effective April 25, 1988.

Voting for this action: Chairman Greenspan and Governors Johnson, Seger, Angell, and Heller. Absent and not voting: Governor Kelley.

JAMES MCAFEE
Associate Secretary of the Board

Merrimack Bancorp, Inc.
Lowell, Massachusetts

Order Approving the Acquisition of a Bank

Merrimack Bancorp, Inc., Lowell, Massachusetts ("Merrimack"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act") (12 U.S.C. § 1841 *et seq.*), has applied for the Board's approval under section 3 of the BHC Act (12 U.S.C. § 1842) to acquire the successor by merger to Hillsborough Bank & Trust Company, Milford, New Hampshire ("Hillsborough").¹

Notice of the applications, affording an opportunity for interested persons to submit comments, has been published (53 *Federal Register* 2,783 (1988)). The time for filing comments has expired, and the Board has considered the applications and all comments received in light of the factors set forth in section 3(c) of the BHC Act (12 U.S.C. § 1842(c)).

Section 3(d) of the BHC Act, 12 U.S.C. § 1842(d), the Douglas Amendment, prohibits the Board from approving an application by a bank holding company to acquire a bank located outside of the holding company's home state unless the law of the state in which the target bank is located specifically authorizes such an acquisition.² The statute laws of New Hampshire authorize an out-of-state New England bank holding company to acquire a New Hampshire bank or bank holding company with the approval of the New Hampshire Bank Commissioner.³ The commissioner must find that the principal banking business of the acquiring institution is conducted in a New England state which would allow a similar acquisition by a New

Hampshire bank or bank holding company under conditions no more restrictive than those imposed by New Hampshire law.⁴

The New Hampshire Bank Commissioner has found that Massachusetts would allow the acquisition of a Massachusetts banking organization by a New Hampshire banking organization under conditions no more restrictive than those imposed by New Hampshire law.⁵ Accordingly, the New Hampshire Board of Trust Company Incorporation approved Merrimack's application on February 29, 1988. In light of the foregoing, the Board has determined that the proposed acquisition is specifically authorized by the statute laws of New Hampshire, and is thus not prohibited by the Douglas Amendment.

Merrimack is the seventy-ninth largest banking organization in Massachusetts, operating one subsidiary bank with total deposits of \$219.3 million, representing less than one percent of the total deposits in commercial banks in Massachusetts.⁶ Hillsborough is the sixty-first largest commercial banking organization in New Hampshire, controlling deposits of \$20.9 million, representing less than one percent of total deposits in commercial banks in New Hampshire. Consummation of the proposal would not have any significant adverse effect upon the concentration of banking resources in Massachusetts or New Hampshire.

Merrimack and Hillsborough do not compete directly in any banking market. Accordingly, consummation of the proposal would not eliminate any significant existing competition in any relevant banking market. The Board has also considered the effects of the proposed acquisition on probable future competition in the markets in which Merrimack or Hillsborough, but not both, compete. In light of the existence of numerous potential entrants into the relevant markets, the Board concludes that consummation of the proposed transaction would not have any significant adverse effect on probable future competition in any relevant banking market.

The financial and managerial resources of Merrimack, its subsidiary, and Hillsborough are consistent with approval.⁷ Considerations relating to the conve-

1. As required by New Hampshire law, Merrimack is forming Merrimack Bancorp of New Hampshire, Inc., Milford, New Hampshire, which has applied to become a bank holding company. Merrimack Bancorp of New Hampshire will be a second-tier bank holding company wholly-owned by Merrimack with direct control of Hillsborough.

2. A bank holding company's home state is the state in which the operations of the bank holding company's subsidiary banks were principally conducted on July 1, 1966, or on the date on which the company became a bank holding company, whichever is later. 12 U.S.C. § 1842(d). Merrimack's home state is Massachusetts.

3. N.H. Rev. Stat. Ann. § 384:45 (1987).

4. N.H. Rev. Stat. Ann. § 384:47(II) (1987).

5. See January 18, 1988 letter to the New Hampshire Attorney General from the New Hampshire Bank Commissioner.

6. All banking data are as of September 30, 1987.

7. Merrimack has also requested relief from certain commitments relating to savings bank life insurance ("SBLI") activities that it made in connection with its acquisition of Lowell Institution for Savings, Lowell, Massachusetts. Merrimack meets and will continue to meet all of the requirements set out by the BHC Act as amended by the Competitive Equality Banking Act of 1987 for bank holding companies that desire to engage in SBLI activities through qualified savings bank subsidiaries. Thus, the Board has determined that Merrimack should be, and hereby is, granted relief from its previous commitments.

nience and needs of the communities to be served also are consistent with approval of this application.

Based on the foregoing and other facts of record, the Board has determined that the applications should be, and hereby are, approved, subject to the express condition that Merrimack obtain the approval of the Massachusetts Commissioner of Banks.⁸ This transaction shall not be consummated before the thirtieth calendar day following the effective date of this Order, or later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Boston, acting pursuant to delegated authority.

By order of the Board of Governors, effective April 5, 1988.

Voting for this action: Chairman Greenspan and Governors Johnson, Seger, Angell, Heller, and Kelley.

JAMES MCAFEE
Associate Secretary of the Board

New Hampshire Savings Bank Corp.
Nashua, New Hampshire

Order Approving Acquisition of a Bank

New Hampshire Savings Bank Corp., Nashua, New Hampshire ("NHSB Corp."), a bank holding company within the meaning of the Bank Holding Company Act ("Act"), (12 U.S.C. § 1841 *et seq.*), has applied for the Board's approval pursuant to section 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire 100 percent of the voting shares of the successor by merger to New Hampshire Savings Bank of Nashua, Nashua, New Hampshire ("NHSB Bank"), and First Federal Bank, FSB, Nashua, New Hampshire ("FFB").

Notice of the application, affording interested persons an opportunity to submit comments, has been duly published (52 *Federal Register* 45,693 (1987)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 3(c) of the Act.

FFB is a federal stock savings bank, the accounts of which are insured by the Federal Savings and Loan Insurance Corporation ("FSLIC"). FFB has adopted a conversion plan by which it will convert to a state-chartered cooperative bank, the accounts of which will

be insured by the Federal Deposit Insurance Corporation ("FDIC"). NHSB Corp. proposes to establish NHSB Bank as a state-chartered guaranty savings bank, the accounts of which will be insured by the FDIC. After the conversion, NHSB Corp. will acquire by merger FFB.¹

Because FFB, at the time of its acquisition by NHSB Corp., will be an FDIC-insured bank, FFB would be a "bank" for purposes of the Act,² and NHSB Corp. properly has applied to acquire FFB under section 3 of the Act, which governs the acquisition of banks by bank holding companies.

NHSB Corp., with deposits of \$790.0 million,³ is the sixth largest depository institution among commercial banks and thrift organizations in New Hampshire, controlling 5.7 percent of the total deposits of commercial banks and thrift organizations in the state.⁴ FFB is the twelfth largest depository institution among commercial banks and thrift organizations in New Hampshire, controlling deposits of \$234.0 million, representing 1.7 percent of the total deposits in commercial banks and thrift organizations in the state. Upon consummation of this proposal, NHSB Corp. will become the fourth largest depository institution in New Hampshire and control deposits of approximately \$1.1 billion, representing 7.4 percent of the total deposits in commercial banks and thrift organizations in the state. Consummation of this proposal would not have any significant adverse effect upon the concentration of banking resources in New Hampshire.

NHSB Corp. competes directly with FFB in the Nashua and Portsmouth-Dover-Rochester banking markets. In the Nashua banking market,⁵ NHSB Corp. is the eleventh largest depository institution among commercial banks and thrift organizations, controlling deposits of \$18.9 million, representing 1.1 percent of the total deposits in commercial banks and thrift organizations in the market. FFB is the fourth largest depository institution among commercial banks and thrift organizations in the market, controlling

1. NHSB Corp. has also applied to acquire warrants representing up to 24.9 percent of the common stock of FFB. Because FFB currently operates as an FSLIC-insured thrift institution, NHSB Corp. will not acquire warrants representing more than 4.9 percent of the voting shares without Board approval.

2. As an FDIC-insured bank, FFB would qualify as a "bank" under section 2(c) of the Act, as amended by section 101(a) of the Competitive Equality Banking Act of 1987 ("CEBA"), Pub. L. No. 100-86, 101 Stat. 552, 554 (1987) (to be codified at 12 U.S.C. § 1841(c)).

3. Deposit data are as of September 30, 1987.

4. State data are as of June 30, 1987.

5. The Nashua banking market is approximated by the Nashua RMA plus the New Hampshire towns of Greenville, Lyndeboro and Mason.

8. The Massachusetts Board of Bank Incorporation must approve all acquisitions of banks by Massachusetts bank holding companies. Mass. Gen. Laws Ann. ch. 167A § 2 (West 1987).

deposits of \$199.2 million, representing 11.9 percent of the total deposits in commercial banks and thrift organizations in the market. Upon consummation of this proposal, NHSB Corp. would become the fourth largest depository institution in the market, controlling deposits of \$218.1 million, representing 13.0 percent of the total deposits in the market. The four-firm concentration ratio would increase from 72.1 to 73.3 percent, and the Herfindahl-Hirschman Index ("HHI")⁶ would increase 27 points to 1542. In view of the small increase in concentration, the Board has concluded that consummation of this proposal will not have a substantial adverse effect upon competition in the Nashua banking market.

In the Portsmouth-Dover-Rochester banking market,⁷ NHSB Corp. is the ninth largest depository institution among commercial banks and thrift organizations, controlling deposits of \$79.4 million, representing 3.3 percent of the total deposits in commercial banks and thrift organizations in the market. FFB is the 23rd largest depository institution among commercial banks and thrift organizations in the market, controlling deposits of \$21.6 million, representing less than one percent of the total deposits in commercial banks and thrift organizations in the market. Upon consummation of this proposal, NHSB Corp. would become the seventh largest depository institution in the market, controlling deposits of \$101.0 million, representing 4.2 percent of the total deposits in the market. The HHI would increase by 6 points to 669 and the market would remain unconcentrated. In view of the unconcentrated nature of the market and the small increase in concentration, consummation of this proposal would not have a substantial adverse effect upon concentration in the Portsmouth-Dover-Rochester banking market.

The financial and managerial resources of NHSB Corp. and FFB are consistent with approval. Considerations relating to the convenience and needs of the

communities to be served are also consistent with approval.

The Board notes that this application involves the acquisition of a bank that results from a conversion of a non-failing FSLIC-insured federal savings bank. The acquisition proposed here, however, does not fall within the scope of the Board's policy and rulings regarding acquisitions of thrift institutions under section 4 of the Act⁸ or the provisions of the 1982 Garn-St Germain Depository Institutions Act regarding acquisitions of thrift institutions. FFB, when acquired by NHSB Corp., will be a state-chartered cooperative bank, the accounts of which are insured by the FDIC. As an FDIC-insured institution, FFB will qualify as a "bank" under the Act.

In addition, the Board has considered the one year moratorium on thrift conversions imposed by the Competitive Equality Banking Act of 1987 ("CEBA").⁹ CEBA, however, provides an exemption from the moratorium for institutions, like FFB, which entered into a letter of intent to affiliate with an FDIC-insured institution before March 31, 1987. FFB entered into a letter of intent to affiliate with an FDIC-insured institution before March 31, 1987, and statements by certain members of the Senate during consideration of the conference report on CEBA support a determination that FFB is not subject to the CEBA moratorium on thrift conversions.

The Congressional debates on the moratorium provisions of CEBA indicate that an institution that entered into a letter of intent before March 31, 1987, and as a part of the process initiated a change of its insurance status, was exempt from the CEBA restrictions, notwithstanding the fact that the institution modified its FDIC insurance application after the initial proposed merger fell through.¹⁰ The legislative history further states that the exempt status attaches even though the original merger transaction was not consummated, because the application to change insurance stems from the date of the letter of intent. Because FFB entered into an agreement to affiliate with an FDIC-insured institution before March 31, 1987, the moratorium does not apply to this transaction.¹¹

The Board expects that NHSB Corp. will comply with all state and federal requirements necessary for

6. Under the revised Department of Justice Merger Guidelines (49 *Federal Register* 26,823 (June 29, 1984)), any market in which the post-merger HHI is between 1000 and 1800 is considered moderately concentrated, and the Department is unlikely to challenge a merger or acquisition resulting in an HHI between 1000 and 1800 if the increase in the HHI is less than 100 points. The Department has informed the Board that a bank merger or acquisition generally will not be challenged (in the absence of other factors indicating anticompetitive effects, unless the post-merger HHI is at least 1800 and the merger increases the HHI by at least 200 points. The Justice Department has stated that the higher than normal HHI thresholds for screening bank acquisitions for anti-competitive effects implicitly recognizes the competitive effects of limited purpose lenders and other non-depository financial entities.

7. The Portsmouth-Dover-Rochester banking market is approximated by the Portsmouth-Dover-Rochester MSA plus the New Hampshire towns of Brentwood, Brookfield, Epping, Freemont, Hampton Falls, Kensington, Middleton, New Durham, Northwood, Nottingham, Strafford, and Wakefield, plus Lebanon, Maine.

8. *D.H. Baldwin Company*, 63 *FEDERAL RESERVE BULLETIN* 280 (1977).

9. Competitive Equality Banking Act of 1987, Pub. L. No. 100-86, § 306(h), 101 Stat. 552, 602 (1987) (to be codified at 12 U.S.C. § 1730 note).

10. 133 Cong. Rec. S 11213, 11214 (daily ed. August 4, 1987).

11. The Federal Home Loan Bank Board determined that FFB is exempt from the CEBA moratorium on thrift conversions and approved FFB's application to convert to an FDIC-insured state-chartered bank on March 16, 1988.

consummation of the acquisition, and the Board's approval of this application under the Act is not intended to preempt any such requirements.¹² The Board has previously stated that its approval of transactions under section 3 of the Act does not relieve an applicant or the bank involved of the responsibility to obtain approval under other federal or state laws and regulations and does not shield an applicant from the consequences of violations of other laws.¹³

Based on the foregoing and other facts of record, the Board has determined that the application should be, and hereby is, approved. This transaction shall not be consummated before the thirtieth calendar day following the effective date of this Order, or later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Boston, acting pursuant to delegated authority.

By order of the Board of Governors, effective April 18, 1988.

Voting for this action: Chairman Greenspan and Governors Johnson, Seger, Angell, and Heller. Absent and not voting: Governor Kelley.

JAMES MCAFEE
Associate Secretary of the Board

PNC Financial Corp
Pittsburgh, Pennsylvania

Order Approving the Acquisition of a Bank

PNC Financial Corp, Pittsburgh, Pennsylvania ("PNC"), a bank holding company within the meaning of the Bank Holding Company Act of 1956, as amended (the "Act") (12 U.S.C. § 1841 *et seq.*), has applied for the Board's approval under section 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)) to acquire 100 percent of the voting shares of PNC National Bank of New Jersey, Cherry Hill, New Jersey, a *de novo* bank ("Bank").

Notice of the application, affording interested persons an opportunity to submit comments, has been published (53 *Federal Register* 2,783 (1988)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 3(c) of the Act.

12. The Board may not approve an application that would result in a violation of federal or state law. *Whitney National Bank v. Bank of New Orleans*, 379 U.S. 411 (1964).

13. *Crocker National Corporation*, 66 *FEDERAL RESERVE BULLETIN* 66 (1979); *Royal Trust Company*, 37 *Federal Register* 18,414, 18,415 (1972).

PNC is the second largest banking organization in Pennsylvania and operates 26 subsidiary banks in Florida, Indiana, Kentucky, Ohio and Pennsylvania, with total domestic deposits of \$20.9 billion.¹ Bank is a newly chartered national bank that will be located in New Jersey. Because the bank to be acquired is a *de novo* bank, consummation of this proposal would not result in an increase in the concentration of banking resources in New Jersey.

Section 3(d) of the Act (12 U.S.C. § 1842(d)), the Douglas Amendment, prohibits the Board from approving an application by a bank holding company to acquire control of any bank located outside of the holding company's home state, unless such acquisition is "specifically authorized by the statute laws of the state in which [the] bank is located, by language to that effect and not merely by implication."² The Board has previously determined that New Jersey has by statute expressly authorized a Pennsylvania bank holding company to acquire a New Jersey bank or bank holding company.³ Accordingly, approval of PNC's proposal to acquire Bank is not barred by the Douglas Amendment.

Bank is to be located in Cherry Hill, New Jersey, and will compete in the Philadelphia/Trenton banking market.⁴ Because Bank is a *de novo* institution, consummation of the proposal will not have any significant adverse effects on either existing or potential competition in any relevant market.

The financial and managerial resources and future prospects of PNC, its subsidiaries and Bank are consistent with approval. Considerations relating to the convenience and needs of the communities to be served are also consistent with approval of this application.

Based on the foregoing and other facts of record, the Board has determined that the application should be, and hereby is, approved. This transaction shall not be consummated before the thirtieth calendar day following the effective date of this Order, or later than three months after the effective date of this Order, and Bank shall be opened for business not later than six months after the effective date of this Order. The latter two

1. Banking data are as of September 30, 1987.

2. A bank holding company's home state is that state in which the operations of the bank holding company's bank subsidiaries were principally conducted on July 1, 1966, or the date on which the company became a bank holding company, whichever is later.

3. *CoreStates Financial Corporation*, 72 *FEDERAL RESERVE BULLETIN* 796 (1986). On October 16, 1987, the New Jersey Commissioner of Banking issued a Determination of Eligibility finding that PNC was a bank holding company eligible to acquire Bank under New Jersey law.

4. The Philadelphia/Trenton banking market is approximated by Bucks, Chester, Delaware, Montgomery and Philadelphia Counties in Pennsylvania, and Burlington, Camden, Gloucester and Mercer Counties in New Jersey.

periods may be extended for good cause by the Board or by the Federal Reserve Bank of Cleveland, acting pursuant to delegated authority.

By order of the Board of Governors, effective April 19, 1988.

Voting for this action: Chairman Greenspan and Governors Johnson, Seger, Angell, and Heller. Absent and not voting: Governor Kelley.

JAMES MCAFEE
Associate Secretary of the Board

SunTrust Banks, Inc.
Atlanta, Georgia

Sun Banks, Inc.
Orlando, Florida

Order Approving Acquisition of a Bank

SunTrust Banks, Inc., Atlanta, Georgia, and Sun Banks, Inc., Orlando, Florida (together, "SunTrust"), bank holding companies within the meaning of the Bank Holding Company Act of 1956, as amended (12 U.S.C. § 1841 *et seq.*) ("Act"), have applied jointly for the Board's approval under section 3(a)(3) of the Act (12 U.S.C. § 1842(a)(3)), to acquire all of the voting shares of Commercial Bank In Panama City, Panama City, Florida ("Commercial Bank").

Notice of the application, affording an opportunity for interested persons to submit comments, has been given in accordance with section 3 of the Act. (53 *Federal Register* 179 (1988)). The time for filing comments has expired, and the Board has considered the application and all comments received, including comments in opposition to the application from Direct Involvement Savannahians Together Urging Responsive Banking Services ("DISTURBS"), in light of the factors set forth in section 3(c) of the Act (12 U.S.C. § 1842(c)).

SunTrust controls fifty-two bank subsidiaries in Florida, Georgia and Tennessee. SunTrust is the second largest banking organization in Florida, controlling deposits in that state of \$11.5 billion, representing 13.3 percent of the total deposits in commercial banks ("total deposits") in Florida.¹ Commercial Bank controls \$166.9 million in total deposits in the state of Florida, representing 0.2 percent of total deposits in the state. As part of this proposal, SunTrust intends to acquire Lynn Haven Commercial Bank, Lynn Haven, Florida ("Lynn Haven Bank"), and Springfield Com-

mercial Bank, Springfield, Florida ("Springfield Bank"), through bank-to-bank mergers with Commercial Bank. The Lynn Haven Bank, Springfield Bank and Commercial Bank (together "Banks") are under common management and ownership. After the merger of Lynn Haven Bank and Springfield Bank into Commercial Bank, SunTrust will control deposits equalling \$11.7 billion, representing 13.5 percent of commercial deposits in Florida. Consummation of this proposal will have no significant effect upon the concentration of commercial banking resources in Florida.

The Banks to be acquired operate in the Bay County banking market.² SunTrust does not operate in this market, and thus, consummation of the proposal would not eliminate any substantial existing competition between SunTrust and Banks in the Bay County market. In addition, consummation of the proposal would not substantially lessen probable future competition in any market.

The Board considers the financial and managerial resources of SunTrust, its subsidiary banks and Commercial Bank to be consistent with approval of the application.

In considering the convenience and needs of the communities to be served, the Board has also taken into account SunTrust's record under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*) ("CRA"). The CRA requires the Board, in its evaluation of a bank holding company application, to assess the record of an applicant in meeting the credit needs of the entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation. The Board has received comments from DISTURBS, which represents low-income groups and individuals in Savannah, Georgia. DISTURBS requests that the Board not approve the application due to the failure of Trust Company Bank of Savannah, Savannah, Georgia ("Savannah Bank"), a bank subsidiary of SunTrust, to meet the local credit needs of Savannah, Chatham County, Georgia.³ SunTrust has met privately with DISTURBS on two occasions and has requested further meetings with the latter to discuss specific problems.

In accordance with the Board's practice and procedure for handling protested applications,⁴ the Board

1. Deposit data are as of September 30, 1987.

2. The Bay County banking market is approximated by Bay County, Florida.

3. DISTURBS asserts that in Savannah, Georgia, SunTrust has failed to ascertain and meet the credit needs of low- and moderate-income neighborhoods and minority residents and has inadequately marketed credit services to same; has conducted inadequate small business lending efforts; has engaged in credit discrimination against women and minorities; and has inconvenient locations and hours of operation in low- and moderate-income neighborhoods.

4. See 12 C.F.R. § 262.25(c) (1987).

reviewed the allegations made by DISTURBS and SunTrust's response. The Board has also considered Savannah Bank's CRA record as detailed in its report of examination, as required by the CRA. In addition, SunTrust has indicated it will take a number of steps to enhance Savannah Bank's CRA performance. Savannah Bank will strengthen and expand consumer compliance by instituting more extensive training and review procedures for responsible personnel. The Bank will also strengthen its program to market credit services to minorities and low- and moderate-income neighborhoods, and its efforts to ascertain the credit needs of minorities and low- and moderate-income neighborhoods, through meetings with community representatives. Savannah Bank will also enhance its efforts to promote community development for minorities and low- and moderate-income neighborhoods by, among other things, engaging in discussions with representatives from the City of Savannah. SunTrust will file quarterly reports with the Federal Reserve Bank of Atlanta detailing SunTrust's progress in meeting its CRA objectives. Finally, SunTrust has also committed to strengthen consumer compliance in all of its banking subsidiaries.

The Board has carefully reviewed the record of SunTrust in meeting the convenience and needs of the community of Savannah, Chatham County, Georgia. Based on this review and after taking into account SunTrust's commitments to enhance its service to meet the convenience and needs of all segments of the community, the Board concludes that convenience and needs considerations are consistent with approval of this application.⁵

Based on the foregoing and other facts of record, the Board has determined that the application under section 3 of the Act should be, and hereby is, approved. The acquisition of Commercial Bank shall not be consummated before the thirtieth calendar day following the effective date of this Order or later than three months after the effective date of the Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Atlanta, pursuant to delegated authority.

5. DISTURBS has also requested that the Board order a public meeting to receive public testimony on the issues presented by this application. Although section 3(b) of the Act does not require a formal hearing in this instance, the Board may order a formal or informal hearing. In the Board's view, the parties have had ample opportunity to present their arguments in writing and to respond to one another's submissions. Moreover, the Savannah Bank has requested additional meetings with DISTURBS to discuss specific problems. In light of these facts, SunTrust's proposals to expand its services, and other facts of record, the Board has determined that a hearing would serve no useful purpose. Accordingly, DISTURBS' request for a public hearing is hereby denied.

By order of the Board of Governors, effective April 12, 1988.

Voting for this action: Chairman Greenspan and Governors Seger, Angell, Heller, and Kelley. Absent and not voting: Governor Johnson.

JAMES MCAFEE
Associate Secretary of the Board

Orders Issued Under Section 4 of the Bank Holding Company Act

The Chase Manhattan Corporation
New York, New York

Order Approving Application to Engage in Limited Underwriting and Dealing in Commercial Paper

The Chase Manhattan Corporation ("Chase" or "Applicant"), New York, New York, a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied for the Board's approval under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) and section 225.23 of the Board's Regulation Y (12 C.F.R. § 225.23) to engage *de novo* through Chase Manhattan Treasury Corporation, New York, New York ("Company"), in underwriting and dealing in, on a limited basis, commercial paper.

Company currently underwrites and deals in securities that state member banks are permitted to underwrite and deal in under the Glass-Steagall Act (hereinafter "bank-eligible securities"), as permitted by section 225.25(b)(16) of Regulation Y (12 C.F.R. § 225.25(b)(16)). Company has also previously received Board approval under section 4(c)(8) of the BHC Act to underwrite and deal in 1-4 family mortgage-related securities, certain municipal revenue bonds (including "public ownership" industrial development bonds) and consumer-receivable-related securities ("CRRs") (hereinafter "ineligible securities"). These activities must be limited so as not to exceed 5 percent of Company's gross revenues and 5 percent of the market share for each security. *Citicorp, J.P. Morgan & Co. Incorporated and Bankers Trust New York Corporation*, 73 FEDERAL RESERVE BULLETIN 473 (1987) ("*Citicorp/Morgan/Bankers Trust*"); and *Chemical New York Corporation, Bankers Trust New York Corporation, Citicorp, Manufacturers Hanover Corporation and Security Pacific Corporation*, 73 FEDERAL RESERVE BULLETIN 731 (1987) ("*Chemical*"). Applicant has proposed to conduct Company's underwriting and dealing in commercial paper in the same manner and to

the same extent as previously approved by the Board in the foregoing Orders.¹ The proposed new underwriting and dealing activities would be provided in addition to the above activities.

Chase, with consolidated assets of \$99.1 billion, is the second largest banking organization in the nation. It operates seven subsidiary banks and engages directly and through subsidiaries in a broad range of permissible nonbanking activities.²

Notice of the application, affording interested persons an opportunity to submit comments on the proposal, has been published (53 *Federal Register* 6,201 (1988)). The Securities Industry Association ("SIA"), a trade association of the investment banking industry, opposes the application for the reasons stated in its earlier protests to similar applications by Citicorp, J.P. Morgan & Co. Incorporated and Bankers Trust New York Corporation.

On April 30, 1987, the Board approved applications by Citicorp, J.P. Morgan and Bankers Trust to underwrite and deal in, through their bank-eligible securities underwriting subsidiaries, 1-4 family mortgage-backed securities, municipal revenue bonds (and certain industrial development bonds) and (except for Citicorp) commercial paper.³ The Board concluded that the underwriting subsidiaries would not be "engaged principally" in underwriting or dealing in securities within the meaning of section 20 of the Glass-Steagall Act⁴ provided they derived no more than 5 percent of their total gross revenues from underwriting and dealing in the approved securities over any two-year period and their underwriting and dealing activities did not exceed 5 percent of the market for each

particular type of security involved.⁵ The Board further found that, subject to the prudential framework of limitations established in those cases to address the potential for conflicts of interest, unsound banking practices or other adverse effects, the proposed underwriting and dealing activities were so closely related to banking as to be a proper incident thereto within the meaning of section 4(c)(8) of the BHC Act.⁶

For the reasons set forth in the Board's *Citicorp/Morgan/Bankers Trust* Order, the Board concludes that Applicant's proposal to engage through Company in underwriting and dealing in commercial paper would not result in a violation of section 20 of the Glass-Steagall Act and is closely related and a proper incident to banking within the meaning of section 4(c)(8) of the BHC Act provided Applicant limit Company's activities as provided in that Order. Accordingly, the Board has determined to approve the underwriting application subject to all of the terms and conditions established in the *Citicorp/Morgan/Bankers Trust* Order. The Board hereby adopts and incorporates herein by reference the reasoning and analysis contained in that Order.

The Board's approval of this application extends only to activities conducted within the limitations of the *Citicorp/Morgan/Bankers Trust* Order, including the Board's reservation of authority to establish additional limitations to ensure that the subsidiary's activities are consistent with safety and soundness, conflicts of interest and other relevant considerations under the BHC Act. Underwriting or dealing in commercial paper in any manner other than as approved in that Order is not within the scope of the Board's approval and is not authorized for Company.

The Board's determination is subject to all of the conditions set forth in the Board's Regulation Y, including those in sections 225.4(d) and 225.23(b), and to the Board's authority to require modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to assure compliance with, and to prevent

1. In its *Citicorp/Morgan/Bankers Trust* Order, the Board stated that it "will not consider the underwriting subsidiaries to be engaged principally in ineligible underwriting and dealing activities under section 20 of the Glass-Steagall Act under the conditions established below for the conduct of the activity under the BHC Act, if (1) the underwriting subsidiaries derive no more than 5 percent of their total gross revenues from ineligible underwriting and dealing activity on average over any two year period, (2) their underwriting activities in connection with each particular type of ineligible security do not account for more than 5 percent of the total amount of that type of security underwritten domestically by all firms (or, in the case of commercial paper, the average amount of dealer-placed commercial paper outstanding) during the previous calendar year, and (3) they limit the amount of each particular type of security held for dealing so as not to exceed the amount of the underwriting market share limitation described in paragraph (2) above." 73 FEDERAL RESERVE BULLETIN at 485-486.

2. All data are as of December 31, 1987.

3. *Citicorp/Morgan/Bankers Trust*, *supra*. The Board subsequently approved similar applications by a number of other bank holding companies.

4. Section 20 of the Glass-Steagall Act (12 U.S.C. § 377) prohibits the affiliation of a member bank with "any corporation . . . engaged principally in the issue, flotation, underwriting, public sale, or distribution at wholesale or retail or through syndicate participation of stocks, bonds, debentures, notes, or other securities . . ."

5. In this regard, the Board notes that the U.S. Court of Appeals for the Second Circuit has upheld the Board's determination that the underwriting subsidiaries would not be engaged principally in ineligible securities underwriting and dealing under the above revenue limitation. *Securities Industry Association v. Board of Governors of the Federal Reserve System*, 839 F.2d 47 (2d Cir. 1988). The court, however, stated that the 5 percent market share limitation was not adequately supported by the facts of record. Because the SIA has sought Supreme Court review of the decision, the Board believes it appropriate to retain the market share limitation until resolution of the litigation. In the event the Second Circuit's decision becomes final, the Board will consider a petition by Chase for relief from the limitation.

6. On July 14, 1987, the Board subsequently decided that underwriting and dealing in CRRs is so closely related to banking as to be a proper incident thereto within the meaning of section 4(c)(8) of the BHC Act. *Chemical*, *supra*.

evasion of, the provisions of the BHC Act and the Board's regulations and orders issued thereunder.

The Board notes that the SIA has sought judicial review by the U.S. Supreme Court of the *Citicorp/Morgan/Bankers Trust* Order to which this Order pertains. The Board notes that the U.S. Court of Appeals for the Second Circuit has stayed the effectiveness of that Order and subsequent ineligible securities underwriting orders pending judicial review. In light of the pendency of this litigation, the Board has determined that this Order should be stayed for such time as the stay of the prior decisions is effective.

By order of the Board of Governors, effective April 27, 1988.

Voting for this action: Chairman Greenspan and Governors Johnson, Seger, Angell, and Kelley. Absent and not voting: Governor Heller.

JAMES MCAFEE
Associate Secretary of the Board

Chemical New York Corporation New York, New York

Order Approving Application to Execute and Clear Futures Contracts on a Municipal Bond Index and to Provide Futures Advisory Services

Chemical New York Corporation, New York, New York ("Chemical"), a bank holding company within the meaning of the Bank Holding Company Act (12 U.S.C. § 1841 *et seq.*) ("BHC Act"), has applied pursuant to section 4(c)(8) of the BHC Act to engage, through its subsidiary, Chemical Futures, Inc. ("CFI"), in the solicitation, execution and clearance of futures contracts on a municipal bond index on major commodities exchanges for non-affiliated persons, and the provision of advisory services to non-affiliated persons with respect to such futures contracts. The proposed futures contract is a financial future that is based on an index of general obligation bonds and revenue bonds selected by *The Bond Buyer*.

Notice of the application, affording interested persons an opportunity to submit comments on the relation of the proposed activities to banking and on the balance of public interest factors, has been duly published (53 *Federal Register* 7,236 (1988)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the public interest factors set forth in section 4(c)(8) of the BHC Act.

Chemical, with total consolidated assets of \$78.2 billion, is the third largest banking organization in New

York.¹ Chemical operates two subsidiary banks and engages through certain of its subsidiaries in a variety of nonbanking activities. CFI is a futures commission merchant ("FCM") registered with the Commodity Futures Trading Commission ("CFTC") that engages in the execution and clearance of futures contracts and options on futures contracts for bullion, foreign exchange, government securities, certificates of deposit, and other money market instruments that a bank may buy or sell in the cash market for its own account, pursuant to section 225.25(b)(18) of the Board's Regulation Y, 12 C.F.R. § 225.25(b)(18). CFI also provides investment advice on financial futures and options on futures pursuant to section 225.25(b)(19) of Regulation Y, 12 C.F.R. § 225.25(b)(19).

The Board has previously approved the execution and clearance of futures contracts on The Bond Buyer Municipal Bond Index. *Bankers Trust New York Corporation*, 71 *FEDERAL RESERVE BULLETIN* 111 (1985) ("*Bankers Trust*"). The factors upon which the Board based its approval decision in *Bankers Trust* are present in this application. Applicant's subsidiary, The Chemical Bank, has long been a major participant in the municipal securities market as an underwriter of and dealer in municipal bonds and municipal notes.

The Board has determined that Chemical's proposal to execute and clear such futures contracts is substantially similar to the proposal approved by the Board in *Bankers Trust*, and Chemical's prior experience in the municipal securities markets indicates that CFI would have the expertise to provide the proposed services. Accordingly, the Board concludes that, in the manner proposed, and subject to the conditions set forth in section 225.25(b)(18) of Regulation Y, Chemical's proposal to execute and clear futures contracts on a municipal bond index is closely related to banking.

With respect to the proposed advisory services, such services also were authorized in *Bankers Trust* and several other cases.² Chemical proposes to provide investment and advisory services to FCM customers and others. Chemical has committed to limit these advisory services so as to be consistent with the limits in section 225.25(b)(19) of Regulation Y which are placed on the provision of similar advisory services.³ Based on the facts of this case, and subject to

1. All financial data are as of December 31, 1987.

2. *J.P. Morgan & Co., Incorporated*, 70 *FEDERAL RESERVE BULLETIN* 780 (1984); *Manufacturers Hanover Corporation*, 70 *FEDERAL RESERVE BULLETIN* 369 (1984).

3. Section 225.25(b)(19) limits an FCM that is providing investment advice related to the futures contracts it is executing and clearing, to providing such advice to financial institutions and other financially sophisticated customers that have significant dealings or holdings in the underlying commodities, securities, or instruments.

the commitments made by Applicant, the Board concludes that these activities are closely related to banking.

Under section 4 of the BHC Act, the Board is also required to determine that the performance of the proposed activities by applicant "can reasonably be expected to produce benefits to the public . . . that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices." 12 U.S.C. § 1843(c)(8).

Consummation of Chemical's proposal would provide added convenience to its clients. The Board expects that the *de novo* entry of Chemical into the market for these services would increase the level of competition among providers of these services already in operation. Accordingly, the Board concludes that the performance of the proposed activities by Chemical can reasonably be expected to provide benefits to the public.

Moreover, there is no evidence in the record that consummation of the proposed FCM activities would result in any adverse effects such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices. In addition, the Board has taken into account and has relied on the regulatory framework established pursuant to law by the CFTC for the trading of futures.

The financial and managerial resources and future prospects of Applicant are considered consistent with approval. Based upon a consideration of all the relevant facts, the Board concludes that the balance of the public interest factors that it is required to consider under section 4(c)(8) is favorable. Accordingly, based on all the facts of record and the commitments made by Applicant, and subject to the conditions in this Order, the Board has determined that the proposed application should be, and hereby is, approved. This determination is subject to all of the conditions set forth in Regulation Y, including sections 225.4(d) and 225.23(b)(3) (12 C.F.R. §§ 225.4(d) and 225.23(b)(3)), and to the Board's authority to require such modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to assure compliance with, or to prevent evasion of, the provisions and purposes of the BHC Act and the Board's regulations and orders issued thereunder.

The transaction shall be made not later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of New York, pursuant to delegated authority.

By order of the Board of Governors, effective April 19, 1988.

Voting for this action: Chairman Greenspan and Governors Johnson, Seger, Angell, and Heller. Absent and not voting: Governor Kelley.

JAMES MCAFEE
Associate Secretary of the Board

Orders Issued Under Sections 3 and 4 of the Bank Holding Company Act

Constitution Bancorp of New England, Inc. Fairfield, Connecticut

Order Approving Acquisition of Bank Holding Companies

Constitution Bancorp of New England, Inc., Fairfield, Connecticut, has applied for the Board's approval under section 3 of the Bank Holding Company Act ("Act") (12 U.S.C. § 1841 *et seq.*), to become a bank holding company by acquiring 100 percent of Lafayette Bancorp, Inc., Bridgeport, Connecticut ("Lafayette"), and thereby to acquire indirectly Lafayette Bank and Trust Company, Bridgeport, Connecticut; and to acquire American Bancorp, Inc., Hamden, Connecticut ("American"), and thereby to acquire indirectly American National Bank, Hamden, Connecticut. Applicant has also applied under section 4(c)(8) of the Act (12 U.S.C. § 1843(c)(8)) to acquire DCG Acquisition, Inc., Hamden, Connecticut ("DCG"), a nonbanking subsidiary of American, and thereby engage in data processing activities.

Notice of the applications, affording interested persons an opportunity to submit comments, has been duly published (52 *Federal Register* 2,446 (1987)). The time for filing comments has expired, and the Board has considered the applications and all comments received in light of the factors set forth in sections 3(c) and 4(c)(8) of the Act.

Applicant is a non-operating corporation formed for the purpose of becoming a bank holding company by acquiring Lafayette and American. Lafayette is the twelfth largest commercial banking organization in Connecticut, controlling deposits of \$208 million,¹ representing less than 1 percent of the total deposits in commercial banking organizations in the state. American is the eleventh largest commercial banking organization in Connecticut, controlling \$258 million in deposits, also representing less than 1 percent of the total deposits in commercial banking organizations in the state. Upon consummation of the proposal, Appli-

1. All state banking data are as of June 30, 1987.

cant will become the seventh largest commercial banking organization in Connecticut, controlling deposits of \$466 million, which represent 1.9 percent of the total deposits in commercial banking organizations in the state. Accordingly, consummation of this proposal would not result in a significant increase in banking resources in Connecticut.

The Board has considered the effects of the proposal upon competition in the relevant banking markets.² American's sole subsidiary bank operates in the Hartford and New Haven, Connecticut, banking markets, where it controls less than 6.5 percent of the total deposits in commercial banks in each market.³ Lafayette's sole bank subsidiary operates in the Bridgeport banking market,⁴ where it controls 7.6 percent of the market's total commercial bank deposits. Because American does not operate a bank in any market in which Lafayette operates a banking subsidiary, consummation of the proposal would not eliminate significant existing competition in any relevant banking market.

In its evaluation of Applicant's managerial resources, the Board has considered certain violations by American National Bank ("American Bank") and Lafayette Bank and Trust Company ("Lafayette Bank") of the Currency and Foreign Transactions Reporting Act ("CFTRA") and the regulations thereunder.⁵

Lafayette Bank has implemented appropriate remedial measures designed to prevent a recurrence of the CFTRA violations. These measures include the establishment of a centralized exempt list, enhancement of the teller training program regarding large currency transaction reporting and the implementation of comprehensive audit procedures. Examiners from the appropriate bank supervisory authority have reviewed the measures implemented by Lafayette Bank and determined that they are adequate to assure future compliance with the CFTRA.

The Board also has considered certain violations by American Bank of the CFTRA. In that regard, American Bank has entered into an agreement with the United States Attorney for the District of Connecticut,

pursuant to which it pled guilty to a one count felony violation of the CFTRA with respect to certain unreported currency transactions and was levied a fine of \$200,000. In addition, Bank has agreed to file additional currency transaction reports for certain unreported transactions. The United States Attorney has advised the Board that his investigation into these matters has been concluded. American Bank also has entered into a Memorandum of Understanding with the Department of the Treasury with respect to the unreported currency transactions.

American Bank also has taken remedial action designed to address the potential for future CFTRA violations by reviewing and enhancing its CFTRA compliance policies and procedures. American Bank has appointed a CFTRA compliance officer, implemented a formal CFTRA training program, and appropriate procedural manuals have been made available in all branches. In addition, American Bank has adopted a model audit program and engaged an outside consultant to conduct semi-annual reviews of its CFTRA compliance. Further, examiners from the appropriate bank supervisory authorities have reviewed the CFTRA procedures adopted by American Bank and determined that they are sufficient to ensure future compliance with the CFTRA. The Board also has consulted with appropriate enforcement agencies with respect to this matter, and has considered American Bancorp's past record of compliance with the law.

Based upon the foregoing and all of the facts of record, the Board concludes that the managerial resources of Applicant, American, Lafayette, and their subsidiary banks, are consistent with approval. The Board also finds that the financial resources and future prospects of these organizations are consistent with approval of the proposal. Considerations related to the convenience and needs of the communities to be served also are consistent with approval.

Applicant has also applied, pursuant to section 4(c)(8) of the Act, to acquire DCG and thereby engage in the provision of data processing services to financial institutions. These activities have been determined by the Board to be closely related to banking and permissible for bank holding companies. 12 C.F.R. § 225.25(b)(7). DCG previously conducted these activities as a subsidiary of American,⁶ and there is no evidence in the record to indicate that approval of this proposal would result in undue concentration of resources, decreased or unfair competition, conflicts of interest, unsound banking practices, or other adverse effects on the public interest. Accordingly, the Board

2. All market data are as of June 30, 1986.

3. The Hartford banking market is approximated by the Hartford RMA minus the Tolland County Township of Manfield and the Windham County Township of Windham, plus the Windham County Township of Ashford, the Hartford County Township of Hartland and the Tolland County Township of Union, and the remaining portions of Plymouth and East Haddam not already included in the Hartford RMA, all of Connecticut. The New Haven banking market is approximated by the New Haven RMA.

4. The Bridgeport banking market is approximated by the Bridgeport RMA, minus the Fairfield County Township of Newton, plus the New Haven County Township of Beacon Falls, all of Connecticut.

5. 31 U.S.C. § 5311 *et seq.*, 31 C.F.R. § 103.

6. The Federal Reserve Bank of Boston, pursuant to authority delegated by the Board, approved American's acquisition of DCG on November 7, 1986. 73 FEDERAL RESERVE BULLETIN 75 (1987).

has determined that the balance of the public interest factors it must consider under section 4(c)(8) of the Act is consistent with approval of the application to acquire DCG.

Based on the foregoing and other facts of record, the Board has determined that the applications under sections 3 and 4 of the Act should be, and hereby are, approved. The acquisition of American and Lafayette shall not be consummated before the thirtieth calendar day following the effective date of this Order or later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or the Federal Reserve Bank of Boston, pursuant to delegated authority. The determinations as to the nonbanking activities are subject to all of the conditions set forth in Regulation Y, including sections 225.4(d) and 225.23(b) (12 C.F.R. §§ 225.4(d) and

225.23(b)), and to the Board's authority to require such modification or termination of the activities of the holding company or any of its subsidiaries as the Board finds necessary to assure compliance with, or to prevent evasion of, the provisions and purposes of the Act and the Board's regulations and orders issued thereunder.

By order of the Board of Governors, effective April 11, 1988.

Voting for this action: Chairman Greenspan and Governors Seger, Angell, Heller, and Kelley. Absent and not voting: Governor Johnson.

JAMES MCAFEE
Associate Secretary of the Board

ORDERS APPROVED UNDER BANK HOLDING COMPANY ACT

By Federal Reserve Banks

Recent applications have been approved by the Federal Reserve Banks as listed below. Copies are available upon request to the Reserve Banks.

Section 3

Applicant	Bank(s)	Reserve Bank	Effective date
Aspen Bank Shares, Ltd., Aspen, Colorado	Pitkin County Bank and Trust, Aspen, Colorado	Kansas City	April 7, 1988
Bancorp New Jersey, Inc., Somerville, New Jersey	New Jersey Savings Bank, Somerville, New Jersey	New York	April 22, 1988
Bath State Bancorp., Bath, Indiana	The Bath State Bank, Bath, Indiana	Chicago	March 24, 1988
Beverly Bancorporation, Inc., Chicago, Illinois	Martinsville State Bank, Martinsville, Illinois	Chicago	April 8, 1988
Buffalo Bancshares, Inc., Buffalo, Oklahoma	The First State Bank of Gage, Gage, Oklahoma	Kansas City	April 7, 1988
Citizens Bancshares of Beebe, Inc., Beebe, Arkansas	Citizens Bank, Beebe, Arkansas	St. Louis	April 6, 1988
Citizens Financial Group, Inc., Providence, Rhode Island	Citizens Savings Bank, Providence, Rhode Island	Boston	April 25, 1988
CNB, Inc., Lake City, Florida	Citizens Bank of Live Oak, Live Oak, Florida	Atlanta	March 31, 1988
Citizens National Bancorp, Inc., Athens, Tennessee	Citizens National Bank of Athens, Athens, Tennessee	Atlanta	April 1, 1988
City National Bancorporation, Inc., Washington, D.C.	City National Bank of Washington, Washington, D.C.	Richmond	April 4, 1988

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Columbia Bancorp, Columbia, Maryland	The Columbia Bank, Columbia, Maryland	Richmond	April 1, 1988
Commerce Bancshares, Inc., Kansas City, Missouri	Commerce Bank - Nixa, N.A., Nixa, Missouri	Kansas City	April 22, 1988
CommunityBanc, Inc., Crooksville, Ohio	Crooksville Bank, Crooksville, Ohio	Cleveland	April 19, 1988
Community Bancshares of Alva, Inc., Alva, Oklahoma	Community National Bank, Alva, Oklahoma	Kansas City	April 20, 1988
Community Financial Corporation, Mableton, Georgia	Community Bank & Trust Company, Mableton, Georgia	Atlanta	April 12, 1988
Community National Bancorp, Inc., Staten Island, New York	Community National Bank and Trust Company of New York, Staten Island, New York	New York	April 6, 1988
Delmar Bancorp, Delmar, Maryland	The Bank of Delmar, Delmar, Maryland	Richmond	April 26, 1988
Golden Bancorp, Inc., Milton, West Virginia	The Commercial Bank of Bluefield, Bluefield, West Virginia	Richmond	April 25, 1988
ENB Financial Corporation, Elkridge, Maryland	Elkridge National Bank, Elkridge, Maryland	Richmond	April 27, 1988
Fairland Holding Company, Inc., Neosho, Missouri	The First National Bank of Fairland, Fairland, Oklahoma	Kansas City	April 1, 1988
Granby Bancshares, Inc., Neosho, Missouri			
Fifth Third Bancorp, Cincinnati, Ohio	Security Bank, Inc., Covington, Kentucky	Cleveland	April 6, 1988
First Alma Bancshares, Inc., Alma, Kansas	The First National Bank in Alma, Alma, Kansas	Kansas City	April 27, 1988
First American Corporation, Nashville, Tennessee	First American Bancshares, Inc., Cookeville, Tennessee	Atlanta	March 31, 1988
FirstBancorp, Inc., Marathon, Florida	The First National Bank of the Florida Keys, Marathon, Florida	Atlanta	April 8, 1988
First Colony Bancshares, Inc., Alpharetta, Georgia	First Colony Bank, Alpharetta, Georgia	Atlanta	April 4, 1988
The First Corporation, Opelika, Alabama	The First National Bank of Opelika, Opelika, Alabama	Atlanta	April 6, 1988
First Dubuque Corp., Dubuque, Iowa	ANDREW FINANCIAL CORP., Bellevue, Iowa	Chicago	April 14, 1988
F.N.B.C. of La Grange, Inc., La Grange, Illinois	Wesco Investment Corporation, La Grange, Illinois	Chicago	April 15, 1988
First United Bancorporation, Anderson, South Carolina	Spartanburg National Bank (in organization), Spartanburg, South Carolina	Richmond	April 12, 1988
Fourth Financial Corporation, Inc., Wichita, Kansas	Mid-America Bancshares, Inc., Wichita, Kansas	Kansas City	April 15, 1988

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Governors Bank Corporation, West Palm Beach, Florida	Governors Bank, West Palm Beach, Florida	Atlanta	March 30, 1988
Independent Bancshares, Inc., Ocala, Florida	Independent Bank of Ocala, Ocala, Florida	Atlanta	March 28, 1988
Jackson Hole Bancshares Corporation, Jackson, Wyoming	Bank of Jackson Hole, Jackson, Wyoming	Kansas City	April 11, 1988
Key Centurion Bancshares, Inc., Charleston, West Virginia	The Lincoln National Bank of Hamlin, Hamlin, West Virginia	Richmond	April 5, 1988
Key Centurion Bancshares, Inc., Charleston, West Virginia	The National Bank of Commerce of Williamson, Williamson, West Virginia	Richmond	April 11, 1988
Landmark/Community Bancorp, Inc., Hartford, Connecticut	Landmark Financial Corporation, Hartford, Connecticut Community Bancorp, Inc., Glastonbury, Connecticut SBT Corp., Old Saybrook, Connecticut	Boston	April 26, 1988
MNC Financial, Inc., Baltimore, Maryland	Atlantic Coast Mortgage Company, Fairfax, Virginia	Richmond	March 30, 1988
National City Bancshares, Inc., Evansville, Indiana	The Peoples National Bank of Grayville, Grayville, Illinois	St. Louis	March 24, 1988
Newberry Bancorp, Inc., Newberry, Michigan	Newberry State Bank, Newberry, Michigan	Minneapolis	April 25, 1988
Old National Bancorp, Evansville, Indiana	The Peoples National Bank in Lawrenceville, Lawrenceville, Illinois	St. Louis	April 22, 1988
Oxford Bank Corporation, Oxford, Michigan	Oxford Bank, Oxford, Michigan	Chicago	April 8, 1988
Park Ridge Bancshares, Inc., Stevens Point, Wisconsin	Bank of Park Ridge, Park Ridge, Wisconsin	Chicago	April 6, 1988
Putnam-Greene Financial Corporation, Eatonton, Georgia	The Pembroke State Bank, Pembroke, Georgia	Atlanta	April 1, 1988
Shelby Investments, Inc., Great Falls, Montana	Village Bank of Great Falls, Great Falls, Montana	Minneapolis	April 27, 1988
S. Y. Bancorp, Inc., Louisville, Kentucky	Stock Yards Bank and Trust Company, Louisville, Kentucky	St. Louis	April 22, 1988
Thomson Holdings, Inc., Centerville, South Dakota	Bank of Centerville, Centerville, South Dakota	Minneapolis	April 8, 1988
W B BANCORP, INC., New Berlin, Illinois	First State Bank, New Berlin, Illinois	Chicago	April 11, 1988
W.T.B. Financial Corporation, Spokane, Washington	Norban Financial Group, Inc., Coeur d'Alene, Idaho	San Francisco	April 7, 1988
Warrior Bank Corporation, Inc., Cashion, Oklahoma	Community State Bank, Cashion, Oklahoma	Kansas City	March 25, 1988

Section 3—Continued

Applicant	Bank(s)	Reserve Bank	Effective date
Waymar Bancorporation, Spirit Lake, Iowa	First Bank and Trust, Spirit Lake, Iowa	Chicago	April 7, 1988
West Iowa Banc Corp., Marcus, Iowa	The Farmers State Bank, Marcus, Iowa	Chicago	March 25, 1988
Wheeler Bancshares, Inc., Wheeler, Texas	First National Bank in Wheeler, Wheeler, Texas	Dallas	April 12, 1988

Section 4

Applicant	Nonbanking Activity/Company	Reserve Bank	Effective date
Bank Corporation of Georgia, Macon, Georgia	Atlanta Capital Corporation, Roswell, Georgia engage <i>de novo</i> in finance leasing of personal and real properties	Atlanta	April 11, 1988
Bank South Corporation, Atlanta, Georgia	Financial Data Dimensions, Inc., Thomson, Georgia	Atlanta	March 28, 1988
BSD Bancorp, Inc., San Diego, California	engage in trust activities	San Francisco	March 31, 1988
First American Bank Corporation, Elk Grove Village, Illinois	Keystone Data Corporation, Kankakee, Illinois	Chicago	March 25, 1988
First National Holding Company, Inc., Fullerton, Nebraska	Black Insurance Agency, Fullerton, Nebraska	Kansas City	April 14, 1988
Fleet/Norstar Financial Group, Inc., Albany, New York	engage in the purchase and sale of gold and silver bullion, bars, rounds and coins for the account of its customers	Boston	March 29, 1988
Progressive Bank, Inc., Pawling, New York	The Stockbridge Group, Ltd., Hopewell Junction, New York	New York	April 1, 1988
The Sanwa Bank Limited, Osaka, Japan	Lake Leasing Corporation, Rochester, Michigan	San Francisco	April 26, 1988
Sovran Financial Corporation, Norfolk, Virginia	Commerce Union Financial Markets, Inc., Nashville, Tennessee	Richmond	April 7, 1988

Sections 3 and 4

Applicant	Bank(s)/ Nonbanking Company	Reserve Bank	Effective date
Southern Development Bancorporation, Inc., Little Rock, Arkansas	Elk Horn Bancshares, Inc., Arkadelphia, Arkansas Opportunity Lands Corporation, Little Rock, Arkansas	St. Louis	March 31, 1988

Section 3 and 4—Continued

Applicant	Bank(s)/ Nonbanking Company	Reserve Bank	Effective date
Stuart Family Partnership, Lincoln, Nebraska	First Commerce Bancshares, Inc., Lincoln, Nebraska	Kansas City	April 15, 1988
The Catherine Stuart Family Partnership, Lincoln, Nebraska			
The James Stuart, Jr. Family Partnership, Lincoln, Nebraska			
The Scott Stuart Family Partnership, Lincoln, Nebraska			

*ORDERS APPROVED UNDER BANK MERGER ACT**By Federal Reserve Banks*

Applicant	Bank(s)	Reserve Bank	Effective date
Central Bank, Hollidaysburg, Pennsylvania	Broad Top City Office of Mellon Bank (Central), N.A., State College, Pennsylvania	Philadelphia	March 28, 1988
The Commercial Savings Bank, Adrian, Michigan	The Jipson-Carter State Bank, Blissfield, Michigan	Chicago	April 15, 1988
Commonwealth Bank, Arlington, Texas	Commonwealth Bank-Lamar, N.A., Arlington, Texas	Dallas	April 1, 1988
Old Kent Bank of Kalamazoo, Kalamazoo, Michigan	Old Kent Bank of Allegan, Allegan, Michigan Old Kent Bank of Battle Creek, Battle Creek, Michigan Old Kent Bank of South Haven, South Haven, Michigan Old Kent Bank of Three Rivers, Three Rivers, Michigan	Chicago	April 22, 1988

PENDING CASES INVOLVING THE BOARD OF GOVERNORS

This list of pending cases does not include suits against the Federal Reserve Banks in which the Board of Governors is not named a party.

- Bonilla v. Board of Governors*, No. 88-1464 (7th Cir., filed March 11, 1988).
- Cohen v. Board of Governors*, No. 88-1061 (D.N.J., filed March 7, 1988).
- Irving Bank Corporation v. Board of Governors*, No. 88-1176 (D.C. Cir., filed March 1, 1988).
- Stoddard v. Board of Governors*, No. 88-1148 (D.C. Cir., filed Feb. 25, 1988).
- Securities Industry Association v. Board of Governors*, No. 87-4161 (2d Cir., filed Dec. 15, 1987).
- Independent Insurance Agents of America, Inc. v. Board of Governors*, No. 87-1686 (D.C. Cir., filed Nov. 19, 1987).
- National Association of Casualty and Surety Agents, et al., v. Board of Governors*, Nos. 87-1644, 87-1801, 88-1001 88-1206, 88-1245, 88-1270 (D.C. Cir., filed Nov. 4, Dec. 21, 1987, Jan. 4, March 18, March 30, April 7, 1988).
- Teichgraeber v. Board of Governors*, No. 87-2505-0 (D. Kan., filed Oct. 16, 1987).
- Securities Industry Association v. Board of Governors*, No. 87-4135 (2d Cir., filed Oct. 8, 1987).
- Independent Insurance Agents of America, Inc. v. Board of Governors*, No. 87-4118 (2d Cir., filed Sept. 17, 1987).
- Citicorp v. Board of Governors*, No. 87-1475 (D.C. Cir., filed Sept. 9, 1987).
- Securities Industry Association v. Board of Governors*, No. 87-4115 (2d Cir., filed Sept. 9, 1987).
- Barrett v. Volcker*, No. 87-2280 (D.D.C., filed Aug. 17, 1987).
- Northeast Bancorp v. Board of Governors*, No. 87-1365 (D.C. Cir., filed July 31, 1987).
- National Association of Casualty & Insurance Agents v. Board of Governors*, Nos. 87-1354, 87-1355 (D.C. Cir., filed July 29, 1987).
- The Chase Manhattan Corporation v. Board of Governors*, No. 87-1333 (D.C. Cir., filed July 20, 1987).
- Securities Industry Association v. Board of Governors*, Nos. 87-4091, 87-4093, 87-4095 (2d Cir., filed July 1 and July 15, 1987).
- Lewis v. Board of Governors*, Nos. 87-3455, 87-3545 (11th Cir., filed June 25, Aug. 3, 1987).
- Securities Industry Association v. Board of Governors, et al.* No. 87-4041 and consolidated cases (2d Cir., filed May 1, 1987).
- Securities Industry Association v. Board of Governors, et al.*, No. 87-1169 (D.C. Cir., filed April 17, 1987).
- Independent Community Bankers Association of South Dakota v. Board of Governors*, No. 86-5373 (8th Cir., filed Oct. 3, 1986).
- Jenkins v. Board of Governors*, No. 86-1419 (D.C. Cir., filed July 18, 1986).
- CBC, Inc. v. Board of Governors*, No. 86-1001 (10th Cir., filed Jan. 2, 1986).
- Melcher v. Federal Open Market Committee*, No. 87-1546 (S.Ct., filed April 30, 1984).

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1.10 RESERVES, MONEY STOCK, LIQUID ASSETS, AND DEBT MEASURES

Item	Monetary and credit aggregates (annual rates of change, seasonally adjusted in percent) ¹								
	1987			1988	1987		1988		
	Q2	Q3	Q4	Q1	Nov.	Dec.	Jan.	Feb. ⁷	Mar.
<i>Reserves of depository institutions²</i>									
1 Total	8.0	-1.6	1.4	3.3	-10.4	-11.4	18.4	2.5	3.7
2 Required	8.4	-5	.3	2.8	-6.4	-13.8	13.0	6.0	8.2
3 Nonborrowed	5.4	-4	1.2	1.3	-4.0	-14.7	12.2	17.0	-24.3
4 Monetary base ³	6.9	5.1	7.7	8.7	6.9	3.1	16.6	4.7	5.2
<i>Concepts of money, liquid assets, and debt⁴</i>									
5 M1	6.6	.8	3.9 ⁵	3.9	-5.6	-3.0 ⁶	12.9 ⁶	1.1	5.8
6 M2	2.7	2.8	3.9 ⁵	6.8	.8 ⁶	1.9 ⁶	10.0	8.7	9.2
7 M3	4.6	4.4 ⁵	5.4 ⁵	6.6	4.8 ⁶	1.4	8.3 ⁶	9.8	7.1
8 L	4.1	4.3 ⁵	5.8 ⁵	n.a.	3.3 ⁶	.3 ⁶	10.6 ⁶	9.0	n.a.
9 Debt	8.9	8.2	9.8	9.9	11.6	8.7	8.7 ⁶	11.2	n.a.
<i>Nontransaction components</i>									
10 In M2 ⁵	1.3	3.5	3.8 ⁵	7.9	3.0 ⁶	3.6	9.0	11.4	10.4
11 In M3 only ⁵	12.6 ⁷	10.8 ⁷	11.1 ⁷	5.8	20.2	-3	1.9 ⁷	14.0	-9
<i>Time and savings deposits</i>									
<i>Commercial banks</i>									
12 Savings ⁸	22.4	10.1	.7	6.3	-1.3	.0	5.4	13.4	15.2
13 Small-denomination time ⁸	-2.7	7.4	14.8	13.6	23.7	9.4	10.6	17.3	11.9
14 Large-denomination time ^{9,10}	17.1	6.8	10.5	2.2	18.1	4.5	-12.2	13.5	3.0
<i>Thrift institutions</i>									
15 Savings ⁸	19.2	7.0	-3.8	-2.4	-9.1	-4.1	-3.6	-.5	7.7
16 Small-denomination time ⁸	1.2	9.3	16.0	21.4	25.9	19.4	18.4 ⁷	25.5	18.4
17 Large-denomination time ⁹	-5.1	9.9	22.2	15.4	25.6	23.5	10.4	16.2	1.5
<i>Debt components⁴</i>									
18 Federal	8.8	5.9	7.5	9.1	12.6	8.0	5.1	11.3	n.a.
19 Nonfederal	9.0	9.0	10.6	10.2	11.2 ⁷	8.9	9.8 ⁷	11.2	n.a.
20 Total loans and securities at commercial banks ¹¹	8.2 ⁷	6.2	5.5	4.8	2.6	-1.0	5.9	8.3	8.2

1. Unless otherwise noted, rates of change are calculated from average amounts outstanding in preceding month or quarter.

2. Figures incorporate adjustments for discontinuities associated with the implementation of the Monetary Control Act and other regulatory changes to reserve requirements. To adjust for discontinuities due to changes in required reserves on reservable nondeposit liabilities, the sum of such required reserves is subtracted from the actual series. Similarly, in adjusting for discontinuities in the monetary base, required clearing balances and adjustments to compensate for float also are subtracted from the actual series.

3. The monetary base not adjusted for discontinuities consists of total reserves plus required clearing balances and adjustments to compensate for float at Federal Reserve Banks plus the currency component of the money stock less the amount of vault cash holdings of thrift institutions that is included in the currency component of the money stock plus, for institutions not having required reserve balances, the excess of current vault cash over the amount applied to satisfy current reserve requirements. After the introduction of contemporaneous reserve requirements (CRR), currency and vault cash figures are measured over the weekly computation period ending Monday.

Before CRR, all components of the monetary base other than excess reserves are seasonally adjusted as a whole, rather than by component, and excess reserves are added on a not seasonally adjusted basis. After CRR, the seasonally adjusted series consists of seasonally adjusted total reserves, which include excess reserves on a not seasonally adjusted basis, plus the seasonally adjusted currency component of the money stock plus the remaining items seasonally adjusted as a whole.

4. Composition of the money stock measures and debt is as follows:

M1: (1) currency outside the Treasury, Federal Reserve Banks, and the vaults of depository institutions; (2) travelers checks of nonbank issuers; (3) demand deposits at all commercial banks other than those due to depository institutions, the U.S. government, and foreign banks and official institutions less cash items in the process of collection and Federal Reserve float; and (4) other checkable deposits (OCD) consisting of negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at depository institutions, credit union share draft accounts, and demand deposits at thrift institutions.

M2: M1 plus overnight (and continuing contract) repurchase agreements (RPs) issued by all commercial banks and overnight Eurodollars issued to U.S. residents by foreign branches of U.S. banks worldwide, Money Market Deposit Accounts (MMDAs), savings and small-denomination time deposits (time deposits—including retail RPs—in amounts of less than \$100,000), and balances in both taxable and tax-exempt general purpose and broker-dealer money market mutual funds. Excludes individual retirement accounts (IRA) and Keogh balances at depository

institutions and money market funds. Also excludes all balances held by U.S. commercial banks, money market funds (general purpose and broker-dealer), foreign governments and commercial banks, and the U.S. government.

M3: M2 plus large-denomination time deposits and term RP liabilities (in amounts of \$100,000 or more) issued by commercial banks and thrift institutions, term Eurodollars held by U.S. residents at foreign branches of U.S. banks worldwide and at all banking offices in the United Kingdom and Canada, and balances in both taxable and tax-exempt, institution-only money market mutual funds. Excludes amounts held by depository institutions, the U.S. government, money market funds, and foreign banks and official institutions. Also subtracted is the estimated amount of overnight RPs and Eurodollars held by institution-only money market mutual funds.

L: M3 plus the nonbank public holdings of U.S. savings bonds, short-term Treasury securities, commercial paper and bankers acceptances, net of money market mutual fund holdings of these assets.

Debt: Debt of domestic nonfinancial sectors consists of outstanding credit market debt of the U.S. government, state and local governments, and private nonfinancial sectors. Private debt consists of corporate bonds, mortgages, consumer credit (including bank loans), other bank loans, commercial paper, bankers acceptances, and other debt instruments. The source of data on domestic nonfinancial debt is the Federal Reserve Board's flow of funds accounts. Debt data are based on monthly averages. Growth rates for debt reflect adjustments for discontinuities over time in the levels of debt presented in other tables.

5. Sum of overnight RPs and Eurodollars, money market fund balances (general purpose and broker-dealer), MMDAs, and savings and small time deposits less the estimated amount of demand deposits and vault cash held by thrift institutions to service their time and savings deposit liabilities.

6. Sum of large time deposits, term RPs, and Eurodollars of U.S. residents, money market fund balances (institution-only), less a consolidation adjustment that represents the estimated amount of overnight RPs and Eurodollars held by institution-only money market mutual funds.

7. Excludes MMDAs.

8. Small-denomination time deposits—including retail RPs—are those issued in amounts of less than \$100,000. All IRA and Keogh accounts at commercial banks and thrifts are subtracted from small time deposits.

9. Large-denomination time deposits are those issued in amounts of \$100,000 or more, excluding those booked at international banking facilities.

10. Large-denomination time deposits at commercial banks less those held by money market mutual funds, depository institutions, and foreign banks and official institutions.

11. Changes calculated from figures shown in table 1.23.

1.11 RESERVES OF DEPOSITORY INSTITUTIONS AND RESERVE BANK CREDIT

Millions of dollars

Factors	Monthly averages of daily figures			Weekly averages of daily figures for week ending						
	1988			1988						
	Jan.	Feb.	Mar.	Feb. 17	Feb. 24	Mar. 2	Mar. 9	Mar. 16	Mar. 23	Mar. 30
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit	246,090	238,789	239,867	239,738	238,397	239,403	238,216	240,698	239,716	240,581
2 U.S. government securities ¹	219,855	214,625	215,545	212,608	215,898	216,354	215,219	216,630	214,621	215,325
3 Bought outright	219,069	214,625	215,545	212,608	215,898	216,354	215,219	216,630	214,621	215,325
4 Held under repurchase agreements	786	0	0	0	0	0	0	0	0	0
5 Federal agency obligations	7,806	7,402	7,401	7,402	7,402	7,402	7,402	7,402	7,401	7,399
6 Bought outright	7,503	7,402	7,401	7,402	7,402	7,402	7,402	7,402	7,401	7,399
7 Held under repurchase agreements	303	0	0	0	0	0	0	0	0	0
8 Acceptances	0	0	0	0	0	0	0	0	0	0
9 Loans	1,028	353	1,690	509	340	384	690	1,311	2,537	2,465
10 Float	1,784	1,627	622	3,920	617	672	623	461	461	509
11 Other Federal Reserve assets	15,617	14,782	14,609	15,299	14,141	14,591	14,282	14,893	14,696	14,882
12 Gold stock ²	11,074	11,065	11,063	11,065	11,064	11,063	11,063	11,063	11,063	11,062
13 Special drawing rights certificate account	5,018	5,018	5,018	5,018	5,018	5,018	5,018	5,018	5,018	5,018
14 Treasury currency outstanding	18,205	18,265	18,315	18,263	18,277	18,290	18,300	18,310	18,320	18,330
ABSORBING RESERVE FUNDS										
15 Currency in circulation	226,414	224,337	225,434	225,042	224,506	223,743	224,799	225,685	225,695	225,708
16 Treasury cash holdings ³	441	449	468	448	452	456	460	467	472	477
Deposits, other than reserve balances, with Federal Reserve Banks										
17 Treasury	5,774	3,711	2,894	3,425	4,111	2,921	2,951	3,309	2,676	2,568
18 Foreign	274	241	238	230	240	265	214	249	213	226
19 Service-related balances and adjustments	2,233	2,301	1,909	2,002	2,193	2,493	1,964	1,823	1,914	1,863
20 Other	432	335	408	321	296	446	335	380	428	483
21 Other Federal Reserve liabilities and capital	7,432	7,303	7,153	8,193	7,166	7,112	7,046	7,114	7,262	7,214
22 Reserve balances with Federal Reserve Banks ¹	37,389	34,461	35,758	34,424	33,793	36,339	34,829	36,064	35,458	36,451
End-of-month figures										
Wednesday figures										
1988										
1988										
SUPPLYING RESERVE FUNDS										
23 Reserve Bank credit	242,517	239,795	242,542	242,390	237,250	239,031	238,243	241,227	241,387	240,110
24 U.S. government securities ¹	218,411	216,891	217,496	217,534	214,901	215,546	213,583	215,680	215,579	215,160
25 Bought outright	218,411	216,891	217,496	217,534	214,901	215,546	213,583	215,680	215,579	215,160
26 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
27 Federal agency obligations	7,423	7,402	7,399	7,402	7,402	7,402	7,402	7,402	7,399	7,399
28 Bought outright	7,423	7,402	7,399	7,402	7,402	7,402	7,402	7,402	7,399	7,399
29 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
30 Acceptances	0	0	0	0	0	0	0	0	0	0
31 Loans	333	336	2,311	462	253	525	2,148	2,967	3,194	2,134
32 Float	396	897	298	2,804	433	1,220	629	488	349	430
33 Other Federal Reserve assets	15,954	14,269	15,038	14,188	14,261	14,338	14,481	14,690	14,866	14,987
34 Gold stock ²	11,068	11,063	11,063	11,065	11,063	11,063	11,063	11,063	11,063	11,063
35 Special drawing rights certificate account	5,018	5,018	5,018	5,018	5,018	5,018	5,018	5,018	5,018	5,018
36 Treasury currency outstanding	18,233	18,289	18,339	18,275	18,289	18,299	18,309	18,319	18,329	18,339
ABSORBING RESERVE FUNDS										
37 Currency in circulation	223,188	223,615	227,099	225,292	224,027	224,178	225,419	225,934	225,684	226,492
38 Treasury cash holdings ³	438	457	479	451	456	456	466	470	477	475
Deposits, other than reserve balances, with Federal Reserve Banks										
39 Treasury	10,276	2,472	2,403	4,986	2,505	3,034	3,300	3,221	2,145	3,190
40 Foreign	343	343	534	243	206	252	267	265	225	207
41 Service-related balances and adjustments	1,674	1,658	1,671	1,681	1,681	1,658	1,657	1,654	1,654	1,671
42 Other	315	438	436	314	274	392	329	524	361	479
43 Other Federal Reserve liabilities and capital	6,926	7,139	7,234	6,874	6,997	6,880	6,952	6,932	7,092	7,047
44 Reserve balances with Federal Reserve Banks ¹	33,664	38,043	37,106	36,908	35,475	36,561	34,244	36,627	38,158	34,969

1. Includes securities loaned—fully guaranteed by U.S. government securities pledged with Federal Reserve Banks—and excludes any securities sold and scheduled to be bought back under matched sale-purchase transactions.

2. Revised for periods between October 1986 and April 1987. At times during this interval, outstanding gold certificates were inadvertently in excess of the gold

stock. Revised data not included in this table are available from the Division of Research and Statistics, Banking Section.

3. Excludes required clearing balances and adjustments to compensate for float.

NOTE. For amounts of currency and coin held as reserves, see table 1.12.

1.12 RESERVES AND BORROWINGS Depository Institutions¹

Millions of dollars

Reserve classification	Monthly averages ⁹									
	1985	1986	1987	1987					1988	
	Dec.	Dec.	Dec.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
1 Reserve balances with Reserve Banks ²	27,620	37,360	37,673	35,616	36,685	37,249	37,453	37,673	37,485	34,211
2 Total vault cash ³	22,953	24,079	26,155	24,644	24,854	25,587	25,431	26,155	26,919	28,119
3 Vault ⁴	20,522	22,199	24,449	22,745	23,128	23,857	23,752	24,449	25,155	25,836
4 Surplus ⁵	2,431	1,879	1,706	1,899	1,726	1,730	1,679	1,706	1,764	2,283
5 Total reserves ⁶	48,142	59,560	62,123	58,361	59,813	61,106	61,205	62,123	62,640	60,047
6 Required reserves	47,085	58,191	61,094	57,329	59,020	59,977	60,282	61,094	61,345	58,914
7 Excess reserve balances at Reserve Banks	1,058	1,369	1,029	1,032	793	1,129	923	1,029	1,295	1,133
8 Total borrowings at Reserve Banks	1,318	827	777	647	940	943	625	777	1,082	396
9 Seasonal borrowings at Reserve Banks	56	38	93	279	231	189	126	93	59	75
10 Extended credit at Reserve Banks ⁸	499	303	483	132	409	449	394	483	372	205
Biweekly averages of daily figures for weeks ending										
	1987			1988						
	Dec. 16	Dec. 30	Jan. 13	Jan. 27	Feb. 10	Feb. 24	Mar. 9	Mar. 23	Apr. 6	Apr. 20
11 Reserve balances with Reserve Banks ²	38,272	37,055	39,175	37,002	33,691	34,087	35,577	35,761	37,000	39,133
12 Total vault cash ³	25,372	26,960	26,566	26,533	29,417	27,954	25,987	26,224	25,336	25,205
13 Vault ⁴	23,824	25,105	24,937	24,840	26,965	25,673	23,999	24,330	23,610	23,699
14 Surplus ⁵	1,549	1,855	1,629	1,694	2,452	2,282	1,988	1,894	1,726	1,507
15 Total reserves ⁶	62,095	62,160	64,112	61,842	60,656	59,759	59,576	60,091	60,610	62,832
16 Required reserves	60,890	61,354	62,805	60,554	59,368	58,688	58,600	59,188	59,693	62,139
17 Excess reserve balances at Reserve Banks	1,206	806	1,307	1,288	1,288	1,071	976	903	917	693
18 Total borrowings at Reserve Banks	815	671	1,945	508	287	425	537	1,924	2,817	3,619
19 Seasonal borrowings at Reserve Banks	83	102	66	54	55	77	111	123	122	124
20 Extended credit at Reserve Banks ⁸	653	316	485	332	144	232	255	1,685	2,494	3,277

1. These data also appear in the Board's H.3 (502) release. For address, see inside front cover.

2. Excludes required clearing balances and adjustments to compensate for float.

3. Dates refer to the maintenance periods in which the vault cash can be used to satisfy reserve requirements. Under contemporaneous reserve requirements, maintenance periods end 30 days after the lagged computation periods in which the balances are held.

4. Equal to all vault cash held during the lagged computation period by institutions having required reserve balances at Federal Reserve Banks plus the amount of vault cash equal to required reserves during the maintenance period at institutions having no required reserve balances.

5. Total vault cash at institutions having no required reserve balances less the amount of vault cash equal to their required reserves during the maintenance period.

6. Total reserves not adjusted for discontinuities consist of reserve balances with Federal Reserve Banks, which exclude required clearing balances and

adjustments to compensate for float, plus vault cash used to satisfy reserve requirements. Such vault cash consists of all vault cash held during the lagged computation period by institutions having required reserve balances at Federal Reserve Banks plus the amount of vault cash equal to required reserves during the maintenance period at institutions having no required reserve balances.

7. Reserve balances with Federal Reserve Banks plus vault cash used to satisfy reserve requirements less required reserves.

8. Extended credit consists of borrowing at the discount window under the terms and conditions established for the extended credit program to help depository institutions deal with sustained liquidity pressures. Because there is not the same need to repay such borrowing promptly as there is with traditional short-term adjustment credit, the money market impact of extended credit is similar to that of nonborrowed reserves.

9. Before February 1984, data are prorated monthly averages of weekly averages; beginning February 1984, data are prorated monthly averages of biweekly averages.

A6 Domestic Financial Statistics □ June 1988

1.13 SELECTED BORROWINGS IN IMMEDIATELY AVAILABLE FUNDS Large Member Banks¹

Averages of daily figures, in millions of dollars

Maturity and source	1987 week ending Monday								
	Sept. 21	Sept. 28	Oct. 5	Oct. 12	Oct. 19	Oct. 26	Nov. 2	Nov. 9	Nov. 16
<i>Federal funds purchased, repurchase agreements, and other selected borrowing in immediately available funds</i>									
From commercial banks in the United States									
1 For one day or under continuing contract	70,262	66,374	74,386	76,610	75,793	74,961	75,965	79,120	76,821
2 For all other maturities	8,888	9,170	8,209	8,611	9,040	9,384	9,781	10,341	10,353
From other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies									
3 For one day or under continuing contract	27,159	25,696	25,513	26,970	24,791	23,348	24,574	25,943	26,635
4 For all other maturities	6,895	6,773	5,978	6,562	7,056	8,487	8,510	8,645	8,238
<i>Repurchase agreements on U.S. government and federal agency securities in immediately available funds</i>									
Brokers and nonbank dealers in securities									
5 For one day or under continuing contract	13,289	13,685	15,505	14,496	15,254	14,825	15,544	13,351	13,080
6 For all other maturities	15,032	15,720	12,059	11,934	11,053	12,021	12,306	12,424	13,080
All other customers									
7 For one day or under continuing contract	26,808	26,957	27,240	26,338	26,758	28,608	28,666	28,274	27,616
8 For all other maturities	8,943	8,891	8,054	8,611	7,761	9,044	9,710	10,277	10,209
MEMO: Federal funds loans and resale agreements in immediately available funds in maturities of one day or under continuing contract									
9 To commercial banks in the United States	30,303	29,348	33,209	30,926	33,064	36,169	35,913	33,803	34,054
10 To all other specified customers ²	14,172	14,600	14,751	12,971	13,429	14,211	14,502	14,362	14,889

1. Banks with assets of \$1 billion or more as of Dec. 31, 1977.
These data also appear in the Board's H.5 (507) release. For address, see inside front cover.

2. Brokers and nonbank dealers in securities; other depository institutions; foreign banks and official institutions; and United States government agencies.

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per year

Federal Reserve Bank	Current and previous levels									
	Adjustment credit and Seasonal credit ¹			Extended credit ²						
				First 30 days of borrowing			After 30 days of borrowing ³			
	On 4/29/88	Effective date	Previous rate	On 4/29/88	Effective date	Previous rate	On 4/29/88	Effective date	Previous rate	Effective date
Boston.....	6	9/9/87	5½	6	9/9/87	5½	7.40	4/21/88	7.20	4/7/88
New York.....	↑	9/4/87	↑	↑	9/4/87	↑	↑	4/21/88	↑	4/7/88
Philadelphia.....		9/4/87			9/4/87			4/21/88		4/7/88
Cleveland.....		9/4/87			9/4/87			4/21/88		4/7/88
Richmond.....		9/5/87			9/5/87			4/21/88		4/7/88
Atlanta.....		9/4/87			9/4/87			4/21/88		4/7/88
Chicago.....		9/4/87			9/4/87			4/21/88		4/7/88
St. Louis.....		9/9/87			9/9/87			4/21/88		4/7/88
Minneapolis.....		9/8/87			9/8/87			4/21/88		4/7/88
Kansas City.....		9/4/87			9/4/87			4/21/88		4/7/88
Dallas.....		9/11/87			9/11/87			4/21/88		4/7/88
San Francisco.....	6	9/9/87	5½	6	9/9/87	5½	7.40	4/21/88	7.20	4/7/88

Range of rates for adjustment credit in recent years⁴

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1977.....	6	6	1980—July 28.....	10–11	10	1984—Apr. 9.....	8½–9	9
1978—Jan. 9.....	6–6½	6½	29.....	10	10	13.....	9	9
20.....	6½	6½	Sept. 26.....	11	11	Nov. 21.....	8½–9	8½
May 11.....	6½–7	7	Nov. 17.....	12	12	26.....	8½	8½
12.....	7	7	Dec. 5.....	12–13	13	Dec. 24.....	8	8
July 3.....	7–7¼	7¼	1981—May 5.....	13–14	14	1985—May 20.....	7½–8	7½
10.....	7¼	7¼	8.....	14	14	24.....	7½	7½
Aug. 21.....	7¾	7¾	Nov. 2.....	13–14	13			
Sept. 22.....	8	8	6.....	13	13	1986—Mar. 7.....	7–7½	7
Oct. 16.....	8–8½	8½	Dec. 4.....	12	12	10.....	7	7
20.....	8½	8½	1982—July 20.....	11½–12	11½	Apr. 21.....	6½–7	6½
Nov. 1.....	8½–9½	9½	23.....	11½	11½	July 11.....	6	6
3.....	9½	9½	Aug. 2.....	11–11½	11	Aug. 12.....	5½–6	5½
1979—July 20.....	10	10	3.....	11	11	22.....	5½	5½
Aug. 17.....	10–10½	10½	16.....	10½	10½	1987—Sept. 4.....	5½–6	6
20.....	10½	10½	27.....	10–10½	10	11.....	6	6
Sept. 19.....	10½–11	11	30.....	10	10			
21.....	11	11	Oct. 12.....	9½–10	9½	In effect April 29, 1988.....	6	6
Oct. 8.....	11–12	12	13.....	9½	9½			
10.....	12	12	Nov. 22.....	9–9½	9			
1980—Feb. 15.....	12–13	13	26.....	9	9			
19.....	13	13	Dec. 14.....	8½–9	9			
May 29.....	12–13	13	15.....	8½–9	8½			
30.....	12	12	17.....	8½	8½			
June 13.....	11–12	11						
16.....	11	11						

1. Adjustment credit is available on a short-term basis to help depository institutions meet temporary needs for funds that cannot be met through reasonable alternative sources. After May 19, 1986, the highest rate established for loans to depository institutions may be charged on adjustment credit loans of unusual size that result from a major operating problem at the borrower's facility.

Seasonal credit is available to help smaller depository institutions meet regular, seasonal needs for funds that cannot be met through special industry lenders and that arise from a combination of expected patterns of movement in their deposits and loans. A temporary simplified seasonal program was established on Mar. 8, 1985, and the interest rate was a fixed rate ½ percent above the rate on adjustment credit. The program was reestablished on Feb. 18, 1986 and again on Jan. 28, 1987; the rate may be either the same as that for adjustment credit or a fixed rate ½ percent higher.

2. Extended credit is available to depository institutions, where similar assistance is not reasonably available from other sources, when exceptional circumstances or practices involve only a particular institution or when an institution is experiencing difficulties adjusting to changing market conditions over a longer period of time.

3. For extended-credit loans outstanding more than 30 days, a flexible rate

somewhat above rates on market sources of funds ordinarily will be charged, but in no case will the rate charged be less than the basic discount rate plus 50 basis points. The flexible rate is reestablished on the first business day of each two-week reserve maintenance period. At the discretion of the Federal Reserve Bank, the time period for which the basic discount rate is applied may be shortened.

4. For earlier data, see the following publications of the Board of Governors: *Banking and Monetary Statistics, 1914–1941*, and *1941–1970: Annual Statistical Digest, 1970–1979*.

In 1980 and 1981, the Federal Reserve applied a surcharge to short-term adjustment credit borrowings by institutions with deposits of \$500 million or more that had borrowed in successive weeks or in more than 4 weeks in a calendar quarter. A 3 percent surcharge was in effect from Mar. 17, 1980 through May 7, 1980. There was no surcharge until Nov. 17, 1980, when a 2 percent surcharge was adopted; the surcharge was subsequently raised to 3 percent on Dec. 5, 1980, and to 4 percent on May 5, 1981. The surcharge was reduced to 3 percent effective Sept. 22, 1981, and to 2 percent effective Oct. 12, 1981. As of Oct. 1, 1981 the formula for applying the surcharge was changed from a calendar quarter to a moving 13-week period. The surcharge was eliminated on Nov. 17, 1981.

1.15 RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS¹

Percent of deposits

Type of deposit, and deposit interval ²	Depository institution requirements after implementation of the Monetary Control Act	
	Percent of deposits	Effective date
<i>Net transaction accounts</i> ^{3,4}		
\$0 million–\$40.5 million	3	12/15/87
More than \$40.5 million	12	12/15/87
<i>Nonpersonal time deposits</i> ⁵		
By original maturity		
Less than 1½ years	3	10/6/83
1½ years or more	0	10/6/83
<i>Eurocurrency liabilities</i>		
All types	3	11/13/80

1. Reserve requirements in effect on Dec. 31, 1987. Required reserves must be held in the form of deposits with Federal Reserve Banks or vault cash. Nonmembers may maintain reserve balances with a Federal Reserve Bank indirectly on a pass-through basis with certain approved institutions. For previous reserve requirements, see earlier editions of the *Annual Report* and of the *FEDERAL RESERVE BULLETIN*. Under provisions of the Monetary Control Act, depository institutions include commercial banks, mutual savings banks, savings and loan associations, credit unions, agencies and branches of foreign banks, and Edge corporations.

2. The Garn-St Germain Depository Institutions Act of 1982 (Public Law 97-320) requires that \$2 million of reservable liabilities (transaction accounts, nonpersonal time deposits, and Eurocurrency liabilities) of each depository institution be subject to a zero percent reserve requirement. The Board is to adjust the amount of reservable liabilities subject to this zero percent reserve requirement each year for the succeeding calendar year by 80 percent of the percentage increase in the total reservable liabilities of all depository institutions, measured on an annual basis as of June 30. No corresponding adjustment is to be made in the event of a decrease. On Dec. 15, 1987, the exemption was raised from \$2.9 million to \$3.2 million. In determining the reserve requirements of depository institutions, the exemption shall apply in the following order: (1) net NOW accounts (NOW accounts less allowable deductions); (2) net other transaction accounts; and (3) nonpersonal time deposits or Eurocurrency liabilities starting with those with the highest reserve ratio. With respect to NOW accounts and

other transaction accounts, the exemption applies only to such accounts that would be subject to a 3 percent reserve requirement.

3. Transaction accounts include all deposits on which the account holder is permitted to make withdrawals by negotiable or transferable instruments, payment orders of withdrawal, and telephone and preauthorized transfers in excess of three per month for the purpose of making payments to third persons or others. However, MMDAs and similar accounts subject to the rules that permit no more than six preauthorized, automatic, or other transfers per month, of which no more than three can be checks, are not transaction accounts (such accounts are savings deposits subject to time deposit reserve requirements).

4. The Monetary Control Act of 1980 requires that the amount of transaction accounts against which the 3 percent reserve requirement applies be modified annually by 80 percent of the percentage increase in transaction accounts held by all depository institutions, determined as of June 30 each year. Effective Dec. 15, 1987 for institutions reporting quarterly and Dec. 29, 1987 for institutions reporting weekly, the amount was increased from \$36.7 million to \$40.5 million.

5. In general, nonpersonal time deposits are time deposits, including savings deposits, that are not transaction accounts and in which a beneficial interest is held by a depositor that is not a natural person. Also included are certain transferable time deposits held by natural persons and certain obligations issued to depository institution offices located outside the United States. For details, see section 204.2 of Regulation D.

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS¹

Millions of dollars

Type of transaction	1985	1986	1987	1987					1988	
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
U.S. TREASURY SECURITIES										
Outright transactions (excluding matched transactions)										
Treasury bills										
1 Gross purchases	22,214	22,602	18,983	499	4,528	1,095	3,388	150	0	346
2 Gross sales	4,118	2,502	6,050	0	0	300	0	0	49	538
3 Exchange	0	0	0	0	0	0	0	0	0	0
4 Redemptions	3,500	1,000	9,029	0	3,657	0	0	0	600	1,600
Others within 1 year										
5 Gross purchases	1,349	190	3,658	0	443	300	670	479	0	0
6 Gross sales	0	0	300	0	300	0	0	0	0	0
7 Maturity shift	19,763	18,673	21,502	2,723	1,500	816	2,247	1,400	950	1,939
8 Exchange	-17,717	-20,179	-20,388	-1,787	-917	-1,178	-3,728	-1,742	-754	-2,868
9 Redemptions	0	0	70	0	*	0	70	0	0	0
1 to 5 years										
10 Gross purchases	2,185	893	10,231	5	2,551	0	50	2,589	0	0
11 Gross sales	0	0	452	0	0	0	0	0	0	800
12 Maturity shift	-17,459	-17,058	-17,974	-2,122	-1,500	-761	-1,900	-1,400	-840	-952
13 Exchange	13,853	16,984	18,938	1,612	917	1,178	3,278	1,742	749	2,643
5 to 10 years										
14 Gross purchases	458	236	2,441	0	619	0	0	596	0	0
15 Gross sales	100	0	0	0	0	0	0	0	0	175
16 Maturity shift	-1,857	-1,620	-3,529	-601	0	-55	-347	0	-110	-987
17 Exchange	2,184	2,050	950	100	0	0	300	0	5	150
Over 10 years										
18 Gross purchases	293	158	1,858	0	493	0	0	445	0	0
19 Gross sales	0	0	0	0	0	0	0	0	0	0
20 Maturity shift	-447	0	0	0	0	0	0	0	0	0
21 Exchange	1,679	1,150	500	75	0	0	150	0	0	75
All maturities										
22 Gross purchases	26,499	24,078	37,171	504	8,633	1,395	4,108	4,259	0	346
23 Gross sales	4,218	2,502	6,802	0	300	300	0	0	49	1,513
24 Redemptions	3,500	1,000	9,099	0	3,657	0	70	0	600	1,600
Matched transactions										
25 Gross sales	866,175	927,997	950,923	60,731	61,321	77,497	85,288	104,833	78,358	97,892
26 Gross purchases	865,968	927,247	950,935	62,594	61,347	73,779	85,494	105,917	78,513	99,139
Repurchase agreements ²										
27 Gross purchases	134,253	170,431	314,620	9,013	34,080	65,675	15,853	23,512	10,591	0
28 Gross sales	132,351	160,268	324,666	12,311	34,080	57,380	18,751	25,264	14,237	0
29 Net change in U.S. government securities	20,477	29,989	11,235	-931	4,702	5,673	1,346	3,591	-4,140	-1,520
FEDERAL AGENCY OBLIGATIONS										
Outright transactions										
30 Gross purchases	0	0	0	0	0	0	0	0	0	0
31 Gross sales	0	0	0	0	0	0	0	0	0	0
32 Redemptions	162	398	276	0	0	56	1	13	131	21
Repurchase agreements ²										
33 Gross purchases	22,183	31,142	80,353	2,369	7,174	18,523	6,786	9,718	4,042	0
34 Gross sales	20,877	30,522	81,351	3,298	7,174	15,607	7,425	10,679	5,357	0
35 Net change in federal agency obligations	1,144	222	-1,274	-929	0	2,860	-640	-975	-1,446	-21
36 Total net change in System Open Market Account	21,621	30,211	9,961	-1,861	4,702	8,533	706	2,617	-5,586	-1,541

1. Sales, redemptions, and negative figures reduce holdings of the System Open Market Account; all other figures increase such holdings. Details may not add to totals because of rounding.

2. In July 1984 the Open Market Trading Desk discontinued accepting bankers acceptances in repurchase agreements.

A10 Domestic Financial Statistics □ June 1988

1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements¹

Millions of dollars

Account	Wednesday					End of month		
	1988					1988		
	Mar. 2	Mar. 9	Mar. 16	Mar. 23	Mar. 30	Jan.	Feb.	Mar.
Consolidated condition statement								
ASSETS								
1 Gold certificate account	11,063	11,063	11,063	11,062	11,063	11,068	11,063	11,063
2 Special drawing rights certificate account	5,018	5,018	5,018	5,018	5,018	5,018	5,018	5,018
3 Coin	511	510	512	513	489	478	517	480
Loans								
4 To depository institutions	525	2,148	2,967	3,194	2,134	333	336	2,311
5 Other	0	0	0	0	0	0	0	0
6 Acceptances held under repurchase agreements	0	0	0	0	0	0	0	0
Federal agency obligations								
7 Bought outright	7,402	7,402	7,402	7,399	7,399	7,423	7,402	7,399
8 Held under repurchase agreements	0	0	0	0	0	0	0	0
U.S. Treasury securities								
9 Bought outright								
10 Bills	105,306	103,343	105,440	105,339	104,920	107,196	106,651	107,256
11 Notes	81,923	81,923	81,923	81,923	81,923	82,973	81,923	81,923
12 Bonds	28,317	28,317	28,317	28,317	28,317	28,242	28,317	28,317
11 Total bought outright ²	215,546	213,583	215,680	215,579	215,160	218,411	216,891	217,496
13 Held under repurchase agreements	0	0	0	0	0	0	0	0
14 Total U.S. Treasury securities	215,546	213,583	215,680	215,579	215,160	218,411	216,891	217,496
15 Total loans and securities	223,473	223,133	226,049	226,172	224,693	226,167	224,629	227,206
16 Items in process of collection	7,507	6,641	7,151	5,783	5,994	6,489	5,197	6,267
17 Bank premises	711	715	713	715	716	705	712	716
Other assets								
18 Denominated in foreign currencies ³	6,635	6,641	6,648	6,654	6,621	6,714	6,635	6,652
19 All other ⁴	6,992	7,125	7,329	7,497	7,650	8,535	6,922	7,670
20 Total assets	261,910	260,846	264,483	263,414	262,244	265,174	260,693	265,072
LIABILITIES								
21 Federal Reserve notes	206,846	208,085	208,597	208,345	209,117	205,871	206,300	209,719
Deposits								
22 To depository institutions	38,219	35,901	38,281	39,812	36,640	35,338	39,701	38,777
23 U.S. Treasury—General account	3,034	3,300	3,221	2,145	3,190	10,276	2,472	2,403
24 Foreign—Official accounts	252	267	265	225	207	355	343	534
25 Other	392	329	524	361	479	315	438	436
26 Total deposits	41,897	39,797	42,291	42,543	40,516	46,284	42,954	42,150
27 Deferred credit items	6,287	6,012	6,663	5,434	5,564	6,093	4,300	5,969
28 Other liabilities and accrued dividends ⁵	2,511	2,473	2,435	2,593	2,547	2,654	2,558	2,607
29 Total liabilities	257,541	256,367	259,986	258,915	257,744	260,902	256,112	260,445
CAPITAL ACCOUNTS								
30 Capital paid in	2,075	2,083	2,085	2,086	2,093	2,062	2,075	2,095
31 Surplus	2,047	2,047	2,047	2,047	2,047	2,042	2,047	2,047
32 Other capital accounts	247	349	365	366	360	168	459	485
33 Total liabilities and capital accounts	261,910	260,846	264,483	263,414	262,244	265,174	260,693	265,072
34 MEMO: Marketable U.S. Treasury securities held in custody for foreign and international account	222,477	224,689	227,000	225,159	225,449	210,410	220,250	226,340
Federal Reserve note statement								
35 Federal Reserve notes outstanding issued to bank	254,346	254,740	255,133	255,360	255,333	253,303	254,289	255,201
36 LESS: Held by bank	47,500	46,655	46,536	47,015	46,216	47,432	47,989	45,482
37 Federal Reserve notes, net	206,846	208,085	208,597	208,345	209,117	205,871	206,300	209,719
Collateral held against notes net:								
38 Gold certificate account	11,063	11,063	11,063	11,062	11,063	11,068	11,063	11,063
39 Special drawing rights certificate account	5,018	5,018	5,018	5,018	5,018	5,018	5,018	5,018
40 Other eligible assets	0	0	0	0	0	0	0	0
41 U.S. Treasury and agency securities	190,765	192,004	192,516	192,265	193,036	189,785	190,219	193,638
42 Total collateral	206,846	208,085	208,597	208,345	209,117	205,871	206,300	209,719

1. Some of these data also appear in the Board's H.4.1 (503) release. For address, see inside front cover.

2. Includes securities loaned—fully guaranteed by U.S. Treasury securities pledged with Federal Reserve Banks—and excludes securities sold and scheduled to be bought back under matched sale-purchase transactions.

3. Valued monthly at market exchange rates.

4. Includes special investment account at the Federal Reserve Bank of Chicago in Treasury bills maturing within 90 days.

5. Includes exchange-translation account reflecting the monthly revaluation at market exchange rates of foreign-exchange commitments.

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holdings

Millions of dollars

Type and maturity groupings	Wednesday					End of month		
	1988					1988		
	Mar. 2	Mar. 9	Mar. 16	Mar. 23	Mar. 30	Jan. 29	Feb. 29	Mar. 31
1 Loans—Total.....	525	2,148	2,967	3,194	2,134	333	336	2,311
2 Within 15 days.....	494	2,115	2,950	3,177	2,113	326	303	2,271
3 16 days to 90 days.....	31	33	17	17	21	7	33	40
4 91 days to 1 year.....	0	0	0	0	0	0	0	0
5 Acceptances—Total.....	0	0	0	0	0	0	0	0
6 Within 15 days.....	0	0	0	0	0	0	0	0
7 16 days to 90 days.....	0	0	0	0	0	0	0	0
8 91 days to 1 year.....	0	0	0	0	0	0	0	0
9 U.S. Treasury securities—Total.....	215,546	213,583	215,680	215,579	215,160	218,411	216,891	217,496
10 Within 15 days.....	11,261	8,324	11,300	8,295	10,595	4,402	5,411	7,362
11 16 days to 90 days.....	50,748	51,705	54,147	54,131	51,377	55,664	57,207	51,566
12 91 days to 1 year.....	66,280	66,297	62,976	65,896	65,931	70,303	67,016	71,273
13 Over 1 year to 5 years.....	47,562	47,562	47,562	47,562	47,562	47,410	47,562	47,600
14 Over 5 years to 10 years.....	14,196	14,196	14,196	14,196	14,196	15,208	14,196	14,196
15 Over 10 years.....	25,499	25,499	25,499	25,499	25,499	25,424	25,499	25,499
16 Federal agency obligations—Total.....	7,402	7,402	7,402	7,399	7,399	7,423	7,402	7,399
17 Within 15 days.....	75	78	7	279	385	170	364	385
18 16 days to 90 days.....	710	928	949	674	592	886	710	592
19 91 days to 1 year.....	1,855	1,634	1,634	1,634	1,634	1,538	1,609	1,634
20 Over 1 year to 5 years.....	3,246	3,246	3,406	3,406	3,381	3,323	3,203	3,381
21 Over 5 years to 10 years.....	1,327	1,327	1,217	1,217	1,217	1,317	1,327	1,217
22 Over 10 years.....	189	189	189	189	190	189	189	190

1. Holdings under repurchase agreements are classified as maturing within 15 days in accordance with maximum maturity of the agreements.

1.20 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND MONETARY BASE¹

Billions of dollars, averages of daily figures

Item	1984 Dec.	1985 Dec.	1986 Dec.	1987 Dec.	1987					1988		
					Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ²	Seasonally adjusted											
	39.91	46.06	56.17	57.44	57.88	57.83	58.50	57.99	57.44	58.32	58.44	58.62
1 Total reserves ³	39.91	46.06	56.17	57.44	57.88	57.83	58.50	57.99	57.44	58.32	58.44	58.62
2 Nonborrowed reserves	36.72	44.74	55.34	56.66	57.23	56.89	57.55	57.36	56.66	57.23	58.04	56.87
3 Nonborrowed reserves plus extended credit ⁴	39.33	45.24	55.64	57.14	57.36	57.29	58.00	57.76	57.14	57.61	58.25	58.35
4 Required reseryes.....	39.06	45.00	54.80	56.41	56.84	57.03	57.37	57.06	56.41	57.02	57.31	57.70
5 Monetary base ⁵	199.60	217.34	239.52	256.68	251.00	252.25	254.56	256.02	256.68	260.24	261.26	262.40
	Not seasonally adjusted											
	40.94	47.24	57.64	58.96	57.39	57.50	58.04	58.09	58.96	60.17	57.65	57.80
6 Total reserves ³	40.94	47.24	57.64	58.96	57.39	57.50	58.04	58.09	58.96	60.17	57.65	57.80
7 Nonborrowed reserves	37.75	45.92	56.81	58.19	56.74	56.56	57.09	57.47	58.19	59.09	57.25	56.05
8 Nonborrowed reserves plus extended credit ⁴	40.35	46.42	57.11	58.67	56.88	56.96	57.54	57.86	58.67	59.46	57.46	57.53
9 Required reseryes.....	40.08	46.18	56.27	57.94	56.36	56.70	56.91	57.17	57.94	58.88	56.51	56.88
10 Monetary base ⁵	202.70	220.82	243.63	261.21	251.42	251.60	253.29	256.82	261.21	261.20	258.19	259.92
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ⁶												
	40.70	48.14	59.56	62.12	58.36	59.81	61.11	61.20	62.12	62.64	60.05	60.07
11 Total reserves ³	40.70	48.14	59.56	62.12	58.36	59.81	61.11	61.20	62.12	62.64	60.05	60.07
12 Nonborrowed reserves	37.51	46.82	58.73	61.35	57.71	58.87	60.16	60.58	61.35	61.56	59.65	58.32
13 Nonborrowed reserves plus extended credit ⁴	40.09	47.41	59.04	61.86	57.76	58.85	61.22	60.79	61.86	62.12	59.82	59.58
14 Required reseryes.....	39.84	47.08	58.19	61.09	57.33	59.02	59.98	60.28	61.09	61.34	58.91	59.15
15 Monetary base ⁵	204.18	223.53	247.71	266.16	254.36	255.69	258.08	261.67	266.16	265.79	262.60	263.97

1. Latest monthly and biweekly figures are available from the Board's H.3(502) statistical release. Historical data and estimates of the impact on required reserves of changes in reserve requirements are available from the Monetary and Reserves Projections Section, Division of Monetary Affairs, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

2. Figures incorporate adjustments for discontinuities associated with the implementation of the Monetary Control Act and other regulatory changes to reserve requirements. To adjust for discontinuities due to changes in reserve requirements on reservable nondeposit liabilities, the sum of such required reserves is subtracted from the actual series. Similarly, in adjusting for discontinuities in the monetary base, required clearing balances and adjustments to compensate for float also are subtracted from the actual series.

3. Total reserves not adjusted for discontinuities consist of reserve balances with Federal Reserve Banks, which exclude required clearing balances and adjustments to compensate for float, plus vault cash held during the lagged computation period by institutions having required reserve balances at Federal Reserve Banks plus the amount of vault cash equal to required reserves during the maintenance period at institutions having no required reserve balances.

4. Extended credit consists of borrowing at the discount window under the

terms and conditions established for the extended credit program to help depository institutions deal with sustained liquidity pressures. Because there is not the same need to repay such borrowing promptly as there is with traditional short-term adjustment credit, the money market impact of extended credit is similar to that of nonborrowed reserves.

5. The monetary base not adjusted for discontinuities consists of total reserves plus required clearing balances and adjustments to compensate for float at Federal Reserve Banks and the currency component of the money stock plus, for institutions not having required reserve balances, the excess of current vault cash over the amount applied to satisfy current reserve requirements. Currency and vault cash figures are measured over the weekly computation period ending Monday.

The seasonally adjusted monetary base consists of seasonally adjusted total reserves, which include excess reserves on a not seasonally adjusted basis, plus the seasonally adjusted currency component of the money stock and the remaining items seasonally adjusted as a whole.

6. Reflects actual reserve requirements, including those on nondeposit liabilities, with no adjustments to eliminate the effects of discontinuities associated with implementation of the Monetary Control Act or other regulatory changes to reserve requirements.

1.21 MONEY STOCK, LIQUID ASSETS, AND DEBT MEASURES¹

Billions of dollars, averages of daily figures

Item ²	1984 Dec.	1985 Dec.	1986 Dec.	1987 Dec.	1987		1988	
					Dec.	Jan.	Feb. ⁷	Mar.
Seasonally adjusted								
1 M1	551.9	620.1	725.4	750.8 ⁸	750.8 ⁸	758.9	759.6	763.2
2 M2	2,363.6	2,562.6	2,807.8	2,901.0 ⁸	2,901.0 ⁸	2,925.0 ⁸	2,946.3	2,968.0
3 M3	2,978.3	3,196.4	3,491.5	3,660.8 ⁸	3,660.8 ⁸	3,686.0 ⁸	3,717.5	3,740.1
4 L	3,519.4	3,825.9	4,135.0 ⁸	4,325.4 ⁸	4,325.4 ⁸	4,363.5 ⁸	4,398.4	n.a.
5 Debt	5,932.6	6,749.4	7,607.1	8,318.8 ⁸	8,318.8 ⁸	8,379.2 ⁸	8,457.6	n.a.
M1 components								
6 Currency ³	156.1	167.7	180.4	196.5	196.5	198.4	199.3	200.9
7 Travelers checks ⁴	5.2	5.9	6.5	7.1	7.1	7.2	7.3	7.3
8 Demand deposits ⁵	244.1	267.2	303.3	288.0	288.0	289.9	287.8	287.9
9 Other checkable deposits ⁶	146.4	179.2	235.2	259.3	259.3	263.4	265.1	267.0
Nontransactions components								
10 In M2 ⁷	1,811.7	1,942.5	2,082.4	2,150.1 ⁸	2,150.1 ⁸	2,166.1 ⁸	2,186.6	2,204.9
11 In M3 only ⁸	614.7	633.8	683.7	759.8 ⁸	759.8 ⁸	761.0 ⁸	771.3	772.0
Savings deposits ⁹								
12 Commercial Banks	122.6	124.8	155.5	178.2	178.2	179.0	181.0	183.2
13 Thrift institutions	162.9	176.6	215.2	236.0	236.0	235.3	235.2	236.6
Small denomination time deposits ¹⁰								
14 Commercial Banks	386.3	383.3	364.6	384.6	384.6	388.0	393.6	397.4
15 Thrift institutions	497.0	496.2	488.6	528.5	528.5	536.6 ⁸	547.9	556.3
Money market mutual funds								
16 General purpose and broker-dealer	167.5	176.5	208.0	221.1 ⁸	221.1 ⁸	225.0 ⁸	231.1	235.0
17 Institution-only	62.7	64.5	84.4	89.6	89.6	94.4	98.7	97.4
Large denomination time deposits ¹¹								
18 Commercial Banks ¹²	270.2	284.9	288.9	323.5	323.5	320.2	324.9	326.5
19 Thrift institutions	146.8	151.6	150.3	161.2	161.2	162.6	164.8	165.0
Debt components								
20 Federal debt	1,365.3	1,584.3	1,804.5	1,952.4	1,952.4	1,960.8	1,979.2	n.a.
21 Nonfederal debt	4,567.3	5,165.1	5,802.6	6,366.4 ⁸	6,366.4 ⁸	6,418.4 ⁸	6,478.4	n.a.
Not seasonally adjusted								
22 M1	564.5	633.5	740.6	765.9	765.9	764.8	745.1	752.3
23 M2	2,373.2	2,573.9	2,821.5	2,914.6 ⁸	2,914.6 ⁸	2,937.3 ⁸	2,933.6	2,959.4
24 M3	2,991.4	3,211.0	3,508.3	3,677.4 ⁸	3,677.4 ⁸	3,698.5 ⁸	3,706.0	3,733.2
25 L	3,532.7	3,841.4	4,153.0 ⁸	4,343.5 ⁸	4,343.5 ⁸	4,382.2 ⁸	4,394.1	n.a.
26 Debt	5,927.1	6,740.6	7,592.8	8,302.6 ⁸	8,302.6 ⁸	8,360.9 ⁸	8,421.8	n.a.
M1 components								
27 Currency ³	158.5	170.2	183.0	199.4	199.4	197.1	197.2	199.2
28 Travelers checks ⁴	4.9	5.5	6.0	6.5	6.5	6.6	6.8	6.9
29 Demand deposits ⁵	253.0	276.9	314.4	298.5	298.5	295.8	279.1	279.9
30 Other checkable deposits ⁶	148.2	180.9	237.3	261.5	261.5	265.3	261.9	266.3
Nontransactions components								
31 M2 ⁷	1,808.7	1,940.3	2,080.8	2,148.7 ⁸	2,148.7 ⁸	2,172.5 ⁸	2,188.5	2,207.1
32 M3 only ⁸	618.2	637.1	686.8	762.7 ⁸	762.7 ⁸	761.2 ⁸	772.4	773.8
Money market deposit accounts								
33 Commercial Banks	267.4	332.8	379.6	358.2	358.2	358.9	359.0	360.7
34 Thrift institutions	149.4	180.8	192.9	167.0	167.0	165.2	163.6	164.0
Savings deposits ⁹								
35 Commercial Banks	121.5	123.7	154.2	176.7	176.7	178.2	179.5	182.5
36 Thrift institutions	161.5	174.8	212.9	233.3	233.3	233.0	232.8	236.1
Small denomination time deposits ¹⁰								
37 Commercial Banks	386.9	384.0	365.3	385.2	385.2	389.4	394.0	397.1
38 Thrift institutions	498.2	497.5	489.7	529.3	529.3	540.2	550.6	556.9
Money market mutual funds								
39 General purpose and broker-dealer	167.5	176.5	208.0	221.1 ⁸	221.1 ⁸	225.0 ⁸	231.1	235.0
40 Institution-only	62.7	64.5	84.4	89.6	89.6	94.4	98.7	97.4
Large denomination time deposits ¹¹								
41 Commercial Banks ¹²	270.9	285.4	289.1	323.6	323.6	321.3	325.1	328.6
42 Thrift institutions	146.8	151.9	150.7	161.7	161.7	163.8	166.0	165.2
Debt components								
43 Federal debt	1,364.7	1,583.7	1,804.0	1,951.9	1,951.9	1,959.4	1,972.3	n.a.
44 Nonfederal debt	4,562.4	5,156.9	5,788.8	6,350.8 ⁸	6,350.8 ⁸	6,401.5 ⁸	6,449.5	n.a.

For notes see following page.

NOTES TO TABLE 1.21

1. Latest monthly and weekly figures are available from the Board's H.6 (508) release. Historical data are available from the Banking Sections, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

2. Composition of the money stock measures and debt is as follows:

M1: (1) currency outside the Treasury, Federal Reserve Banks, and the vaults of depository institutions; (2) travelers checks of nonbank issuers; (3) demand deposits at all commercial banks other than those due to depository institutions, the U.S. government, and foreign banks and official institutions less cash items in the process of collection and Federal Reserve float; and (4) other checkable deposits (OCD) consisting of negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at depository institutions, credit union share draft accounts, and demand deposits at thrift institutions.

M2: M1 plus overnight (and continuing contract) repurchase agreements (RPs) issued by all commercial banks and overnight Eurodollars issued to U.S. residents by foreign branches of U.S. banks worldwide, MMDAs, savings and small-denomination time deposits (time deposits—including retail RPs—in amounts of less than \$100,000), and balances in both taxable and tax-exempt general purpose and broker-dealer money market mutual funds. Excludes individual retirement accounts (IRA) and Keogh balances at depository institutions and money market funds. Also excludes all balances held by U.S. commercial banks, money market funds (general purpose and broker-dealer), foreign governments and commercial banks, and the U.S. government.

M3: M2 plus large-denomination time deposits and term RP liabilities (in amounts of \$100,000 or more) issued by commercial banks and thrift institutions, term Eurodollars held by U.S. residents at foreign branches of U.S. banks worldwide and at all banking offices in the United Kingdom and Canada, and balances in both taxable and tax-exempt, institution-only money market mutual funds. Excludes amounts held by depository institutions, the U.S. government, money market funds, and foreign banks and official institutions. Also subtracted is the estimated amount of overnight RPs and Eurodollars held by institution-only money market mutual funds.

L: M3 plus the nonbank public holdings of U.S. savings bonds, short-term Treasury securities, commercial paper and bankers acceptances, net of money market mutual fund holdings of these assets.

Debt: Debt of domestic nonfinancial sectors consists of outstanding credit market debt of the U.S. government, state and local governments, and private nonfinancial sectors. Private debt consists of corporate bonds, mortgages, consumer credit (including bank loans), other bank loans, commercial paper, bankers acceptances, and other debt instruments. The source of data on domestic nonfinancial debt is the Federal Reserve Board's flow of funds accounts. Debt data are based on monthly averages.

3. Currency outside the U.S. Treasury, Federal Reserve Banks, and vaults of depository institutions.

4. Outstanding amount of U.S. dollar-denominated travelers checks of nonbank issuers. Travelers checks issued by depository institutions are included in demand deposits.

5. Demand deposits at commercial banks and foreign-related institutions other than those due to depository institutions, the U.S. government, and foreign banks and official institutions less cash items in the process of collection and Federal Reserve float.

6. Consists of NOW and ATS balances at all depository institutions, credit union share draft balances, and demand deposits at thrift institutions.

7. Sum of overnight RPs and overnight Eurodollars, money market fund balances (general purpose and broker-dealer), MMDAs, and savings and small time deposits.

8. Sum of large time deposits, term RPs, and term Eurodollars of U.S. residents, money market fund balances (institution-only), less the estimated amount of overnight RPs and Eurodollars held by institution-only money market funds.

9. Savings deposits exclude MMDAs.

10. Small-denomination time deposits—including retail RPs—are those issued in amounts of less than \$100,000. All individual retirement accounts (IRA) and Keogh accounts at commercial banks and thrifts are subtracted from small time deposits.

11. Large-denomination time deposits are those issued in amounts of \$100,000 or more, excluding those booked at international banking facilities.

12. Large-denomination time deposits at commercial banks less those held by money market mutual funds, depository institutions, and foreign banks and official institutions.

1.22 BANK DEBITS AND DEPOSIT TURNOVER¹

Debits are shown in billions of dollars, turnover as ratio of debits to deposits. Monthly data are at annual rates.

Bank group, or type of customer	1985 ²	1986 ²	1987 ²	1987					1988
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
DEBITS TO	Seasonally adjusted								
Demand deposits ³									
1 All insured banks	156,091.6	188,345.8	217,115.9	221,729.0	219,182.9	234,398.3	219,386.1	203,290.6	213,270.8
2 Major New York City banks	70,585.8	91,397.3	104,496.3	109,062.5	105,149.4	110,833.6	103,693.6	92,640.1	98,733.8
3 Other banks	85,505.9	96,948.8	112,619.6	112,666.5	114,033.4	123,564.6	115,692.5	110,650.5	114,537.0
4 ATS-NOW accounts ⁴	1,823.5	2,182.5	2,402.7	2,333.1	2,349.0	2,591.3	2,536.1	2,525.7	2,352.7
5 Savings deposits ⁵	384.9	403.5	526.5	518.8	524.0	582.4	570.8	556.0	534.9
DEPOSIT TURNOVER									
Demand deposits ³									
6 All insured banks	500.3	556.5	612.1	623.3	625.3	654.9	619.0	590.4	602.5
7 Major New York City banks	2,196.9	2,498.2	2,670.6	2,718.2	2,715.1	2,744.7	2,620.2	2,608.1	2,600.3
8 Other banks	305.7	321.2	357.0	357.0	365.7	389.1	367.4	358.3	362.5
9 ATS-NOW accounts ⁴	15.8	15.6	13.8	13.2	13.2	14.4	14.2	14.2	13.0
10 Savings deposits ⁵	3.2	3.0	3.1	3.0	3.0	3.3	3.3	3.2	3.0
DEBITS TO	Not seasonally adjusted								
Demand deposits ³									
11 All insured banks	156,052.3	188,506.4	217,124.8	214,145.9	216,728.0	233,999.8	202,230.1	222,338.9	210,029.1
12 Major New York City banks	70,559.2	91,500.0	104,518.6	103,822.8	104,234.0	111,398.9	96,035.9	102,548.7	40.3
13 Other banks	85,493.1	97,006.6	112,606.1	110,323.1	112,494.0	122,600.8	106,194.2	119,790.3	112,189.0
14 ATS-NOW accounts ⁴	1,826.4	2,184.6	2,404.8	2,226.4	2,414.9	2,577.7	2,375.8	2,645.3	2,565.2
15 MMDA ⁶	1,223.9	1,609.4	1,954.2	1,752.7	1,846.6	2,247.8	1,959.8	2,276.4	2,305.6
16 Savings deposits ⁵	385.3	404.1	526.8	524.2	519.0	604.3	519.9	568.9	552.5
DEPOSIT TURNOVER									
Demand deposits ³									
17 All insured banks	499.9	556.7	612.3	612.5	620.2	657.8	565.6	615.0	578.7
18 Major New York City banks	2,196.3	2,499.1	2,674.9	2,721.9	2,751.0	2,824.8	2,467.8	2,661.4	2,430.3
19 Other banks	305.6	321.2	356.9	354.2	361.1	387.6	333.3	370.9	347.7
20 ATS-NOW accounts ⁴	15.8	15.6	13.8	12.8	13.7	14.6	13.3	14.6	13.9
21 MMDA ⁶	4.0	4.5	5.3	4.8	5.1	6.3	5.5	6.4	6.5
22 Savings deposits ⁵	3.2	3.0	3.1	3.0	3.0	3.5	3.0	3.2	3.1

1. Historical tables containing revised data for earlier periods may be obtained from the Banking Section, Division of Monetary Affairs, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

These data also appear on the Board's G.6 (406) release. For address, see inside front cover.

2. Annual averages of monthly figures.

3. Represents accounts of individuals, partnerships, and corporations and

of states and political subdivisions.

4. Accounts authorized for negotiable orders of withdrawal (NOW) and accounts authorized for automatic transfer to demand deposits (ATS). ATS data are available beginning December 1978.

5. Excludes ATS and NOW accounts, MMDA and special club accounts, such as Christmas and vacation clubs.

6. Money market deposit accounts.

A16 Domestic Financial Statistics □ June 1988

1.23 LOANS AND SECURITIES All Commercial Banks¹

Billions of dollars; averages of Wednesday figures

Category	1987									1988		
	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Seasonally adjusted												
1 Total loans and securities ²	2,152.0	2,166.0	2,176.7	2,181.3	2,199.0	2,214.7	2,227.6	2,232.1	2,230.6	2,242.0	2,257.6	2,273.1
2 U.S. government securities	318.1	321.3	321.3	322.9	328.5	331.3	331.7	331.1	333.2	334.1	334.0	338.9
3 Other securities	194.4	195.5	195.9	194.3	193.7	193.7	194.2	196.2	196.0	194.0	195.7	197.4
4 Total loans and leases	1,639.6	1,649.3	1,659.6	1,664.1	1,676.8	1,689.8	1,701.7	1,704.8	1,701.4	1,713.9	1,727.9	1,736.8
5 Commercial and industrial	549.1	551.9	554.4	553.6	554.0	559.0	562.8	563.1	565.5	568.5	569.9	568.1
6 Bankers acceptances held ³	4.8	4.8	4.6	4.5	5.3	5.4	5.5	4.6	4.3	4.5	4.5	4.8
7 Other commercial and industrial	544.3	547.1	549.8	549.1	548.7	553.6	557.3	558.5	561.2	564.0	565.4	563.2
8 U.S. addressees ⁴	536.0	539.0	541.3	540.8	540.5	545.6	549.3	550.9	553.0	555.1	556.7	555.0
9 Non-U.S. addressees ⁴	8.3	8.1	8.4	8.4	8.2	8.0	8.0	7.6	8.2	8.9	8.8	8.2
10 Real estate	524.8	532.6	542.6	549.6	556.8	561.7	569.4	576.2	582.3	586.9	592.4	597.9
11 Individual	317.8	319.1	318.9	319.7	321.5	322.8	324.1	325.0	325.9	327.8	330.2	334.2
12 Security	44.6	43.6	44.0	43.9	45.4	46.1	47.1	39.3	33.4	36.3	41.3	39.8
13 Nonbank financial institutions	35.6	35.8	34.5	32.5	31.5	31.4	31.7	31.9	31.9	32.1	32.7	32.1
14 Agricultural	29.9	30.0	30.0	29.8	29.7	29.6	29.6	29.3	29.2	29.4	29.5	29.5
15 State and political subdivisions	56.6	56.4	56.1	55.5	54.7	54.6	54.1	53.4	51.2	52.0	52.0	51.8
16 Foreign banks	9.3	9.3	9.6	9.0	9.1	9.2	9.6	8.8	8.2	8.3	8.0	8.3
17 Foreign official institutions	6.8	6.1	5.8	5.7	5.7	5.7	5.8	5.7	5.6	5.6	5.2	5.2
18 Lease financing receivables	23.3	23.7	23.9	23.9	24.0	24.1	24.3	24.5	24.8	25.0	25.0	24.9
19 All other loans	41.8	40.9	39.8	40.7	44.3	45.5	43.2	47.6	43.3	42.2	41.8	45.0
Not seasonally adjusted												
20 Total loans and securities ²	2,153.1	2,163.4	2,173.7	2,172.8	2,188.8	2,211.6	2,222.4	2,231.3	2,247.0	2,254.7	2,262.3	2,273.4
21 U.S. government securities	318.0	320.0	318.4	322.1	328.3	331.3	329.3	331.0	333.1	335.6	339.1	340.7
22 Other securities	194.0	195.5	195.3	193.0	193.6	193.8	193.3	195.6	196.6	196.7	196.4	197.0
23 Total loans and leases	1,641.1	1,647.9	1,660.0	1,657.7	1,666.9	1,686.6	1,699.8	1,704.7	1,717.3	1,722.4	1,726.8	1,735.6
24 Commercial and industrial	552.8	554.4	555.9	551.3	549.5	555.7	558.7	562.0	569.6	568.1	569.2	573.2
25 Bankers acceptances held ³	4.8	4.8	4.7	4.6	5.3	5.5	5.4	4.6	4.4	4.3	4.5	4.8
26 Other commercial and industrial	548.0	549.6	551.2	546.7	544.2	550.2	553.3	557.4	565.2	563.8	564.7	568.4
27 U.S. addressees ⁴	539.9	541.4	542.7	538.1	535.9	542.1	545.2	549.2	557.0	555.7	556.4	560.4
28 Non-U.S. addressees ⁴	8.2	8.2	8.5	8.6	8.3	8.2	8.1	8.2	8.2	8.1	8.3	8.0
29 Real estate	523.9	532.0	542.4	549.7	556.8	562.4	570.0	576.8	583.2	587.3	591.7	597.0
30 Individual	315.0	316.5	316.9	318.4	321.5	324.3	325.7	326.7	330.2	331.2	329.6	331.1
31 Security	46.4	43.9	45.4	43.3	43.3	44.8	45.6	39.4	35.1	37.1	39.7	39.3
32 Nonbank financial institutions	35.5	35.6	34.6	32.3	31.4	31.8	31.7	32.3	33.2	32.4	31.6	31.1
33 Agricultural	29.1	29.7	30.3	30.5	30.6	30.7	30.4	29.6	29.0	28.6	28.5	28.5
34 State and political subdivisions	57.1	56.4	55.7	54.7	54.1	53.8	53.2	52.3	51.2	53.8	53.2	52.7
35 Foreign banks	8.9	9.0	9.5	9.0	8.9	9.5	9.8	8.8	8.6	8.5	8.2	8.1
36 Foreign official institutions	6.8	6.1	5.8	5.7	5.7	5.7	5.8	5.7	5.6	5.6	5.2	5.2
37 Lease financing receivables	23.5	23.8	24.0	23.9	23.9	24.0	23.9	24.2	24.8	25.2	25.1	25.1
38 All other loans	42.2	40.5	39.5	38.9	41.0	43.9	44.8	46.8	46.8	44.7	44.7	44.2

1. These data also appear in the Board's G.7 (407) release. For address, see inside front cover.

2. Excludes loans to commercial banks in the United States.

3. Includes nonfinancial commercial paper held.

4. United States includes the 50 states and the District of Columbia.

1.24 MAJOR NONDEPOSIT FUNDS OF COMMERCIAL BANKS¹

Monthly averages, billions of dollars

Source	1987										1988		
	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	
Total nondeposit funds													
1 Seasonally adjusted ²	161.3	170.6	167.2	160.4	166.7	177.3	176.2	173.7	177.1	177.4	174.6	171.7	
2 Not seasonally adjusted	160.8	170.7	164.1	156.7	166.8	177.7	176.3	176.0	178.0	177.8	177.2	172.5	
Federal funds, RPs, and other borrowings from nonbanks ³													
3 Seasonally adjusted	172.1	170.6	168.4	167.2	167.1	165.0	164.6	165.8	161.9	169.2	172.7	176.2	
4 Not seasonally adjusted	171.6	170.6	165.3	163.6	167.2	165.4	164.7	168.1	162.8	169.5	175.3	177.1	
5 Net balances due to foreign-related institutions, not seasonally adjusted	-10.8	.1	-1.2	-6.9	-3 ⁷	12.3	11.6	7.9	15.2	8.3 ⁷	1.9	-4.5	
MEMO													
6 Domestically chartered banks' net positions with own foreign branches, not seasonally adjusted ⁴	-23.0	-15.5	-15.5	-22.2	-17.7	-11.8	-14.7	-17.1	-14.1	-17.4	-21.5	-26.7	
7 Gross due from balances	70.5	68.5	67.1	66.4	64.5	63.8	67.7	70.4	69.6	72.1	74.1	78.0	
8 Gross due to balances	47.5	53.0	51.5	44.2	46.8	52.0	53.0	53.3	55.5	54.7	52.7 ⁷	51.3	
9 Foreign-related institutions' net positions with directly related institutions, not seasonally adjusted ⁵	12.2	15.5	14.3	15.4	17.4 ⁶	24.1	26.3	25.0	29.3	25.7	23.4	22.1	
10 Gross due from balances	73.4	76.0	77.4	77.4	77.7	77.3	79.7	83.2	79.7	85.2	87.3	88.6	
11 Gross due to balances	85.6	91.5	91.8	92.8	95.0	101.4	106.0	108.2 ⁷	109.0	110.9	110.7	110.8	
Security RP borrowings													
12 Seasonally adjusted ⁶	99.2	99.9	101.9	103.0	105.2	107.5	107.6	106.9	106.4	108.7	107.2	107.6	
13 Not seasonally adjusted	98.7	100.0	98.8	99.4	105.3	107.9	107.7	109.3	107.2	109.0	109.8	108.4	
U.S. Treasury demand balances ⁷													
14 Seasonally adjusted	21.4	25.3	26.9	24.4	28.5	24.9	34.2	35.7	26.1	18.6	22.6	24.9	
15 Not seasonally adjusted	21.6	30.8	25.5	26.6	21.6	25.5	30.7	25.8	22.4	24.9	28.2	22.3	
Time deposits, \$100,000 or more ⁸													
16 Seasonally adjusted	358.9	365.7	372.1	372.5	372.3	373.0	380.5	387.0	389.2	389.1	394.4	396.1	
17 Not seasonally adjusted	358.5	366.3	371.4	370.0	371.8	373.2	380.4	387.0	389.3	390.2	394.7	398.3	

1. Commercial banks are those in the 50 states and the District of Columbia with national or state charters plus agencies and branches of foreign banks. New York investment companies majority owned by foreign banks, and Edge Act corporations owned by domestically chartered and foreign banks.

These data also appear in the Board's G. 10(411) release. For address, see inside front cover.

2. Includes seasonally adjusted federal funds, RPs, and other borrowings from nonbanks and not seasonally adjusted net Eurodollars.

3. Other borrowings are borrowings on any instrument, such as a promissory note or due bill, given for the purpose of borrowing money for the banking

business. This includes borrowings from Federal Reserve Banks and from foreignbanks, term federal funds, overdrawn due from bank balances, loan RPs, and participations in pooled loans.

4. Averages of daily figures for member and nonmember banks.

5. Averages of daily data.

6. Based on daily average data reported by 122 large banks.

7. Includes U.S. Treasury demand deposits and Treasury tax-and-loan notes at commercial banks. Averages of daily data.

8. Averages of Wednesday figures.

1.25 ASSETS AND LIABILITIES OF COMMERCIAL BANKING INSTITUTIONS Last-Wednesday-of-Month Series¹

Billions of dollars

Account	1987								1988		
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
ALL COMMERCIAL BANKING INSTITUTIONS²											
1 Loans and securities	2,325.8	2,321.0	2,331.6	2,348.8	2,374.8	2,402.4	2,389.9	2,430.5	2,415.2	2,420.7	2,443.2
2 Investment securities	494.5	492.7	497.1	501.1	501.7	503.8	508.0	514.4	515.2	513.9	518.3
3 U.S. government securities	307.4	304.6	309.4	313.7	313.8	316.0	317.3	321.4	322.9	322.2	324.7
4 Other	187.0	188.0	187.7	187.4	187.9	187.9	190.7	193.1	192.4	191.8	193.7
5 Trading account assets	21.4	20.2	20.4	19.5	19.5	19.6	20.3	16.9	18.3	22.0	20.3
6 Total loans	1,810.0	1,808.2	1,814.1	1,828.2	1,853.6	1,878.9	1,861.6	1,899.2	1,881.6	1,884.8	1,904.5
7 Interbank loans	161.8	150.7	156.5	160.8	157.4	172.9	162.0	172.1	160.5	162.5	160.6
8 Loans excluding interbank	1,648.1	1,657.5	1,657.6	1,667.5	1,696.2	1,706.1	1,699.7	1,727.2	1,721.1	1,722.3	1,743.9
9 Commercial and industrial	555.1	554.6	548.1	548.2	560.7	559.7	561.1	576.4	565.3	569.1	576.4
10 Real estate	533.8	544.4	552.9	558.2	564.1	571.7	577.4	586.3	588.5	591.9	599.5
11 Individual	316.9	317.3	319.4	322.1	325.3	326.7	326.9	332.4	330.8	329.8	332.5
12 All other	242.3	241.1	237.2	239.0	246.0	248.0	234.3	232.1	236.5	231.4	235.6
13 Total cash assets	231.9	214.2	208.4	210.7	223.8	223.5	215.2	232.5	209.6	202.3	207.5
14 Reserves with Federal Reserve Banks	37.5	33.5	32.5	37.3	32.9	38.3	33.8	36.2	33.3	32.8	32.1
15 Cash in vault	25.1	24.2	24.5	24.7	24.5	25.0	24.0	28.5	25.8	25.1	24.8
16 Cash items in process of collection	81.6	74.7	69.0	65.9	81.6	79.0	76.1	79.9	70.7	66.8	74.1
17 Demand balances at U.S. depository institutions	36.5	30.4	31.0	30.8	32.7	32.3	32.9	36.6	31.4	30.1	31.7
18 Other cash assets	51.2	51.4	51.5	52.1	52.1	48.9	48.4	51.4	48.5	47.6	45.0
19 Other assets	203.7	197.4	182.5	184.5	193.6	186.3	187.5	184.0	176.0	178.1	187.5
20 Total assets/total liabilities and capital	2,761.4	2,732.6	2,722.6	2,744.0	2,792.2	2,812.2	2,792.6	2,847.1	2,800.7	2,801.2	2,838.2
21 Deposits	1,942.5	1,927.4	1,928.8	1,930.4	1,972.4	1,971.2	1,974.1	2,009.1	1,968.1	1,973.9	2,003.9
22 Transaction deposits	598.1	579.6	575.3	574.1	612.4	598.1	592.0	623.3	576.0	567.3	587.6
23 Savings deposits	541.0	537.6	538.7	537.9	535.3	531.7	531.1	528.0	531.4	535.2	539.6
24 Time deposits	803.4	810.1	814.8	818.4	824.7	841.4	851.0	857.9	860.6	871.4	876.8
25 Borrowings	429.9	419.5	414.6	426.4	416.3	435.7	420.1	426.2	443.2	440.9	444.8
26 Other liabilities	200.0	202.0	202.5	209.6	224.7	225.5	218.9	231.5	208.7	205.3	209.5
27 Residual (assets less liabilities)	189.0	183.7	176.7	177.6	178.8	179.8	179.5	180.4	180.7	181.1	180.0
MEMO											
28 U.S. government securities (including trading account)	321.0	317.0	323.8	326.8	327.7	329.9	331.7	332.4	336.9	339.3	340.2
29 Other securities (including trading account)	194.8	195.8	193.8	193.8	193.5	193.5	196.6	198.9	196.7	196.6	198.4
DOMESTICALLY CHARTERED COMMERCIAL BANKS³											
30 Loans and securities	2,160.3	2,157.0	2,162.8	2,179.6	2,195.4	2,218.6	2,213.8	2,238.5	2,231.2	2,235.6	2,255.6
31 Investment securities	469.5	468.1	472.1	476.2	475.9	478.7	482.6	488.3	487.0	485.9	490.3
32 U.S. Treasury securities	296.9	295.1	299.4	303.5	302.9	305.7	306.4	311.0	311.3	310.7	313.2
33 Other	172.5	173.0	172.7	172.6	173.0	173.0	176.2	177.3	175.8	175.2	177.1
34 Trading account assets	21.4	20.2	20.4	19.5	19.5	19.6	20.3	16.9	18.3	22.0	20.3
35 Total loans	1,669.5	1,668.7	1,670.3	1,684.0	1,700.0	1,720.3	1,711.0	1,733.3	1,725.9	1,727.6	1,745.0
36 Interbank loans	128.7	120.9	122.0	128.6	125.0	133.3	130.5	135.3	131.0	133.1	131.8
37 Loans excluding interbank	1,540.8	1,547.8	1,548.3	1,555.4	1,575.0	1,587.0	1,580.4	1,598.0	1,594.9	1,594.5	1,613.2
38 Commercial and industrial	475.1	471.3	465.2	464.4	470.2	479.6	472.0	479.4	472.6	475.4	481.0
39 Real estate	525.0	535.5	543.5	548.4	554.0	561.9	567.3	575.0	577.1	579.8	587.4
40 Individual	316.5	317.0	319.1	321.8	325.0	326.4	326.6	332.1	330.5	329.5	332.1
41 All other	224.2	224.0	220.4	220.8	225.8	228.1	214.6	211.6	214.7	209.8	212.7
42 Total cash assets	215.4	197.7	191.6	192.7	204.8	207.8	199.3	214.9	191.9	184.4	191.7
43 Reserves with Federal Reserve Banks	35.9	32.1	31.3	36.2	30.9	36.5	31.5	35.1	31.7	30.5	30.1
44 Cash in vault	25.0	24.1	24.4	24.6	24.4	24.9	24.0	28.4	25.7	25.1	24.7
45 Cash items in process of collection	81.2	74.2	68.5	65.4	81.0	78.4	75.7	79.5	70.2	66.3	73.5
46 Demand balances at U.S. depository institutions	34.5	28.7	29.3	29.2	30.8	30.6	31.4	34.7	29.7	28.5	30.0
47 Other cash assets	38.8	38.6	38.0	37.2	37.7	37.3	36.7	37.3	34.6	34.0	33.3
48 Other assets	142.3	132.8	120.5	119.9	134.2	130.0	123.7	127.2	118.8	122.0	126.6
49 Total assets/liabilities and capital	2,517.9	2,487.5	2,474.9	2,492.2	2,534.5	2,556.4	2,536.8	2,580.7	2,542.0	2,541.9	2,573.9
50 Deposits	1,880.1	1,865.7	1,868.3	1,868.8	1,910.3	1,909.1	1,912.4	1,944.6	1,905.9	1,911.2	1,939.9
51 Transaction deposits	590.0	571.4	567.4	566.0	603.9	589.5	583.7	614.9	567.7	559.4	579.1
52 Savings deposits	539.0	535.6	536.6	535.7	533.2	529.5	528.8	525.7	529.1	532.8	537.2
53 Time deposits	751.1	758.7	764.3	767.1	773.3	790.1	799.9	804.1	809.1	819.0	823.6
54 Borrowings	336.3	327.0	318.9	333.0	324.7	345.7	323.2	331.9	344.7	342.9	343.4
55 Other liabilities	115.8	114.4	114.2	116.0	123.8	125.0	124.8	127.0	113.9	109.9	113.8
56 Residual (assets less liabilities)	185.7	180.5	173.5	174.4	175.6	176.6	176.3	177.2	177.5	177.9	176.8

1. Back data are available from the Banking and Monetary Statistics section, Board of Governors of the Federal Reserve System, Washington, D.C., 20551. These data also appear in the Board's weekly H-8 (510) release.

Figures are partly estimated. They include all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries. Loan and securities data for domestically chartered commercial banks are estimates for the last Wednesday of the month based on a sample of weekly reporting banks and quarter-end condition report data. Data for other banking institutions are estimates made for

the last Wednesday of the month based on a weekly reporting sample of foreign-related institutions and quarter-end condition reports.

2. Commercial banking institutions include insured domestically chartered commercial banks, branches and agencies of foreign banks, Edge Act and Agreement corporations, and New York State foreign investment corporations.

3. Insured domestically chartered commercial banks include all member banks and insured nonmember banks.

1.26 ASSETS AND LIABILITIES OF LARGE WEEKLY REPORTING COMMERCIAL BANKS¹

Millions of dollars, Wednesday figures

Account	1988								
	Feb. 3	Feb. 10	Feb. 17	Feb. 24	Mar. 2	Mar. 9	Mar. 16	Mar. 23	Mar. 30
1 Cash and balances due from depository institutions	107,796	93,205	121,433	97,516	104,813	92,066	108,164	98,632	101,556
2 Total loans, leases, and securities, net	1,102,779	1,102,076	1,103,668	1,094,241	1,103,004	1,101,424	1,101,833	1,097,126	1,100,538
3 U.S. Treasury and government agency	130,904	131,927	133,412	132,168	132,810	132,663	132,140	130,920	129,797
4 Trading account	15,963	17,333	18,301	17,188	18,052	17,195	17,361	16,329	15,539
5 Investment account	114,941	114,594	115,112	114,980	114,758	115,467	114,779	114,591	114,258
6 Mortgage-backed securities ²	38,973	38,932	39,210	38,655	39,222	39,297	39,416	40,190	40,401
All other maturing in									
7 One year or less	16,346	16,639	17,092	17,126	17,639	17,696	17,570	17,480	17,194
8 Over one through five years	48,048	48,106	47,959	48,202	48,046	48,503	47,796	46,930	46,647
9 Over five years	11,574	10,918	10,851	10,997	9,851	9,972	9,998	9,991	10,016
10 Other securities	73,483	72,955	72,289	72,544	72,519	72,149	72,037	72,078	72,732
11 Trading account	1,765	1,727	1,885	1,895	2,003	1,857	1,790	1,759	1,717
12 Investment account	71,718	71,228	70,404	70,649	70,516	70,292	70,247	70,319	71,014
13 States and political subdivisions, by maturity	50,758	50,458	49,872	49,888	49,554	49,504	49,450	49,406	49,399
14 One year or less	6,316	6,145	5,947	5,908	5,984	6,014	5,977	5,965	5,981
15 Over one year	44,441	44,313	43,926	43,980	43,570	43,490	43,473	43,441	43,418
16 Other bonds, corporate stocks, and securities	20,960	20,770	20,531	20,761	20,962	20,788	20,796	20,913	21,616
17 Other trading account assets	2,426	2,858	2,822	2,781	3,367	3,150	2,823	2,922	3,028
18 Federal funds sold ³	75,143	77,017	72,896	68,171	71,232	71,552	70,146	68,735	68,683
19 To commercial banks	44,952	47,228	47,442	43,121	44,453	46,457	45,312	42,230	41,875
20 To nonbank brokers and dealers in securities	20,706	19,734	17,997	18,421	19,510	17,717	18,274	18,476	18,163
21 To others	9,484	10,055	7,457	6,629	7,269	7,378	6,560	8,028	8,645
22 Other loans and leases, gross	862,157	858,659	863,426	859,724	864,262	863,128	865,902	863,865	867,690
23 Other loans, gross	841,111	837,563	842,335	838,620	843,148	842,021	844,758	842,622	846,687
24 Commercial and industrial	289,349	289,111	291,045	290,022	292,613	291,405	292,183	291,054	293,578
25 Bankers acceptances and commercial paper	2,174	2,143	2,063	2,029	2,246	2,383	2,405	2,353	2,440
26 All other	287,175	286,969	288,982	287,994	290,367	289,022	289,777	288,702	291,138
27 U.S. addressees	284,140	284,004	285,927	285,052	287,533	286,314	287,126	286,066	288,500
28 Non-U.S. addressees	3,035	2,965	3,055	2,942	2,834	2,708	2,651	2,636	2,638
29 Real estate loans	268,080	268,394	268,485	268,538	269,582	270,094	270,933	271,337	271,643
30 Revolving, home equity	17,489	17,561	17,656	17,669	17,740	17,802	17,876	17,949	18,068
31 All other	250,591	250,833	250,829	250,870	251,841	252,292	253,057	253,388	253,575
32 To individuals for personal expenditures	160,050	159,644	159,642	159,706	159,657	159,497	159,696	159,881	160,399
33 To depository and financial institutions	49,877	48,730	49,567	48,764	49,606	48,653	49,385	48,746	48,177
34 Commercial banks in the United States	23,020	22,228	22,683	22,978	22,798	22,744	23,285	22,576	22,323
35 Banks in foreign countries	4,120	3,972	4,030	4,004	4,579	3,822	3,593	3,485	3,581
36 Nonbank depository and other financial institutions	22,738	22,530	22,854	21,782	22,230	22,087	22,507	21,984	22,274
37 For purchasing and carrying securities	13,510	12,851	13,685	12,853	12,805	13,823	13,641	13,440	14,216
38 To finance agricultural production	5,416	5,364	5,356	5,314	5,385	5,426	5,447	5,445	5,417
39 To states and political subdivisions	32,233	32,160	32,081	32,076	31,941	31,837	31,818	31,804	31,632
40 To foreign governments and official institutions	2,434	2,333	2,352	2,362	2,298	2,258	2,315	2,279	2,179
41 All other	20,162	18,974	20,123	18,984	19,261	19,339	19,339	18,636	19,444
42 Lease financing receivables	21,046	21,097	21,091	21,104	21,113	21,107	21,144	21,242	21,003
43 LESS: Unearned income	4,662	4,690	4,659	4,675	4,706	4,762	4,776	4,781	4,803
44 Loan and lease reserve ⁴	36,672	36,651	36,518	36,472	36,481	36,455	36,440	36,614	36,588
45 Other loans and leases, net	820,823	817,319	822,249	818,577	823,075	821,911	824,686	822,470	826,299
46 All other assets	125,511	126,517	126,800	122,588	125,534	128,106	128,800	126,254	125,120
47 Total assets	1,336,086	1,321,798	1,351,902	1,314,345	1,333,352	1,321,596	1,338,797	1,322,012	1,327,214
48 Demand deposits	234,203	220,783	245,280	214,894	230,239	215,428	230,735	214,738	223,226
49 Individuals, partnerships, and corporations	179,296	174,021	189,816	167,736	180,012	172,798	178,766	167,998	175,045
50 States and political subdivisions	7,194	6,279	6,521	6,743	6,447	5,716	6,445	6,378	5,882
51 U.S. government	5,380	2,764	2,417	3,250	1,895	1,662	3,988	2,889	3,069
52 Depository institutions in the United States	24,614	21,791	27,837	21,878	24,266	20,928	23,633	22,176	21,954
53 Banks in foreign countries	5,899	6,313	7,561	6,525	6,986	5,938	6,600	6,463	5,991
54 Foreign governments and official institutions	720	673	794	714	674	722	650	605	943
55 Certified and officers' checks	11,098	8,942	10,334	8,048	9,957	7,665	10,652	8,234	10,342
56 Transaction balances other than demand deposits	71,209	70,228	70,284	69,248	72,107	71,637	71,532	70,745	70,977
57 Nontransaction balances	586,082	588,344	588,169	587,949	589,962	592,140	592,961	592,729	590,904
58 Individuals, partnerships, and corporations	546,053	548,248	547,766	547,278	549,567	551,625	552,525	552,380	550,775
59 States and political subdivisions	29,198	29,454	29,502	29,915	29,698	29,797	29,722	29,612	29,341
60 U.S. government	889	886	882	892	913	911	928	941	933
61 Depository institutions in the United States	9,180	8,989	9,262	9,143	9,003	9,037	9,026	9,059	9,099
62 Foreign governments, official institutions, and banks	761	767	756	721	780	770	759	736	756
63 Liabilities for borrowed money	274,065	275,516	278,478	275,250	275,166	277,147	278,288	276,351	273,862
64 Borrowings from Federal Reserve Banks	0	200	320	75	265	1,950	2,775	2,839	1,900
65 Treasury tax-and-loan notes	17,421	16,518	18,016	22,071	16,915	11,990	19,154	19,119	17,476
66 All other liabilities for borrowed money ⁵	256,644	258,798	260,142	253,103	257,986	263,206	256,358	254,393	254,485
67 Other liabilities and subordinated notes and debentures	84,671	81,221	84,298	81,542	79,884	79,717	79,842	81,928	83,336
68 Total liabilities	1,250,229	1,236,094	1,266,509	1,228,882	1,247,357	1,236,069	1,253,358	1,236,492	1,242,305
69 Residual (total assets minus total liabilities) ⁶	85,857	85,704	85,393	85,463	85,995	85,527	85,439	85,520	84,909
MEMO									
70 Total loans and leases (gross) and investments adjusted ⁷	1,076,142	1,073,961	1,074,720	1,069,289	1,076,940	1,073,441	1,074,452	1,073,714	1,077,731
71 Total loans and leases (gross) adjusted ¹	869,328	866,220	866,197	861,796	868,243	865,480	867,452	867,793	872,175
72 Time deposits in amounts of \$100,000 or more	181,706	182,832	181,772	182,456	182,583	183,071	183,139	182,949	181,559
73 U.S. Treasury securities maturing in one year or less	16,968	17,484	18,053	17,658	17,812	18,117	18,109	17,601	17,487
74 Loans sold outright to affiliates—total ⁸	1,075	1,059	1,077	1,111	1,538	1,530	1,554	1,537	1,588
75 Commercial and industrial	852	837	854	888	1,049	1,040	1,056	1,044	1,100
76 Other	223	222	223	223	490	490	498	493	488
77 Nontransaction savings deposits (including MMDAs)	247,985	248,456	249,418	248,263	249,969	251,237	251,661	251,442	250,782

1. Beginning Jan. 6, 1988, the "Large bank" reporting group was revised somewhat, eliminating some former reporters with less than \$2 billion of assets and adding some new reporters with assets greater than \$3 billion.

2. Includes U.S. government-issued or guaranteed certificates of participation in pools of residential mortgages.

3. Includes securities purchased under agreements to resell.

4. Includes allocated transfer risk reserve.

5. Includes federal funds purchased and securities sold under agreements to

repurchase; for information on these liabilities at banks with assets of \$1 billion or more on Dec. 31, 1977, see table 1.13.

6. This is not a measure of equity capital for use in capital-adequacy analysis or for other analytic uses.

7. Exclusive of loans and federal funds transactions with domestic commercial banks.

8. Loans sold are those sold outright to a bank's own foreign branches, nonconsolidated nonbank affiliates of the bank, the bank's holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company.

1.28 ASSETS AND LIABILITIES OF LARGE WEEKLY REPORTING COMMERCIAL BANKS
IN NEW YORK CITY¹

Millions of dollars, Wednesday figures

Account	1988								
	Feb. 3	Feb. 10	Feb. 17	Feb. 24	Mar. 2 ¹	Mar. 9	Mar. 16	Mar. 23	Mar. 30
1 Cash balances due from depository institutions	27,911	21,133	27,592	23,556	24,393	20,270	28,639	23,732	24,166
2 Total loans, leases and securities, net ²	223,393	224,257	223,274	218,521	219,235	217,875	216,161	219,362	222,439
<i>Securities</i>									
3 U.S. Treasury and government agency ³	0	0	0	0	0	0	0	0	0
4 Trading account ⁴	0	0	0	0	0	0	0	0	0
5 Investment account	15,035	14,729	14,647	14,799	15,034	15,080	15,402	15,923	15,966
6 Mortgage-backed securities	5,794	5,806	5,697	5,674	5,954	5,954	6,116	6,464	6,483
All other maturing in									
7 One year or less	1,734	2,073	2,185	2,387	2,489	2,494	2,463	2,515	2,517
8 Over one through five years	4,793	4,829	4,801	4,765	4,613	4,606	4,744	4,787	4,826
9 Over five years	2,714	2,020	1,964	1,973	1,978	2,026	2,079	2,158	2,140
10 Other securities ⁵	0	0	0	0	0	0	0	0	0
11 Trading account ⁴	0	0	0	0	0	0	0	0	0
12 Investment account	18,083	17,925	17,505	17,643	17,493	17,357	17,271	17,219	17,306
13 States and political subdivisions, by maturity	13,901	13,878	13,668	13,776	13,617	13,585	13,593	13,552	13,597
14 One year or less	1,200	1,201	1,218	1,215	1,242	1,255	1,269	1,265	1,281
15 Over one year	12,701	12,677	12,449	12,560	12,375	12,329	12,324	12,286	12,317
16 Other bonds, corporate stocks, and securities	4,182	4,047	3,838	3,867	3,876	3,772	3,678	3,667	3,709
17 Other trading account assets ⁶	0	0	0	0	0	0	0	0	0
<i>Loans and leases</i>									
18 Federal funds sold ⁷	30,703	35,222	31,601	29,952	28,620	29,161	26,430	28,988	31,102
19 To commercial banks	11,868	15,421	16,431	14,681	12,323	13,630	11,284	13,622	13,964
20 To nonbank brokers and dealers in securities	13,162	12,397	10,462	11,020	11,397	10,489	10,553	10,288	11,033
21 To others	5,674	7,403	4,708	4,250	4,899	5,022	4,594	5,078	6,105
22 Other loans and leases, gross	175,167	172,011	175,126	171,738	173,798	172,048	172,825	172,952	173,779
23 Other loans, gross	170,346	167,144	170,246	166,843	168,888	167,133	167,895	168,016	168,829
24 Commercial and industrial	57,531	57,026	57,461	56,368	57,754	56,498	56,484	56,314	56,806
25 Bankers acceptances and commercial paper	434	433	407	441	460	478	543	482	505
26 All other	57,097	56,593	57,054	55,927	57,294	56,020	55,940	55,832	56,301
27 U.S. addressees	56,513	56,078	56,423	55,405	56,766	55,318	55,472	55,354	55,744
28 Non-U.S. addressees	584	515	630	523	529	502	468	478	558
29 Real estate loans	47,810	47,665	47,505	47,060	47,133	47,307	47,399	47,487	47,513
30 Revolving, home equity	2,831	2,841	2,847	2,860	2,868	2,877	2,891	2,900	2,913
31 All other	44,978	44,823	44,657	44,200	44,265	44,430	44,503	44,587	44,600
32 To individuals for personal expenditures	22,759	22,742	22,717	22,635	22,511	22,657	22,656	22,694	22,820
33 To depository and financial institutions	21,560	21,026	21,769	21,306	22,158	21,366	21,861	21,964	21,444
34 Commercial banks in the United States	12,493	12,115	12,485	12,387	12,448	12,741	13,290	12,819	12,839
35 Banks in foreign countries	2,378	2,295	2,299	2,384	2,910	2,100	1,938	2,582	2,124
36 Nonbank depository and other financial institutions	6,690	6,526	6,985	6,334	6,599	6,525	6,632	6,563	6,482
37 For purchasing and carrying securities	5,763	4,589	5,833	4,935	4,870	5,020	5,159	5,386	6,078
38 To finance agricultural production	306	288	276	287	298	298	292	293	291
39 To states and political subdivisions	7,397	7,392	7,382	7,372	7,348	7,344	7,394	7,388	7,318
40 To foreign governments and official institutions	649	586	613	604	703	634	717	675	592
41 All other	6,570	5,830	6,689	6,276	5,971	6,010	5,939	5,814	5,968
42 Lease financing receivables	4,820	4,871	4,880	4,895	4,910	4,915	4,930	4,936	4,950
43 Less: Unearned income	1,534	1,545	1,528	1,535	1,572	1,614	1,627	1,632	1,644
44 Loan and lease reserve	14,061	14,088	14,078	14,075	14,138	14,157	14,141	14,088	14,070
45 Other loans and leases, net ⁸	159,572	156,382	159,520	156,128	158,088	156,277	157,057	157,232	158,064
46 All other assets ⁹	57,721	59,332	61,924	59,856	62,542	61,731	63,145	58,625	57,769
47 Total assets	309,025	304,722	312,790	301,934	306,169	299,875	307,945	301,719	304,374
<i>Deposits</i>									
48 Demand deposits	59,249	55,607	63,141	53,968	57,636	52,316	60,028	54,327	56,881
49 Individuals, partnerships, and corporations	39,182	38,797	43,191	36,891	39,756	38,014	40,666	36,629	39,052
50 States and political subdivisions	1,285	1,288	1,168	1,185	926	921	1,180	1,302	1,177
51 U.S. government	1,177	553	362	655	230	282	675	547	603
52 Depository institutions in the United States	6,677	5,096	6,489	5,993	5,897	4,834	6,216	6,464	5,428
53 Banks in foreign countries	4,730	5,145	6,151	5,208	5,810	4,667	5,194	5,336	4,802
54 Foreign governments and official institutions	572	542	648	567	526	593	524	465	753
55 Certified and officers' checks	5,625	4,186	5,131	3,467	4,490	3,005	5,572	3,583	5,067
56 Transaction balances other than demand deposits (ATS, NOW, Super NOW, telephone transfers)	9,493	9,353	9,327	9,234	9,459	9,465	9,450	9,353	9,418
57 Nontransaction balances	109,090	109,136	109,511	108,962	109,419	109,451	109,745	109,511	108,853
58 Individuals, partnerships, and corporations	100,276	100,434	100,674	100,100	100,608	100,590	100,836	100,655	100,094
59 States and political subdivisions	6,774	6,873	6,947	7,049	6,984	6,966	7,001	6,930	6,860
60 U.S. government	36	37	33	37	31	32	30	36	32
61 Depository institutions in the United States	1,685	1,485	1,559	1,503	1,576	1,600	1,617	1,617	1,576
62 Foreign governments, official institutions, and banks	319	306	298	272	291	287	278	272	289
63 Liabilities for borrowed money	72,716	75,997	73,859	74,684	74,771	76,026	73,657	71,360	71,957
64 Borrowings from Federal Reserve Banks	0	0	0	0	0	1,140	0	700	0
65 Treasury tax-and-loan notes	4,444	4,712	5,487	5,895	4,320	3,223	5,656	5,597	5,597
66 All other liabilities for borrowed money ⁸	68,272	71,285	68,372	68,789	70,452	71,664	68,001	65,063	66,360
67 Other liabilities and subordinated note and debentures	34,005	30,309	32,686	30,884	30,452	28,077	30,489	32,594	32,942
68 Total liabilities	284,553	280,402	288,524	277,732	281,738	275,336	283,369	277,144	280,052
69 Residual (total assets minus total liabilities) ⁹	24,472	24,320	24,266	24,202	24,432	24,540	24,576	24,575	24,322
<i>MEMO</i>									
70 Total loans and leases (gross) and investments adjusted ^{2,10}	214,627	212,354	209,964	206,863	209,974	207,255	207,354	208,641	211,350
71 Total loans and leases (gross) adjusted ¹⁰	181,509	179,700	177,811	174,421	177,446	174,818	174,681	175,498	178,078
72 Time deposits in amounts of \$100,000 or more	39,160	39,322	39,368	39,004	39,077	38,985	39,591	39,102	38,474
73 U.S. Treasury securities maturing in one year or less	3,586	4,172	4,436	4,196	4,080	4,454	4,585	4,368	4,666

1. These data also appear in the Board's H.4.2 (504) release. For address, see inside front cover.

2. Excludes trading account securities.

3. Not available due to confidentiality.

4. Includes U.S. government-issued or guaranteed certificates of participation in pools of residential mortgages.

5. Includes securities purchased under agreements to resell.

6. Includes allocated transfer risk reserve.

7. Includes trading account securities.

8. Includes federal funds purchased and securities sold under agreements to repurchase.

9. Not a measure of equity capital for use in capital adequacy analysis or for other analytic uses.

10. Exclusive of loans and federal funds transactions with domestic commercial banks.

1.30 LARGE WEEKLY REPORTING U.S. BRANCHES AND AGENCIES OF FOREIGN BANKS¹ Assets and Liabilities

Millions of dollars, Wednesday figures

Account	1988								
	Feb. 3	Feb. 10	Feb. 17	Feb. 27	Mar. 2	Mar. 9	Mar. 16	Mar. 23	Mar. 30
1 Cash and due from depository institutions . . .	11,302	10,510	10,122	10,410	10,457	9,641	9,690	10,453	9,976
2 Total loans and securities	101,060	101,812	101,039	101,129	100,226	100,385	101,657	103,260	102,722
3 U.S. Treasury and government agency securities	7,774	7,811	8,001	7,706	7,722	8,096	8,130	8,134	7,762
4 Other securities	7,861	7,736	7,940	7,977	7,931	7,895	7,901	7,894	7,898
5 Federal funds sold ²	8,940	9,595	7,615	8,444	5,823	7,038	7,907	9,530	7,298
6 To commercial banks in the United States	6,391	7,529	5,872	6,585	3,947	5,004	6,016	7,554	4,924
7 To others	2,549	2,066	1,742	1,859	1,876	2,034	1,890	1,976	2,374
8 Other loans, gross	76,484	76,649	77,483	77,032	78,730	77,336	77,720	77,702	79,764
9 Commercial and industrial	50,315	49,156	50,334	50,552	51,625	50,504	51,634	50,766	52,049
10 Bankers acceptances and commercial paper	1,391	1,468	1,600	1,636	1,667	1,634	1,571	1,625	1,649
11 All other	48,924	47,688	48,734	48,916	49,958	48,869	50,063	49,141	50,400
12 U.S. addressees	46,373	45,278	46,114	46,604	47,468	46,440	47,599	46,814	47,991
13 Non-U.S. addressees	2,551	2,410	2,620	2,312	2,491	2,429	2,464	2,327	2,409
14 To financial institutions	15,308	16,402	15,966	15,657	15,984	15,923	15,282	15,954	16,930
15 Commercial banks in the United States	11,088	12,136	11,712	11,634	11,767	11,800	11,343	11,600	12,390
16 Banks in foreign countries	1,016	1,005	1,064	992	1,052	1,031	994	1,313	1,398
17 Nonbank financial institutions	3,203	3,261	3,191	3,032	3,165	3,092	2,945	3,041	3,143
18 To foreign governments and official institutions	426	419	416	410	429	422	460	464	484
19 For purchasing and carrying securities	1,851	1,872	1,994	1,607	1,887	1,787	1,624	1,680	1,546
20 All other	8,585	8,800	8,773	8,805	8,825	8,719	8,719	8,838	8,755
21 Other assets (claims on nonrelated parties)	30,670	31,120	30,463	30,510	30,538	30,845	30,791	30,742	30,902
22 Net due from related institutions	14,853	16,176	15,831	13,807	16,400	16,028	17,253	16,306	16,081
23 Total assets	157,884	159,618	157,455	155,856	157,622	156,899	159,391	160,762	159,682
24 Deposits or credit balances due to other than directly related institutions	42,638	42,432	42,112	41,577	41,693	41,663	42,315	42,693	42,712
25 Transaction accounts and credit balances ³	3,337	3,156	3,099	2,970	2,940	3,082	3,444	3,341	3,271
26 Individuals, partnerships, and corporations	1,932	1,914	2,072	1,875	1,821	1,933	2,068	2,045	2,105
27 Other	1,405	1,242	1,027	1,095	1,118	1,149	1,375	1,296	1,166
28 Nontransaction accounts ⁴	39,301	39,277	39,013	38,607	38,753	38,581	38,872	39,352	39,441
29 Individuals, partnerships, and corporations	32,300	32,411	32,045	31,766	31,979	31,758	32,055	32,200	32,274
30 Other	7,001	6,866	6,969	6,840	6,774	6,823	6,816	7,152	7,167
31 Borrowings from other than directly related institutions	61,583	62,816	61,292	58,649	61,619	62,226	63,229	61,778	61,304
32 Federal funds purchased ⁵	32,134	32,490	31,070	28,198	30,107	30,547	31,162	31,081	28,688
33 From commercial banks in the United States	19,712	19,969	18,322	14,834	15,621	15,673	16,815	16,897	15,698
34 From others	12,423	12,521	12,748	13,364	14,486	14,874	14,347	14,184	12,990
35 Other liabilities for borrowed money	29,449	30,326	30,221	30,451	31,512	31,679	32,067	30,697	32,616
36 To commercial banks in the United States	22,628	23,074	22,851	23,248	24,015	23,722	24,211	23,069	24,030
37 To others	6,820	7,252	7,370	7,203	7,497	7,956	7,855	7,628	8,587
38 Other liabilities to nonrelated parties	31,792	32,124	31,650	31,860	31,390	32,430	32,273	32,306	32,802
39 Net due to related institutions	21,870	22,245	22,401	23,770	22,920	20,579	21,573	23,983	22,864
40 Total liabilities	157,884	159,618	157,455	155,856	157,622	156,899	159,391	160,762	159,682
MEMO									
41 Total loans (gross) and securities adjusted ⁶	83,581	82,146	83,455	82,910	84,512	83,581	84,298	84,106	85,408
42 Total loans (gross) adjusted ⁶	67,945	66,578	67,514	67,227	68,859	67,590	68,267	68,078	69,748

1. Effective Jan. 1, 1986, the reporting panel includes 65 U.S. branches and agencies of foreign banks that include those branches and agencies with assets of \$750 million or more on June 30, 1980, plus those branches and agencies that had reached the \$750 million asset level on Dec. 31, 1984. These data also appear in the Board's H.4.2 (504) release. For address, see inside front cover.

2. Includes securities purchased under agreements to resell.

3. Includes credit balances, demand deposits, and other checkable deposits.

4. Includes savings deposits, money market deposit accounts, and time deposits.

5. Includes securities sold under agreements to repurchase.

6. Exclusive of loans to and federal funds sold to commercial banks in the United States.

1.31 GROSS DEMAND DEPOSITS Individuals, Partnerships, and Corporations¹

Billions of dollars, estimated daily-average balances, not seasonally adjusted

Type of holder	Commercial banks									
	1982 Dec.	1983 Dec.	1984 Dec.	1985 Dec. ^{3,4}	1986		1987			
					Sept.	Dec.	Mar.	June	Sept.	Dec.
1 All holders—Individuals, partnerships, and corporations.....	291.8	293.5	302.7	321.0	333.6	363.6	335.9	340.2	339.0	344.9
2 Financial business	35.4	32.8	31.7	32.3	35.9	41.4	35.9	36.6	36.5	36.9
3 Nonfinancial business	150.5	161.1	166.3	178.5	185.9	202.0	183.0	187.2	188.2	191.7
4 Consumer	85.9	78.5	81.5	85.5	86.3	91.1	88.9	90.1	88.7	89.9
5 Foreign	3.0	3.3	3.6	3.5	3.3	3.3	2.9	3.2	3.2	3.4
6 Other	17.0	17.8	19.7	21.2	22.2	25.8	25.2	23.1	22.4	23.0
	Weekly reporting banks									
	1982 Dec.	1983 Dec.	1984 Dec. ²	1985 Dec. ^{3,4}	1986		1987			
					Sept.	Dec.	Mar.	June	Sept.	Dec.
7 All holders—Individuals, partnerships, and corporations.....	144.2	146.2	157.1	168.6	174.7	195.1	178.1	179.3	179.1	187.0
8 Financial business	26.7	24.2	25.3	25.9	28.9	32.5	28.7	29.3	29.3	29.5
9 Nonfinancial business	74.3	79.8	87.1	94.5	94.8	106.4	94.4	94.8	96.0	100.8
10 Consumer	31.9	29.7	30.5	33.2	35.0	37.5	36.8	37.5	37.2	39.4
11 Foreign	2.9	3.1	3.4	3.1	3.2	3.3	2.8	3.1	3.1	3.3
12 Other	8.4	9.3	10.9	12.0	12.8	15.4	15.5	14.6	13.5	14.0

1. Figures include cash items in process of collection. Estimates of gross deposits are based on reports supplied by a sample of commercial banks. Types of depositors in each category are described in the June 1971 BULLETIN, p. 466. Figures may not add to totals because of rounding.

2. Beginning in March 1984, these data reflect a change in the panel of weekly reporting banks, and are not comparable to earlier data. Estimates in billions of dollars for December 1983 based on the new weekly reporting panel are: financial business, 24.4; nonfinancial business, 80.9; consumer, 30.1; foreign, 3.1; other 9.5.

3. Beginning March 1985, financial business deposits and, by implication, total gross demand deposits have been redefined to exclude demand deposits due to

thrift institutions. Historical data have not been revised. The estimated volume of such deposits for December 1984 is \$5.0 billion at all insured commercial banks and \$3.0 billion at weekly reporting banks.

4. Historical data back to March 1985 have been revised to account for corrections of bank reporting errors. Historical data before March 1985 have not been revised, and may contain reporting errors. Data for all commercial banks for March 1985 were revised as follows (in billions of dollars): all holders, -.3; financial business, -.8; nonfinancial business, -.4; consumer, .9; foreign, .1; other, -.1. Data for weekly reporting banks for March 1985 were revised as follows (in billions of dollars): all holders, -.1; financial business, -.7; nonfinancial business, -.5; consumer, 1.1; foreign, .1; other, -.2.

1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

Instrument	1983 Dec.	1984 Dec.	1985 Dec.	1986 Dec.	1987 Dec.	1987				1988	
						Sept.	Oct.	Nov. ¹	Dec.	Jan. ²	Feb.
	Commercial paper (seasonally adjusted unless noted otherwise)										
1 All issuers	187,658	237,586	298,779	329,991	357,129	356,993	356,577	351,844	357,129	380,475	389,027
Financial companies ³											
Dealer-placed paper ⁴											
2 Total	44,455	56,485	78,443	101,072	101,958	114,435	109,020'	105,196'	101,958	116,730	121,376'
3 Bank-related (not seasonally adjusted)	2,441	2,035	1,602	2,265	1,428	2,600	2,688	1,893	1,428	1,694	1,724
Directly placed paper ⁵											
4 Total	97,042	110,543	135,320	151,820	173,939	165,319	170,403	169,779	173,939	175,467	174,595
5 Bank-related (not seasonally adjusted)	35,566	42,105	44,778	40,860	43,173	46,790	46,249	45,353	43,173	45,425	43,987
6 Nonfinancial companies ⁶	46,161	70,558	85,016	77,099	81,232	77,239	77,154	76,869	81,232	88,278	93,056
	Bankers dollar acceptances (not seasonally adjusted) ⁷										
7 Total	78,309	78,364	68,413	64,974	70,565	68,771	71,891	71,068	70,565	62,957	62,419
Holder											
8 Accepting banks	9,355	9,811	11,197	13,423	10,943	10,521	10,856	10,701	10,943	8,602	9,629
9 Own bills	8,125	8,621	9,471	11,707	9,464	9,400	9,742	9,714	9,464	7,759	8,561
10 Bills bought	1,230	1,191	1,726	1,716	1,479	1,121	1,114	987	1,479	843	1,067
Federal Reserve Banks											
11 Own account	418	0	0	0	0	0	0	0	0	0	0
12 Foreign correspondents	729	671	937	1,317	965	1,467	1,400	1,134	965	831	833
13 Others	67,807	67,881	56,279	50,234	58,658	56,784	59,635	59,234	58,658	53,524	51,958
Basis											
14 Imports into United States	15,649	17,845	15,147	14,670	16,483	17,198	17,814	16,942	16,483	14,468	14,354
15 Exports from United States	16,880	16,305	13,204	12,960	15,227	15,046	15,949	15,435	15,227	14,054	13,891
16 All other	45,781	44,214	40,062	37,344	38,855	36,526	38,128'	38,691	38,855	34,436	34,173

1. A change in the reporting panel in November resulted in a slight understatement of outstanding volume.

2. Data reflect a break in series resulting from additions to the reporting panel.

3. Institutions engaged primarily in activities such as, but not limited to, commercial savings, and mortgage banking; sales, personal, and mortgage financing; factoring, finance leasing, and other business lending; insurance underwriting; and other investment activities.

4. Includes all financial company paper sold by dealers in the open market.

5. As reported by financial companies that place their paper directly with investors.

6. Includes public utilities and firms engaged primarily in such activities as communications, construction, manufacturing, mining, wholesale and retail trade, transportation, and services.

7. Beginning January 1988, the number of respondents in the bankers acceptance survey were reduced from 155 to 111 institutions—those with \$100 million or more in total acceptances. The new reporting group accounts for over 90 percent of total acceptances activity.

1.33 PRIME RATE CHARGED BY BANKS on Short-Term Business Loans

Percent per year

Effective date	Rate	Effective Date	Rate	Month	Average rate	Month	Average rate
1985—Jan. 15	10.50	1987—Apr. 1	7.75	1985—Jan.	10.61	1986—Sept.	7.50
May 20	10.00	May 1	8.00	Feb.	10.50	Oct.	7.50
June 18	9.50	15	8.25	Mar.	10.50	Nov.	7.50
1986—Mar. 7	9.00	Sept. 4	8.75	Apr.	10.50	Dec.	7.50
Apr. 21	8.50	Oct. 7	9.25	May	10.31	1987—Jan.	7.50
July 11	8.00	Nov. 22	9.00	June	9.78	Feb.	7.50
Aug. 26	7.50	5	8.75	July	9.50	Mar.	7.50
		1988—Feb. 2	8.50	Aug.	9.50	Apr.	7.75
				Sept.	9.50	May	8.14
				Oct.	9.50	June	8.25
				Nov.	9.50	July	8.25
				Dec.	9.50	Aug.	8.25
				1986—Jan.	9.50	Sept.	8.70
				Feb.	9.50	Oct.	9.07
				Mar.	9.10	Nov.	8.78
				Apr.	8.83	Dec.	8.75
				May	8.50	1988—Jan.	8.75
				June	8.50	Feb.	8.51
				July	8.16	Mar.	8.50
				Aug.	7.90		

NOTE. These data also appear in the Board's H.15 (519) release. For address, see inside front cover.

1.35 INTEREST RATES Money and Capital Markets

Averages, percent per year; weekly and monthly figures are averages of business day data unless otherwise noted.

Instrument	1985	1986	1987	1987	1988			1988, week ending				
				Dec.	Jan.	Feb.	Mar.	Feb. 26	Mar. 4	Mar. 11	Mar. 18	Mar. 25
MONEY MARKET RATES												
1 Federal funds ^{1,2}	8.10	6.80	6.66	6.77	6.83	6.58	6.58	6.64	6.60	6.51	6.61	6.51
2 Discount window borrowing ^{1,2,3}	7.69	6.32	5.66	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
3 Commercial paper ^{4,5}												
1-month	7.93	6.61	6.74	7.76	6.76	6.55	6.57	6.53	6.54	6.55	6.56	6.58
4 3-month	7.95	6.49	6.82	7.61	6.87	6.58	6.62	6.58	6.56	6.59	6.61	6.64
5 6-month	8.00	6.39	6.85	7.49	6.92	6.58	6.64	6.60	6.57	6.60	6.63	6.68
6 Finance paper, directly placed ^{4,5}												
1-month	7.90	6.57	6.61	7.23	6.65	6.45	6.44	6.43	6.35	6.45	6.46	6.45
7 3-month	7.77	6.38	6.54	6.97	6.62	6.39	6.38	6.38	6.30	6.38	6.40	6.37
8 6-month	7.74	6.31	6.37	6.64	6.53	6.27	6.23	6.24	6.16	6.19	6.25	6.26
9 Bankers acceptances ^{3,6}												
3-month	7.91	6.38	6.75	7.48	6.77	6.49	6.51	6.50	6.45	6.50	6.50	6.53
10 6-month	7.95	6.28	6.78	7.41	6.83	6.49	6.55	6.50	6.45	6.53	6.54	6.60
11 Certificates of deposit, secondary market ⁷												
1-month	7.96	6.61	6.75	7.86	6.78	6.55	6.56	6.55	6.54	6.55	6.55	6.57
12 3-month	8.04	6.51	6.87	7.66	6.92	6.60	6.63	6.61	6.58	6.62	6.61	6.64
13 6-month	8.24	6.50	7.01	7.67	7.10	6.69	6.78	6.73	6.68	6.75	6.76	6.84
14 Eurodollar deposits, 3-month ⁸	8.28	6.71	7.06	7.86	7.11	6.73	6.74	6.79	6.71	6.74	6.73	6.75
15 U.S. Treasury bills ⁹												
Secondary market ⁹												
3-month	7.47	5.97	5.78	5.77	5.81	5.66	5.70	5.63	5.63	5.73	5.64	5.77
16 6-month	7.65	6.02	6.03	6.36	6.25	5.93	5.91	5.81	5.86	5.88	5.79	5.98
17 1-year	7.81	6.07	6.33	6.69	6.52	6.21	6.28	6.20	6.20	6.28	6.23	6.35
18 Auction average ¹⁰												
3-month	7.47	5.98	5.82	5.80	5.90	5.69	5.69	5.64	5.62	5.74	5.65	5.76
19 6-month	7.64	6.03	6.05	6.36	6.31	5.96	5.91	5.83	5.86	5.93	5.78	5.96
20 1-year	7.80	6.18	6.33	6.74	6.67	6.18	6.30	.....	.....	.....	6.30	.....
CAPITAL MARKET RATES												
U.S. Treasury notes and bonds ¹¹												
Constant maturities ¹²												
21 1-year	8.42	6.45	6.77	7.17	6.99	6.64	6.71	6.63	6.63	6.72	6.63	6.77
22 2-year	9.27	6.86	7.42	7.86	7.63	7.18	7.27	7.17	7.12	7.23	7.21	7.38
23 3-year	9.64	7.06	7.68	8.13	7.87	7.38	7.50	7.35	7.33	7.45	7.44	7.60
24 5-year	10.12	7.30	7.94	8.45	8.18	7.71	7.83	7.70	7.63	7.78	7.78	7.95
25 7-year	10.50	7.54	8.23	8.82	8.48	8.02	8.19	8.00	7.96	8.11	8.15	8.31
26 10-year	10.62	7.67	8.39	8.99	8.67	8.21	8.37	8.20	8.17	8.32	8.33	8.48
27 20-year	10.97	7.85	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
28 30-year ¹³	10.79	7.78	8.59	9.12	8.83	8.43	8.63	8.43	8.41	8.57	8.60	8.74
29 Composite ¹³												
Over 10 years (long-term)	10.75	8.14	8.64	9.12	8.82	8.41	8.61	8.41	8.39	8.55	8.57	8.72
State and local notes and bonds												
Moody's series ¹⁴												
30 Aaa	8.60	6.95	7.14	7.45	7.29	7.05	7.20	7.00	7.00	7.10	7.15	7.30
31 Baa	9.58	7.76	8.17	8.42	8.12	7.62	7.80	7.65	7.65	7.75	7.70	7.90
32 Bond Buyer series ¹⁵	9.11	7.34	7.65	7.96	7.69	7.49	7.74	7.52	7.47	7.67	7.75	7.89
Corporate bonds												
Seasoned issues ¹⁶												
33 All industries	12.05	9.71	9.91	10.59	10.37	9.89	9.86	9.83	9.75	9.80	9.83	9.92
34 Aaa	11.37	9.02	9.38	10.11	9.88	9.40	9.39	9.33	9.27	9.34	9.36	9.44
35 Aa	11.82	9.47	9.68	10.33	10.09	9.60	9.59	9.54	9.47	9.54	9.56	9.66
36 A	12.28	9.95	9.99	10.62	10.43	9.94	9.89	9.88	9.80	9.83	9.86	9.94
37 Baa	12.72	10.39	10.58	11.29	11.07	10.62	10.57	10.56	10.48	10.50	10.55	10.64
38 A-rated, recently-offered utility bonds ¹⁷	12.06	9.61	9.95	10.42	10.05	9.75	9.91	9.75	9.78	9.83	9.98	10.01
MEMO: Dividend/price ratio ¹⁸												
39 Preferred stocks	10.49	8.76	8.37	9.08	9.04	9.02	9.07	9.10	9.08	9.07	9.07	9.05
40 Common stocks	4.25	3.48	3.08	3.71	3.66	3.56	3.48	3.48	3.45	3.43	3.45	3.45

1. Weekly and monthly figures are averages of all calendar days, where the rate for a weekend or holiday is taken to be the rate prevailing on the preceding business day. The daily rate is the average of the rates on a given day weighted by the volume of transactions at these rates.

2. Weekly figures are averages for statement week ending Wednesday.

3. Rate for the Federal Reserve Bank of New York.

4. Unweighted average of offering rates quoted by at least five dealers (in the case of commercial paper), or finance companies (in the case of finance paper). Before November 1979, maturities for data shown are 30–59 days, 90–119 days, and 120–179 days for commercial paper; and 30–59 days, 90–119 days, and 150–179 days for finance paper.

5. Yields are quoted on a bank-discount basis, rather than in an investment yield basis (which would give a higher figure).

6. Dealer closing offered rates for top-rated banks. Most representative rate (which may be, but need not be, the average of the rates quoted by the dealers).

7. Unweighted average of offered rates quoted by at least five dealers early in the day.

8. Calendar week average. For indication purposes only.

9. Unweighted average of closing bid rates quoted by at least five dealers.

10. Rates are recorded in the week in which bills are issued. Beginning with the Treasury bill auction held on Apr. 18, 1983, bidders were required to state the percentage yield (on a bank discount basis) that they would accept to two decimal

places. Thus, average issuing rates in bill auctions will be reported using two rather than three decimal places.

11. Yields are based on closing bid prices quoted by at least five dealers.

12. Yields adjusted to constant maturities by the U.S. Treasury. That is, yields are read from a yield curve at fixed maturities. Based on only recently issued, actively traded securities.

13. Averages (to maturity or call) for all outstanding bonds neither due nor callable in less than 10 years, including one very low yielding "flower" bond.

14. General obligations based on Thursday figures; Moody's Investors Service.

15. General obligations only, with 20 years to maturity, issued by 20 state and local governmental units of mixed quality. Based on figures for Thursday.

16. Daily figures from Moody's Investors Service. Based on yields to maturity on selected long-term bonds.

17. Compilation of the Federal Reserve. This series is an estimate of the yield on recently-offered, A-rated utility bonds with a 30-year maturity and 5 years of call protection. Weekly data are based on Friday quotations.

18. Standard and Poor's corporate series. Preferred stock ratio based on a sample of ten issues: four public utilities, four industrials, one financial, and one transportation. Common stock ratios on the 500 stocks in the price index.

NOTE: These data also appear in the Board's H.15 (519) and G.13 (415) releases. For address, see inside front cover.

1.36 STOCK MARKET Selected Statistics

Indicator	1985	1986	1987	1987						1988		
				July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
	Prices and trading (averages of daily figures)											
<i>Common stock prices</i>												
1 New York Stock Exchange (Dec. 31, 1965 = 50)	108.09	136.00	161.70	174.28	184.18	178.39	157.13	137.21	134.88	140.55	145.13	149.88
2 Industrial	123.79	155.85	195.31	214.12	226.49	219.52	189.86	163.42	162.19	168.47	173.44	181.57
3 Transportation	104.11	119.87	140.39	157.49	164.02	158.58	140.95	117.57	115.85	121.20	126.09	135.15
4 Utility	56.75	71.36	74.29	74.18	78.20	76.13	73.27	69.86	67.39	70.01	72.89	71.16
5 Finance	114.21	147.19	146.48	152.27	160.94	154.08	137.35	118.30	111.47	119.40	124.36	125.27
6 Standard & Poor's Corporation (1941-43 = 10) ¹	186.84	236.34	286.83	310.09	329.36	318.66	280.16	245.01	240.96	250.48	258.13	265.74
7 American Stock Exchange ² (Aug. 31, 1973 = 50)	229.10	264.38	316.61	348.68	361.52	353.72	306.34	249.42	248.52	267.29	276.54	295.78
<i>Volume of trading (thousands of shares)</i>												
8 New York Stock Exchange	109,191	141,385	188,642	180,356	193,477	177,319	277,026	179,481	178,517	174,755	184,688	176,189
9 American Stock Exchange	8,355	11,846	13,832	12,857	13,604	12,381	18,173	11,268	13,422	9,853	9,961	12,442
	Customer financing (end-of-period balances, in millions of dollars)											
10 Margin credit at broker-dealers ³	28,390	36,840	31,990	40,250	41,640	44,170	38,250	34,180	31,990	31,320	31,990	32,660
<i>Free credit balances at brokers⁴</i>												
11 Margin-account ¹	2,715	4,880	4,750	4,095	4,240	4,270	8,415	6,700	4,750	4,675	4,555	4,615
12 Cash-account	12,840	19,000	15,640	15,930	16,195	15,895	18,455	15,360	15,640	15,270	14,695	14,355
	Margin requirements (percent of market value and effective date) ⁶											
	Mar. 11, 1968		June 8, 1968		May 6, 1970		Dec. 6, 1971		Nov. 24, 1972		Jan. 3, 1974	
13 Margin stocks	70		80		65		55		65		50	
14 Convertible bonds	50		60		50		50		50		50	
15 Short sales	70		80		65		55		65		50	

1. Effective July 1976, includes a new financial group, banks and insurance companies. With this change the index includes 400 industrial stocks (formerly 425), 20 transportation (formerly 15 rail), 40 public utility (formerly 60), and 40 financial.

2. Beginning July 5, 1983, the American Stock Exchange rebased its index effectively cutting previous readings in half.

3. Beginning July 1983, under the revised Regulation T, margin credit at broker-dealers includes credit extended against stocks, convertible bonds, stocks acquired through exercise of subscription rights, corporate bonds, and government securities. Separate reporting of data for margin stocks, convertible bonds, and subscription issues was discontinued in April 1984.

4. Free credit balances are in accounts with no unfulfilled commitments to the brokers and are subject to withdrawal by customers on demand.

5. New series beginning June 1984.

6. These regulations, adopted by the Board of Governors pursuant to the Securities Exchange Act of 1934, limit the amount of credit to purchase and carry

"margin securities" (as defined in the regulations) when such credit is collateralized by securities. Margin requirements on securities other than options are the difference between the market value (100 percent) and the maximum loan value of collateral as prescribed by the Board. Regulation T was adopted effective Oct. 15, 1934; Regulation U, effective May 1, 1936; Regulation G, effective Mar. 11, 1968; and Regulation X, effective Nov. 1, 1971.

On Jan. 1, 1977, the Board of Governors for the first time established in Regulation T the initial margin required for writing options on securities, setting it at 30 percent of the current market-value of the stock underlying the option. On Sept. 30, 1985, the Board changed the required initial margin, allowing it to be the same as the option maintenance margin required by the appropriate exchange or self-regulatory organization; such maintenance margin rules must be approved by the Securities and Exchange Commission. Effective Jan. 31, 1986, the SEC approved new maintenance margin rules, permitting margins to be the price of the option plus 15 percent of the market value of the stock underlying the option.

1.37 SELECTED FINANCIAL INSTITUTIONS Selected Assets and Liabilities

Millions of dollars, end of period

Account	1985	1986	1987										1988
			Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.		Jan.
Savings and loan associations													
1 Assets	948,781	963,316	939,721	944,229	952,671	949,069	949,223	955,105	956,517	973,816	978,319	977,978	981,285
2 Mortgage-backed securities	97,303	123,257	129,274	134,746	141,023	142,241	140,897	144,146	146,209	150,275	152,932	154,383	153,131
3 Cash and investment securities	126,712	142,700	138,746	136,370	138,303	138,125	138,520	137,207	131,729	139,648	138,234	135,710	136,883
4 Other	103,768	110,445	101,031	102,566	103,250	103,861	103,915	105,120	104,445	105,580	106,143	106,208	106,419
5 Liabilities and net worth	948,781	963,316	939,721	944,229	952,671	949,069	949,223	955,105	956,517	973,816	978,319	977,978	981,285
6 Savings capital	750,071	741,081	722,548	716,798	718,633	715,662	716,385	717,257	721,407	727,333	731,061	737,347	742,686
7 Borrowed money	138,798	159,742	158,192	165,883	171,279	175,394	174,358	178,643	180,382	190,644	191,020	191,037	188,218
8 FHLBB	73,888	80,194	76,469	77,857	78,583	79,188	78,888	79,546	80,848	83,303	84,266	87,697	86,629
9 Other	64,910	79,548	81,723	88,026	92,696	96,206	95,470	99,097	99,534	107,341	106,754	103,340	101,589
10 Other	19,045	20,071	18,958	20,869	22,628	19,584	20,684	21,956	19,174	21,036	21,287	16,760	18,185
11 Net worth ²	41,064	42,423	40,023	40,678	40,127	38,428	37,796	37,249	35,554	34,803	34,951	32,833	32,172
FSLIC-insured federal savings banks													
12 Assets	131,868	210,562	241,418	246,277	253,006	264,105	268,781	272,316	272,837	276,556	279,223	284,296	284,329
13 Mortgages	72,355	113,638	138,882	140,854	144,581	150,421	152,881	154,054	154,655	156,459	158,885	161,909	161,728
14 Mortgage-backed securities	15,676	29,766	36,088	37,500	39,371	40,969	42,714	43,532	44,421	45,132	45,251	45,877	46,208
15 Other	11,723	19,034	16,605	17,034	17,200	17,923	17,523	17,793	17,572	17,410	17,353	17,303	17,736
16 Liabilities and net worth	131,868	210,562	241,418	246,277	253,006	264,105	268,781	272,316	272,837	276,556	279,223	284,296	284,329
17 Savings capital	103,462	157,872	178,672	180,637	182,802	189,998	193,890	194,853	195,213	197,298	199,114	203,231	204,390
18 Borrowed money	19,323	37,329	43,919	46,125	49,896	53,255	53,652	55,660	56,549	57,551	58,277	60,695	59,187
19 FHLBB	10,510	19,897	21,104	21,718	22,788	24,486	24,981	25,546	26,287	27,350	27,947	29,617	28,280
20 Other	8,813	17,432	22,815	24,407	27,108	28,769	28,671	30,114	30,262	30,201	30,330	31,078	30,907
21 Other	2,732	4,263	5,264	5,547	6,044	5,987	6,144	6,455	5,632	6,304	6,363	5,290	5,784
22 Net worth	6,351	11,098	13,564	13,978	14,272	14,871	15,100	15,172	15,445	15,417	15,483	15,098	14,992
Savings banks													
23 Assets	216,776	236,866	240,739	243,454	245,906	244,760	246,833	249,888	251,472	255,989	260,600	259,643 ³	258,628
Loans													
24 Mortgage	110,448	118,323	121,178	122,769	124,936	128,217	129,624	130,721	133,298	135,317	137,044	138,494 ⁴	137,858
25 Other	30,876	35,167	38,012	37,136	37,313	35,200	35,591	36,793	36,134	36,471	37,189	33,871 ⁵	35,095
Securities													
26 U.S. government	13,111	14,209	13,631	13,743	13,650	13,549	13,498	13,720	13,122	13,817	15,694	13,510 ⁶	12,776
27 Mortgage-backed securities	19,481	25,836	27,463	28,700	28,739	27,785	28,252	28,913	29,655	30,202	31,144	32,772 ⁷	32,241
28 State and local government	2,323	2,185	2,041	2,063	2,053	2,059	2,050	2,038	2,023	2,034	2,046	2,003 ⁸	1,994
29 Corporate and other	21,199	20,459	19,598	19,768	19,956	18,803	18,821	18,573	18,431	18,062	17,583	18,772 ⁹	18,780
30 Cash	6,225	6,894	5,703	5,308	5,176	4,939	4,806	4,823	4,484	5,529	5,063	5,864 ¹⁰	4,841
31 Other assets	13,113	13,793	13,713	13,967	14,083	14,208	14,191	14,307	14,325	14,557	14,837	14,357 ¹¹	15,043
32 Liabilities	216,776	236,866	240,739	243,454	245,906	244,760	246,833	249,888	251,472	255,989	260,600	259,643 ³	258,628
Deposits													
33 Regular	185,972	192,194	193,693	193,347	194,742	193,274	194,549	195,895	196,824	199,336	202,030	201,497 ¹²	199,545
34 Ordinary savings	181,921	186,345	188,432	187,791	189,048	187,669	188,783	190,335	191,376	193,777	196,724	196,037 ¹³	194,322
35 Time	33,018	37,717	40,558	41,326	41,967	42,178	41,928	41,767	41,773	42,045	42,493	41,959 ¹⁴	41,047
36 Other	103,311	100,809	100,896	100,308	100,607	100,604	102,603	105,133	107,063	109,486	112,231	112,429 ¹⁵	112,781
37 Other liabilities	4,051	5,849	5,261	5,556	5,694	5,605	5,766	5,560	5,448	5,559	5,306	5,460 ¹⁶	5,223
38 General reserve accounts	17,414	25,274	27,003	29,105	30,436	30,515	31,655	32,467	32,827	34,226	36,167	35,720 ¹⁷	36,836
39 Other	12,823	18,105	18,830	19,423	19,603	19,549	19,718	20,471	20,407	20,365	21,133	20,633 ¹⁸	20,514

1.37—Continued

Account	1985	1986	1987										1988
			Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
Credit unions ⁴													
40 Total assets/liabilities and capital	118,010	147,726	153,253	154,549	156,086	160,644	↑	↑	↑	↑	↑	↑	↑
41 Federal	77,861	95,483	98,799	99,751	100,153	104,150	↑	↑	↑	↑	↑	↑	↑
42 State	40,149	52,243	54,454	54,798	55,933	56,494	↑	↑	↑	↑	↑	↑	↑
43 Loans outstanding ..	73,513	86,137	86,101	87,089	87,765	90,912	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
44 Federal	47,933	55,304	55,118	55,740	55,952	58,432	↑	↑	↑	↑	↑	↑	↑
45 State	25,580	30,833	30,983	31,349	31,813	32,480	↑	↑	↑	↑	↑	↑	↑
46 Savings	105,963	134,327	138,810	140,014	141,635	148,283	↑	↑	↑	↑	↑	↑	↑
47 Federal	70,926	87,954	91,042	92,012	97,189	96,137	↑	↑	↑	↑	↑	↑	↑
48 State	35,037	46,373	47,768	48,002	49,248	52,146	↑	↑	↑	↑	↑	↑	↑
Life insurance companies													
49 Assets	825,901	937,551	978,455	978,455	985,942	995,576	1,005,592	1,017,018	1,026,919	1,021,148	1,024,460	1,033,170	↑
Securities													
50 Government	75,230	84,640	90,337	89,711	89,554	87,279	88,199	89,924	89,408	90,782	91,227	91,302	↑
51 United States	51,700	59,033	65,661	64,621	64,201	61,405	62,461	64,150	63,352	64,880	65,186	64,551	↑
52 State and local	9,708	11,659	10,860	11,068	11,208	11,485	11,277	11,190	11,087	11,363	11,539	11,758	↑
53 Foreign ⁵	13,822	13,948	13,816	14,022	14,145	14,389	14,461	14,584	14,969	14,539	14,502	14,993	↑
54 Business	423,712	492,807	519,766	522,097	528,789	537,507	555,423	551,701	558,787	549,426	548,767	553,486	n.a.
55 Bonds	346,216	401,943	417,933	420,474	425,788	432,095	448,146	442,604	451,453	455,678	459,537	461,942	↑
56 Stocks	77,496	90,864	101,833	101,623	103,001	105,412	107,277	109,097	107,334	93,748	89,230	91,544	↑
57 Mortgages	171,797	193,842	195,743	197,315	198,760	200,382	201,297	202,241	204,264	206,507	208,839	212,375	↑
58 Real estate	28,822	31,615	31,834	32,011	32,149	32,357	32,699	32,992	33,048	33,235	33,538	34,016	↑
59 Policy loans	54,369	54,055	53,652	53,572	53,468	53,378	53,338	53,330	53,422	53,413	53,334	53,313	↑
60 Other assets	71,971	80,592	82,105	83,749	83,222	84,390	85,420	86,830	87,991	87,785	88,755	88,678	↑

1. Holdings of stock of the Federal Home Loan Banks are in "other assets."

2. Includes net undistributed income accrued by most associations.

3. Excludes checking, club, and school accounts.

4. Data include all federally insured credit unions, both federal and state chartered, serving natural persons.

5. Direct and guaranteed obligations. Excludes federal agency issues not guaranteed, which are shown in the table under "Business" securities.

6. Issues of foreign governments and their subdivisions and bonds of the International Bank for Reconstruction and Development.

NOTE. *Savings and loan associations*: Estimates by the FHLBB for all associations in the United States based on annual benchmarks for non-FSLIC-insured associations and the experience of FSLIC-insured associations.*FSLIC-insured federal savings banks*: Estimates by the FHLBB for federal savings banks insured by the FSLIC and based on monthly reports of federally insured institutions.*Savings banks*: Estimates by the National Council of Savings Institutions for all savings banks in the United States and for FDIC-insured savings banks that have converted to federal savings banks.*Credit unions*: Estimates by the National Credit Union Administration for federally chartered and federally insured state-chartered credit unions serving natural persons.*Life insurance companies*: Estimates of the American Council of Life Insurance for all life insurance companies in the United States. Annual figures are annual-statement asset values, with bonds carried on an amortized basis and stocks at year-end market value. Adjustments for interest due and accrued and for differences between market and book values are not made on each item separately but are included, in total, in "other assets."

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Fiscal year 1986	Fiscal year 1987 ¹	Calendar year					
			1987			1988		
			Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
<i>U.S. budget²</i>								
1 Receipts, total.....	769,091	854,143	62,354	56,987	85,525	81,791	60,355	64,961
2 On-budget.....	568,862	640,741	45,992	40,630	67,645	60,645	40,610	44,189
3 Off-budget.....	200,228	213,402	16,362	13,357	17,880	21,146	19,745	20,772
4 Outlays, total.....	990,258	1,004,586	93,055 ^r	83,911 ^r	109,771 ^r	65,786 ^r	84,258 ^r	94,108
5 On-budget.....	806,760	810,754	76,870 ^r	67,140 ^r	77,876 ^r	66,573 ^r	66,505 ^r	76,088
6 Off-budget.....	183,498	193,832	16,185	16,770	31,896	-787	17,753	18,020
7 Surplus, or deficit (-), total.....	-221,167	-150,444	-30,701 ^r	-26,924 ^r	-24,246 ^r	16,005 ^r	-23,903 ^r	-29,147
8 On-budget.....	-237,898	-170,014	-30,878 ^r	-26,510 ^r	-10,230 ^r	-5,928 ^r	-25,895 ^r	-31,899
9 Off-budget.....	16,731	19,570	176	-414	-14,016	21,933	1,992	2,752
Source of financing (total)								
10 Borrowing from the public.....	236,187	150,070	27,282	23,603	9,766	5,281	20,157	17,160
11 Operating cash (decrease, or increase (-)).....	-14,324	-5,052	-1,879	17,164	-1,218	-17,555	11,002	6,009
12 Other.....	-696	5,426	5,298 ^r	-13,843 ^r	15,698 ^r	-3,730 ^r	-7,257 ^r	5,979
MEMO								
13 Treasury operating balance (level, end of period).....	31,384	36,436	38,315	21,151	22,369	39,924	28,922	22,913
14 Federal Reserve Banks.....	7,514	9,120	8,898	3,595	5,313	10,276	2,473	2,403
15 Tax and loan accounts.....	23,870	27,316	29,416	17,556	17,056	29,648	26,450	20,510

1. FY 1987 total outlays and deficit do not correspond to the monthly data because the *Monthly Treasury Statement* has not completed the monthly distribution of revisions reflected in the fiscal year total in *The Budget of the U.S. Government, Fiscal Year 1989*.

2. In accordance with the Balanced Budget and Emergency Deficit Control Act of 1985, all former off-budget entries are now presented on-budget. The Federal Financing Bank (FFB) activities are now shown as separate accounts under the agencies that use the FFB to finance their programs. The act has also moved two social security trust funds (Federal old-age survivors insurance and Federal

disability insurance trust funds) off-budget.

3. Includes SDRs; reserve position on the U.S. quota in the IMF; loans to international monetary fund; other cash and monetary assets; accrued interest payable to the public; allocations of special drawing rights; deposit funds; miscellaneous liability (including checks outstanding) and asset accounts; seigniorage; increment on gold; net gain/loss for U.S. currency valuation adjustment; net gain/loss for IMF valuation adjustment; and profit on the sale of gold.

SOURCE: *Monthly Treasury Statement of Receipts and Outlays of the U.S. Government* and the *Budget of the U.S. Government*.

1.39 U.S. BUDGET RECEIPTS AND OUTLAYS¹

Millions of dollars

Source or type	Fiscal year 1986	Fiscal year 1987	Calendar year						
			1986		1987		1988		
			H1	H2	H1	H2	Jan.	Feb.	Mar.
RECEIPTS									
1 All sources	769,091	854,143	394,345	387,524	447,282	421,712	81,791	60,355	64,961
2 Individual income taxes, net	348,959	392,557	169,444	183,156	205,157	192,575	43,987	25,651	19,868
3 Withheld	314,803	322,463	153,919	164,071	156,760	170,203	24,979	28,046	33,296
4 Presidential Election Campaign Fund	36	33	31	4	30	4	0	4	7
5 Nonwithheld	105,994	142,957	78,981	27,733	112,421	31,223	19,262	1,179	4,315
6 Refunds	71,873	72,896	63,488	8,652	64,052	8,853	255	3,577	17,751
7 Corporation income taxes									
8 Gross receipts	80,442	102,859	41,946	42,108	52,396	52,821	4,450	2,652	14,909
9 Refunds	17,298	18,933	9,557	8,230	10,881	7,119	820	1,677	2,203
10 Social insurance taxes and contributions, net	283,901	303,318	156,714	134,006	163,519	143,755	28,162	28,500	25,676
11 Employment taxes and contributions ²	255,062	273,185	139,706	122,246	146,696	130,388	26,920	25,739	25,141
12 Self-employment taxes and contributions ³	11,840	13,987	10,581	1,338	12,020	1,889	819	1,368	880
13 Unemployment insurance	24,098	25,418	14,674	9,328	14,514	10,977	883	2,399	179
14 Other net receipts ⁴	4,742	4,715	2,333	2,429	2,310	2,390	360	362	356
15 Excise taxes	32,919	32,510	15,944	15,947	15,845	17,680	2,393	2,204	2,885
16 Customs deposits	13,327	15,032	6,369	7,282	7,129	7,993	1,195	1,296	1,444
17 Estate and gift taxes	6,958	7,493	3,487	3,649	3,818	3,610	531	566	622
18 Miscellaneous receipts ⁵	19,884	19,307	10,002	9,605	10,299	10,399	1,893	1,164	1,760
OUTLAYS									
19 All types	990,231	1,004,586	486,058	505,980 ⁶	502,223 ⁷	532,107 ⁷	65,706	84,257	94,108
20 National defense	273,375	281,999	135,367	138,544	142,886	146,995	19,895	23,670	26,484
21 International affairs	14,152	11,649	5,384	8,876	4,374	4,487	1,074	516	1,490
22 General science, space, and technology	8,976	9,216	12,519	4,594	4,324	5,469	773	749	956
23 Energy	4,735	4,115	2,484	2,735	2,335	1,468	247	-1,635	538
24 Natural resources and environment	13,639	13,363	6,245	7,141	6,175	7,590	1,097	969	1,082
25 Agriculture	31,449	27,356	14,482	16,160	11,824	14,640	2,275	1,014	1,160
26 Commerce and housing credit	4,823	6,182	860	3,647	4,893	3,852	1,216	-866	2,409
27 Transportation	28,117	26,228	12,658	14,745	12,113	14,096	1,990	1,995	1,838
28 Community and regional development	7,233	5,051	3,169	3,494	3,108	2,075	452	459	535
29 Education, training, employment, and social services	30,585	29,724	14,712	15,287	14,182	15,592	2,771	3,041	2,545
30 Health	35,935	39,968	17,872	18,795	20,318	20,750	3,577	3,650	3,765
31 Social security and medicare	268,921	282,473	135,214	138,299	142,864	158,469	6,951	24,585	26,145
32 Income security	119,796	123,250	60,786	60,628	62,248	61,201	10,220	11,264	11,969
33 Veterans benefits and services	26,356	26,782	12,193	14,447	12,264	14,956	1,207	2,170	2,555
34 Administration of justice	6,603	7,548	3,352	3,360	3,626	4,291	706	704	868
35 General government	6,104	5,948	3,566	3,566	3,344	3,560	-52	806	383
36 General-purpose fiscal assistance	6,431	1,621	2,179	2,886	337	1,175	403	45	0
37 Net interest ⁸	136,008	138,570	68,054	65,816	70,110	71,933	13,551	13,988	12,187
38 Undistributed offsetting receipts ⁹	-33,007	-36,455	-17,183 ⁷	-16,286 ⁷	-19,102 ⁷	-20,492 ⁷	-2,647	-2,868	-2,802

1. Functional details do not add to total outlays for calendar year data because revisions to monthly totals have not been distributed among functions. Fiscal year total for outlays does not correspond to calendar year data because revisions from the Budget have not been fully distributed across months.

2. Old-age, disability, and hospital insurance, and railroad retirement accounts.

3. Old-age, disability, and hospital insurance.

4. Federal employee retirement contributions and civil service retirement and disability fund.

5. Deposits of earnings by Federal Reserve Banks and other miscellaneous receipts.

6. Net interest function includes interest received by trust funds.

7. Consists of rents and royalties on the outer continental shelf and U.S. government contributions for employee retirement.

SOURCES: U.S. Department of the Treasury, *Monthly Treasury Statement of Receipts and Outlays of the U.S. Government*, and the U.S. Office of Management and Budget, *Budget of the U.S. Government, Fiscal Year 1988*.

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars

Item	1985	1986				1987			
	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31
1 Federal debt outstanding	1,827.5	1,950.3	1,991.1	2,063.6	2,129.5	2,218.9	2,250.7	2,313.1	2,354.3
2 Public debt securities	1,823.1	1,945.9	1,986.8	2,059.3	2,125.3	2,214.8	2,246.7	2,309.3	2,350.3
3 Held by public	1,506.6	1,597.1	1,634.3	1,684.9	1,742.4	1,811.7	1,839.3	1,871.1	1,893.1
4 Held by agencies	316.5	348.9	352.6	374.4	382.9	403.1	407.5	438.1	457.2
5 Agency securities	4.4	4.4	4.3	4.3	4.2	4.0	4.0	3.8	4.0
6 Held by public	3.3	3.3	3.2	3.2	3.2	3.0	2.9	2.8	3.0
7 Held by agencies	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.0	1.0
8 Debt subject to statutory limit	1,823.8	1,932.4	1,973.3	2,060.0	2,111.0	2,200.5	2,232.4	2,295.0	2,336.0
9 Public debt securities	1,822.5	1,931.1	1,972.0	2,058.7	2,109.7	2,199.3	2,231.1	2,293.7	2,334.7
10 Other debt ¹	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
11 MEMO: Statutory debt limit	1,823.8	2,078.7	2,078.7	2,078.7	2,111.0	2,300.0	2,300.0	2,320.0	2,800.0

1. Includes guaranteed debt of Treasury and other federal agencies, specified participation certificates, notes to international lending organizations, and District of Columbia stadium bonds.

SOURCES. *Treasury Bulletin* and *Monthly Statement of the Public Debt of the United States*.

1.41 GROSS PUBLIC DEBT OF U.S. TREASURY Types and Ownership

Billions of dollars, end of period

Type and holder	1984	1985	1986	1987	1987			
					Q1	Q2	Q3	Q4
1 Total gross public debt	1,410.7	1,663.0	1,945.9	2,214.8	2,214.8	2,246.7	2,309.3	2,350.3
By type								
2 Interest-bearing debt	1,400.9	1,660.6	1,943.4	2,212.0	2,212.0	2,244.0	2,306.7	2,347.8
3 Marketable	1,050.9	1,247.4	1,437.7	1,619.0	1,619.0	1,635.7	1,659.0	1,676.0
4 Bills	343.8	374.4	399.9	426.7	426.7	406.2	391.0	378.3
5 Notes	573.4	705.1	812.5	927.5	927.5	955.3	984.4	1,005.1
6 Bonds	133.7	167.9	211.1	249.8	249.8	259.3	268.6	277.6
7 Nonmarketable ¹	350.0	413.2	505.7	593.1	593.1	608.3	647.7	671.8
8 State and local government series	36.7	44.4	87.5	110.5	110.5	118.5	125.4	129.0
9 Foreign issues ²	10.4	9.1	7.5	4.7	4.7	4.9	5.1	4.4
10 Government	10.4	9.1	7.5	4.7	4.7	4.9	5.1	4.4
11 Public .....	.0	.0	.0	.0	.0	.0	.0	.0
12 Savings bonds and notes	70.7	73.1	78.1	90.6	90.6	93.0	95.2	97.0
13 Government account series ³	231.9	286.2	332.2	386.9	386.9	391.4	421.6	440.7
14 Non-interest-bearing debt	9.8	2.3	2.5	2.8	2.8	2.7	2.6	2.5
By holder ⁴								
15 U.S. government agencies and trust funds	236.3	289.6	348.9	403.1	403.1	407.5	438.1	457.2
16 Federal Reserve Banks	151.9	160.9	181.3	211.3	211.3	196.4	212.3	211.9
17 Private investors	1,022.6	1,212.5	1,417.2	1,602.0	1,602.0	1,641.4	1,657.7	1,682.6
18 Commercial banks	188.8	183.4	230.1	232.1	232.1	232.0	237.1	250.5
19 Money market funds	22.8	25.9	25.1	28.6	28.6	18.8	20.6	n.a.
20 Insurance companies	88.7	76.4	95.8	106.9	106.9	n.a.	n.a.	n.a.
21 Other companies	39.7	50.1	59.0	68.8	68.8	73.4	78.7	80.2
22 State and local Treasuries	155.1	179.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
23 Individuals								
24 Savings bonds	71.5	74.5	79.8	92.3	92.3	94.7	96.8	98.5
25 Other securities	61.9	69.3	75.0	70.5	70.5	68.3	68.6	70.4
26 Foreign and international ⁵	166.3	192.9	212.5	251.5	251.5	250.7	270.1	268.4
Other miscellaneous investors ⁶	259.8	360.6	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

1. Includes (not shown separately): Securities issued to the Rural Electrification Administration; depository bonds, retirement plan bonds, and individual retirement bonds.

2. Nonmarketable dollar-denominated and foreign currency-denominated series held by foreigners.

3. Held almost entirely by U.S. Treasury agencies and trust funds.

4. Data for Federal Reserve Banks and U.S. Treasury agencies and trust funds are actual holdings; data for other groups are Treasury estimates.

5. Consists of investments of foreign and international accounts. Excludes non-interest-bearing notes issued to the International Monetary Fund.

6. Includes savings and loan associations, nonprofit institutions, credit unions, mutual savings banks, corporate pension trust funds, dealers and brokers, certain U.S. Treasury deposit accounts, and federally-sponsored agencies.

SOURCES. Data by type of security, U.S. Treasury Department, *Monthly Statement of the Public Debt of the United States*; data by holder, *Treasury Bulletin*.

1.42 U.S. GOVERNMENT SECURITIES DEALERS Transactions¹

Par value; averages of daily figures, in millions of dollars

Item	1985	1986	1987 ^r	1988			1988					
				Jan. ^r	Feb. ^r	Mar.	Feb. 24	Mar. 2	Mar. 9	Mar. 16	Mar. 23	Mar. 30
Immediate delivery ²												
1 U.S. Treasury securities	75,331	95,445	110,052	108,501	105,589	90,640	91,826	95,652	88,724	78,322	96,372	102,780
<i>By maturity</i>												
2 Bills	32,900	34,247	37,924	31,955	28,127	28,277	25,202	22,997	25,866	28,075	27,626	32,771
3 Other within 1 year	1,811	2,115	3,272	3,788	3,708	2,986	3,628	3,431	2,628	2,731	2,960	3,301
4 1-5 years	18,361	24,667	27,918	28,692	30,072	23,706	30,481	24,435	20,680	18,305	28,087	30,484
5 5-10 years	12,703	20,456	24,014	27,315	24,285	21,797	18,822	29,189	24,532	18,099	22,646	21,641
6 Over 10 years	9,556	13,961	16,923	16,751	19,398	13,874	13,693	15,600	15,019	11,111	15,054	14,584
<i>By type of customer</i>												
7 U.S. government securities dealers	3,336	3,670	2,936	2,755	2,996	2,743	2,584	3,296	3,239	2,389	2,393	2,786
8 U.S. government securities brokers	36,222	49,558	61,539	63,590	59,599	52,625	52,172	54,330	49,920	44,304	56,913	62,387
9 All others ³	35,773	42,218	45,576	42,155	42,993	35,272	37,070	38,025	35,564	31,628	37,066	37,606
10 Federal agency securities	11,640	16,748	18,087	18,086	17,754	15,677	15,938	18,165	18,322	15,820	11,197	13,767
11 Certificates of deposit	4,016	4,355	4,112	4,709	3,634	3,127	3,737	3,410	3,246	2,370	3,232	3,717
12 Bankers acceptances	3,242	3,272	2,965	3,173	2,781	2,278	2,676	2,544	2,508	2,132	2,243	2,252
13 Commercial paper	12,717	16,660	17,135	19,478	17,981	17,257	18,204	18,847	17,547	18,608	17,575	14,712
<i>Futures contracts⁴</i>												
14 Treasury bills	5,561	3,311	3,233	2,783	2,637	2,768	1,731	2,587	2,332	2,166	3,018	3,123
15 Treasury coupons	6,085	7,175	8,964	9,414	9,566	9,414	8,549	10,745	9,494	6,534	11,086	10,804
16 Federal agency securities	252	16	5	1	3	6	0	8	0	0	0	30
<i>Forward transactions⁵</i>												
17 U.S. Treasury securities	1,283	1,876	2,029	1,699	3,605	1,454	2,135	1,558	1,424	761	2,747	955
18 Federal agency securities	3,857	7,831	9,290	6,545	6,910	8,426	4,705	5,759	8,856	10,006	9,565	5,733

1. Transactions are market purchases and sales of securities as reported to the Federal Reserve Bank of New York by the U.S. government securities dealers on its published list of primary dealers.

Averages for transactions are based on the number of trading days in the period. The figures exclude allotments of, and exchanges for, new U.S. Treasury securities, redemptions of called or matured securities, purchases or sales of securities under repurchase agreement, reverse repurchase (resale), or similar contracts.

2. Data for immediate transactions do not include forward transactions.

3. Includes, among others, all other dealers and brokers in commodities and

securities, nondealer departments of commercial banks, foreign banking agencies, and the Federal Reserve System.

4. Futures contracts are standardized agreements arranged on an organized exchange in which parties commit to purchase or sell securities for delivery at a future date.

5. Forward transactions are agreements arranged in the over-the-counter market in which securities are purchased (sold) for delivery after 5 business days from the date of the transaction for Treasury securities (Treasury bills, notes, and bonds) or after 30 days for mortgage-backed agency issues.

1.43 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing¹

Averages of daily figures, in millions of dollars

Item	1985	1986	1987 ¹	1988			1988				
				Jan.	Feb. ²	Mar.	Mar. 2	Mar. 9	Mar. 16	Mar. 23	Mar. 30
Positions											
Net immediate ²											
1 U.S. Treasury securities	7,391	12,912	-6,216	-13,286 ¹	-10,233	-10,138	-6,582	-9,703	-9,294	-14,050	-10,322
2 Bills	10,075	12,761	4,317	2,293	3,156	3,290	2,672	1,782	3,215	3,038	3,655
3 Other within 1 year	1,050	3,706	1,557	-761	-784	-780	-668	-523	-801	-1,109	-802
4 1-5 years	5,154	9,146	649	-70 ¹	2,730	2,992	6,353	4,427	3,038	735	2,834
5 5-10 years	-6,202	-9,505	-6,564	-5,610	-7,492	-8,193	-8,208	-8,485	-7,643	-9,126	-7,590
6 Over 10 years	-2,686	-3,197	-6,174	-9,137	-7,843	-7,447	-6,731	-6,904	-7,102	-7,587	-8,419
7 Federal agency securities	22,860	32,984	31,910	23,943	26,654	28,780	26,783	29,375	30,177	28,747	27,324
8 Certificates of deposit	9,192	10,485	8,188	5,866	5,314	5,619	4,668	5,403	5,367	5,808	6,175
9 Bankers acceptances	4,586	5,526	3,661	2,246	2,880	3,197	3,431	3,649	2,832	2,823	3,219
10 Commercial paper	5,570	8,089	7,496	5,533	5,819	6,204	6,331	6,452	6,489	6,102	5,752
Futures positions											
11 Treasury bills	-7,322	-18,059	-3,373	-2,128	-4,556	-4,192	-6,027	-6,046	-3,680	-2,886	-3,274
12 Treasury coupons	4,465	3,473	5,988	7,826	5,066	5,406	5,615	5,127	5,557	5,353	5,578
13 Federal agency securities	-722	-153	-95	0	0	0	0	0	0	0	0
Forward positions											
14 U.S. Treasury securities	-911	-2,144	-1,211	-1,175	736	734	287	720	-5	736	1,393
15 Federal agency securities	-9,420	-11,840	-18,817	-14,396	-15,611	-16,442	-14,375	-15,563	-18,184	-17,208	-15,738
Financing ³											
Reverse repurchase agreements ⁴											
16 Overnight and continuing	68,035	98,954	124,791	126,667	127,093	n.a.	128,559	133,085	127,703	n.a.	n.a.
17 Term	80,509	108,693	148,033	155,658	162,899	n.a.	155,772	154,126	152,514	n.a.	n.a.
Repurchase agreements ⁵											
18 Overnight and continuing	101,410	141,735	170,840	160,399	163,346	n.a.	165,187	167,593	170,670	n.a.	n.a.
19 Term	70,076	102,640	120,980	122,464	131,616	n.a.	124,334	127,084	125,601	n.a.	n.a.

1. Data for dealer positions and sources of financing are obtained from reports submitted to the Federal Reserve Bank of New York by the U.S. Treasury securities dealers on its published list of primary dealers.

Data for positions are averages of daily figures, in terms of par value, based on the number of trading days in the period. Positions are net amounts and are shown on a commitment basis. Data for financing are in terms of actual amounts borrowed or lent and are based on Wednesday figures.

2. Immediate positions are net amounts (in terms of par values) of securities owned by nonbank dealer firms and dealer departments of commercial banks on a commitment, that is, trade-date basis, including any such securities that have been sold under agreements to repurchase (RPs). The maturities of some repurchase agreements are sufficiently long, however, to suggest that the securities involved are not available for trading purposes. Immediate positions include

reverses to maturity, which are securities that were sold after having been obtained under reverse repurchase agreements that mature on the same day as the securities. Data for immediate positions do not include forward positions.

3. Figures cover financing involving U.S. Treasury and federal agency securities, negotiable CDs, bankers acceptances, and commercial paper.

4. Includes all reverse repurchase agreements, including those that have been arranged to make delivery on short sales and those for which the securities obtained have been used as collateral on borrowings, that is, matched agreements.

5. Includes both repurchase agreements undertaken to finance positions and "matched book" repurchase agreements.

NOTE: Data on positions for the period May 1 to Sept. 30, 1986, are partially estimated.

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1984	1985	1986	1987				1988	
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
1 Federal and federally sponsored agencies	271,220	293,905	307,361	320,789	328,990	334,300¹	341,386	338,483	n.a.
2 Federal agencies	35,145	36,390	36,958	37,177	37,207	37,303	37,981	37,637	37,286
3 Defense Department ²	142	71	33	15	15	15	13	13	12
4 Export-Import Bank ^{2,3}	15,882	15,678	14,211	12,650	12,470	12,470	11,978	11,978	11,978
5 Federal Housing Administration ⁴	133	115	138	178	182	182	183	98	101
6 Government National Mortgage Association participation certificates ⁵	2,165	2,165	2,165	1,965	1,965	1,965	1,615	1,615	1,165
7 Postal Service ⁶	1,337	1,940	3,104	4,603	4,603	4,603	6,103	6,103	6,103
8 Tennessee Valley Authority	15,435	16,347	17,222	17,766	17,972	18,068	18,089	17,830	17,927
9 United States Railway Association ⁶	51	74	85	0	0	0	0	0	0
10 Federally sponsored agencies ⁷	237,012	257,515	270,553	283,920 ⁸	291,783	296,997 ⁹	303,405	300,846	n.a.
11 Federal Home Loan Banks	65,085	74,447	88,752	104,380	108,108	111,185	115,725	116,374	117,569
12 Federal Home Loan Mortgage Corporation	10,270	11,926	13,589	14,949	16,703	17,762	17,645	15,581	n.a.
13 Federal National Mortgage Association	83,720	93,896	93,563	92,618	94,298	95,096	97,057	97,195	98,593
14 Farm Credit Banks	72,192	68,851	62,478	55,584 ⁸	55,854	55,584 ⁸	55,275	54,072	55,275
15 Student Loan Marketing Association ⁸	5,745	8,395	12,171	16,389	16,220	16,125	16,503	16,424	16,923
16 Financing Corporation ⁹	n.a.	n.a.	n.a.	n.a.	600	1,200	1,200	1,200	1,850
MEMO									
17 Federal Financing Bank debt ¹⁰	145,217	153,373	157,510	157,250 ⁸	156,919	156,850	152,417	152,099	150,178
<i>Lending to federal and federally sponsored agencies</i>									
18 Export-Import Bank ³	15,852	15,670	14,205	12,644	12,464	12,464	11,972	11,972	11,972
19 Postal Service ⁶	1,087	1,690	2,854	4,353	4,353	4,353	5,853	5,853	5,853
20 Student Loan Marketing Association	5,000	5,000	4,970	4,940 ⁸	4,940 ⁸	4,940 ⁸	4,940	4,940	4,940
21 Tennessee Valley Authority	13,710	14,622	15,797	16,386	16,592	16,688	16,709	16,450	16,547
22 United States Railway Association ⁶	51	74	85	0	0	0	0	0	0
<i>Other Lending¹¹</i>									
23 Farmers Home Administration	58,971	64,234	65,374	65,009	64,934	64,934	59,674	59,674	59,674
24 Rural Electrification Administration	20,693	20,654	21,680	21,197	21,226	21,215	21,191	21,187	19,193
25 Other	29,853	31,429	32,545	32,721 ⁸	32,410 ⁸	32,256 ⁸	32,078	32,023	31,999

1. Consists of mortgages assumed by the Defense Department between 1957 and 1963 under family housing and homeowners assistance programs.

2. Includes participation certificates reclassified as debt beginning Oct. 1, 1976.

3. Off-budget Aug. 17, 1974, through Sept. 30, 1976; on-budget thereafter.

4. Consists of debentures issued in payment of Federal Housing Administration insurance claims. Once issued, these securities may be sold privately on the securities market.

5. Certificates of participation issued before fiscal 1969 by the Government National Mortgage Association acting as trustee for the Farmers Home Administration; Department of Health, Education, and Welfare; Department of Housing and Urban Development; Small Business Administration; and the Veterans Administration.

6. Off-budget.

7. Includes outstanding noncontingent liabilities: notes, bonds, and debentures. Some data are estimated.

8. Before late 1981, the Association obtained financing through the Federal Financing Bank (FFB).

9. The Financing Corporation, established in August 1987 to recapitalize the Federal Savings and Loan Insurance Corporation, undertook its first borrowing in October 1987.

10. The FFB, which began operations in 1974, is authorized to purchase or sell obligations issued, sold, or guaranteed by other federal agencies. Since FFB incurs debt solely for the purpose of lending to other agencies, its debt is not included in the main portion of the table in order to avoid double counting.

11. Includes FFB purchases of agency assets and guaranteed loans; the latter contain loans guaranteed by numerous agencies with the guarantees of any particular agency being generally small. The Farmers Home Administration item consists exclusively of agency assets, while the Rural Electrification Administration entry contains both agency assets and guaranteed loans.

A34 Domestic Financial Statistics □ June 1988

1.45 NEW SECURITY ISSUES Tax-Exempt State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1985	1986	1987	1987					1988		
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
1 All issues, new and refunding¹	214,189	147,011	95,029	6,500	5,510	6,257	7,758	7,671	5,412	8,585	9,113
<i>Type of issue</i>											
2 General obligation	52,622	46,346	29,599	1,975	1,755	1,127	2,449	1,894	1,259	2,880	2,836
3 Revenue	161,567	100,664	65,430	4,525	3,755	5,130	5,309	5,777	4,153	5,705	6,277
<i>Type of issuer</i>											
4 State	13,004	14,474	8,426	398	535	385	431	550	423	1,197	613
5 Special district and statutory authority	134,363	89,997	61,663	4,508	3,712	4,668	4,612	4,972	3,220	5,154	5,823
6 Municipalities, counties, and townships	66,822	42,541	24,940	1,594	1,263	1,204	2,715	2,149	1,769	2,234	2,677
7 Issues for new capital, total	156,050	83,490	53,677	5,084	4,340	4,095	6,628	5,351	2,862	5,773	5,773
<i>Use of proceeds</i>											
8 Education	16,658	16,948	9,217	869	653	480	1,006	748	841	754	921
9 Transportation	12,070	11,666	3,589	226	311	168	329	451	189	826	656
10 Utilities and conservation	26,852	35,383	7,299	424	491	590	1,042	350	326	655	1,017
11 Social welfare	63,181	17,332	9,627	903	647	896	1,784	1,134	740	650	1,160
12 Industrial aid	12,892	5,594	6,083	1,630	412	683	229	1,155	153	2,473	235
13 Other purposes	24,398	47,433	17,862	1,033	1,826	1,278	2,238	1,513	613	415	1,784

1. Par amounts of long-term issues based on date of sale.
2. Includes school districts beginning 1986.

Sources. Securities Data/Bond Buyer Municipal Data Base beginning 1986. Public Securities Association for earlier data.

1.46 NEW SECURITY ISSUES U.S. Corporations

Millions of dollars

Type of issue or issuer, or use	1985	1986	1987	1987						1988	
				July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
1 All issues¹	239,015	423,726	286,929	27,411	21,888	29,363	20,710	14,322	11,872	22,102²	21,873
2 Bonds²	203,500	355,293	233,578	22,071	17,685	23,705	17,631	13,624	11,098	19,412²	17,978
<i>Type of offering</i>											
3 Public, domestic	119,559	231,936	209,279	19,045	14,852	22,045	16,135	12,891	10,763	18,173	16,187
4 Private placement, domestic	46,200	80,760	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
5 Sold abroad	37,781	42,596	24,299	3,026	2,833	1,660	1,496	733	335	1,239	1,791
<i>Industry group</i>											
6 Manufacturing	63,973	91,548	45,240	5,552	3,343	3,506	2,724	1,280	891	3,034 ²	3,134
7 Commercial and miscellaneous	17,066	40,124	19,918	1,037	1,281	1,479	1,165	483	2,577	2,084 ²	1,347
8 Transportation	6,020	9,971	2,039	343	296	25	263	0	226	0	200
9 Public utility	13,649	31,426	17,412	1,654	1,533	1,702	1,025	895	1,570	1,142 ²	1,718
10 Communication	10,832	16,659	5,792	119	856	930	1,384	290	510	206	101
11 Real estate and financial	91,958	165,564	143,182	13,366	10,377	16,063	11,071	10,676	5,324	12,946 ²	11,478
12 Stocks³	35,515	68,433	n.a.	5,340	4,203	5,658	3,079	698	774	2,690	3,895
<i>Type</i>											
13 Preferred	6,505	11,514	10,123	1,157	906	1,112	236	162	61	1,388 ²	361
14 Common	29,010	50,316	43,228	4,183	3,297	4,546	2,843	533	713	1,302 ²	3,534
15 Private placement		6,603	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<i>Industry group</i>											
16 Manufacturing	5,700	15,027	9,642	1,046	370	858	703	237	76	268 ²	295
17 Commercial and miscellaneous	9,149	10,617	11,461	879	996	807	656	86	14	360	39
18 Transportation	1,544	2,427	1,795	379	0	11	40	149	1	1	397
19 Public utility	1,966	4,020	3,839	472	85	529	75	25	0	100	142
20 Communication	978	1,825	1,264	294	277	75	107	1	11	60	0
21 Real estate and financial	16,178	34,517	25,350	2,270	2,475	3,378	1,498	200	672	1,901 ²	3,022

1. Figures which represent gross proceeds of issues maturing in more than one year, are principal amount or number of units multiplied by offering price. Excludes secondary offerings, employee stock plans, investment companies other than closed-end, intracorporate transactions, equities sold abroad, and Yankee bonds. Stock data include ownership securities issued by limited partnerships.
2. Monthly data include only public offerings.
3. Data are not available on a monthly basis.

Sources. IDD Information Services, Inc., U.S. Securities and Exchange Commission and the Board of Governors of the Federal Reserve System.

1.47 OPEN-END INVESTMENT COMPANIES Net Sales and Asset Position

Millions of dollars

Item	1986	1987	1987						1988	
			July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
INVESTMENT COMPANIES ¹										
1 Sales of own shares ²	411,751	381,260	27,970	26,455	24,834	25,990	21,927	26,494	30,343	23,265
2 Redemptions of own shares ³	239,394	314,252	22,807	22,561	28,323	34,597	20,400	28,099	22,324	20,914
3 Net sales	172,357	67,008	5,763	3,894	-3,489	-8,607	1,507	-1,605	8,019	2,351
4 Assets ⁴	424,156	453,842	531,022	539,171	521,007	456,422	446,479	453,842	468,998	481,232
5 Cash position ⁵	30,716	38,006	41,587	40,802	42,397	40,929	41,432	38,006	40,157	41,232
6 Other	393,440	415,836	489,435	498,369	478,610	415,493	405,047	415,836	428,841	439,995

1. Excluding money market funds.

2. Includes reinvestment of investment income dividends. Excludes reinvestment of capital gains distributions and share issue of conversions from one fund to another in the same group.

3. Excludes share redemption resulting from conversions from one fund to another in the same group.

4. Market value at end of period, less current liabilities.

5. Also includes all U.S. government securities and other short-term debt securities.

NOTE. Investment Company Institute data based on reports of members, which comprise substantially all open-end investment companies registered with the Securities and Exchange Commission. Data reflect newly formed companies after their initial offering of securities.

1.48 CORPORATE PROFITS AND THEIR DISTRIBUTION

Billions of dollars; quarterly data are at seasonally adjusted annual rates.

Account	1985	1986	1987 ^a	1986				1987			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 ^a
1 Corporate profits with inventory valuation and capital consumption adjustment	277.6	284.4	304.7	288.0	282.3	286.4	281.1	294.0	296.8	314.9	313.0
2 Profits before tax	224.8	231.9	274.0	218.9	224.4	236.3	247.9	257.0	268.7	284.9	285.6
3 Profits tax liability	96.7	105.0	136.3	98.1	102.1	106.1	113.9	128.0	134.2	143.0	140.0
4 Profits after tax	128.1	126.8	137.7	120.9	122.3	130.2	134.0	129.0	134.5	141.9	145.6
5 Dividends	81.3	86.8	93.8	84.3	86.6	87.7	88.6	90.3	92.4	95.2	97.3
6 Undistributed profits	46.8	40.0	43.9	36.6	35.7	42.5	45.4	38.7	42.1	46.7	48.3
7 Inventory valuation	-8	6.5	-17.5	17.8	11.3	6.0	-8.9	-11.3	-20.0	-17.6	-21.3
8 Capital consumption adjustment	53.5	46.0	48.1	51.3	46.7	44.0	42.1	48.2	48.0	47.7	48.7

SOURCE. *Survey of Current Business* (Department of Commerce).

A36 Domestic Financial Statistics □ June 1988

1.50 TOTAL NONFARM BUSINESS EXPENDITURES on New Plant and Equipment ▲

Billions of dollars; quarterly data are at seasonally adjusted annual rates.

Industry	1986	1987	1988 ¹	1986		1987				1988	
				Q3	Q4	Q1	Q2	Q3	Q4	Q1 ¹	Q2 ¹
1 Total nonfarm business.....	379.47	388.60	422.96	375.50	386.09	374.23	377.65	393.13	409.37	422.75	427.09
<i>Manufacturing</i>											
2 Durable goods industries.....	69.14	70.91	75.75	69.42	69.87	70.47	68.76	71.78	72.64	80.13	76.92
3 Nondurable goods industries.....	73.56	74.55	83.93	70.01	74.20	70.18	72.03	75.78	80.20	81.00	84.53
<i>Nonmanufacturing</i>											
4 Mining.....	11.22	11.34	12.07	10.14	10.31	10.31	11.02	11.64	12.39	12.26	12.41
Transportation											
5 Railroad.....	6.66	5.91	6.51	7.02	6.41	5.55	5.77	6.21	6.10	7.29	6.31
6 Air.....	6.26	6.55	7.52	5.78	6.84	7.46	5.72	5.91	7.12	7.72	7.34
7 Other.....	5.89	6.39	7.06	6.01	6.25	5.97	6.19	7.05	6.35	7.48	6.80
Public utilities											
8 Electric.....	33.91	31.58	32.13	33.81	33.78	30.85	31.13	31.31	33.01	31.59	33.01
9 Gas and other.....	12.47	13.18	14.41	12.00	12.34	12.75	12.35	13.58	14.06	14.56	13.82
10 Commercial and other ²	160.38	168.19	183.57	161.31	166.08	160.70	164.69	169.87	177.50	180.72	185.97

▲Trade and services are no longer being reported separately. They are included in Commercial and other, line 10.

1. Anticipated by business.

2. "Other" consists of construction; wholesale and retail trade; finance and insurance; personal and business services; and communication.

SOURCE: *Survey of Current Business* (Department of Commerce).

1.51 DOMESTIC FINANCE COMPANIES Assets and Liabilities¹

Billions of dollars, end of period

Account	1983	1984	1985	1986			1987			
				Q2	Q3	Q4	Q1	Q2	Q3	Q4
ASSETS										
Accounts receivable, gross										
1 Consumer.....	83.3	89.9	113.4	125.1	137.1	136.5	133.9	138.0	144.4	143.8
2 Business.....	113.4	137.8	158.3	167.7	161.0	174.8	182.8	189.0	188.7	202.6
3 Real estate.....	20.5	23.8	28.9	30.8	32.1	33.7	35.1	36.9	38.3	40.3
4 Total.....	217.3	251.5	300.6	323.6	330.2	345.0	351.8	363.9	371.5	386.8
Less:										
5 Reserves for unearned income.....	30.3	33.8	39.2	40.7	42.4	41.4	40.4	41.2	42.8	45.3
6 Reserves for losses.....	3.7	4.2	4.9	5.1	5.4	5.8	5.9	6.2	6.6	6.8
7 Accounts receivable, net.....	183.2	213.5	256.5	277.8	282.4	297.8	305.5	316.5	322.1	334.7
8 All other.....	34.4	35.7	45.3	48.8	59.9	57.9	59.0	57.7	65.0	58.2
9 Total assets.....	217.6	249.2	301.9	326.6	342.3	355.6	364.5	374.2	387.1	392.9
LIABILITIES										
10 Bank loans.....	18.3	20.0	20.6	19.2	20.2	22.2	17.3	17.2	16.2	16.5
11 Commercial paper.....	60.5	73.1	99.2	108.4	112.8	117.8	119.1	120.4	123.5	126.5
Debt										
12 Other short-term.....	11.1	12.9	12.5	15.4	16.0	17.2	21.6	24.4	26.9	27.0
13 Long-term.....	67.7	77.2	93.1	105.2	109.8	115.6	118.4	121.5	128.0	130.1
14 All other liabilities.....	31.2	34.5	40.9	40.1	44.1	43.4	46.3	48.3	48.7	50.1
15 Capital, surplus, and undivided profits.....	28.9	31.5	35.7	38.4	39.4	39.4	41.8	42.3	43.8	42.6
16 Total liabilities and capital.....	217.6	249.2	301.9	326.6	342.3	355.6	364.5	374.2	387.1	392.9

1. NOTE. Components may not add to totals because of rounding.

1.52 DOMESTIC FINANCE COMPANIES Business Credit Outstanding and Net Change¹

Millions of dollars, seasonally adjusted

Type	1985	1986	1987					1988	
			Aug.	Sept.	Oct.	Nov.	Dec.	Jan. '88	Feb.
1 Total.....	156,297	171,966	191,637	193,752	201,129	202,829	205,869	206,755	207,278
Retail financing of installment sales									
2 Automotive (commercial vehicles).....	20,660	25,952	32,042	32,656	33,865	34,454	35,674	36,419	36,318
3 Business, industrial, and farm equipment.....	22,483	22,950	23,870	24,328	24,763	24,764	24,987	25,474	25,241
Wholesale financing									
4 Automotive.....	23,988	23,419	27,782	26,792	30,396	30,901	31,059	30,115	28,654
5 Equipment.....	4,568	5,423	5,504	5,527	5,729	5,794	5,693	5,308	5,323
6 All other.....	6,809	7,079	7,768	7,956	8,074	8,151	8,408	8,454	8,331
Leasing									
7 Automotive.....	16,275	19,783	21,333	21,842	21,883	22,013	21,943	22,943	23,100
8 Equipment.....	34,768	37,833	40,636	41,134	41,911	41,964	43,002	43,245	43,877
9 Loans on commercial accounts receivable and factored commercial accounts receivable.....	15,765	15,959	17,418	17,713	18,362	18,501	18,024	18,506	19,372
10 All other business credit.....	10,981	13,568	15,284	15,804	16,146	16,287	17,079	16,291	17,062
Net change (during period)									
11 Total.....	19,607	15,669	2,418	2,115	7,377	1,700	3,040	886	523
Retail financing of installment sales									
12 Automotive (commercial vehicles).....	5,067	5,292	948	614	1,209	589	1,220	745	-101
13 Business, industrial, and farm equipment.....	-363	467	143	458	435	1	223	487	-232
Wholesale financing									
14 Automotive.....	5,423	-569	-321	-990	3,604	505	158	-944	-1,461
15 Equipment.....	-867	855	90	23	202	65	-101	-385	14
16 All other.....	1,069	270	104	188	118	77	257	46	-123
Leasing									
17 Automotive.....	3,896	3,508	526	509	41	130	-70	1,000	157
18 Equipment.....	2,685	3,065	419	498	777	53	1,038	243	632
19 Loans on commercial accounts receivable and factored commercial accounts receivable.....	2,161	194	258	295	649	139	-477	482	867
20 All other business credit.....	536	2,587	251	520	342	141	792	-788	770

1. These data also appear in the Board's G.20 (422) release. For address, see inside front cover.

1.53 MORTGAGE MARKETS

Millions of dollars; exceptions noted.

Item	1985	1986	1987	1987				1988		
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
	Terms and yields in primary and secondary markets									
PRIMARY MARKETS										
Conventional mortgages on new homes										
Terms										
1 Purchase price (thousands of dollars).....	104.1	118.1	137.0	140.2	145.3	135.9	147.3	150.1	139.4'	144.6
2 Amount of loan (thousands of dollars).....	77.4	86.2	100.5	100.8	106.1	100.2	107.7	108.4	104.3'	105.3
3 Loan/price ratio (percent).....	77.1	75.2	75.2	74.6	75.0	75.4	74.9	74.0	76.4'	75.5
4 Maturity (years).....	26.9	26.6	27.8	27.3	28.3	28.3	28.2	28.2	28.1	27.3
5 Fees and charges (percent of loan amount) ²	2.53	2.48	2.26	2.08	2.34	2.33	2.22	2.17	2.23'	2.27
6 Contract rate (percent per year).....	11.12	9.82	8.94	9.03	8.86	8.92	8.78	8.75	8.76'	8.77
Yield (percent per year)										
7 FHLBB series ³	11.58	10.25	9.31	9.37	9.25	9.30	9.15	9.10	9.12'	9.14
8 HUD series ⁴	12.28	10.07	10.13	10.86	10.87	10.59	10.52	10.09	n.a.	n.a.
SECONDARY MARKETS										
Yield (percent per year)										
9 FHA mortgages (HUD series) ⁵	12.24	9.91	10.12	10.71	10.90	10.76	10.63	10.17	n.a.	n.a.
10 GNMA securities ⁶	11.61	9.30	9.42	10.40	10.53	9.96	10.18	9.83	9.53	9.53
	Activity in secondary markets									
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
Mortgage holdings (end of period)										
11 Total.....	94,574	98,048	95,030	94,884	95,097	95,411	96,649	97,159	98,358	99,787
12 FHA/VA-insured.....	34,244	29,683	21,660	21,620	21,481	21,510	20,288	20,237'	20,181'	20,094
13 Conventional.....	60,331	68,365	73,370	73,264	73,617	73,902	76,361	76,923'	78,177'	79,693
Mortgage transactions (during period)										
14 Purchases.....	21,510	30,826	20,531	1,743	1,278	1,297	3,747	1,267	2,629	2,776
Mortgage commitments ⁷										
15 Contracted (during period).....	20,155	32,987	25,415	1,842	1,566	2,899	3,115	2,254	2,516	3,823
16 Outstanding (end of period).....	3,402	3,386	4,886	5,627	5,046	5,845	4,886	5,542	4,966	6,149
FEDERAL HOME LOAN MORTGAGE CORPORATION										
Mortgage holdings (end of period) ⁸										
17 Total.....	12,399	13,517	12,802	12,940	12,782	12,904	12,871	13,090	↑	↑
18 FHA/VA.....	841	746	686	672	666	663	657	632	↑	↑
19 Conventional.....	11,559	12,771	12,116	12,269	12,115	12,240	12,215	12,458	↑	↑
Mortgage transactions (during period)										
20 Purchases.....	44,012	103,474	76,845	4,297	3,079	2,978	3,267	2,168	n.a.	n.a.
21 Sales.....	38,905	100,236	75,082	4,160	3,111	2,742	3,201	1,832	↓	↓
Mortgage commitments ⁹										
22 Contracted (during period).....	48,989	110,855	71,467	3,507	3,011	2,668	2,693	3,868	↓	↓

1. Weighted averages based on sample surveys of mortgages originated by major institutional lender groups; compiled by the Federal Home Loan Bank Board in cooperation with the Federal Deposit Insurance Corporation.

2. Includes all fees, commissions, discounts, and "points" paid (by the borrower or the seller) to obtain a loan.

3. Average effective interest rates on loans closed, assuming prepayment at the end of 10 years.

4. Average contract rates on new commitments for conventional first mortgages; from Department of Housing and Urban Development.

5. Average gross yields on 30-year, minimum-downpayment, Federal Housing Administration-insured first mortgages for immediate delivery in the private secondary market. Based on transactions on first day of subsequent month. Large monthly movements in average yields may reflect market adjustments to changes in maximum permissible contract rates.

6. Average net yields to investors on Government National Mortgage Association guaranteed, mortgage-backed, fully modified pass-through securities, assuming prepayment in 12 years on pools of 30-year FHA/VA mortgages carrying the prevailing ceiling rate. Monthly figures are averages of Friday figures from the *Wall Street Journal*.

7. Includes some multifamily and nonprofit hospital loan commitments in addition to 1- to 4-family loan commitments accepted in FNMA's free market auction system, and through the FNMA-GNMA tandem plans.

8. Includes participation as well as whole loans.

9. Includes conventional and government-underwritten loans. FHLMC's mortgage commitments and mortgage transactions include activity under mortgage/securities swap programs, while the corresponding data for FNMA exclude swap activity.

1.54 MORTGAGE DEBT OUTSTANDING¹

Millions of dollars, end of period

Type of holder, and type of property	1985	1986	1987	1986	1987			
				Q4	Q1	Q2	Q3	Q4
1 All holders	2,269,173	2,568,562	2,906,394	2,568,562	2,665,207	2,756,124	2,831,431	2,906,394
2 1- to 4-family	1,467,409	1,668,209	1,889,364	1,668,209	1,714,213	1,783,521	1,835,671	1,889,364
3 Multifamily	214,045	247,024	272,604	247,024	257,615	263,513	268,322	272,604
4 Commercial	482,029	556,569	654,288	556,569	599,822	616,968	636,508	654,288
5 Farm	105,690	96,760	90,138	96,760	93,557	92,122	90,930	90,138
6 Selected financial institutions	1,390,394	1,507,289	1,699,702	1,507,289	1,559,549	1,606,622	1,650,462	1,699,702
7 Commercial banks	429,196	502,534	587,557	502,534	519,474	544,381	566,213	587,557
8 1- to 4-family	213,434	235,814	273,214	235,814	243,518	253,672	262,869	273,214
9 Multifamily	23,373	31,173	32,433	31,173	29,515	30,496	31,311	32,433
10 Commercial	181,032	222,799	267,221	222,799	233,234	244,385	257,882	267,221
11 Farm	11,357	12,748	14,689	12,748	13,207	13,828	14,151	14,689
12 Savings institutions	760,499	777,312	861,233	777,312	809,245	824,961	841,658	861,233
13 1- to 4-family	554,301	558,412	602,740	558,412	555,693	572,075	586,221	602,740
14 Multifamily	89,739	97,059	107,054	97,059	104,035	102,933	104,764	107,054
15 Commercial	115,771	121,236	150,680	121,236	148,712	149,183	149,904	150,680
16 Farm	688	605	0	605	805	0	0	0
17 Life insurance companies	171,797	193,842	210,563	193,842	195,743	200,382	204,263	210,563
18 1- to 4-family	12,381	12,827	13,142	12,827	12,903	12,745	12,742	13,142
19 Multifamily	19,894	20,952	22,168	20,952	20,934	21,663	21,968	22,168
20 Commercial	127,670	149,111	165,364	149,111	151,420	155,611	159,464	165,364
21 Farm	11,852	10,952	9,889	10,952	10,486	10,363	10,089	9,889
22 Finance companies	28,902	33,601	40,349	33,601	35,087	36,898	38,328	40,349
23 Federal and related agencies	166,928	203,800	192,401	203,800	199,509	196,514	191,520	192,401
24 Government National Mortgage Association	1,473	889	455	889	687	641	458	455
25 1- to 4-family	539	47	24	47	46	45	25	24
26 Multifamily	934	842	431	842	611	622	433	431
27 Farmers Home Administration	733	48,421	42,978	48,421	48,203	48,085	42,978	42,978
28 1- to 4-family	183	21,625	18,111	21,625	21,390	21,157	18,111	18,111
29 Multifamily	113	7,608	7,903	7,608	7,710	7,808	7,903	7,903
30 Commercial	159	8,446	6,592	8,446	8,463	8,553	6,592	6,592
31 Farm	278	10,742	10,372	10,742	10,640	10,567	10,372	10,372
32 Federal Housing and Veterans Administration	4,920	5,047	5,479	5,047	5,177	5,268	5,330	5,479
33 1- to 4-family	2,254	2,386	2,551	2,386	2,447	2,531	2,452	2,551
34 Multifamily	2,666	2,661	2,928	2,661	2,730	2,737	2,878	2,928
35 Federal National Mortgage Association	98,282	97,895	96,649	97,895	95,140	94,064	94,884	96,649
36 1- to 4-family	91,966	90,718	89,666	90,718	88,106	87,013	87,901	89,666
37 Multifamily	6,316	7,177	6,983	7,177	7,034	7,051	6,983	6,983
38 Federal Land Banks	47,498	39,984	33,930	39,984	37,362	35,833	34,930	33,930
39 1- to 4-family	2,798	2,353	1,996	2,353	2,198	2,108	2,055	1,996
40 Farm	44,700	37,631	31,934	37,631	35,164	33,725	32,875	31,934
41 Federal Home Loan Mortgage Corporation	14,022	11,564	12,910	11,564	12,940	12,597	12,940	12,910
42 1- to 4-family	11,881	10,010	11,580	10,010	11,774	11,172	11,570	11,580
43 Multifamily	2,141	1,554	1,330	1,554	1,166	1,425	1,370	1,330
44 Mortgage pools or trusts	415,042	531,591	671,749	531,591	575,435	615,142	648,219	671,749
45 Government National Mortgage Association	212,145	262,697	319,360	262,697	281,116	293,246	308,996	319,360
46 1- to 4-family	207,198	256,920	311,567	256,920	274,710	286,091	301,456	311,567
47 Multifamily	4,947	5,777	7,793	5,777	6,406	7,155	7,540	7,793
48 Federal Home Loan Mortgage Corporation	100,387	171,372	212,105	171,372	186,295	200,284	208,350	212,105
49 1- to 4-family	99,515	166,667	205,460	166,667	180,602	194,238	201,786	205,460
50 Multifamily	872	4,705	6,645	4,705	5,693	6,046	6,564	6,645
51 Federal National Mortgage Association	54,987	97,174	139,960	97,174	107,673	121,270	130,540	139,960
52 1- to 4-family	54,036	95,791	137,988	95,791	106,068	119,617	128,770	137,988
53 Multifamily	951	1,383	1,972	1,383	1,605	1,653	1,770	1,972
54 Farmers Home Administration	47,523	348	324	348	351	342	333	324
55 1- to 4-family	22,186	142	139	142	154	149	144	139
56 Multifamily	6,675	0	0	0	0	0	0	0
57 Commercial	8,190	132	122	132	127	126	124	122
58 Farm	10,472	74	63	74	70	67	65	63
59 Individuals and others	296,809	325,882	342,542	325,882	330,714	337,846	341,230	342,542
60 1- to 4-family	165,835	180,896	180,837	180,896	179,517	182,010	181,241	180,837
61 Multifamily	55,424	66,133	74,964	66,133	70,146	73,924	74,838	74,964
62 Commercial	49,207	54,845	64,309	54,845	57,866	59,110	62,542	64,309
63 Farm	26,343	24,008	22,432	24,008	23,185	22,802	22,609	22,432

1. Based on data from various institutional and governmental sources, with some quarters estimated in part by the Federal Reserve. Multifamily debt refers to loans on structures of five or more units.

2. Includes loans held by nondeposit trust companies but not bank trust departments.

3. Includes savings banks and savings and loan associations. Beginning 1987:1, data reported by FSLIC-insured institutions include loans in process and other contra assets.

4. Assumed to be entirely 1- to 4-family loans.

5. FmHA-guaranteed securities sold to the Federal Financing Bank were reallocated from FmHA mortgage pools to FmHA mortgage holdings in 1986:4, because of accounting changes by the Farmers Home Administration.

6. Outstanding principal balances of mortgage pools backing securities insured or guaranteed by the agency indicated.

7. Other holders include mortgage companies, real estate investment trusts, state and local credit agencies, state and local retirement funds, noninsured pension funds, credit unions, and other U.S. agencies.

A40 Domestic Financial Statistics □ June 1988

1.55 CONSUMER INSTALLMENT CREDIT¹ Total Outstanding, and Net Change, seasonally adjusted

Millions of dollars

Holder, and type of credit	1986 ²	1987 ²	1987 ²							1988	
			June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. ⁷	Feb.
Amounts outstanding (end of period)											
1 Total	571,833	613,022	587,878	593,513	598,190	602,977	606,926	608,728	613,022	619,258	624,563
By major holder											
2 Commercial banks	262,139	281,564	269,711	272,287	273,879	276,805	278,855	279,550	281,564	284,753	287,424
3 Finance companies ⁴	133,698	140,072	135,595	136,414	137,663	138,395	139,236	138,928	140,072	141,695	142,946
4 Credit unions	76,191	81,065	78,271	79,124	79,816	80,351	80,672	80,923	81,065	81,662	82,011
5 Retailers	39,660	42,782	40,896	41,144	41,381	41,632	42,012	42,291	42,782	42,926	43,080
6 Savings institutions	56,881	63,949	59,836	60,944	61,798	62,098	62,457	63,412	63,949	64,633	65,398
7 Gasoline companies	3,264	3,590	3,569	3,600	3,653	3,696	3,694	3,624	3,590	3,590	3,704
By major type of credit											
8 Automobile	246,109	267,180	254,212	256,585	259,558	261,902	263,823	264,474	267,180	269,883	273,195
9 Commercial banks	100,907	108,438	104,187	104,859	105,661	106,685	107,414	107,727	108,438	109,298	111,020
10 Credit unions	38,413	43,474	40,080	40,836	41,515	42,118	42,612	43,071	43,474	43,959	44,312
11 Finance companies	92,350	98,026	94,586	95,132	96,287	96,809	97,261	96,733	98,026	99,147	100,123
12 Savings institutions	14,439	17,242	15,359	15,758	16,095	16,290	16,536	16,943	17,242	17,479	17,739
13 Revolving	136,381	159,307	144,777	147,809	149,815	152,553	155,196	156,425	159,307	162,065	163,551
14 Commercial banks	86,757	98,808	90,913	93,025	94,142	96,083	97,416	97,378	98,808	100,879	101,543
15 Retailers	34,320	36,959	35,346	35,542	35,731	35,941	36,270	36,501	36,959	37,087	37,231
16 Gasoline companies	3,264	3,590	3,569	3,600	3,653	3,696	3,694	3,624	3,590	3,590	3,704
17 Savings institutions	8,366	13,279	10,675	10,956	11,194	11,333	11,922	12,636	13,279	13,601	13,946
18 Credit unions	3,674	6,671	4,274	4,686	5,095	5,500	5,894	6,286	6,671	6,908	7,127
19 Mobile home	26,883	25,957	26,810	26,966	26,879	26,845	26,698	26,604	25,957	25,926	25,869
20 Commercial banks	8,926	9,101	9,131	9,168	9,156	9,157	9,174	9,169	9,101	9,064	9,047
21 Finance companies	8,822	7,771	8,469	8,452	8,281	8,235	8,228	8,211	7,771	7,753	7,679
22 Savings institutions	9,135	9,085	9,210	9,346	9,442	9,453	9,296	9,224	9,085	9,109	9,143
23 Other	162,460	160,578	162,079	162,153	161,938	161,677	161,209	161,225	160,578	161,384	161,948
24 Commercial banks	65,549	65,217	65,480	65,235	64,920	64,880	64,851	65,276	65,217	65,512	65,813
25 Finance companies	32,526	34,275	32,540	32,830	33,095	33,351	33,747	33,984	34,275	34,795	35,144
26 Credit unions	34,104	30,920	33,917	33,602	33,206	32,733	32,166	31,566	30,920	30,795	30,571
27 Retailers	5,340	5,823	5,550	5,602	5,650	5,691	5,742	5,790	5,823	5,839	5,849
28 Savings institutions	24,941	24,343	24,592	24,884	25,067	25,022	24,703	24,609	24,343	24,444	24,571
Net change (during period)											
29 Total	54,078	41,189	6,643	5,635	4,677	4,787	3,949	1,802	4,294	6,236	5,305
By major holder											
30 Commercial banks	20,495	19,425	2,529	2,576	1,592	2,926	2,050	695	2,014	3,189	2,671
31 Finance companies ⁴	22,670	6,374	1,220	819	1,249	732	841	-308	1,144	1,623	1,251
32 Credit unions	4,268	4,874	1,082	853	692	535	321	251	142	597	349
33 Retailers	466	3,122	172	248	237	251	380	279	491	144	154
34 Savings institutions	7,223	7,068	1,622	1,108	854	300	359	955	537	684	765
35 Gasoline companies	-1,044	326	18	31	53	43	-2	-70	-34	0	114
By major type of credit											
36 Automobile	36,473	21,071	2,471	2,373	2,973	2,344	1,921	651	2,706	2,703	3,312
37 Commercial banks	8,178	7,531	493	672	802	1,024	729	313	711	860	1,722
38 Credit unions	2,388	5,061	656	756	679	603	494	459	403	485	353
39 Finance companies	22,823	5,676	907	546	1,155	522	452	-528	1,293	1,121	976
40 Savings institutions	3,084	2,803	415	399	337	195	246	407	299	237	260
41 Revolving	14,368	22,926	2,900	3,032	2,006	2,738	2,643	1,229	2,882	2,758	1,486
42 Commercial banks	11,150	12,051	2,038	2,112	1,117	1,941	1,333	-38	1,430	2,071	664
43 Retailers	47	2,639	134	196	189	210	329	231	458	128	144
44 Gasoline companies	-1,044	326	18	31	53	43	-2	-70	-34	0	114
45 Savings institutions	2,078	4,913	569	281	238	139	589	714	643	322	345
46 Credit unions	2,137	2,997	141	412	409	405	394	392	385	237	219
47 Mobile home	49	-926	171	156	-87	-34	-147	-94	-647	-31	-57
48 Commercial banks	-627	175	16	37	-12	1	17	-5	-68	-37	-17
49 Finance companies	-472	-1,051	-14	-17	-171	-46	-7	-17	-440	-18	-74
50 Savings institutions	1,148	-50	169	136	96	11	-157	-72	-139	24	34
51 Other	3,188	-1,882	1,101	74	-215	-261	-468	16	-647	806	564
52 Commercial banks	1,794	-332	-18	-245	-315	-40	-29	425	-59	295	301
53 Finance companies	319	1,749	327	290	265	256	396	237	291	520	349
54 Credit unions	-257	-3,184	285	-315	-396	-473	-567	-600	-646	-125	-224
55 Retailers	419	483	38	52	48	41	51	48	33	16	10
56 Savings institutions	913	-598	469	292	183	-45	-319	-94	-266	101	127

1. The Board's series cover most short- and intermediate-term credit extended to individuals that is scheduled to be repaid (or has the option of repayment) in two or more installments.

These data also appear in the Board's G.19 (421) release. For address, see inside front cover.

2. More detail for finance companies is available in the G. 20 statistical release.

3. Excludes 30-day charge credit held by travel and entertainment companies.

1.56 TERMS OF CONSUMER INSTALLMENT CREDIT¹

Percent unless noted otherwise

Item	1985	1986	1987	1987					1988	
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
INTEREST RATES										
Commercial banks ²										
1 48-month new car ³	12.91	11.33	10.45	10.37	n.a.	n.a.	10.86	n.a.	n.a.	10.72
2 24-month personal	15.94	14.82	14.22	14.22	n.a.	n.a.	14.58	n.a.	n.a.	14.46
3 120-month mobile home ³	14.96	13.99	13.38	13.24	n.a.	n.a.	13.62	n.a.	n.a.	13.45
4 Credit card	18.69	18.26	17.92	17.85	n.a.	n.a.	17.82	n.a.	n.a.	17.80
Auto finance companies										
5 New car	11.98	9.44	10.73	9.63	8.71	10.31	12.24	12.23	12.19	12.26
6 Used car	17.59	15.95	14.60	14.53	14.58	14.76	14.90	14.97	14.56	14.75
OTHER TERMS ⁴										
Maturity (months)										
7 New car	51.5	50.0	53.5	52.1	50.7	52.8	55.4	55.5	55.5	55.9
8 Used car	41.4	42.6	45.2	45.4	45.2	45.2	45.3	45.3	47.2	46.8
Loan-to-value ratio										
9 New car	91	91	93	93	93	93	94	93	93	94
10 Used car	94	97	98	98	98	99	99	99	98	99
Amount financed (dollars)										
11 New car	9,915	10,665	11,203	11,374	11,455	11,585	11,630	11,645	11,534	11,447
12 Used car	6,089	6,555	7,420	7,763	7,476	7,537	7,646	7,718	7,612	7,619

1. These data also appear in the Board's G.19 (421) release. For address, see inside front cover.

2. Data for midmonth of quarter only.

3. Before 1983 the maturity for new car loans was 36 months, and for mobile home loans was 84 months.

4. At auto finance companies.

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS

Billions of dollars; half-yearly data are at seasonally adjusted annual rates.

Transaction category, sector	1983	1984	1985	1986	1987	1984	1985		1986		1987	
						H2	H1	H2	H1	H2	H1	H2
Nonfinancial sectors												
1 Total net borrowing by domestic nonfinancial sectors	550.2	753.9	854.8	831.7	685.2	790.4	722.7	986.8	679.1	984.4	653.7	716.8
By sector and instrument												
2 U.S. government	186.6	198.8	223.6	215.0	141.4	207.2	204.8	242.5	207.2	222.8	150.7	132.0
3 Treasury securities	186.7	199.0	223.7	214.7	142.3	207.3	204.9	242.5	207.4	222.0	151.7	132.9
4 Agency issues and mortgages	-1	-2	-1	.4	-9	-1	-1	-1	-1	.9	-1.0	-9
5 Private domestic nonfinancial sectors	363.6	555.1	631.1	616.7	543.9	583.3	518.0	744.3	471.8	761.6	503.0	584.7
6 Debt capital instruments	253.4	313.6	447.8	452.7	456.5	342.5	350.4	545.2	365.6	539.8	470.7	442.3
7 Tax-exempt obligations	53.7	50.4	136.4	30.8	31.3	67.0	67.0	205.8	-15.6	77.2	32.7	29.8
8 Corporate bonds	16.0	46.1	73.8	121.3	125.4	69.8	62.2	85.3	135.3	107.3	127.4	123.4
9 Mortgages	183.6	217.1	237.7	300.6	299.8	205.7	221.2	254.2	245.9	355.4	310.5	289.0
10 Home mortgages	117.5	129.7	151.9	201.2	212.6	119.9	139.2	164.7	163.9	238.6	226.9	198.3
11 Multifamily residential	14.2	25.1	29.2	33.1	23.8	22.4	25.0	33.4	31.3	34.9	29.8	17.8
12 Commercial	49.3	63.2	62.5	74.6	69.5	63.8	59.5	65.5	59.7	89.6	63.1	75.9
13 Farm	2.6	-9	-6.0	-8.4	-6.1	-4	-2.5	-9.5	-9.0	-7.7	-9.3	-2.9
14 Other debt instruments	110.2	241.5	183.3	164.0	87.4	240.8	167.5	199.1	106.3	221.7	32.3	142.5
15 Consumer credit	56.6	90.4	94.6	65.8	30.1	86.2	95.3	93.9	71.0	60.6	19.5	40.7
16 Bank loans n.e.c.	23.2	67.1	38.6	66.5	14.2	63.0	21.0	56.2	12.2	120.8	-24.6	53.1
17 Open market paper	-8	21.7	14.6	-9.3	2.3	16.8	14.4	14.8	-13.1	-5.5	4.5	.1
18 Other	31.3	62.2	35.5	41.0	40.8	74.7	36.8	34.2	36.2	45.8	32.9	48.6
19 By borrowing sector	363.6	555.1	631.1	616.7	543.9	583.3	518.0	744.3	471.8	761.6	503.0	584.7
20 State and local governments	34.0	27.4	91.8	44.3	33.3	38.6	56.3	127.2	4.3	84.3	35.4	31.2
21 Households	188.2	234.6	293.4	281.1	245.6	234.2	259.8	327.1	233.0	329.3	240.4	250.7
22 Farm	4.1	-1	-13.9	-15.1	-10.0	.4	-7.0	-20.8	-16.9	-13.3	-17.8	-2.2
23 Nonfarm noncorporate	77.0	97.0	93.1	116.2	102.5	92.2	85.7	100.5	96.7	135.6	100.7	104.2
24 Corporate	60.3	196.0	166.7	190.2	172.6	217.8	123.2	210.3	154.7	225.8	144.3	200.9
25 Foreign net borrowing in United States	17.3	8.3	1.2	9.0	3.1	-19.4	-5.8	8.2	21.5	-3.5	-7.4	13.5
26 Bonds	3.1	3.8	3.8	2.6	6.3	6.3	5.5	2.1	6.2	-1.1	-1.7	14.2
27 Bank loans n.e.c.	3.6	-6.6	-2.8	-1.0	-3.9	-11.9	-5.8	.1	1.5	-3.5	-3.2	-4.6
28 Open market paper	6.5	6.2	6.2	11.5	2.1	-4.3	2.8	9.6	19.1	3.9	-5.3	9.5
29 U.S. government loans	4.1	5.0	-6.0	-4.0	-1.5	-9.6	-8.2	-3.7	-5.3	-2.7	2.7	-5.7
30 Total domestic plus foreign	567.5	762.2	856.0	840.7	688.3	771.0	716.9	995.0	700.5	980.9	646.4	730.3
Financial sectors												
31 Total net borrowing by financial sectors	99.3	151.9	199.0	295.3	283.4	150.7	175.1	222.8	242.3	348.2	318.5	248.8
By instrument												
32 U.S. government related	67.8	74.9	101.5	178.1	169.3	77.3	96.8	106.3	136.1	220.1	180.5	158.6
33 Sponsored credit agency securities	1.4	30.4	20.6	15.2	29.9	31.5	26.6	14.6	8.7	21.7	8.1	51.7
34 Mortgage pool securities	66.4	44.4	79.9	163.3	140.2	45.8	70.3	89.5	126.5	200.0	174.0	106.9
35 Loans from U.S. government	.....	.....	1.1	-4	-8	.....	.....	2.2	.8	-1.5	-1.5	.....
36 Private financial sectors	31.5	77.0	97.4	117.2	114.1	73.5	78.3	116.5	106.2	128.1	138.0	90.2
37 Corporate bonds	17.4	36.2	48.6	69.0	62.0	41.5	48.9	48.3	72.1	66.0	79.5	44.6
38 Mortgages	.....	.4	.1	.1	.3	.4	*	.1	.6	.....	.2	.4
39 Bank loans n.e.c.	-1	.7	2.6	4.0	-1.1	.7	2.3	2.9	4.0	4.0	-4.7	2.6
40 Open market paper	21.3	24.1	32.0	24.2	28.4	16.0	14.6	49.4	15.1	33.4	49.4	7.4
41 Loans from Federal Home Loan Banks	-7.0	15.7	14.2	19.8	24.4	14.9	12.5	15.9	14.4	25.2	13.6	35.2
By sector												
42 Sponsored credit agencies	1.4	30.4	21.7	14.9	29.2	31.5	26.6	16.8	9.5	20.2	6.6	51.7
43 Mortgage pools	66.4	44.4	79.9	163.3	140.2	45.8	70.3	89.5	126.5	200.0	174.0	106.9
44 Private financial sectors	31.5	77.0	97.4	117.2	114.1	73.5	78.3	116.5	106.2	128.1	138.0	90.2
45 Commercial banks	5.0	7.3	-4.9	-3.6	8.5	-5.3	-4.7	-5.0	-2.7	-4.6	14.1	2.9
46 Bank affiliates	12.1	15.6	14.5	4.6	4.8	10.8	10.2	18.9	-1.7	10.9	11.5	-1.8
47 Savings and loan associations	-2.1	22.7	22.3	29.8	35.2	23.3	14.2	30.4	25.5	34.0	29.1	41.3
48 Finance companies	12.9	18.9	53.9	49.7	26.5	29.6	49.7	58.1	53.1	46.3	30.8	22.2
49 REITs	-1	.1	-7	-3	.9	.1	-6	-8	.6	-1.3	*	1.9
50 CMO Issuers	3.7	12.4	12.2	37.1	38.1	15.0	9.5	14.9	31.4	42.8	52.5	23.7
All sectors												
51 Total net borrowing	666.8	914.1	1,054.9	1,136.0	971.7	921.8	892.1	1,217.8	942.8	1,329.1	964.9	979.1
52 U.S. government securities	254.4	273.8	324.2	393.5	311.5	284.5	301.7	346.6	342.5	444.5	332.8	290.6
53 State and local obligations	53.7	50.4	136.4	30.8	31.3	67.0	67.0	205.8	-15.6	77.2	32.7	29.8
54 Corporate and foreign bonds	36.5	86.1	126.1	192.9	193.7	117.6	116.6	135.7	213.6	172.1	205.2	182.2
55 Mortgages	183.6	217.4	237.7	300.7	300.1	206.0	221.2	254.2	246.5	354.9	310.8	289.5
56 Consumer credit	56.6	90.4	94.6	65.8	30.1	86.2	95.3	93.9	71.0	60.6	19.5	40.7
57 Bank loans n.e.c.	26.7	61.1	38.3	69.5	9.3	51.8	17.5	59.2	17.7	121.3	-32.5	51.2
58 Open market paper	26.9	52.0	52.8	26.4	32.8	28.6	31.8	73.7	21.0	31.7	48.6	17.0
59 Other loans	28.4	82.9	44.8	56.5	63.0	80.0	41.1	48.6	46.1	66.8	47.8	78.1
External corporate equity funds raised in United States												
60 Total new share issues	61.8	-36.4	19.9	91.6	-9.3	-24.9	3.0	36.7	100.8	82.3	84.5	-103.2
61 Mutual funds	27.2	29.3	85.7	163.3	64.5	32.2	64.2	107.1	155.5	171.1	147.2	-18.2
62 All other	34.6	-65.7	-65.8	-71.7	-73.8	-57.1	-61.2	-70.4	-54.7	-88.7	-62.7	-85.0
63 Nonfinancial corporations	28.3	-74.5	-81.5	-80.8	-76.5	-69.4	-75.5	-87.5	-68.7	-92.7	-70.0	-83.0
64 Financial corporations	2.6	7.8	12.0	8.3	5.1	8.8	11.2	12.8	7.5	9.1	5.4	4.8
65 Foreign shares purchased in United States	3.7	.9	3.7	.7	-2.4	3.5	3.1	4.3	6.6	-5.1	1.9	-6.8

1.58 DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

Billions of dollars, except as noted; half-yearly data are at seasonally adjusted annual rates.

Transaction category, or sector	1983	1984	1985	1986	1987	1984	1985		1986		1987	
						H2	H1	H2	H1	H2	H1	H2
1 Total funds advanced in credit markets to domestic nonfinancial sectors	550.2	753.9	854.8	831.7	685.2	790.4	722.7	986.8	679.1	984.4	653.7	716.8
<i>By public agencies and foreign</i>												
2 Total net advances	114.0	157.6	202.3	319.7	233.6	182.5	195.8	208.7	264.7	374.6	247.7	219.4
3 U.S. government securities	26.3	39.3	47.1	84.8	51.4	51.0	50.3	43.9	74.0	95.6	48.3	54.5
4 Residential mortgages	76.1	56.5	94.6	160.3	136.7	57.4	88.6	100.7	123.7	196.9	166.8	106.8
5 FHLB advances to savings and loans	-7.0	15.7	14.2	19.8	24.4	14.9	12.5	15.9	14.4	25.2	13.6	35.2
6 Other loans and securities	18.6	46.2	46.3	54.7	21.0	59.2	44.4	48.2	52.6	56.9	19.0	22.9
<i>Total advanced, by sector</i>												
7 U.S. government	9.7	17.1	16.8	9.5	-9.7	26.6	25.1	8.4	10.8	8.2	-9.3	-10.6
8 Sponsored credit agencies	69.8	74.3	101.5	177.3	166.0	75.2	96.4	106.7	128.2	226.5	168.1	164.4
9 Monetary authorities	10.9	8.4	21.6	30.2	8.6	4.8	27.5	15.8	13.2	47.2	10.8	6.5
10 Foreign	23.7	57.9	62.3	102.6	68.6	75.9	46.8	77.8	112.5	92.7	78.0	59.2
<i>Agency and foreign borrowing not in line 1</i>												
11 Sponsored credit agencies and mortgage pools	67.8	74.9	101.5	178.1	169.3	77.3	96.8	106.3	136.1	220.1	180.5	158.6
12 Foreign	17.3	8.3	1.2	9.0	3.1	-19.4	-5.8	8.2	21.5	-3.5	-7.4	13.5
<i>Private domestic funds advanced</i>												
13 Total net advances	521.3	679.5	755.2	699.2	624.1	665.7	618.0	892.5	571.9	826.4	579.2	669.4
14 U.S. government securities	228.1	234.5	277.0	308.7	260.1	233.5	251.3	302.7	268.6	348.9	284.5	236.1
15 State and local obligations	53.7	50.4	136.4	30.8	31.3	67.0	67.0	205.8	-15.6	77.2	32.7	29.8
16 Corporate and foreign bonds	14.5	35.1	40.8	83.4	110.1	53.0	39.7	42.0	100.2	66.6	100.0	120.3
17 Residential mortgages	55.0	98.2	86.4	74.0	99.6	84.8	75.5	97.4	71.5	76.5	89.9	109.2
18 Other mortgages and loans	162.4	276.9	228.8	222.1	147.3	242.3	197.0	260.6	161.7	282.4	85.7	209.2
19 LESS: Federal Home Loan Bank advances	-7.0	15.7	14.2	19.8	24.4	14.9	12.5	15.9	14.4	25.2	13.6	35.2
<i>Private financial intermediation</i>												
20 Credit market funds advanced by private financial institutions	395.8	559.8	579.5	726.9	567.7	532.1	483.8	675.2	638.5	815.3	585.9	549.5
21 Commercial banking	144.3	168.9	186.3	194.7	127.5	145.5	143.3	229.4	117.2	272.3	103.1	151.8
22 Savings institutions	135.6	150.2	83.0	105.5	140.7	133.5	54.5	111.4	94.5	116.6	104.5	176.8
23 Insurance and pension funds	100.1	121.8	156.0	176.7	203.6	95.3	139.4	172.5	169.0	184.4	215.9	191.4
24 Other finance	15.8	118.9	154.2	249.9	95.9	157.8	146.5	161.9	257.9	241.9	162.4	29.4
25 Sources of funds	395.8	559.8	579.5	726.9	567.7	532.1	483.8	675.2	638.5	815.3	585.9	549.5
26 Private domestic deposits and RPs	215.4	316.9	213.2	271.4	128.3	353.5	191.4	235.0	252.2	290.6	55.2	199.2
27 Credit market borrowing	31.5	77.0	97.4	117.2	114.1	73.5	78.3	116.5	106.2	128.1	138.0	90.2
28 Other sources	148.9	165.9	268.9	338.3	325.3	105.1	214.1	323.6	280.1	396.5	392.7	260.0
29 Foreign funds	14.6	8.8	19.7	12.9	45.3	1.7	10.8	28.6	11.9	14.0	24.5	66.0
30 Treasury balances	-5.3	4.0	10.3	1.7	5.0	10.8	13.9	6.6	-4.2	7.6	4.3	5.7
31 Insurance and pension reserves	109.7	118.6	141.0	152.8	207.8	74.6	118.6	163.4	136.6	168.9	217.7	197.9
32 Other, net	30.0	34.5	98.1	170.9	67.2	18.0	71.4	124.7	135.8	206.1	146.2	-9.6
<i>Private domestic nonfinancial investors</i>												
33 Direct lending in credit markets	157.0	196.7	273.2	89.4	170.5	207.1	212.5	333.9	39.7	139.2	131.3	210.2
34 U.S. government securities	99.3	123.6	145.3	47.1	54.8	84.3	156.2	134.5	42.2	51.9	67.3	42.8
35 State and local obligations	40.3	30.4	47.6	-5.4	52.2	50.4	14.8	80.4	-67.6	56.8	19.5	84.8
36 Corporate and foreign bonds	-11.6	5.2	11.8	34.7	50.2	36.9	15.4	8.2	68.8	7	12.1	88.3
37 Open market paper	12.0	9.3	43.9	-4.8	5.3	3.0	3.5	84.2	-17.3	7.7	24.2	-13.5
38 Other	17.0	28.1	24.6	17.9	8.0	32.5	22.6	26.6	13.6	22.1	8.2	7.8
39 Deposits and currency	232.8	320.4	223.5	291.8	141.1	354.0	198.3	248.7	261.9	321.6	40.3	239.8
40 Currency	14.3	8.6	12.4	14.4	15.6	3.6	15.9	8.8	10.7	18.2	9.6	21.6
41 Checkable deposits	28.8	28.0	41.5	100.1	9.3	29.9	13.8	69.2	82.5	117.8	-21.5	-2.8
42 Small time and savings accounts	215.4	150.7	138.6	120.8	69.3	169.9	162.1	115.1	112.6	129.0	52.1	86.5
43 Money market fund shares	-39.0	49.0	8.9	43.8	22.3	73.4	10.6	7.1	46.9	40.6	-3.1	47.6
44 Large time deposits	-8.3	84.3	7.6	-11.6	18.2	79.1	-7.3	22.5	2	-23.3	5.0	29.3
45 Security RPs	18.5	5.0	16.6	18.3	27.9	1.2	12.2	21.1	10.0	26.5	22.7	33.0
46 Deposits in foreign countries	3.1	-5.1	-2.1	5.9	-2.8	-3.1	-9.0	4.9	-9	12.8	-24.5	19.0
47 Total of credit market instruments, deposits, and currency	389.9	517.1	496.7	381.2	311.6	561.1	410.7	582.6	301.6	460.9	171.6	450.1
48 Public holdings as percent of total	20.1	20.7	23.6	38.0	33.9	23.7	27.3	21.0	37.8	38.2	38.3	30.0
49 Private financial intermediation (in percent)	75.9	82.4	76.7	104.0	91.0	79.9	78.3	75.6	111.6	98.7	101.2	82.1
50 Total foreign funds	38.2	66.7	82.0	115.5	113.9	77.6	57.7	106.4	124.4	106.7	102.6	125.2
<i>MEMO: Corporate equities not included above</i>												
51 Total net issues	61.8	-36.4	19.9	91.6	-9.3	-24.9	3.0	36.7	100.8	82.3	84.5	-103.2
52 Mutual fund shares	27.2	29.3	85.7	163.3	64.5	32.2	64.2	107.1	155.5	171.1	147.2	-18.2
53 Other equities	34.6	-65.7	-65.8	-71.7	-73.8	-57.1	-61.2	-70.4	-54.7	-88.7	-62.7	-85.0
54 Acquisitions by financial institutions	51.1	19.7	43.4	50.6	45.9	39.7	59.5	27.3	46.5	54.6	72.6	19.2
55 Other net purchases	10.7	-56.1	-22.9	41.0	-55.2	-64.6	-55.8	9.5	54.3	27.7	11.9	-122.4

NOTES BY LINE NUMBER.

1. Line 1 of table 1.57.
2. Sum of lines 3-6 or 7-10.
6. Includes farm and commercial mortgages.
11. Credit market funds raised by federally sponsored credit agencies, and net issues of federally related mortgage pool securities.
13. Line 1 less line 2 plus line 11 and 12. Also line 20 less line 27 plus line 33. Also sum of lines 28 and 47 less lines 40 and 46.
18. Includes farm and commercial mortgages.
26. Line 39 less lines 40 and 46.
27. Excludes equity issues and investment company shares. Includes line 19.
29. Foreign deposits at commercial banks, bank borrowings from foreign branches, and liabilities of foreign banking agencies to foreign affiliates, less claims on foreign affiliates and deposits by banking in foreign banks.
30. Demand deposits and note balances at commercial banks.

31. Excludes net investment of these reserves in corporate equities.

32. Mainly retained earnings and net miscellaneous liabilities.

33. Line 13 less line 20 plus line 27.

34-38. Lines 14-18 less amounts acquired by private finance plus amounts borrowed by private finance. Line 38 includes mortgages.

40. Mainly an offset to line 9.

47. Lines 33 plus 39, or line 13 less line 28 plus 40 and 46.

48. Line 2/line 1.

49. Line 20/line 13.

50. Sum of lines 10 and 29.

51, 53. Includes issues by financial institutions.

NOTE. Full statements for sectors and transaction types in flows and in amounts outstanding may be obtained from Flow of Funds Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures¹

1977 = 100; monthly and quarterly data are seasonally adjusted. Exceptions noted.

Measure	1985	1986	1987	1987						1988		
				July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. ⁷	Feb. ⁷	Mar.
1 Industrial production	123.7^r	125.1^r	129.8	130.6	131.2	131.0	132.5	133.2	133.9^r	134.4	134.4	134.6
<i>Market groupings</i>												
2 Products, total	130.6 ^r	133.3 ^r	138.3	139.5	139.9	139.4	140.9	141.0	141.3 ^r	142.8	143.2	143.3
3 Final, total	131.0 ^r	132.5 ^r	136.8	137.9	138.4	137.8	139.3	139.2	139.8 ^r	141.1	141.6	141.9
4 Consumer goods	119.8 ^r	124.0 ^r	127.7	128.9	129.4	127.7	129.0	129.4	129.8 ^r	131.4	131.9	131.9
5 Equipment	145.8 ^r	143.6 ^r	148.8	149.7	150.2	151.2	153.0	152.2	153.1 ^r	154.0	154.4	155.2
6 Intermediate	129.3 ^r	136.2 ^r	143.5	145.0	145.3	144.9	146.1	147.3	146.5 ^r	148.5	148.8	148.3
7 Materials	114.3 ^r	113.8 ^r	118.2	118.5	119.4	119.7	121.2	122.5	123.7 ^r	123.0	122.4	122.6
<i>Industry groupings</i>												
8 Manufacturing	126.4 ^r	129.1 ^r	134.6	135.6	135.9	135.7	137.3	137.9	138.9 ^r	139.5	139.5	139.8
Capacity utilization (percent) ²												
9 Manufacturing	80.1	79.8	81.0	81.5	81.5	81.3	82.0	82.2	82.5	82.8	82.6	82.5
10 Industrial materials industries	80.2	78.5	80.5	80.6	81.1	81.2	82.1	82.9	83.7	83.0	82.4	82.4
11 Construction contracts (1982 = 100) ³	136.0	158.0	162.0	165.0	174.0	160.0	164.0	157.0	157.0	145.0	159.0	154.0
12 Nonagricultural employment, total ⁴	118.3	120.8	123.8	123.8	124.0	124.2	124.9	125.2	125.6	125.9	126.5	126.8
13 Goods-producing, total	102.4	102.4	102.2	102.1	102.2	102.4	103.0	103.4	103.8	103.5	104.1	104.4
14 Manufacturing, total	97.8	96.5	97.1	97.0	97.2	97.4	97.8	98.2	98.5	98.5	98.6	98.6
15 Manufacturing, production-worker	92.6	91.2	92.1	92.1	92.2	92.5	92.9	93.3	93.6	93.7	93.9	93.9
16 Service-producing	125.0	128.9	132.9	132.9	133.1	133.4	134.1	134.4	134.8	135.3	135.9	136.2
17 Personal income, total	207.0	219.9	233.1	232.6	233.9	235.3	239.8	238.8	240.7	240.9	242.3	244.1
18 Wages and salary disbursements	198.7	210.2	222.6	222.3	224.2	225.4	227.1	228.6	229.5	230.7	232.1	233.3
19 Manufacturing	172.8	176.4	181.5	180.1	182.0	183.7	184.7	185.7	186.0	186.6	186.6	189.1
20 Disposable personal income ⁵	206.0	219.1	230.7	230.4	231.6	232.9	237.8	236.4	238.1	239.0	240.9	242.2
21 Retail sales ⁶	190.6	199.9	208.7	211.2	215.7	212.2	210.5	211.2	213.5	213.7	215.1	216.9
<i>Prices⁷</i>												
22 Consumer (1982 = 100)	107.6	109.6	113.6	113.8	114.4	115.0	115.3	115.4	115.4	115.7	116.0	116.5
23 Producer finished goods (1982 = 100)	104.7	103.2	105.4	106.0	105.9	105.7	106.3	106.2	105.7	106.2	105.9	106.2

1. A major revision of the industrial production index and the capacity utilization rates was released in July 1985. See "A Revision of the Index of Industrial Production" and accompanying tables that contain revised indexes (1977=100) through December 1984 in the FEDERAL RESERVE BULLETIN, vol. 71 (July 1985), pp. 487-501. The revised indexes for January through June 1985 were shown in the September BULLETIN.

2. Ratios of indexes of production to indexes of capacity. Based on data from Federal Reserve, McGraw-Hill Economics Department, Department of Commerce, and other sources.

3. Index of dollar value of total construction contracts, including residential, nonresidential and heavy engineering, from McGraw-Hill Information Systems Company, F. W. Dodge Division.

4. Based on data in *Employment and Earnings* (U.S. Department of Labor). Series covers employees only, excluding personnel in the Armed Forces.

5. Based on data in *Survey of Current Business* (U.S. Department of Commerce).

6. Based on Bureau of Census data published in *Survey of Current Business*.

7. Data without seasonal adjustment, as published in *Monthly Labor Review*. Seasonally adjusted data for changes in the price indexes may be obtained from the Bureau of Labor Statistics, U.S. Department of Labor.

NOTE. Basic data (not index numbers) for series mentioned in notes 4, 5, and 6, and indexes for series mentioned in notes 3 and 7 may also be found in the *Survey of Current Business*.

Figures for industrial production for the last two months are preliminary and estimated, respectively.

2.11 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

Thousands of persons; monthly data are seasonally adjusted. Exceptions noted.

Category	1985	1986	1987	1987					1988		
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan. ¹	Feb. ¹	Mar.
HOUSEHOLD SURVEY DATA											
1 Noninstitutional population ¹	180,440	182,822	185,010	185,264	185,428	185,575	185,737	185,882	186,083	186,219	186,361
2 Labor force (including Armed Forces) ¹	117,695	120,078	122,122	122,568	122,230	122,651	122,861	122,984	123,436	123,598	123,153
3 Civilian labor force	115,461	117,834	119,865	120,306	119,963	120,387	120,594	120,722	121,175	121,348	120,903
<i>Employment</i>											
4 Nonagricultural industries ²	103,971	106,434	109,232	109,907	109,688	109,961	110,332	110,529	110,836	111,182	110,899
5 Agriculture	3,179	3,163	3,208	3,143	3,184	3,249	3,172	3,215	3,293	3,228	3,204
<i>Unemployment</i>											
6 Number	8,312	8,237	7,425	7,256	7,091	7,177	7,090	6,978	7,046	6,938	6,801
7 Rate (percent of civilian labor force)	7.2	7.0	6.2	6.0	5.9	6.0	5.9	5.8	5.8	5.7	5.6
8 Not in labor force	62,745	62,744	62,888	62,696	63,198	62,924	62,876	62,898	62,647	62,621	63,208
ESTABLISHMENT SURVEY DATA											
9 Nonagricultural payroll employment ³	97,519	99,610	102,105	102,275	102,434	102,983	103,285	103,612	103,827	104,344	104,606
10 Manufacturing	19,260	18,994	19,112	19,129	19,169	19,247	19,336	19,382	19,401	19,418	19,417
11 Mining	927	783	742	751	759	764	759	756	746	749	755
12 Contract construction	4,673	4,904	5,032	5,006	4,989	5,053	5,074	5,121	5,058	5,175	5,254
13 Transportation and public utilities	5,238	5,244	5,377	5,377	5,416	5,436	5,459	5,473	5,485	5,504	5,522
14 Trade	23,073	23,580	24,056	24,063	24,129	24,239	24,294	24,329	24,503	24,623	24,644
15 Finance	5,955	6,297	6,588	6,624	6,629	6,650	6,657	6,668	6,684	6,687	6,694
16 Service	22,000	23,099	24,136	24,279	24,295	24,406	24,493	24,612	24,683	24,884	24,967
17 Government	16,394	16,710	17,063	17,046	17,048	17,188	17,213	17,271	17,267	17,304	17,353

1. Persons 16 years of age and over. Monthly figures, which are based on sample data, relate to the calendar week that contains the 12th day; annual data are averages of monthly figures. By definition, seasonality does not exist in population figures. Based on data from *Employment and Earnings* (U.S. Department of Labor).

2. Includes self-employed, unpaid family, and domestic service workers.

3. Data include all full- and part-time employees who worked during, or received pay for, the pay period that includes the 12th day of the month, and exclude proprietors, self-employed persons, domestic servants, unpaid family workers, and members of the Armed Forces. Data are adjusted to the March 1984 benchmark and only seasonally adjusted data are available at this time. Based on data from *Employment and Earnings* (U.S. Department of Labor).

2.12 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION¹

Seasonally adjusted

Series	1987			1988	1987			1988	1987			1988		
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 ^r	Q1		
	Output (1977 = 100)				Capacity (percent of 1977 output)				Utilization rate (percent)					
1 Total industry	128.2	130.9	133.0	134.5	160.4	161.3	162.2	163.1	79.9	81.2	82.1	82.4		
2 Mining.....	99.0	100.6	103.2	102.5	129.7	129.0	128.4	127.7	76.3	78.0	81.2	80.1		
3 Utilities.....	108.3	111.6	112.5	115.1	138.3	138.8	139.4	139.8	78.3	80.5	80.6	82.3		
4 Manufacturing.....	133.2	135.7	137.9	139.6	165.6	166.7	167.7	168.9	80.5	81.4	82.3	82.6		
5 Primary processing.....	116.1	119.2	122.1	122.7	139.0	139.8	140.6	141.6	83.5	85.3	86.9	86.7		
6 Advanced processing.....	143.5	145.8	147.5	149.6	181.6	182.9	184.1	185.6	79.0	79.7	80.1	80.7		
7 Materials.....	116.5	119.1	121.9	122.6	146.7	147.2	147.8	148.5	79.4	81.0	82.9	82.6		
8 Durable goods.....	122.9	125.5	129.6	131.3	163.1	163.9	164.7	165.7	75.4	76.7	79.1	79.2		
9 Metal materials.....	77.0	83.6	91.1	86.6	110.0	109.4	108.8	108.8	70.0	76.5	84.0	79.6		
10 Nondurable goods.....	124.0	128.2	129.3	130.3	143.8	144.7	145.6	146.8	86.2	88.6	89.3	88.7		
11 Textile, paper, and chemical.....	125.1	130.5	132.3	133.1	143.4	144.4	145.4	146.7	87.2	90.4	91.5	90.7		
12 Paper.....	137.7	144.5	.....	.....	143.9	145.1	.....	.....	95.7	99.6 ^r	99.2	.....	
13 Chemical.....	125.3	130.7	.....	.....	149.8	150.9	.....	.....	83.6	86.3 ^r	89.1	.....	
14 Energy materials.....	98.7	100.0	101.8	100.9	120.2	120.1	119.9	119.7	82.1	83.3	85.2	84.3		
	Previous cycle ²		Latest cycle ³		1987	1987					1988			
	High	Low	High	Low	Mar.	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. ^r	Feb. ^r	Mar.
	Capacity utilization rate (percent)													
15 Total industry	88.6	72.1	86.9	69.5	79.7	81.1	81.4	81.1	81.9	82.1	82.4	82.6	82.4	82.3
16 Mining.....	92.8	87.8	95.2	76.9	75.5	76.8	78.2	79.1	80.6	81.5	81.5	80.4	79.8	80.3
17 Utilities.....	95.6	82.9	88.5	78.0	78.2	80.2	81.3	80.0	80.5	81.2	80.4	82.4	82.8	81.8
18 Manufacturing.....	87.7	69.9	86.5	68.0	80.3	81.5	81.5	81.3	82.0	82.2	82.5	82.8	82.6	82.5
19 Primary processing.....	91.9	68.3	89.1	65.1	83.1	85.4	85.3	85.1	86.2	87.0	87.8	87.2	86.5	86.3
20 Advanced processing.....	86.0	71.1	85.1	69.5	79.1	79.8	79.9	79.5	80.1	80.0	80.1	80.7	80.7	80.6
21 Materials.....	92.0	70.5	89.1	68.5	78.7	80.6	81.1	81.2	82.1	82.9	83.7	83.0	82.4	82.4
22 Durable goods.....	91.8	64.4	89.8	60.9	75.2	76.5	76.6	77.0	78.3	79.0	80.2	79.6	79.0	79.1
23 Metal materials.....	99.2	67.1	93.6	45.7	68.7	73.9	77.5	78.3	82.4	83.3	87.6	80.1	79.1	79.6
24 Nondurable goods.....	91.1	66.7	88.1	70.7	84.8	88.4	88.6	88.7	88.2	89.0	90.5	89.1	88.5	88.5
25 Textile, paper, and chemical.....	92.8	64.8	89.4	68.8	85.8	90.0	90.5	90.7	90.4	91.0	92.7	91.2	90.4	90.5
26 Paper.....	98.4	70.6	97.3	79.9	94.6	100.5	99.9	98.5	97.4	98.7	101.6	100.5	98.2
27 Chemical.....	92.5	64.4	87.9	63.5	82.2	85.1	86.4	87.4	88.0	88.6	90.8	88.6	88.3
28 Energy materials.....	94.6	86.9	94.0	82.3	80.8	82.4	84.0	83.5	84.9	85.7	85.1	84.7	84.1	84.0

1. These data also appear in the Board's G.3 (402) release. For address, see inside front cover.

2. Monthly high 1973; monthly low 1975.

3. Monthly highs 1978 through 1980; monthly lows 1982.

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value¹

Monthly data are seasonally adjusted

Groups	1977 pro- por- tion	1987 avg.	1987										1988				
			Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec. ^a	Jan.	Feb. ^b	Mar. ^c		
			Index (1977 = 100)														
MAJOR MARKET																	
1 Total index	100.00	129.8	127.3	127.4	128.4	129.1	130.6	131.2	131.0	132.5	133.2	133.9	134.4	134.4	134.6		
2 Products	57.72	138.3	136.2	137.2	137.2	137.8	139.5	139.9	139.4	140.9	141.0	141.3	142.8	143.2	143.3		
3 Final products	44.77	136.8	135.0	134.5	135.8	136.2	137.9	138.4	137.8	139.3	139.2	139.8	141.1	141.6	141.9		
4 Consumer goods	25.52	127.7	127.5	126.6	128.2	127.2	128.9	129.4	127.7	129.0	129.4	129.8	131.4	131.9	131.9		
5 Equipment	19.25	148.8	145.0	144.9	145.8	148.1	149.7	150.2	151.2	153.0	152.2	153.1	154.0	154.4	155.2		
6 Intermediate products	12.94	143.4	140.4	139.9	142.1	143.3	145.0	145.3	144.9	146.1	147.3	146.5	148.5	148.8	148.3		
7 Materials	42.28	118.2	115.2	116.2	116.3	117.2	118.5	119.4	119.7	121.2	122.5	123.7	123.0	122.4	122.6		
Consumer goods																	
8 Durable consumer goods	6.89	120.2	121.2	118.1	120.2	117.4	120.4	121.2	118.6	124.3	123.9	120.3	121.5	121.2	122.0		
9 Automotive products	2.98	118.5	121.2	115.7	118.0	114.9	117.5	118.0	114.2	124.3	121.3	115.4	118.8	117.9	121.0		
10 Autos and trucks	1.79	115.1	121.6	111.5	113.1	107.9	112.3	112.4	107.2	122.2	118.7	110.2	112.8	111.8	116.4		
11 Autos, consumer	1.16	90.7	100.9	91.8	91.0	87.4	86.4	76.8	79.1	94.7	91.9	83.7	77.5	79.5	86.3		
12 Trucks, consumer .....	.63	160.5	159.9	148.1	154.2	146.0	160.4	178.4	159.4	173.2	168.5	159.5	178.3	171.6	....	
13 Auto parts and allied goods	1.19	123.5	120.5	121.9	125.3	125.4	125.3	126.6	124.8	127.5	125.2	123.3	127.8	127.2	128.0		
14 Home goods	3.91	121.6	121.2	119.9	121.8	119.3	122.5	123.6	121.9	124.3	125.8	123.9	123.7	123.8	122.7		
15 Appliances, A/C and TV	1.24	141.5	142.9	137.7	142.2	133.4	141.7	147.1	141.8	145.7	150.1	142.7	141.7	142.1	141.0		
16 Appliances and TV	1.19	142.1	143.8	139.2	142.3	133.4	142.6	145.5	140.6	146.1	150.5	142.6	140.4	143.1	....	
17 Carpeting and furniture .....	.96	130.7	131.3	133.5	133.3	132.3	134.1	132.0	131.6	132.9	133.5	133.9	134.1	132.7	....	
18 Miscellaneous home goods	1.71	102.0	99.8	99.4	100.7	101.8	102.2	102.0	102.2	104.1	103.9	104.8	104.8	105.5	....	
19 Nondurable consumer goods	18.63	130.5	129.8	129.8	131.1	130.9	132.1	132.5	131.0	130.8	131.5	133.3	135.0	135.8	135.5		
20 Consumer staples	15.29	137.3	136.5	136.4	137.7	137.6	138.9	139.2	137.8	137.4	138.3	140.7	142.6	143.6	143.3		
21 Consumer foods and tobacco	7.80	136.2	134.8	134.4	135.6	136.0	137.2	137.4	137.0	137.5	137.3	139.2	140.5	141.2	....	
22 Nonfood staples	7.49	138.5	138.2	138.5	139.9	139.2	140.6	141.2	138.6	137.2	139.4	142.2	144.8	146.1	146.7		
23 Consumer chemical products	2.75	162.9	165.7	164.7	165.9	164.4	165.7	167.4	163.6	160.0	163.5	167.7	172.0	172.7	....	
24 Consumer paper products	1.88	151.8	147.5	148.9	152.9	153.1	153.8	153.9	153.2	151.8	152.8	157.0	157.3	159.4	....	
25 Consumer energy	2.86	106.3	105.8	106.5	106.4	105.9	108.0	107.7	105.0	105.8	107.4	108.0	110.6	111.8	....	
26 Consumer fuel	1.44	93.1	94.1	94.5	92.1	91.9	92.7	91.4	91.6	92.4	93.2	95.4	95.4	97.0	....	
27 Residential utilities	1.42	119.8	117.7	118.7	121.0	120.2	123.6	124.3	118.7	119.4	121.8	120.7	126.1	....	....
Equipment																	
28 Business and defense equipment	18.01	153.6	150.1	150.0	150.8	153.2	154.4	154.5	155.2	157.2	156.6	157.8	158.9	159.3	160.0		
29 Business equipment	14.34	144.5	140.8	140.8	141.7	144.2	145.6	145.6	146.3	148.7	148.3	149.8	150.9	151.4	152.4		
30 Construction, mining, and farm	2.08	62.2	58.1	58.6	61.2	63.0	65.0	66.4	66.1	66.5	66.3	67.4	67.3	65.8	66.3		
31 Manufacturing	3.27	117.9	110.9	111.1	111.5	117.2	120.4	120.9	122.0	120.5	120.6	122.2	125.3	125.5	126.5		
32 Power	1.27	82.6	81.7	82.4	84.0	84.0	81.8	82.8	81.1	83.0	83.1	84.2	86.2	87.0	87.6		
33 Commercial	5.22	226.5	219.7	220.9	222.0	226.7	227.9	227.7	229.1	232.4	232.1	235.5	237.3	238.4	239.5		
34 Transit	2.49	108.4	114.0	110.4	110.1	105.4	106.1	104.7	105.1	112.5	111.2	109.1	106.5	107.7	109.0		
35 Defense and space equipment	3.67	188.9	186.6	186.1	186.5	188.6	188.7	189.1	189.8	190.3	188.7	188.9	190.1	190.3	189.8		
Intermediate products																	
36 Construction supplies	5.95	131.5	128.5	127.3	128.3	131.5	133.1	132.5	132.3	133.3	134.2	133.8	136.9	136.2	134.4		
37 Business supplies	6.99	153.5	150.5	150.5	153.8	153.4	155.2	156.3	155.6	157.1	158.4	157.4	158.4	159.6	....	
38 General business supplies	5.67	158.6	155.2	155.5	158.2	158.5	160.5	161.0	160.9	162.3	164.3	163.3	163.9	165.3	....	
39 Commercial energy products	1.31	131.1	130.3	129.0	135.0	131.1	132.3	135.8	132.7	134.6	132.9	131.8	134.8	134.8	....	
Materials																	
40 Durable goods materials	20.50	125.0	121.8	122.2	121.6	124.0	125.2	125.5	126.4	128.7	130.2	132.0	131.6	130.9	131.3		
41 Durable consumer parts	4.92	100.9	98.9	96.2	95.2	99.2	98.5	99.6	99.0	102.3	103.1	104.6	104.8	104.0	104.3		
42 Equipment parts	5.94	159.0	155.8	157.1	156.0	158.3	159.3	159.5	161.1	162.2	163.2	165.3	167.0	167.3	167.7		
43 Durable materials n.e.c.	9.64	116.4	112.6	114.1	113.9	115.5	117.7	117.9	118.9	121.6	123.6	125.5	123.5	122.3	122.7		
44 Basic metal materials	4.64	86.7	80.8	81.8	81.9	83.6	86.6	90.4	91.3	95.3	96.5	100.0	92.9	91.5	91.8		
45 Nondurable goods materials	10.09	125.8	122.8	125.4	125.3	124.1	127.6	128.3	128.6	128.2	129.6	132.5	130.4	130.0	130.3		
46 Textile, paper, and chemical materials	7.53	127.6	124.0	126.9	126.5	125.1	129.6	130.6	131.2	131.0	132.3	135.6	133.4	132.6	133.3		
47 Textile materials	1.52	111.7	118.5	125.0	....	111.9	117.8	116.7	116.0	113.0	112.7	113.6	112.0	111.0	....	
48 Pulp and paper materials	1.55	141.0	134.7	137.4	137.4	139.0	145.4	145.0	143.3	142.0	144.4	149.0	147.8	144.9	....	
49 Chemical materials	4.46	128.4	122.1	125.0	125.0	124.9	128.1	130.4	132.2	133.4	134.7	138.4	135.4	135.5	....	
50 Miscellaneous nondurable materials	2.57	120.4	119.2	121.1	122.0	120.9	122.0	121.4	120.9	119.7	121.7	123.3	121.9	....	....
51 Energy materials	11.69	99.8	97.0	97.5	99.3	99.4	99.0	100.9	100.2	101.8	102.8	101.7	101.5	100.7	100.5		
52 Primary energy	7.57	105.0	101.5	102.3	103.6	104.0	102.5	104.6	104.6	106.8	108.4	107.7	107.3	105.2	....	
53 Converted fuel materials	4.12	90.3	88.9	88.7	91.4	91.0	92.5	94.1	92.2	92.7	92.6	90.7	90.7	92.5	....	

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value¹—Continued

Groups	SIC code	1977 proportion	1987 avg.	1987												1988		
				Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec. ^a	Jan.	Feb. ^b	Mar. ^c		
Index (1977 = 100)																		
MAJOR INDUSTRY																		
1 Mining and utilities.....	.....	15.79	104.3	101.9	101.4	103.1	103.0	103.7	105.4	105.4	106.8	107.9	107.3	107.5	107.1	106.9	
2 Mining.....	.....	9.83	100.7	98.3	98.6	99.2	99.2	99.2	100.9	101.9	103.6	104.6	104.6	102.9	101.9	102.3	
3 Utilities.....	.....	5.96	110.3	107.9	106.0	109.6	109.4	111.2	112.9	111.2	112.1	113.2	111.7	115.2	115.8	114.4	
4 Manufacturing.....	.....	84.21	134.6	132.4	132.4	133.2	134.0	135.6	135.9	135.7	137.3	137.9	138.9	139.5	139.5	139.8	
5 Nondurable.....	.....	35.11	136.7	133.7	134.6	135.7	136.9	138.5	138.8	138.6	138.1	139.6	141.3	141.9	141.8	141.9	
6 Durable.....	.....	49.10	133.1	131.5	130.9	131.4	132.0	133.5	133.8	133.7	136.8	136.7	137.3	137.7	137.9	138.3	
Mining																		
7 Metal.....	10	.50	77.5	71.2	65.7	71.7	70.7	71.4	79.3	86.5	85.6	90.4	96.5	91.5	.....	.....
8 Coal.....	11.12	1.60	131.8	122.3	121.9	127.2	128.8	127.9	130.5	133.3	140.3	142.9	140.6	140.2	133.7	131.0		
9 Oil and gas extraction.....	13	7.07	92.7	92.4	93.1	92.1	91.8	91.8	93.0	93.3	94.1	94.2	94.1	92.5	92.4	93.5		
10 Stone and earth minerals.....	14	.66	128.2	123.8	125.4	127.6	128.5	130.7	130.3	130.0	131.0	134.1	135.6	132.2	133.4	.....	
Nondurable manufactures																		
11 Foods.....	20	7.96	137.7	137.3	136.0	137.4	137.7	138.5	138.8	139.5	138.0	138.9	140.1	141.2	142.0	.....	
12 Tobacco products.....	21	.62	103.4	101.1	99.6	106.6	107.0	.....	110.4	101.7	103.7	106.5	110.5	107.0	.....	.....
13 Textile mill products.....	22	2.29	115.8	112.6	116.6	115.7	117.2	118.3	119.8	118.2	116.8	117.3	118.2	116.2	116.0	.....	
14 Apparel products.....	23	2.79	107.4	105.4	105.3	106.4	107.7	109.7	108.4	107.6	108.0	109.4	107.8	108.8	.....	.....
15 Paper and products.....	26	3.15	144.4	139.9	140.5	141.3	142.6	148.8	148.9	147.4	146.0	148.3	150.6	149.7	148.1	.....	
16 Printing and publishing.....	27	4.54	172.0	167.6	169.2	171.4	174.1	174.0	174.7	174.9	175.2	175.7	176.9	179.2	180.7	181.4		
17 Chemicals and products.....	28	8.05	140.1	135.3	137.3	138.1	139.3	140.8	142.3	142.4	141.5	144.4	147.9	148.9	148.0	.....	
18 Petroleum products.....	29	2.40	93.5	92.1	94.0	92.6	92.3	94.1	92.9	93.5	94.6	93.3	96.1	96.3	96.6	97.8		
19 Rubber and plastic products.....	30	2.80	163.6	158.6	160.5	162.2	165.4	167.2	164.8	165.2	166.7	169.9	170.6	170.3	170.7	.....	
20 Leather and products.....	31	.53	60.0	59.4	60.2	61.4	60.8	59.2	61.3	60.7	59.6	60.7	57.5	58.3	58.9	.....	
Durable manufactures																		
21 Lumber and products.....	24	2.30	130.3	128.9	127.8	130.3	131.1	132.8	131.1	126.9	129.8	134.0	133.6	136.1	135.5	.....	
22 Furniture and fixtures.....	25	1.27	152.8	149.9	148.2	150.5	153.9	156.2	155.2	155.9	156.0	158.5	159.4	157.4	156.1	.....	
23 Clay, glass, stone products.....	32	2.72	119.1	119.8	120.6	117.2	117.9	118.8	116.5	118.6	118.9	120.5	120.1	120.2	120.8	.....	
24 Primary metals.....	33	5.33	81.5	77.0	76.1	77.0	78.8	81.4	85.1	84.5	90.6	90.2	90.6	86.6	85.6	85.9		
25 Iron and steel.....	331.2	3.49	70.8	65.4	65.0	65.7	68.3	70.9	76.0	74.6	82.0	79.7	81.9	77.9	75.7	.....	
26 Fabricated metal products.....	34	6.46	111.0	110.5	109.9	108.5	111.1	111.1	110.1	111.1	113.5	113.6	115.8	117.2	117.9	118.2		
27 Nonelectrical machinery.....	35	9.54	152.7	148.5	150.4	149.7	151.8	155.3	154.3	156.6	158.0	157.2	161.0	162.5	162.7	164.0		
28 Electrical machinery.....	36	7.15	172.3	168.5	168.4	171.1	170.5	172.5	174.3	173.4	175.5	175.6	175.9	177.0	177.8	177.9		
29 Transportation equipment.....	37	9.13	129.2	132.2	127.8	129.4	126.5	127.6	128.1	125.5	132.0	130.4	128.1	128.6	128.4	129.9		
30 Motor vehicles and parts.....	371	5.25	111.8	116.5	109.8	112.0	107.4	109.4	109.1	105.6	116.0	114.0	110.2	109.7	109.1	112.8		
31 Aerospace and miscellaneous transportation equipment.....	372-6.9	3.87	152.8	153.4	152.3	153.1	152.4	152.3	153.9	152.5	153.7	152.7	152.4	154.2	154.6	153.2		
32 Instruments.....	38	2.66	143.9	140.3	142.8	142.1	144.5	143.8	146.3	145.6	146.7	147.8	145.5	148.7	149.3	149.1		
33 Miscellaneous manufactures.....	39	1.46	102.6	103.9	101.4	101.9	101.2	100.5	102.2	102.1	104.6	104.5	105.6	104.0	105.0	.....	
Utilities																		
34 Electric.....	.....	4.17	126.6	123.6	122.3	128.8	128.8	131.0	132.0	127.5	126.8	127.5	125.6	130.3	131.2	.....	
Gross value (billions of 1982 dollars, annual rates)																		
MAJOR MARKET																		
35 Products, total.....	.....	517.5	1,735.8	1,725.2	1,710.0	1,723.0	1,720.4	1,732.5	1,741.7	1,735.9	1,774.1	1,772.4	1,778.8	1,791.6	1,793.6	1,803.9	
36 Final.....	.....	405.7	1,333.8	1,330.3	1,316.5	1,324.7	1,320.1	1,326.6	1,334.9	1,330.3	1,360.9	1,359.9	1,359.4	1,375.8	1,381.2	1,388.8	
37 Consumer goods.....	.....	272.7	866.0	868.1	857.1	862.8	855.1	863.2	866.4	856.9	876.6	879.8	881.2	894.4	896.5	899.6	
38 Equipment.....	.....	133.0	467.8	462.2	459.4	461.9	465.0	463.5	468.5	473.4	484.4	480.1	478.2	481.5	484.7	489.2	
39 Intermediate.....	.....	111.9	402.0	394.9	393.6	398.4	400.3	405.9	406.8	405.6	413.2	412.5	419.4	415.7	412.4	415.0	

1. These data also appear in the Board's G.12.3 (414) release. For address, see inside front cover.

A major revision of the industrial production index and the capacity utilization rates was released in July 1985. See "A Revision of the Index of

Industrial Production" and accompanying tables that contain revised indexes (1977=100) through December 1984 in the FEDERAL RESERVE BULLETIN, vol. 71 (July 1985), pp. 487-501. The revised indexes for January through June 1985 were shown in the September BULLETIN.

2.14 HOUSING AND CONSTRUCTION

Monthly figures are at seasonally adjusted annual rates except as noted.

Item	1985	1986	1987	1987								1988	
				May	June	July	Aug.	Sept.	Oct.	Nov.	Dec. ^r	Jan. ^r	Feb.
Private residential real estate activity (thousands of units)													
New Units													
1 Permits authorized	1,733	1,750	1,524	1,493	1,517	1,487	1,502	1,502	1,463	1,469	1,361	1,257	1,422
2 1-family	957	1,071	1,030	1,009	1,039	993	1,023	992	977	983	974	920	1,003
3 2-or-more-family	777	679	495	484	478	494	479	510	486	486	387	337	419
4 Started	1,742	1,805	1,621	1,599	1,583	1,594	1,583	1,679	1,538	1,661	1,399	1,382	1,514
5 1-family	1,072	1,179	1,146	1,125	1,086	1,142	1,109	1,211	1,105	1,129	1,035	1,016	1,106
6 2-or-more-family	669	626	474	474	497	452	474	468	433	532	364	366	408
7 Under construction, end of period ¹ ..	1,063	1,074	987 ^r	1,069	1,060	1,052	1,044	1,046	1,044	1,042	1,016	1,007	986
8 1-family	539	583	591 ^r	626	622	621	621	627	627	625	618	615	602
9 2-or-more-family	524	490	397 ^r	443	438	431	423	419	417	417	398	392	384
10 Completed	1,703	1,756	1,669 ^r	1,687	1,612	1,680	1,633	1,591	1,565	1,571	1,624	1,532	1,425
11 1-family	1,072	1,120	1,123 ^r	1,178	1,111	1,112	1,069	1,100	1,114	1,088	1,104	1,086	1,016
12 2-or-more-family	631	637	546 ^r	509	501	568	564	491	451	483	520	446	409
13 Mobile homes shipped	284	244	233	224	234	243	234	240	234	222	227	200	208
Merchant builder activity in 1-family units													
14 Number sold	688	748	672	649	640	672	673	644	653	625	582	522	628
15 Number for sale, end of period ¹	350	361	370	356	359	359	361	361	360	362	365	369	365
Price (thousands of dollars) ²													
16 Median Units sold	84.3	92.2	104.5	104.9	109.0	105.0	106.8	106.5	106.5	117.0	110.0	118.0	110.8
17 Average Units sold	101.0	112.2	127.9	126.6	135.8	128.6	128.5	133.5	125.8	139.2	135.5	145.7	139.0
Existing Units (1-family)													
18 Number sold	3,217	3,566	3,530	3,740	3,580	3,470	3,410	3,430	3,470	3,370	3,330	3,170	3,250
Price of units sold (thousands of dollars) ²													
19 Median	75.4	80.3	85.6	86.0	85.9	88.3	86.5	85.5	84.6	85.0	85.4	87.4	88.1
20 Average	90.6	98.3	106.2	107.5	107.1	109.8	107.0	106.9	106.1	106.6	107.1	108.7	110.4
Value of new construction ³ (millions of dollars)													
Construction													
21 Total put in place	355,995	388,815	398,189 ^r	396,680	397,191	398,465	402,872	402,782	398,930 ^r	403,963 ^r	403,884	392,525	391,474
22 Private	291,665	316,589	322,948 ^r	321,414	324,256	323,847	329,831	324,857	322,213 ^r	327,020 ^r	326,272	318,094	316,777
23 Residential	158,475	187,147	190,508 ^r	195,871	200,864	198,005	200,241	196,969	194,521 ^r	193,731 ^r	194,535	190,126	188,091
24 Nonresidential, total	133,190	129,442	132,440 ^r	125,543	123,392	125,842	129,590	127,888	127,692 ^r	133,289 ^r	131,737	127,968	128,686
Buildings													
25 Industrial	15,769	13,747	13,095	13,376	13,023	13,005	13,659	14,387	13,536 ^r	14,336 ^r	13,579	13,248	13,510
26 Commercial	59,629	56,762	53,201	53,224	51,831	52,537	54,055	52,800	53,912 ^r	57,683 ^r	54,982	54,257	53,550
27 Other	12,619	13,216	15,254	14,926	14,769	15,317	14,888	15,079	15,593 ^r	16,158 ^r	17,321	16,510	18,846
28 Public utilities and other	45,173 ^r	45,717 ^r	44,728	44,017	43,769	44,983	46,988	45,622	44,651 ^r	45,112 ^r	45,855	43,953	42,780
29 Public	64,326	72,225	75,239 ^r	75,266	72,935	74,618	73,041	77,924	76,716 ^r	76,943 ^r	77,613	74,431	74,696
30 Military	3,283	3,919	4,204	4,397	4,352	5,009	4,193	6,083	4,308	4,738	3,164	4,634	4,411
31 Highway	21,756	23,360	23,248	22,607	21,704	22,441	22,005	23,489	24,993 ^r	24,713	25,792	24,605	24,744
32 Conservation and development	4,746	4,668	5,142 ^r	4,839	5,498	5,328	5,127	4,978	5,445 ^r	4,725 ^r	5,565	3,983	3,844
33 Other	34,541	40,278	42,645	43,423	41,381	41,840	41,716	43,374	41,970 ^r	42,767 ^r	43,092	41,209	41,697

1. Not at annual rates.

2. Not seasonally adjusted.

3. Value of new construction data in recent periods may not be strictly comparable with data in prior periods because of changes by the Bureau of the Census in its estimating techniques. For a description of these changes see *Construction Reports (C-30-76-5)*, issued by the Bureau in July 1976.

NOTE. Census Bureau estimates for all series except (1) mobile homes, which are private, domestic shipments as reported by the Manufactured Housing Institute and seasonally adjusted by the Census Bureau, and (2) sales and prices of existing units, which are published by the National Association of Realtors. All back and current figures are available from the originating agency. Permit authorizations are those reported to the Census Bureau from 16,000 jurisdictions beginning with 1978.

2.15 CONSUMER AND PRODUCER PRICES

Percentage changes based on seasonally adjusted data, except as noted

Item	Change from 12 months earlier		Change from 3 months earlier (at annual rate)				Change from 1 month earlier					Index level Mar. 1988 (1982 = 100) ¹
	1987 Mar.	1988 Mar.	1987			1988	1987		1988			
			June	Sept.	Dec.	Mar.	Nov.	Dec.	Jan.	Feb.	Mar.	
CONSUMER PRICES ²												
1 All items	3.0	3.9	4.3	3.9	3.2	4.2	.3	.2	.3	.2	.5	116.5
2 Food	4.7	3.0	5.8	2.1	2.8	1.4	.1	.4	.3	-.3	.3	115.9
3 Energy items	-5.6	.8	6.6	6.0	-3.9	-4.9	.3	-.8	-.7	-.6	.0	86.5
4 All items less food and energy	4.0	4.4	3.8	3.8	4.4	5.4	.3	.2	.5	.2	.6	121.9
5 Commodities	2.4	3.5	3.7	2.9	2.5	4.7	.4	-.2	.4	.1	.7	114.6
6 Services	4.8	4.8	4.4	4.3	5.0	5.9	.2	.4	.6	.4	.5	126.1
PRODUCER PRICES												
7 Finished goods	1.7	1.8	3.5	3.8	-2.6	3.1	.1 ^r	-.5 ^r	.4	-.2	.6	106.2
8 Consumer foods	3.1	1.8	9.6	-1.8	-5.7	5.6	.1 ^r	-1.3 ^r	1.7	-1.1	.7	110.0
9 Consumer energy	-10.5	-3.5	2.0	16.5	-12.5	-16.9	-.8	-1.6 ^r	-4.5	-.8	.9	58.1
10 Other consumer goods	2.9	3.4	1.8	4.6	1.4	5.7	.1 ^r	.3	.6	.3	.4	117.0
11 Capital equipment	2.0	1.9	1.1	4.0	-.7	3.2	.1	.2	.2	.2	.4	113.2
12 Intermediate materials ³	-.1	4.9	5.3	5.6	4.8	3.5	.4 ^r	.3 ^r	.3	.0	.6	104.8
13 Excluding energy	1.1	6.2	4.2	5.3	7.6	7.4	.5	.5	.9	.2	.7	112.8
Crude materials												
14 Foods	2.3	7.6	25.2	-4.8	-5.2	17.2	-2.5 ^r	.6 ^r	.9	2.3	.8	99.7
15 Energy	-4.0	-6.5	11.3	5.9	-15.7	-23.2	-.9 ^r	-1.6 ^r	-3.8	-.3	-2.4	68.8
16 Other	2.6	24.3	27.2	39.4	16.9	14.8	.7 ^r	.2 ^r	1.3	.8	1.4	132.8

1. Not seasonally adjusted.

2. Figures for consumer prices are those for all urban consumers and reflect a rental equivalence measure of homeownership after 1982.

3. Excludes intermediate materials for food manufacturing and manufactured animal feeds.

SOURCE: Bureau of Labor Statistics.

2.16 GROSS NATIONAL PRODUCT AND INCOME

Billions of current dollars except as noted; quarterly data are at seasonally adjusted annual rates.

Account	1985	1986	1987	1987				1988
				Q1	Q2	Q3	Q4	Q1
GROSS NATIONAL PRODUCT								
1 Total	4,010.3	4,235.0	4,488.5	4,377.7	4,445.1	4,524.0	4,607.4	4,660.9
By source								
2 Personal consumption expenditures	2,629.4	2,799.8	2,967.8	2,893.8	2,943.7	3,011.3	3,022.6	3,068.7
3 Durable goods	368.7	402.4	413.7	396.1	409.0	436.8	413.0	425.7
4 Nondurable goods	913.1	939.4	982.9	969.9	982.1	986.4	993.1	993.9
5 Services	1,347.5	1,458.0	1,571.2	1,527.7	1,552.6	1,588.1	1,616.5	1,649.0
6 Gross private domestic investment	641.6	671.0	717.5	699.9	702.6	707.4	760.2	761.9
7 Fixed investment	631.6	655.2	671.5	648.2	662.3	684.5	690.8	704.9
8 Nonresidential	442.6	436.9	443.4	422.8	434.6	456.6	459.6	477.2
9 Structures	152.5	137.4	134.2	128.7	129.7	137.1	141.1	140.4
10 Producers' durable equipment	290.1	299.5	309.2	294.1	304.9	319.5	318.5	336.8
11 Residential structures	189.0	218.3	228.1	225.4	227.7	227.9	231.2	227.8
12 Change in business inventories	10.0	15.7	46.1	51.6	40.3	22.9	69.4	57.0
13 Nonfarm	13.6	16.8	36.2	48.7	27.3	11.1	57.5	37.7
14 Net exports of goods and services	-79.2	-105.5	-119.6	-112.2	-118.4	-123.7	-124.3	-115.4
15 Exports	369.9	376.2	427.8	397.3	416.5	439.2	458.1	470.6
16 Imports	449.2	481.7	547.4	509.5	534.8	562.9	582.4	586.0
17 Government purchases of goods and services	818.6	869.7	922.8	896.2	917.1	929.0	948.8	945.6
18 Federal	353.9	366.2	379.4	366.9	379.6	382.1	388.9	376.8
19 State and local	464.7	503.5	543.4	529.3	537.6	546.9	559.9	568.9
By major type of product								
20 Final sales, total	4,000.3	4,219.3	4,442.5	4,326.0	4,404.8	4,501.1	4,537.9	4,603.9
21 Goods	1,637.9	1,693.8	1,782.2	1,738.7	1,763.5	1,798.3	1,828.4	1,844.7
22 Durable	704.3	726.8	773.3	747.0	756.7	785.7	803.8	818.1
23 Nondurable	933.6	967.0	1,008.9	991.7	1,006.8	1,012.6	1,024.6	1,026.6
24 Services	1,969.2	2,116.2	2,271.2	2,212.0	2,252.2	2,289.3	2,331.5	2,375.9
25 Structures	403.1	425.0	435.0	426.9	429.4	436.4	447.5	440.2
26 Change in business inventories	10.0	15.7	46.1	51.6	40.3	22.9	69.4	57.0
27 Durable goods	7.3	4.8	25.3	35.2	22.1	-1.9	46.0	23.4
28 Nondurable goods	2.7	10.9	20.7	16.5	18.2	24.8	23.4	33.6
MEMO								
Total GNP in 1982 dollars	3,607.5	3,713.3	3,821.0	3,772.2	3,795.3	3,835.9	3,880.8	3,902.6
NATIONAL INCOME								
30 Total	3,229.9	3,422.0	3,636.0 ¹	3,548.3	3,593.3	3,659.0	3,743.5 ¹	n.a.
31 Compensation of employees	2,370.8	2,504.9	2,647.6	2,589.9	2,623.4	2,663.5	2,713.5	2,762.4
32 Wages and salaries	1,974.7	2,089.1	2,212.7	2,163.3	2,191.4	2,226.5	2,269.9	2,306.5
33 Government and government enterprises	372.3	394.8	421.4	412.2	418.1	424.5	430.9	439.1
34 Other	1,602.6	1,694.3	1,791.3	1,751.1	1,773.3	1,801.9	1,839.0	1,867.4
35 Supplement to wages and salaries	396.1	415.8	434.8	426.6	432.0	437.0	443.6	455.9
36 Employer contributions for social insurance	203.8	214.7	224.6	220.0	222.5	225.9	230.1	240.5
37 Other labor income	192.3	201.1	210.2	206.7	209.5	211.1	213.5	215.4
38 Proprietors' income ¹	257.3	289.8	327.4	320.9	323.1	322.7	342.7	336.7
39 Business and professional ¹	227.6	252.6	279.0	269.7	275.8	282.1	288.4	292.6
40 Farm ¹	29.7	37.2	48.4	51.3	47.3	40.6	54.3	44.1
41 Rental income of persons ²	9.0	16.7	19.3	20.0	18.9	17.3	20.9	21.1
42 Corporate profits ¹	277.6	284.4	304.7 ¹	294.0	296.8	314.9	313.0 ¹	n.a.
43 Profits before tax	224.8	231.9	274.1 ¹	257.0	268.7	284.9	285.6 ¹	n.a.
44 Inventory valuation adjustment	-7	6.5	-17.5	-11.3	-20.0	-17.6	-21.3	-15.9
45 Capital consumption adjustment	53.5	46.0	48.2	48.2	48.0	47.7	48.7	45.9
46 Net interest	315.3	326.1	337.1	323.6	331.1	340.6	353.3	356.2

1. With inventory valuation and capital consumption adjustments.
 2. With capital consumption adjustment.

3. For after-tax profits, dividends, and the like, see table 1.48.
 SOURCE: Survey of Current Business (Department of Commerce).

2.17 PERSONAL INCOME AND SAVING

Billions of current dollars; quarterly data are at seasonally adjusted annual rates. Exceptions noted.

Account	1985	1986	1987	1987				1988
				Q1	Q2	Q3	Q4	Q1
PERSONAL INCOME AND SAVING								
1 Total personal income	3,327.0	3,534.3	3,746.5	3,662.0	3,708.6	3,761.0	3,854.4	3,897.2
2 Wage and salary disbursements	1,974.9	2,089.1	2,212.7	2,163.3	2,191.4	2,226.1	2,270.2	2,306.5
3 Commodity-producing industries	609.2	623.3	641.1	632.9	635.0	641.8	654.7	661.6
4 Manufacturing	460.9	470.5	484.0	477.2	479.0	485.1	494.7	499.8
5 Distributive industries	473.0	497.1	522.9	511.5	518.9	526.3	535.0	542.9
6 Service industries	520.4	573.9	627.3	606.7	619.3	633.9	649.3	662.9
7 Government and government enterprises	372.3	394.8	421.4	412.2	418.1	424.2	431.2	439.1
8 Other labor income	192.3	201.1	210.2	206.7	209.5	211.1	213.5	215.4
9 Proprietors' income ¹	257.3	289.8	327.4	320.9	323.1	322.7	342.7	336.7
10 Business and professional ¹	227.6	252.6	279.0	269.7	275.8	282.1	288.4	292.6
11 Farm ¹	29.7	37.2	48.4	51.3	47.3	40.6	54.3	44.1
12 Rental income of persons ²	9.0	16.7	19.3	20.0	18.9	17.3	20.9	21.1
13 Dividends	76.3	81.2	87.5	84.5	86.3	88.7	90.5	92.1
14 Personal interest income	476.5	497.6	516.2	499.8	506.3	520.0	538.8	545.8
15 Transfer payments	489.7	518.3	543.1	533.7	541.5	545.8	551.4	569.0
16 Old-age survivors, disability, and health insurance benefits	253.4	269.2	282.8	278.0	282.3	284.4	286.5	297.8
17 LESS: Personal contributions for social insurance	148.9	159.6	169.9	166.7	168.4	170.7	173.6	189.4
18 EQUALS: Personal income	3,327.0	3,534.3	3,746.5	3,662.0	3,708.6	3,761.0	3,854.4	3,897.2
19 LESS: Personal tax and nontax payments	485.9	512.2	564.8	536.1	578.0	565.7	579.4	577.0
20 EQUALS: Disposable personal income	2,841.1	3,022.1	3,181.7	3,125.9	3,130.6	3,195.3	3,275.0	3,320.2
21 LESS: Personal outlays	2,714.1	2,891.5	3,062.7	2,987.5	3,037.4	3,106.5	3,119.3	3,167.1
22 EQUALS: Personal saving	127.1	130.6	119.0	138.4	93.2	88.8	155.7	153.1
MEMO								
Per capita (1982 dollars)								
23 Gross national product	15,073.7	15,369.6	15,672.6	15,523.4	15,586.4	15,714.4	15,859.4	15,909.5
24 Personal consumption expenditures	9,830.2	10,142.8	10,242.8	10,188.9	10,215.6	10,326.5	10,235.4	10,306.5
25 Disposable personal income	10,622.0	10,947.0	10,980.0	11,008.0	10,865.0	10,958.0	11,090.0	11,151.0
26 Saving rate (percent)	4.5	4.3	3.7	4.4	3.0	2.8	4.8	4.6
GROSS SAVING								
27 Gross saving	531.3	532.0	565.2 ¹	554.3	551.3	559.3	595.9 ¹	n.a.
28 Gross private saving	664.2	679.8	672.6 ¹	683.8	639.9	648.7	718.2 ¹	n.a.
29 Personal saving	127.1	130.6	119.0	138.4	93.2	88.8	155.7	153.1
30 Undistributed corporate profits ¹	99.6	92.6	74.6 ¹	75.6	70.1	76.8	75.7 ¹	n.a.
31 Corporate inventory valuation adjustment	-7	6.5	-17.5	-11.3	-20.0	-17.6	-21.3	-15.9
Capital consumption allowances								
32 Corporate	269.1	282.8	296.2	291.8	294.5	297.8	300.9	304.4
33 Noncorporate	168.5	173.8	182.8	178.0	182.1	185.3	186.0	188.5
34 Government surplus, or deficit (-), national income and product accounts	-132.9	-147.8	-107.4 ¹	-129.5	-88.6	-89.3	-122.3 ¹	n.a.
35 Federal	-196.0	-204.7	-151.4 ¹	-170.5	-139.2	-135.8	-160.2 ¹	n.a.
36 State and local	63.1	56.8	44.0 ¹	41.0	50.6	46.5	37.9 ¹	n.a.
37 Gross investment	525.7	527.1	560.6	552.1	548.1	548.4	593.8	609.4
38 Gross private domestic	641.6	671.0	717.5	699.9	702.6	707.4	760.2	761.9
39 Net foreign	-115.9	-143.9	-156.9	-147.7	-154.5	-159.0	-166.4	-152.6
40 Statistical discrepancy	-5.6	-4.9	-4.6 ¹	-2.2	-3.1	-10.9	-2.1 ¹	-2.1

1. With inventory valuation and capital consumption adjustments.
2. With capital consumption adjustment.

SOURCE: Survey of Current Business (Department of Commerce).

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars; quarterly data are seasonally adjusted except as noted.¹

Item credits or debits	1985	1986	1987	1986	1987				
				Q4	Q1	Q2	Q3	Q4 ^P	
1 Balance on current account	-116,394	-141,352	-160,682	-37,977	-36,909	-41,338	-43,442	-38,993	
2 Not seasonally adjusted				-36,398	-33,435	-42,028	-48,317	-36,902	
3 Merchandise trade balance	-122,148	-144,339	-159,201	-38,595	-38,920	-39,742	-40,365	-40,174	
4 Merchandise exports	215,935	224,361	250,814	57,021	56,769	59,875	65,110	69,060	
5 Merchandise imports	-338,083	-368,700	-410,015	-95,616	-95,689	-99,617	-105,475	-109,234	
6 Military transactions, net	-3,338	-3,662	-2,078	-495	-37	29	-735	-1,335	
7 Investment income, net ¹	25,398	20,844	14,483	4,492	5,513	1,589	294	7,088	
8 Other service transactions, net	-1,005	1,463	-418	759	-390	-150	289	-168	
9 Remittances, pensions, and other transfers	-4,079	-3,885	-3,526	-1,151	-989	-837	-833	-868	
10 U.S. government grants (excluding military)	-11,222	-11,772	-9,942	-2,987	-2,086	-2,227	-2,092	-3,536	
11 Change in U.S. government assets, other than official reserve assets, net (increase, -)	-2,831	-1,920	1,219	15	225	-177	355	816	
12 Change in U.S. official reserve assets (increase, -)	-3,858	312	9,150	132	1,956	3,419	32	3,743	
13 Gold	0	0	0	0	0	0	0	0	
14 Special drawing rights (SDRs)	-897	-246	-509	-31	76	-171	-210	-203	
15 Reserve position in International Monetary Fund	908	1,500	2,070	283	606	335	407	722	
16 Foreign currencies	-3,869	-942	7,590	-120	1,274	3,255	-165	3,226	
17 Change in U.S. private assets abroad (increase, -) ³	-24,711	-94,374	-74,166	-32,351	13,170	-18,320	-27,559	-41,457	
18 Bank-reported claims	-1,323	-59,039	-33,431	-31,800	25,686	-15,685	-20,107	-23,325	
19 Nonbank-reported claims	1,361	-3,986		170	-1,163	2,603	-327		
20 U.S. purchase of foreign securities, net	-7,481	-3,302	-3,654	3,113	-1,345	384	-923	-1,770	
21 U.S. direct investments abroad, net ⁴	-17,268	-28,047	-38,194	-3,834	-10,008	-5,622	-6,202	-16,362	
22 Change in foreign official assets in the United States (increase, +)	-1,140	34,698	44,289	1,003	13,953	10,070	363	19,904	
23 U.S. Treasury securities	-838	34,515	43,301	4,572	12,145	11,084	860	19,212	
24 Other U.S. government obligations	-301	-1,214	1,570	-117	-62	256	714	662	
25 Other U.S. government liabilities	823	1,723	-3,227	-607	-1,381	-1,504	-377	35	
26 Other U.S. liabilities reported by U.S. banks	645	554	3,705	-2,435	3,611	547	-211	-242	
27 Other foreign official assets ⁵	-1,469	-880	-1,060	-410	-360	-313	-624	237	
28 Change in foreign private assets in the United States (increase, +) ³	131,012	178,689	158,296	57,428	12,802	39,494	67,026	38,974	
29 U.S. bank-reported liabilities	41,045	77,350	77,857	34,604	-13,614	14,823	44,358	32,290	
30 U.S. nonbank-reported liabilities	-450	-2,791		1,035	1,761	1,526	525		
31 Foreign private purchases of U.S. Treasury securities, net	20,433	8,275	-6,088	-3,074	-1,570	-2,211	-2,855	548	
32 Foreign purchases of other U.S. securities, net	50,962	70,802	42,134	12,269	18,499	15,870	12,693	-4,928	
33 Foreign direct investments in the United States, net ⁵	19,022	25,053	40,581	12,594	7,726	9,486	12,305	11,064	
34 Allocation of SDRs	0	0	0	0	0	0	0	0	
35 Discrepancy	17,920	23,947	21,892	11,750	-5,197	6,852	3,226	17,013	
36 Owing to seasonal adjustments				3,904	2,959	-1,700	-4,833	3,577	
37 Statistical discrepancy in recorded data before seasonal adjustment	17,920	23,947	21,892	7,846	-8,156	8,552	8,059	13,437	
MEMO									
38 Changes in official assets									
U.S. official reserve assets (increase, -)	-3,858	312	9,150	132	1,956	3,419	32	3,743	
39 Foreign official assets in the United States (increase, +) excluding line 25	-1,963	32,975	47,516	1,610	15,334	11,574	739	19,869	
40 Change in Organization of Petroleum Exporting Countries official assets in the United States (part of line 22 above)	-6,709	-8,508	-10,006	-5,195	-2,901	-2,651	-1,721	-2,733	
41 Transfers under military grant programs (excluded from lines 4, 6, and 10 above)	46	101	94	53	8	26	13	47	

1. Seasonal factors are not calculated for lines 6, 10, 12-16, 18-20, 22-34, and 38-41.

2. Data are on an international accounts (IA) basis. Differs from the Census basis data, shown in table 3.11, for reasons of coverage and timing. Military exports are excluded from merchandise data and are included in line 6.

3. Includes reinvested earnings.

4. Primarily associated with military sales contracts and other transactions arranged with or through foreign official agencies.

5. Consists of investments in U.S. corporate stocks and in debt securities of private corporations and state and local governments.

NOTE. Data are from Bureau of Economic Analysis, *Survey of Current Business* (Department of Commerce).

3.11 U.S. FOREIGN TRADE¹

Millions of dollars; monthly data are not seasonally adjusted.

Item	1985	1986	1987	1987					1988	
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
1 EXPORTS of domestic and foreign merchandise excluding grant-aid shipments, f.a.s. value.....	218,815	226,808	252,866	20,222	20,986	21,752	23,799	24,801	22,330	23,559
2 GENERAL IMPORTS including merchandise for immediate consumption plus entries into bonded warehouses, c.i.f. value....	352,463	382,964	424,082	35,905	35,062	39,383	37,016	37,003	34,767	37,387
3 Trade balance	-133,648	-156,156	-171,217	-15,683	-14,076	-17,631	-13,218	-12,202	-12,437	-13,828

1. The Census basis data differ from merchandise trade data shown in table 3.10, U.S. International Transactions Summary, for reasons of coverage and timing. On the *export side*, the largest adjustment is the exclusion of military sales (which are combined with other military transactions and reported separately in the "service account" in table 3.10, line 6). On the *import side*, additions are made for gold, ship purchases, imports of electricity from Canada, and other transac-

tions; military payments are excluded and shown separately as indicated above. As of Jan. 1, 1987 census data are released 45 days after the end of the month. Total exports and the trade balance reflect adjustments for undocumented exports to Canada.

SOURCE: FT900 "Summary of U.S. Export and Import Merchandise Trade" (Department of Commerce, Bureau of the Census).

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Type	1984	1985	1986	1987				1988		
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
1 Total	34,934	43,186	48,511	45,070	46,200	46,779	45,798	42,955	43,064	43,186
2 Gold stock, including Exchange Stabilization Fund ¹	11,096	11,090	11,064	11,075	11,085	11,082	11,078	11,068	11,063	11,063
3 Special drawing rights ^{2,3}	5,641	7,293	8,395	9,078	9,373	9,937	10,283	9,765	9,761	9,899
4 Reserve position in International Monetary Fund ⁴	11,541	11,947	11,730	10,918	11,157	11,369	11,349	10,804	10,445	10,645
5 Foreign currencies ⁴	6,656	12,856	17,322	13,999	14,585	14,391	13,088	11,318	11,795	11,579

1. Gold held under earmark at Federal Reserve Banks for foreign and international accounts is not included in the gold stock of the United States; see table 3.13. Gold stock is valued at \$42.22 per fine troy ounce.

2. Beginning July 1974, the IMF adopted a technique for valuing the SDR based on a weighted average of exchange rates for the currencies of member countries. From July 1974 through December 1980, 16 currencies were used; from January 1981, 5 currencies have been used. The U.S. SDR holdings and reserve position

in the IMF also are valued on this basis beginning July 1974.

3. Includes allocations by the International Monetary Fund of SDRs as follows: \$867 million on Jan. 1, 1970; \$717 million on Jan. 1, 1971; \$710 million on Jan. 1, 1972; \$1,139 million on Jan. 1, 1979; \$1,152 million on Jan. 1, 1980; and \$1,093 million on Jan. 1, 1981; plus transactions in SDRs.

4. Valued at current market exchange rates.

3.13 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS¹

Millions of dollars, end of period

Assets	1984	1985	1986	1987				1988		
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
1 Deposits	267	480	287	456	236	351	244	355	343	534
Assets held in custody ²										
2 U.S. Treasury securities	118,000	121,004	155,835	179,097	182,072	187,767	195,126	206,675	215,308	175,554
3 Earmarked gold ³	14,242	14,245	14,048	14,015	13,998	13,965	13,919	13,882	13,824	13,773

1. Excludes deposits and U.S. Treasury securities held for international and regional organizations.

2. Marketable U.S. Treasury bills, notes, and bonds; and nonmarketable U.S. Treasury securities payable in dollars and in foreign currencies.

3. Earmarked gold and the gold stock are valued at \$42.22 per fine troy ounce. Earmarked gold is gold held for foreign and international accounts and is not included in the gold stock of the United States.

3.14 FOREIGN BRANCHES OF U.S. BANKS Balance Sheet Data¹

Millions of dollars, end of period

Asset account	1984	1985	1986	1987					1988	
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb. ^a
All foreign countries										
1 Total, all currencies	453,656	458,012	456,628	473,540	490,367 ^r	521,587 ^r	525,696 ^r	518,906 ^r	503,500	495,107
2 Claims on United States	113,393	119,706	114,563	124,737	137,468 ^r	138,221	140,439	138,132	131,376	131,062
3 Parent bank	78,109	87,201	83,492	89,958	101,885 ^r	99,450	102,814	105,943	95,482	94,348
4 Other banks in United States	13,664	13,057	13,685	14,739	15,949	17,826	16,701	16,416	14,910	15,396
5 Nonbanks	21,620	19,448	17,386	20,040	19,634	20,945	20,924	15,773	20,984	21,318
6 Claims on foreigners	320,162	315,676	312,955	314,727	319,761 ^r	347,493 ^r	346,660 ^r	342,253 ^r	333,957	326,181
7 Other branches of parent bank	95,184	91,399	96,281	97,988	103,281 ^r	116,556 ^r	116,509 ^r	122,057	115,249	111,594
8 Banks	100,397	102,960	105,237	108,068	108,482 ^r	118,240 ^r	115,587 ^r	108,843 ^r	108,176	105,580
9 Public borrowers	23,343	23,478	23,706	21,537	21,592 ^r	22,094 ^r	22,303 ^r	21,741 ^r	21,280	21,243
10 Nonbank foreigners	101,238	97,839	87,731	87,134	86,406 ^r	90,603 ^r	92,261 ^r	89,612 ^r	89,252	87,764
11 Other assets	20,101	22,630	29,110	34,076	33,138 ^r	35,873 ^r	38,597 ^r	38,521 ^r	38,167	37,864
12 Total payable in U.S. dollars	350,636	336,520	317,487	322,286	340,917 ^r	354,504 ^r	353,024 ^r	350,550 ^r	335,606	331,067
13 Claims on United States	111,426	116,638	110,620	118,964	131,934 ^r	131,659	133,731	132,121	124,820	124,836
14 Parent bank	77,229	85,971	82,082	87,844	100,026 ^r	97,257	100,123	103,349	92,393	91,271
15 Other banks in United States	13,500	12,454	12,830	12,830	13,942	15,627	14,632	14,657	13,439	13,886
16 Nonbanks	20,697	18,213	15,708	18,290	17,966	18,775	18,976	14,115	18,988	19,679
17 Claims on foreigners	228,600	210,129	195,063	189,958	195,086 ^r	209,097	203,914	202,282	196,109	190,766
18 Other branches of parent bank	78,746	72,727	72,197	73,327	77,699	86,693	85,548	88,186	84,443	82,987
19 Banks	76,940	71,868	66,421	64,106	64,516 ^r	68,931	65,771	63,706	61,384	58,175
20 Public borrowers	17,626	17,260	16,708	15,115	14,943	14,988	14,952	14,730	14,720	14,619
21 Nonbank foreigners	55,288	48,274	39,737	37,410	37,928	38,485	37,643	35,660	35,562	34,985
22 Other assets	10,610	9,753	11,804	13,364	13,897 ^r	13,748 ^r	15,379 ^r	16,147 ^r	14,677	15,465
United Kingdom										
23 Total, all currencies	144,385	148,599	140,917	148,039	149,633	163,472	167,726	159,186	160,244	157,575
24 Claims on United States	27,675	33,157	24,599	31,377	32,581	33,904	35,406	32,518	32,464	32,869
25 Parent bank	21,862	26,970	19,085	25,627	27,128	27,710	29,553	27,350	26,923	27,484
26 Other banks in United States	1,429	1,106	1,612	1,585	1,349	1,870	1,694	1,259	1,558	1,535
27 Nonbanks	4,384	5,081	3,902	4,165	4,104	4,324	4,159	3,909	3,983	3,850
28 Claims on foreigners	111,828	110,217	109,508	108,293	108,562	120,079	121,473	115,700	118,407	115,430
29 Other branches of parent bank	37,953	31,576	33,422	30,794	33,334	37,402	39,138	39,903	39,702	38,077
30 Banks	37,443	39,250	39,468	40,082	38,390	42,929	41,649	36,735	39,697	38,654
31 Public borrowers	5,334	5,644	4,990	4,761	4,725	4,881	5,272	4,752	4,639	4,613
32 Nonbank foreigners	31,098	33,747	31,628	32,656	32,113	34,867	35,414	34,310	34,369	34,086
33 Other assets	4,882	5,225	6,810	8,369	8,490	9,489	10,847	10,968	9,373	9,276
34 Total payable in U.S. dollars	112,809	108,626	95,028	96,510	99,656	105,515	107,289	101,065	102,075	101,642
35 Claims on United States	26,868	32,092	23,193	29,519	30,791	31,820	33,409	30,439	30,083	30,971
36 Parent bank	21,495	26,568	18,526	24,853	26,423	26,850	28,685	26,304	25,781	26,565
37 Other banks in United States	1,363	1,005	1,475	1,309	1,105	1,504	1,408	1,044	1,132	1,273
38 Nonbanks	4,010	4,519	3,192	3,357	3,263	3,466	3,316	3,091	3,170	3,133
39 Claims on foreigners	82,945	73,475	68,138	63,265	64,561	69,276	68,864	64,560	67,458	66,313
40 Other branches of parent bank	33,607	26,011	26,361	23,155	25,600	27,810	29,166	28,635	29,336	29,813
41 Banks	26,805	26,139	23,251	22,646	21,522	22,941	21,833	19,188	20,814	19,516
42 Public borrowers	4,030	3,999	3,677	3,473	3,377	3,426	3,472	3,313	3,313	3,347
43 Nonbank foreigners	18,503	17,326	14,849	13,991	14,062	15,099	14,393	13,424	13,995	13,637
44 Other assets	2,996	3,059	3,697	3,726	4,304	4,419	5,016	6,066	4,534	4,358
Bahamas and Caymans										
45 Total, all currencies	146,811	142,055	142,592	139,986	152,146	156,951	155,100	160,321	148,718	143,630
46 Claims on United States	77,296	74,864	78,048	72,558	81,913	83,383	82,366	85,318	79,893	78,015
47 Parent bank	49,449	50,553	54,575	45,697	53,902	53,289	52,759	60,048	51,249	48,402
48 Other banks in United States	11,544	11,204	11,156	12,111	13,538	14,721	13,980	14,277	12,472	13,042
49 Nonbanks	16,303	13,107	12,317	14,750	14,473	15,373	15,627	10,993	16,172	16,571
50 Claims on foreigners	65,598	63,882	60,005	62,336	65,622	68,713	67,658	70,162	63,469	60,111
51 Other branches of parent bank	17,661	19,042	17,296	18,228	18,698	18,936	18,905	21,277	19,777	18,460
52 Banks	30,246	28,192	27,476	29,160	31,692	35,014	33,479	33,751	29,365	27,705
53 Public borrowers	6,089	6,458	7,051	6,873	6,988	7,018	7,196	7,428	7,257	7,071
54 Nonbank foreigners	11,602	10,190	8,182	8,075	8,244	7,745	8,078	7,706	7,070	6,875
55 Other assets	3,917	3,309	4,539	5,092	4,611	4,855	5,076	4,841	5,356	5,504
56 Total payable in U.S. dollars	141,562	136,794	136,813	130,985	142,622	145,841	144,525	151,434	141,135	135,916

1. Beginning with June 1984 data, reported claims held by foreign branches have been reduced by an increase in the reporting threshold for "shell" branches

from \$50 million to \$150 million equivalent in total assets, the threshold now applicable to all reporting branches.

3.14 Continued

Liability account	1984	1985	1986	1987					1988	
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb. ^a
All foreign countries										
57 Total, all currencies	453,656	458,012	456,628	473,540	490,367 ^r	521,587 ^r	525,696 ^r	518,906 ^r	503,500	495,107
58 Negotiable CDs	37,725	34,607	31,629	33,648	35,724	36,796	34,690	30,929	29,272	31,153
59 To United States	147,583	156,281	152,465	141,913	153,877 ^r	156,678 ^r	156,118 ^r	161,303 ^r	150,621	149,380
60 Parent bank	78,739	84,657	83,394	74,906 ^r	80,993 ^r	80,215 ^r	83,844 ^r	87,634 ^r	78,531	84,668
61 Other banks in United States	18,409	16,894	15,646	15,289	17,246	18,868	18,868	20,558	15,886	14,400
62 Nonbanks	50,435	54,730	53,425	51,718 ^r	55,638 ^r	57,595 ^r	53,406 ^r	53,111 ^r	56,204	50,312
63 To foreigners	247,907	245,939	253,775	278,883	281,152 ^r	307,087 ^r	312,498 ^r	304,707 ^r	301,956	292,762
64 Other branches of parent bank	93,909	89,529	95,146	97,908	104,025 ^r	114,825 ^r	116,978 ^r	124,563 ^r	116,375	111,729
65 Banks	78,203	76,814	77,809	87,449	85,682 ^r	98,097 ^r	97,462 ^r	87,230 ^r	89,539	88,245
66 Official institutions	20,281	19,520	17,835	21,016	20,266 ^r	20,370 ^r	21,873 ^r	19,564 ^r	21,130	20,364
67 Nonbank foreigners	55,514	60,076	62,985	72,510	71,179 ^r	73,795 ^r	76,185 ^r	73,350 ^r	74,912	72,424
68 Other liabilities	20,441	21,185	18,759	19,096	19,614 ^r	21,026 ^r	22,390 ^r	21,967 ^r	21,651	21,812
69 Total payable in U.S. dollars	367,145	353,712	336,406	333,377	352,199 ^r	365,735 ^r	361,526 ^r	361,283 ^r	344,682	341,493
70 Negotiable CDs	35,227	31,063	28,466	29,634	30,933	32,117	30,075	26,768	24,785	26,290
71 To United States	143,571	150,905	144,483	132,907	143,812	145,382 ^r	143,104 ^r	148,359 ^r	139,134	138,592
72 Parent bank	76,254	81,631	79,305	70,126 ^r	75,702 ^r	74,710 ^r	77,729 ^r	81,815 ^r	73,009	78,917
73 Other banks in United States	17,935	16,264	14,609	14,086	15,829	17,313	17,194	19,154	14,518	13,081
74 Nonbanks	49,382	53,010	50,569	48,695 ^r	52,281 ^r	53,359 ^r	48,181 ^r	47,390 ^r	51,607	46,594
75 To foreigners	178,260	163,583	156,806	163,427	169,564 ^r	179,442 ^r	179,440 ^r	177,641 ^r	172,215	167,460
76 Other branches of parent bank	77,770	71,078	71,181	72,620	78,096 ^r	84,410 ^r	84,572 ^r	90,431 ^r	84,239	82,781
77 Banks	45,123	37,365	33,850	34,808	35,294 ^r	40,144 ^r	38,904 ^r	35,034 ^r	33,305	32,238
78 Official institutions	15,773	14,359	12,371	15,527	14,247 ^r	13,405 ^r	14,161	12,409 ^r	12,736	12,071
79 Nonbank foreigners	39,594	40,781	39,404	40,472	41,927	41,483 ^r	41,803 ^r	39,767	41,935	40,370
80 Other liabilities	10,087	8,161	6,651	7,409	7,890 ^r	8,794 ^r	8,907 ^r	8,515 ^r	8,548	9,151
United Kingdom										
81 Total, all currencies	144,385	148,599	140,917	148,039	149,633	163,472	167,726	159,186	160,244	157,575
82 Negotiable CDs	34,413	31,260	27,781	29,363	31,451	32,523	30,475	26,988	25,184	26,786
83 To United States	25,250	29,422	24,657	22,202	22,462	22,868	24,961	23,470	25,209	26,533
84 Parent bank	14,651	19,330	14,469	13,234	13,357	12,251	14,018	13,223	14,177	15,527
85 Other banks in United States	3,125	2,974	2,649	1,875	2,073	2,382	2,103	1,740	1,596	1,615
86 Nonbanks	7,474	7,118	7,539	7,093	7,032	8,235	8,840	8,507	9,436	9,391
87 To foreigners	77,424	78,525	79,498	87,745	86,813	98,215	101,686	98,689	100,001	94,084
88 Other branches of parent bank	21,631	23,389	25,036	23,379	26,094	29,718	30,727	33,078	33,344	30,350
89 Banks	30,436	28,581	30,877	34,414	31,681	38,502	37,690	34,290	34,820	33,520
90 Official institutions	10,154	9,676	6,836	9,670	10,387	10,248	12,000	11,015	11,571	11,048
91 Nonbank foreigners	15,203	16,879	16,749	20,282	18,651	19,747	21,269	20,306	20,266	19,166
92 Other liabilities	7,298	9,392	8,981	8,729	8,907	9,866	10,604	10,039	9,850	10,172
93 Total payable in U.S. dollars	117,497	112,697	99,707	99,163	102,202	108,440	108,481	102,550	105,138	105,162
94 Negotiable CDs	33,070	29,337	26,169	27,264	28,776	29,991	27,999	24,926	22,875	24,281
95 To United States	24,105	27,756	22,075	19,578	19,528	18,819	19,800	17,752	20,799	23,019
96 Parent bank	14,339	18,956	14,021	12,608	12,609	11,283	12,792	12,026	13,307	14,626
97 Other banks in United States	2,980	2,826	2,325	1,694	1,883	2,080	1,789	1,512	1,398	1,401
98 Nonbanks	6,786	5,974	5,729	5,276	5,036	5,456	5,219	4,214	6,094	6,992
99 To foreigners	56,923	51,980	48,138	49,183	50,386	55,209	56,443	55,919	57,620	53,444
100 Other branches of parent bank	18,294	18,493	17,951	15,565	17,994	20,018	20,826	22,334	22,870	21,753
101 Banks	18,356	14,344	15,203	15,471	14,359	17,786	17,024	15,580	16,119	14,401
102 Official institutions	8,871	7,661	4,934	7,872	8,060	7,115	7,970	7,530	7,993	7,045
103 Nonbank foreigners	11,402	11,482	10,050	10,275	9,973	10,290	10,623	10,475	10,638	10,245
104 Other liabilities	3,399	3,624	3,325	3,138	3,512	4,421	4,239	3,953	3,844	4,418
Bahamas and Caymans										
105 Total, all currencies	146,811	142,055	142,592	139,986	152,146	156,951	155,100	160,321	148,718	143,630
106 Negotiable CDs	615	610	847	975	886	890	861	885	851	940
107 To United States	102,955	104,556	106,081	98,085	108,205	111,976	108,039	113,950	105,149	99,840
108 Parent bank	47,162	45,554	49,481	42,275 ^r	47,165 ^r	49,387 ^r	50,065 ^r	53,353 ^r	46,729	49,032
109 Other banks in United States	13,938	12,778	11,715	12,276	13,596	14,872	15,204	17,224	13,017	11,455
110 Nonbanks	41,855	46,224	44,885	43,534 ^r	47,444 ^r	47,717 ^r	42,770 ^r	43,373 ^r	45,403	39,353
111 To foreigners	40,320	35,053	34,400	39,437	41,417	42,295	44,398	43,815	40,820	41,215
112 Other branches of parent bank	16,782	14,075	12,631	16,465	16,965	17,090	17,812	19,185 ^r	18,627	18,585
113 Banks	12,405	10,669	8,617	9,514	10,435	11,589	12,611	10,769 ^r	9,344	9,825
114 Official institutions	2,054	1,776	2,719	2,935	1,814	2,158	2,064	1,504	1,377	1,179
115 Nonbank foreigners	9,079	8,533	10,433	10,523	12,203	11,458	11,911	12,357	11,472	11,626
116 Other liabilities	2,921	1,836	1,264	1,489	1,638	1,790	1,802	1,671	1,898	1,635
117 Total payable in U.S. dollars	143,582	138,322	138,774	134,354	145,402	149,472	146,485	152,927	141,750	136,540

3.15 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1985	1986	1987					1988	
			Aug.	Sept. ^r	Oct.	Nov.	Dec.	Jan.	Feb. ^p
1 Total ¹	178,380	211,834 ^r	237,818 ^r	239,689	252,551 ^r	254,080 ^r	259,635 ^r	267,075	275,981
<i>By type</i>									
2 Liabilities reported by banks in the United States ²	26,734	27,920 ^r	29,728 ^r	32,044	38,337 ^r	34,259 ^r	31,821	32,548	31,826
3 U.S. Treasury bills and certificates ³	53,252	75,650	78,210	75,701	78,819	82,542	88,829	90,635	93,407
<i>U.S. Treasury bonds and notes</i>									
4 Marketable	77,154	91,368	115,101	116,442	118,909 ^r	120,762 ^r	122,556 ^r	127,674	134,775
5 Nonmarketable ⁴	3,550	1,300	300	300	300	300	300	300	300
6 U.S. securities other than U.S. Treasury securities ⁵	17,690	15,596	14,479	15,202	16,186	16,217	16,129	15,918	15,673
<i>By area</i>									
7 Western Europe ¹	74,447	88,629 ^r	106,863 ^r	108,398	116,510 ^r	117,628	124,609 ^r	127,769	127,266
8 Canada	1,315	2,004	4,189	4,529	5,152	4,884	4,961	6,182	6,839
9 Latin America and Caribbean	11,148	8,417 ^r	8,813 ^r	8,561	9,217	8,924	8,308	7,925	8,271
10 Asia	86,448	105,868	109,529	109,487	114,106	116,417 ^r	116,208 ^r	119,299	127,427
11 Africa	1,824	1,503	1,837	1,618	1,474	1,562	1,402	1,458	1,493
12 Other countries ⁶	3,199	5,412	6,589	7,094	6,089 ^r	4,665	4,147	4,442	4,682

1. Includes the Bank for International Settlements.

2. Principally demand deposits, time deposits, bankers acceptances, commercial paper, negotiable time certificates of deposit, and borrowings under repurchase agreements.

3. Includes nonmarketable certificates of indebtedness (including those payable in foreign currencies through 1974) and Treasury bills issued to official institutions of foreign countries.

4. Excludes notes issued to foreign official nonreserve agencies. Includes

bonds and notes payable in foreign currencies.

5. Debt securities of U.S. government corporations and federally sponsored agencies, and U.S. corporate stocks and bonds.

6. Includes countries in Oceania and Eastern Europe.

NOTE. Based on Treasury Department data and on data reported to the Treasury Department by banks (including Federal Reserve Banks) and securities dealers in the United States.

3.16 LIABILITIES TO AND CLAIMS ON FOREIGNERS Reported by Banks in the United States Payable in Foreign Currencies¹

Millions of dollars, end of period

Item	1984	1985	1986	1987			
				Mar. ^r	June ^r	Sept. ^r	Dec.
1 Banks' own liabilities	8,586	15,368	29,702	38,168	39,102	45,872	55,029
2 Banks' own claims	11,984	16,294	26,180	34,539	34,244	41,744	50,877
3 Deposits	4,998	8,437	14,129	15,466	12,034	15,753	18,190
4 Other claims	6,986	7,857	12,052	19,074	22,210	25,992	32,688
5 Claims of banks' domestic customers ²	569	580	2,507	2,012	923	1,067	551

1. Data on claims exclude foreign currencies held by U.S. monetary authorities.

2. Assets owned by customers of the reporting bank located in the United

States that represent claims on foreigners held by reporting banks for the accounts of the domestic customers.

3.17 LIABILITIES TO FOREIGNERS Reported by Banks in the United States

Payable in U.S. dollars

Millions of dollars, end of period

Holder and type of liability	1984	1985	1986	1987					1988	
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb. ^p
1 All foreigners	407,306	435,726	540,996	554,803^r	586,148^r	605,116^r	605,074^r	618,622^r	601,081	602,100
2 Banks' own liabilities	306,898	341,070	406,485	415,441 ^r	448,220 ^r	462,986 ^r	457,634 ^r	469,487 ^r	446,184	443,097
3 Demand deposits	19,571	21,107	23,789	21,821 ^r	20,869 ^r	22,876 ^r	23,736	22,704 ^r	21,444	22,148
4 Time deposits ¹	110,413	117,278	130,891	137,698 ^r	148,106 ^r	151,925 ^r	147,162 ^r	148,152 ^r	138,930	140,483
5 Other ²	26,268	29,305	42,705	42,288 ^r	50,164 ^r	53,047 ^r	52,474 ^r	51,059 ^r	52,138	51,128
6 Own foreign offices ³	150,646	173,381	209,100	213,635 ^r	229,081 ^r	235,138 ^r	234,262 ^r	247,571 ^r	233,671	229,339
7 Banks' custody liabilities ⁴	100,408	94,656	134,511	139,361	137,928	142,130	147,440	149,135 ^r	154,897	159,003
8 U.S. Treasury bills and certificates	76,368	69,133	90,398	92,705	89,747	91,374	96,612	101,743 ^r	103,861	108,276
9 Other negotiable and readily transferable instruments ⁵	18,747	17,964	15,417	15,259	16,042	15,933	16,737	16,712	16,654	15,569
10 Other	5,293	7,558	28,696	31,397	32,139	34,823	34,090	30,680 ^r	34,383	35,157
11 Nonmonetary international and regional organizations	4,454	5,821	5,807	5,332	7,751^r	3,594	5,809^r	4,373^r	5,875	8,486
12 Banks' own liabilities	2,014	2,621	3,958	2,498	4,580 ^r	1,680	3,195 ^r	2,612 ^r	4,052	6,475
13 Demand deposits	254	85	199	44	80	107	249	74	790	1,124
14 Time deposits	1,267	2,067	2,065	807	1,235	986	1,094	1,523	1,583	2,481
15 Other ²	493	469	1,693	1,647	3,264 ^r	586	2,027 ^r	839 ^r	1,678	2,869
16 Banks' custody liabilities ⁴	2,440	3,200	1,849	2,834	3,171	1,914	2,614	1,761	1,823	2,011
17 U.S. Treasury bills and certificates	916	1,736	259	1,635	1,793	285	747	265	613	415
18 Other negotiable and readily transferable instruments ⁵	1,524	1,464	1,590	1,193	1,378	1,624	1,811	1,497	1,210	1,521
19 Other	0	0	0	6	0	6	55	0	0	75
20 Official institutions⁶	86,065	79,985	103,569	107,938^r	107,745^r	117,156^r	116,801^r	120,650	123,183	125,233
21 Banks' own liabilities	19,039	20,835	25,427	26,433 ^r	28,344 ^r	34,785 ^r	31,066 ^r	28,686 ^r	29,921	28,940
22 Demand deposits	1,823	2,077	2,267	1,907	1,800	1,905	1,820 ^r	1,948	1,605	1,861
23 Time deposits ¹	9,374	10,949	10,497	13,580 ^r	14,266 ^r	16,584 ^r	13,707 ^r	12,429 ^r	11,725	11,639
24 Other ²	7,842	7,809	12,663	10,946	12,278 ^r	16,296 ^r	15,539	14,309	16,591	15,440
25 Banks' custody liabilities ⁴	67,026	59,150	78,142	81,505	79,401	82,372	85,735	91,965	93,262	96,294
26 U.S. Treasury bills and certificates	59,976	53,252	75,650	78,210	75,701	78,819	82,542	88,829	89,635	93,407
27 Other negotiable and readily transferable instruments ⁵	6,966	5,824	2,347	3,151	3,540	3,328	2,993	2,990	2,442	2,592
28 Other	84	75	145	144	160	225	200	146	185	294
29 Banks⁹	248,893	275,589	351,745	362,957^r	390,742^r	405,636^r	400,611^r	414,024^r	391,577	387,164
30 Banks' own liabilities	225,368	252,723	310,166	319,957 ^r	347,002 ^r	359,316 ^r	354,402 ^r	371,204 ^r	345,395	341,529
31 Unaffiliated foreign banks	74,722	79,341	101,066	106,322 ^r	117,922 ^r	124,178 ^r	123,633 ^r	120,140 ^r	111,723	112,190
32 Demand deposits	10,556	10,271	10,303	9,900 ^r	9,799 ^r	11,368 ^r	11,862 ^r	10,918 ^r	9,774	9,739
33 Time deposits ¹	47,095	49,510	64,232	69,353 ^r	77,468 ^r	79,583 ^r	76,658 ^r	79,926 ^r	71,249	72,125
34 Other ²	19,561	26,531	27,069	21,635 ^r	22,981 ^r	23,138 ^r	23,262 ^r	24,571 ^r	23,671	22,939
35 Own foreign offices ³	150,646	173,381	209,100	213,635 ^r	229,081 ^r	235,138 ^r	234,262 ^r	247,571 ^r	233,671	229,339
36 Banks' custody liabilities ⁴	23,525	22,866	41,579	43,000	43,739	46,321	46,209	42,819 ^r	46,182	45,634
37 U.S. Treasury bills and certificates	11,448	9,832	9,984	9,100	9,206	8,961	9,480	9,134 ^r	8,979	9,526
38 Other negotiable and readily transferable instruments ⁵	7,236	6,040	5,165	5,320	5,221	5,454	5,586	5,390	5,580	4,432
39 Other	4,841	6,994	26,431	28,581	29,312	31,906	31,143	28,296 ^r	31,624	31,676
40 Other foreigners	67,894	74,331	79,875	78,576^r	79,911^r	78,729^r	81,853^r	79,575^r	80,446	81,218
41 Banks' own liabilities	60,477	64,892	66,934	66,554 ^r	68,294 ^r	67,206 ^r	68,970 ^r	66,985 ^r	66,816	66,154
42 Demand deposits	6,938	8,673	11,019	9,970 ^r	9,190 ^r	9,495 ^r	9,981	9,589 ^r	9,275	9,425
43 Time deposits ¹	52,678	54,732	54,097	53,958 ^r	55,137 ^r	54,772 ^r	55,703 ^r	54,275 ^r	54,373	54,237
44 Other ²	861	1,467	1,818	2,626 ^r	3,966 ^r	2,940 ^r	3,287 ^r	3,121 ^r	3,169	2,492
45 Banks' custody liabilities ⁴	7,417	9,439	12,941	12,022	11,617	11,523	12,882	12,589	13,629	15,064
46 U.S. Treasury bills and certificates	4,029	4,314	4,506	3,761	3,046	3,309	3,842	3,515	3,633	4,928
47 Other negotiable and readily transferable instruments ⁵	3,021	4,636	6,315	5,594	5,904	5,527	6,347	6,836	7,422	7,024
48 Other	367	489	2,120	2,667	2,668	2,686	2,693	2,238	2,575	3,112
49 MEMO: Negotiable time certificates of deposit in custody for foreigners	10,476	9,845	7,496	6,458	6,501	6,676	7,361	7,314	7,647	7,370

1. Excludes negotiable time certificates of deposit, which are included in "Other negotiable and readily transferable instruments."
2. Includes borrowing under repurchase agreements.
3. U.S. banks: includes amounts due to own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies. Agencies, branches, and majority-owned subsidiaries of foreign banks: principally amounts due to head office or parent foreign bank, and foreign branches, agencies, or wholly owned subsidiaries of head office or parent foreign bank.
4. Financial claims on residents of the United States, other than long-term securities, held by or through reporting banks.

5. Includes nonmarketable certificates of indebtedness and Treasury bills issued to official institutions of foreign countries.
6. Principally bankers acceptances, commercial paper, and negotiable time certificates of deposit.
7. Principally the International Bank for Reconstruction and Development, and the Inter-American and Asian Development Banks. Data exclude "holdings of dollars" of the International Monetary Fund.
8. Foreign central banks, foreign central governments, and the Bank for International Settlements.
9. Excludes central banks, which are included in "Official institutions."

3.17 Continued

Area and country	1984	1985	1986	1987					1988	
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb. ^p
1 Total	407,306	435,726	540,996	554,803 ¹	586,148 ¹	605,116 ¹	605,074 ¹	618,622 ¹	601,081	602,100
2 Foreign countries	402,852	429,905	535,189	549,470 ¹	578,397 ¹	601,522 ¹	599,265 ¹	614,249 ¹	595,206	593,615
3 Europe	153,145	164,114	180,556	208,534 ¹	215,293 ¹	233,296 ¹	229,008 ¹	234,662 ¹	225,540	225,873
4 Austria	615	693	1,181	1,066	1,280 ¹	1,166	1,254 ¹	920	992	964
5 Belgium-Luxembourg	4,114	5,243	6,729	9,754	10,463 ¹	10,833 ¹	10,917 ¹	9,304 ¹	9,386	9,798
6 Denmark	438	513	482	576	590	704	628	757 ¹	547	655
7 Finland	418	496	580	535 ¹	507 ¹	571 ¹	461	377	401	405
8 France	12,701	15,541	22,862	27,003	27,899	28,255	27,522	29,954 ¹	28,198	28,847
9 Germany	3,358	4,835	5,762	7,746 ¹	6,834 ¹	8,562 ¹	8,548 ¹	7,061	7,788	8,675
10 Greece	699	666	700	636	690	738	715 ¹	689	638	639
11 Italy	10,762	9,667	10,875	7,667	8,410	10,282 ¹	10,016 ¹	12,063	11,258	11,000
12 Netherlands	4,731	4,212	5,600	5,462 ¹	6,119 ¹	6,725 ¹	6,490	5,013	5,272	5,317
13 Norway	1,548	948	735	593	663	1,187 ¹	1,074	1,362	1,196	828
14 Portugal	597	652	699	700	684	724	858	801	725	780
15 Spain	2,082	2,114	2,407	2,287	2,526	2,683	2,614	2,619	2,359	2,433
16 Sweden	1,676	1,422	884	1,387	1,639	1,582 ¹	2,882	1,379	1,393	1,719
17 Switzerland	31,740	29,020	30,534	28,265 ¹	27,332 ¹	29,053 ¹	30,167	33,754 ¹	31,925	31,372
18 Turkey	584	429	454	514	398	550	433	703	674	592
19 United Kingdom	68,671	76,728	85,334	107,149 ¹	110,235 ¹	119,308 ¹	115,122 ¹	116,778 ¹	111,747	112,066
20 Yugoslavia	602	673	630	491	519	508	485	711	541	557
21 Other Western Europe ¹	7,192	9,635	3,326	6,016	7,958 ¹	9,180 ¹	8,184	9,798 ¹	9,720	8,345
22 U.S.S.R.	79	105	80	45	51	87	36	31	57	49
23 Other Eastern Europe ²	537	523	702	640 ¹	494 ¹	599 ¹	602	588 ¹	743	831
24 Canada	16,059	17,427	26,345	22,560 ¹	26,065 ¹	25,740 ¹	28,681	30,083	28,691	25,966
25 Latin America and Caribbean	153,381	167,856	210,318	201,251 ¹	214,096 ¹	217,859 ¹	214,306 ¹	220,313 ¹	211,991	210,451
26 Argentina	4,394	6,032	4,757	5,074	4,674	5,075	5,267 ¹	4,994	4,893	5,078
27 Bahamas	56,897	57,657	73,619	61,738 ¹	70,718 ¹	72,547 ¹	70,946 ¹	74,589 ¹	69,171	64,936
28 Bermuda	2,370	2,765	2,922	2,265 ¹	2,234	2,442 ¹	2,231 ¹	2,335 ¹	2,137	2,022
29 Brazil	5,275	5,373	4,325	3,967 ¹	4,413 ¹	3,691 ¹	4,136 ¹	4,000 ¹	3,936	4,226
30 British West Indies	36,773	42,674	72,263	74,165 ¹	78,582 ¹	80,303 ¹	78,236 ¹	81,632 ¹	78,496	80,055
31 Chile	2,001	2,049	2,054	2,119	2,248	2,191	2,218	2,210 ¹	2,122	2,358
32 Colombia	2,514	3,104	4,285	4,429 ¹	4,199 ¹	4,195 ¹	4,305	4,205	3,947	3,892
33 Cuba	10	11	7	7	7	12	9	12	8	9
34 Ecuador	1,092	1,239	1,236	1,101	1,097	1,062 ¹	1,087	1,082	1,115	1,132
35 Guatemala	896	1,071	1,123	1,087	1,072	1,053	1,032	1,080	1,098	1,098
36 Jamaica	183	122	136	171	156	140	150	160	150	148
37 Mexico	12,303	14,060	13,745	14,549	14,286 ¹	14,325 ¹	14,508	14,534	15,021	15,127
38 Netherlands Antilles	4,220	4,875	4,970	5,338	5,218	5,305	5,234	4,972	4,987	5,156
39 Panama	6,951	7,514	6,886	7,122 ¹	7,179 ¹	7,457 ¹	7,503 ¹	7,400	7,329	6,983
40 Peru	1,266	1,167	1,163	1,203	1,206	1,205	1,205	1,271	1,235	1,326
41 Uruguay	1,394	1,552	1,537	1,485	1,492	1,494 ¹	1,526	1,579	1,670	1,752
42 Venezuela	10,545	11,922	10,171	10,249 ¹	9,866 ¹	9,929 ¹	9,075	9,035	9,174	9,728
43 Other	4,297	4,668	5,119	5,181 ¹	5,451 ¹	5,434 ¹	5,639 ¹	5,223 ¹	5,502	5,426
44 Asia	71,187	72,280	108,831	106,964 ¹	112,294 ¹	115,683 ¹	118,834 ¹	121,177 ¹	121,113	122,849
45 China	1,153	1,607	1,476	2,011	1,775	1,699	1,435	1,162	1,336	1,352
46 Taiwan	4,990	7,786	18,902	15,377	15,197	18,302	21,564	21,494 ¹	22,869	23,884
47 Hong Kong	6,581	8,067	9,393	9,012 ¹	8,653 ¹	9,590 ¹	10,541	10,196	9,284	9,984
48 India	507	712	674	902	771	606	701	588	866	880
49 Indonesia	1,033	1,466	1,547	1,541	1,440 ¹	1,336	1,677	1,399	1,474	1,587
50 Israel	1,268	1,601	1,892	1,036	1,105	2,170	1,221	1,477 ¹	1,265	1,355
51 Japan	21,640	23,077	47,410	49,872	53,747 ¹	53,268 ¹	52,735 ¹	54,109 ¹	55,128	56,293
52 Korea	1,730	1,665	1,141	1,388	1,714	1,557 ¹	1,606	1,599 ¹	1,739	1,502
53 Philippines	1,383	1,140	1,866	1,208	1,152	1,331	1,259	1,085	1,035	1,003
54 Thailand	1,257	1,358	1,119	1,180 ¹	1,116 ¹	1,275	1,483	1,345	1,433	1,354
55 Middle-East oil-exporting countries ³	16,804	14,523	12,352	12,676	14,043	13,660	13,379 ¹	13,993	12,503	12,409
56 Other	12,841	9,276	11,058	10,760 ¹	11,580 ¹	10,888 ¹	11,232	12,730 ¹	12,181	11,248
57 Africa	3,396	4,883	4,021	4,194	4,011	3,918 ¹	4,065	3,944 ¹	3,757	3,755
58 Egypt	647	1,363	706	1,158	1,118	1,104	1,169	1,150 ¹	1,142	1,118
59 Morocco	118	163	92	74	81	75	194	71	69	69
60 South Africa	328	388	270	227	198 ¹	280	246	202	214	194
61 Zaire	153	163	74	69	81	71	82	67	89	86
62 Oil-exporting countries ⁴	1,189	1,494	1,519	1,331 ¹	1,179 ¹	1,081	1,108	1,014	981	1,047
63 Other	961	1,312	1,360	1,335	1,354	1,313	1,386	1,316	1,261	1,241
64 Other countries	5,684	3,347	5,118	5,968 ¹	6,638 ¹	5,026 ¹	4,372 ¹	4,069 ¹	4,114	4,720
65 Australia	5,300	2,779	4,196	5,065 ¹	5,684 ¹	4,057 ¹	3,711	3,325	3,319	3,817
66 All other	384	568	922	904 ¹	955 ¹	969 ¹	661 ¹	744 ¹	795	903
67 Nonmonetary international and regional organizations	4,454	5,821	5,807	5,332	7,751 ¹	3,594	5,809 ¹	4,373 ¹	5,875	8,486
68 International ¹	3,747	4,806	4,620	3,819	6,103 ¹	2,107	3,724 ¹	2,739 ¹	4,301	6,445
69 Latin American regional	587	894	1,033	1,070	1,126	1,155	1,478	1,272	1,181	1,505
70 Other regional ^{1p}	120	121	154	443	522	331	608	362	393	536

1. Includes the Bank for International Settlements and Eastern European countries that are not listed in line 23.

2. Comprises Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, and Romania.

3. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

4. Comprises Algeria, Gabon, Libya, and Nigeria.

5. Excludes "holdings of dollars" of the International Monetary Fund.

6. Asian, African, Middle Eastern, and European regional organizations, except the Bank for International Settlements, which is included in "Other Western Europe."

3.18 BANKS' OWN CLAIMS ON FOREIGNERS Reported by Banks in the United States
Payable in U.S. Dollars

Millions of dollars, end of period

Area and country	1984	1985	1986	1987 ¹					1988	
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb. ²
1 Total	400,162	401,608	444,745	427,804	447,788	461,224	459,788	458,714	442,234	440,426
2 Foreign countries	399,363	400,577	441,724	424,681	443,104	458,393	452,618	454,131	439,423	438,239
3 Europe	99,413	106,413	107,823	104,270	105,925	111,006	107,259	101,409	97,007	99,974
4 Austria	433	598	728	784	683	929	927	793	762	800
5 Belgium-Luxembourg	4,794	5,772	7,498	9,587	9,586	10,133	9,551	9,377	9,629	9,781
6 Denmark	648	706	688	868	747	790	881	718	852	746
7 Finland	898	823	987	1,031	1,266	1,089	1,030	1,010	876	835
8 France	9,157	9,124	11,356	12,529	12,780	14,348	13,512	13,473	11,687	12,203
9 Germany	1,306	1,267	1,816	1,333	1,487	2,104	1,557	2,060	2,189	1,893
10 Greece	817	991	648	375	406	430	452	463	573	746
11 Italy	9,119	8,848	9,043	6,412	6,542	7,412	7,286	7,467	6,516	6,164
12 Netherlands	1,356	1,258	3,296	3,076	3,247	3,964	3,813	2,619	2,902	2,897
13 Norway	675	706	672	803	722	812	938	934	842	745
14 Portugal	1,243	1,058	739	667	638	570	545	477	471	499
15 Spain	2,884	1,908	1,492	1,945	2,234	1,859	2,032	1,849	1,629	1,966
16 Sweden	2,230	2,219	1,964	2,474	2,746	2,527	2,640	2,269	2,106	2,304
17 Switzerland	2,123	3,171	3,352	2,674	2,614	2,825	2,880	2,659	2,572	3,068
18 Turkey	1,130	1,200	1,543	1,757	1,681	1,564	1,566	1,675	1,631	1,638
19 United Kingdom	56,185	62,566	58,335	54,186	54,739	55,906	53,960	49,959	48,318	50,096
20 Yugoslavia	1,886	1,964	1,835	1,742	1,731	1,750	1,697	1,700	1,694	1,706
21 Other Western Europe ³	596	998	539	548	608	539	662	665	578	725
22 U.S.S.R.	142	130	345	521	544	473	437	389	386	376
23 Other Eastern Europe ⁴	1,389	1,107	948	958	915	983	892	852	794	786
24 Canada	16,109	16,482	21,006	18,484	21,599	21,402	25,313	25,269	23,380	21,890
25 Latin America and Caribbean	207,862	202,674	208,825	202,866	214,718	217,010	211,906	213,253	206,889	202,411
26 Argentina	11,050	11,462	12,091	12,295	11,857	12,119	12,054	11,987	12,106	11,974
27 Bahamas	58,009	58,258	59,342	55,867	64,951	63,666	61,437	64,788	60,881	57,512
28 Bermuda	592	499	418	359	328	418	331	478	380	321
29 Brazil	26,315	25,283	25,716	26,693	26,047	25,803	25,453	25,288	25,358	25,640
30 British West Indies	38,205	38,881	46,284	43,586	47,866	51,721	49,549	48,757	47,013	46,263
31 Chile	6,839	6,603	6,558	6,519	6,469	6,388	6,429	6,304	6,332	6,260
32 Colombia	3,499	3,249	2,821	2,784	2,730	2,730	2,730	2,739	2,709	2,667
33 Cuba	0	0	0	0	0	0	0	1	0	0
34 Ecuador	2,420	2,390	2,439	2,385	2,367	2,396	2,334	2,286	2,339	2,236
35 Guatemala ⁵	158	194	140	105	124	131	145	144	134	140
36 Jamaica ⁶	252	224	198	202	198	191	184	188	202	190
37 Mexico	34,885	31,799	30,698	30,718	30,591	30,307	30,101	29,526	29,123	29,211
38 Netherlands Antilles	1,350	1,340	1,041	987	1,034	1,013	1,113	980	1,029	1,121
39 Panama	7,707	6,645	5,436	4,625	4,580	4,566	4,685	4,739	4,304	3,791
40 Peru	2,384	1,947	1,661	1,549	1,479	1,457	1,459	1,323	1,316	1,336
41 Uruguay	1,088	960	940	966	962	961	975	968	961	954
42 Venezuela	11,017	10,871	11,108	11,368	11,277	11,224	11,109	10,998	10,917	11,038
43 Other Latin America and Caribbean	2,091	2,067	1,936	1,857	1,857	1,920	1,818	1,761	1,785	1,755
44 Asia	66,316	66,212	96,126	91,557	93,361	100,328	100,272	106,231	104,925	106,718
45 China	710	639	787	919	894	543	870	968	886	887
46 Mainland	1,849	1,535	2,681	2,772	2,980	4,224	4,784	4,577	3,994	4,002
47 Taiwan	7,293	6,797	8,307	6,594	6,953	6,887	7,312	8,135	7,591	7,721
48 Hong Kong	425	450	321	565	551	527	502	510	495	548
49 India	724	698	723	624	622	625	601	580	571	632
50 Indonesia	2,088	1,991	1,634	1,450	1,591	1,331	1,293	1,363	1,279	1,211
51 Israel	29,066	31,249	59,674	61,120	60,120	65,679	64,767	69,098	71,085	73,231
52 Japan	9,285	9,226	7,182	4,589	4,616	4,996	4,982	5,004	4,919	4,734
53 Korea	2,555	2,224	2,217	2,151	2,126	2,082	2,040	2,069	1,961	1,966
54 Philippines	1,125	845	578	545	453	446	439	491	517	520
55 Thailand	5,044	4,298	4,122	4,315	4,848	5,063	5,157	4,841	3,567	3,437
56 Middle East oil-exporting countries ⁴	6,152	6,260	7,901	5,916	7,608	7,924	7,524	8,596	8,060	7,829
57 Other Asia	6,615	5,407	4,650	4,738	4,707	5,375	4,668	4,742	4,805	4,869
58 Egypt	728	721	567	586	541	538	526	521	510	469
59 Morocco	583	575	598	603	582	605	585	542	491	490
60 South Africa	2,795	1,942	1,550	1,497	1,508	1,546	1,494	1,507	1,520	1,461
61 Zaire	18	20	28	35	40	38	36	15	36	82
62 Oil-exporting countries ⁴	842	630	694	861	887	1,530	903	1,003	1,019	1,086
63 Other	1,649	1,520	1,213	1,156	1,149	1,118	1,123	1,153	1,229	1,280
64 Other countries	3,447	3,390	3,294	2,764	2,793	3,272	3,201	3,228	2,418	2,378
65 Australia	2,769	2,413	1,949	1,689	1,837	2,035	2,093	2,189	1,428	1,430
66 All other	678	978	1,345	1,075	955	1,237	1,109	1,039	991	947
67 Nonmonetary international and regional organizations ⁶	800	1,030	3,021	3,123	4,684	2,830	7,170	4,583	2,811	2,187

1. Includes the Bank for International Settlements. Beginning April 1978, also includes Eastern European countries not listed in line 23.

2. Beginning April 1978 comprises Bulgaria, Czechoslovakia, the German Democratic Republic, Hungary, Poland, and Romania.

3. Included in "Other Latin America and Caribbean" through March 1978.

4. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

5. Comprises Algeria, Gabon, Libya, and Nigeria.

6. Excludes the Bank for International Settlements, which is included in "Other Western Europe."

3.19 BANKS' OWN AND DOMESTIC CUSTOMERS' CLAIMS ON FOREIGNERS Reported by Banks in the United States¹ Payable in U.S. Dollars

Millions of dollars, end of period

Type of claim	1984	1985	1986	1987 ^r					1988	
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb. ^p
1 Total	433,078	430,489	478,650	.....	481,597	.....	.....	496,440	.....	.....
2 Banks' own claims on foreigners	400,162	401,608	444,745	427,804	447,788	461,224	459,788	458,714	442,234	440,426
3 Foreign public borrowers	62,237	60,507	64,095	66,127	67,104	64,967	69,483	65,329	63,531	62,222
4 Own foreign offices ²	156,216	174,261	211,533	196,225	210,267	218,396	220,479	223,110	217,103	218,132
5 Unaffiliated foreign banks	124,932	116,654	122,946	122,204	127,475	134,104	126,389	127,319	119,784	118,398
6 Deposits	49,226	48,372	57,484	57,270	60,143	63,193	58,052	60,250	55,265	55,283
7 Other	75,706	68,282	65,462	64,934	67,332	70,911	68,337	67,068	64,520	63,115
8 All other foreigners	56,777	50,185	46,171	43,248	42,941	43,756	43,437	42,957	41,816	41,673
9 Claims of banks' domestic customers ³	32,916	28,881	33,905	.....	33,809	.....	.....	37,726	.....	.....
10 Deposits	3,380	3,335	4,413	.....	3,103	.....	.....	3,672	.....	.....
11 Negotiable and readily transferable instruments ⁴	23,805	19,332	24,044	.....	22,071	.....	.....	26,684	.....	.....
12 Outstanding collections and other claims	5,732	6,214	5,448	.....	8,636	.....	.....	7,370	.....	.....
13 MEMO: Customer liability on acceptances	37,103	28,487	25,706	.....	21,788	.....	.....	23,317	.....	.....
Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States ⁵	40,714	38,102	41,434 ^r	41,118	39,734	42,272	37,905	37,919	34,216	39,387

1. Data for banks' own claims are given on a monthly basis, but the data for claims of banks' own domestic customers are available on a quarterly basis only.

2. U.S. banks: includes amounts due from own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies. Agencies, branches, and majority-owned subsidiaries of foreign banks: principally amounts due from head office or parent foreign bank, and foreign branches, agencies, or wholly owned subsidiaries of head office or parent foreign bank.

3. Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the account of their domestic customers.

4. Principally negotiable time certificates of deposit and bankers acceptances.

5. Includes demand and time deposits and negotiable and nonnegotiable certificates of deposit denominated in U.S. dollars issued by banks abroad. For description of changes in data reported by nonbanks, see July 1979 BULLETIN, p. 550.

3.20 BANKS' OWN CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Banks in the United States Payable in U.S. Dollars

Millions of dollars, end of period

Maturity; by borrower and area	1984	1985	1986	1987 ^r			
				Mar.	June	Sept.	Dec.
1 Total	243,952	227,903	232,295	226,297	236,828	236,490	234,325
By borrower							
2 Maturity of 1 year or less ¹	167,858	160,824	160,555	155,156	167,488	166,156	163,380
3 Foreign public borrowers	23,912	26,302	24,842	25,382	24,088	27,157	26,149
4 All other foreigners	143,947	134,522	135,714	129,774	143,400	138,998	137,231
5 Maturity over 1 year ¹	76,094	67,078	71,740	71,141	69,340	70,334	70,945
6 Foreign public borrowers	38,695	34,512	39,103	38,751	39,341	39,470	38,714
7 All other foreigners	37,399	32,567	32,637	32,390	29,999	30,864	32,231
By area							
8 Maturity of 1 year or less ¹							
9 Europe	58,498	56,585	61,784	57,987	68,872	62,228	58,601
10 Canada	6,028	6,401	5,895	5,568	5,603	5,733	5,664
11 Latin America and Caribbean	62,791	63,328	56,271	54,733	55,489	58,439	56,078
12 Asia	33,504	27,966	29,457	29,688	31,155	32,133	36,389
13 Africa	4,442	3,753	2,882	3,154	2,989	2,871	2,823
14 All other	2,593	2,791	4,267	4,026	3,380	4,751	3,825
15 Maturity of over 1 year ¹							
16 Europe	9,605	7,634	6,737	6,755	6,479	6,753	6,778
17 Canada	1,882	1,805	1,925	1,855	1,664	1,579	2,631
18 Latin America and Caribbean	56,144	50,674	56,719	56,214	55,580	55,089	53,767
19 Asia	5,323	4,502	4,043	4,123	3,495	3,497	3,667
20 Africa	2,033	1,538	1,539	1,630	1,512	1,622	1,726
21 All other	1,107	926	777	564	611	1,794	2,375

1. Remaining time to maturity.

2. Includes nonmonetary international and regional organizations.

3.21 CLAIMS ON FOREIGN COUNTRIES Held by U.S. Offices and Foreign Branches of U.S.-Chartered Banks^{1,2}

Billions of dollars, end of period

Area or country	1983	1984	1985	1986				1987			
			Dec.	Mar.	June	Sept.	Dec.	Mar.	June'	Sept.	Dec.
1 Total	434.0	405.7	385.3	385.6	389.7	389.5	389.6	393.4'	382.9	384.8'	381.8'
2 G-10 countries and Switzerland	167.8	148.1	146.0	152.8	160.3	159.0	158.0	162.2'	157.7	154.6'	161.6'
3 Belgium-Luxembourg	12.4	8.7	9.2	8.2	9.0	8.5	8.4	9.0'	8.3	8.1'	10.1
4 France	16.2	14.1	12.1	13.6	15.1	14.7	13.8	13.3'	12.5	13.7'	13.6
5 Germany	11.3	9.0	10.5	11.2	11.5	12.5	11.7	12.7'	11.2	10.5'	12.6
6 Italy	11.4	10.1	9.6	8.3	9.3	8.1	9.0	8.6'	7.5	6.6'	7.3
7 Netherlands	3.5	3.9	3.7	3.5	3.4	3.9	4.6	4.4	7.3	4.8	4.1
8 Sweden	5.1	3.2	2.7	2.8	2.9	2.7	2.4	3.0	2.4	2.6'	2.1
9 Switzerland	4.3	3.9	4.4	5.3	5.6	4.8	5.8	5.8	5.7	5.4	5.5
10 United Kingdom	65.3	60.3	63.0	67.4	69.2	70.3	71.9	73.4'	71.8	71.3'	70.6
11 Canada	8.3	7.9	6.8	6.0	7.0	6.2	5.4	5.1'	4.6	4.6'	5.6
12 Japan	29.9	27.1	23.9	26.5	27.2	27.4	25.0	26.9'	26.3	27.0'	30.1'
13 Other developed countries	36.0	33.6	29.9	31.1	30.7	29.5	26.2	25.7'	25.2	26.2'	26.2
14 Austria	1.9	1.6	1.5	1.5	1.7	1.7	1.7	1.9	1.8	1.9	1.9
15 Denmark	3.4	2.2	2.3	2.5	2.4	2.3	1.7	1.7	1.5	1.6	1.7
16 Finland	2.4	1.9	1.6	1.9	1.6	1.7	1.4	1.4	1.4	1.4	1.3
17 Greece	2.8	2.9	2.6	2.5	2.6	2.3	2.3	2.1	2.0	1.9	2.0
18 Norway	3.3	3.0	2.9	2.7	3.0	2.7	2.4	2.2	2.1	2.3'	2.3
19 Portugal	1.5	1.4	1.2	1.0	1.1	1.0	.8	.8'	.8	.8	.6
20 Spain	7.1	6.5	5.8	6.4	6.4	6.7	5.8	6.3	6.1	7.4	8.0
21 Turkey	1.7	1.9	1.8	2.1	2.5	2.1	2.0	1.7'	1.7	1.5'	1.6
22 Other Western Europe	1.8	1.7	2.0	2.4	2.1	1.6	1.4	1.4	1.5	1.6	1.6
23 South Africa	4.7	4.5	3.2	3.1	3.1	3.1	3.1	3.0'	3.0	2.9'	2.9
24 Australia	5.4	6.0	5.0	4.9	4.2	4.1	3.5	3.2	3.1	2.9	2.5'
25 OPEC countries ³	28.4	24.9	21.3	20.4	20.6	20.0	19.6	20.2'	19.0	19.1'	17.3
26 Ecuador	2.2	2.2	2.1	2.2	2.1	2.2	2.2	2.1	2.1	2.0'	1.9
27 Venezuela	9.9	9.3	8.9	8.7	8.8	8.7	8.6	8.7'	8.6	8.4'	8.2
28 Indonesia	3.4	3.3	3.0	3.3	3.0	2.8	2.5	2.4	2.2	2.0	1.9
29 Middle East countries	9.8	7.9	5.3	4.5	5.0	4.6	4.5	5.4'	4.4	4.9'	3.6
30 African countries	3.0	2.3	2.0	1.8	1.7	1.7	1.7	1.6'	1.7	1.7	1.7
31 Non-OPEC developing countries	110.8	111.8	104.2	102.9	102.0	100.0	99.7	99.3'	99.5	96.6'	96.6'
Latin America											
32 Argentina	9.5	8.7	8.8	8.8	9.2	9.3	9.5	9.5	9.5	9.3	9.4
33 Brazil	23.1	26.3	25.4	25.6	25.5	25.4	25.3	25.5'	24.4	24.5'	24.1
34 Chile	6.4	7.0	6.9	7.0	7.1	7.2	7.1	7.2'	7.2	7.0'	6.9
35 Colombia	3.2	2.9	2.6	2.3	2.2	2.0	2.1	2.0	1.9	1.9'	2.0
36 Mexico	25.8	25.7	23.9	23.9	24.0	24.0	24.0	23.9'	25.3	24.7	23.6
37 Peru	2.4	2.2	1.8	1.7	1.6	1.5	1.5	1.4	1.3	1.2	1.1
38 Other Latin America	4.2	3.9	3.4	3.3	3.3	3.3	3.1	3.0	3.0	2.8	2.8
Asia											
China											
39 Mainland	.3	.7	.5	.6	.6	.6	.4	.9	.6	.3	.3
40 Taiwan	5.2	5.1	4.5	4.3	3.7	4.3	4.9	5.5	6.6	5.9	8.2
41 India	.9	.9	1.2	1.2	1.3	1.3	1.2	1.7'	1.7	1.9	1.9
42 Israel	1.9	1.8	1.6	1.3	1.6	1.4	1.5	1.4	1.3	1.3	1.0
43 Korea (South)	11.2	10.6	9.2	9.2	8.7	7.3	6.7	6.2	5.6	4.9'	4.9
44 Malaysia	2.8	2.7	2.4	2.2	2.0	2.1	2.1	1.9	1.7	1.6	1.5
45 Philippines	6.1	6.0	5.7	5.6	5.7	5.4	5.4	5.4	5.4	5.4	5.1
46 Thailand	2.2	1.8	1.4	1.3	1.1	1.0	.9	.9	.8	.7	.7
47 Other Asia	1.0	1.1	1.0	.9	.8	.7	.7	.6	.7	.7	.7
Africa											
48 Egypt	1.5	1.2	1.0	.9	.9	.7	.7	.6	.6	.6	.5
49 Morocco	.8	.8	.9	.9	.9	.9	.9	.9	.9	.8	.9
50 Zaire	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.0
51 Other Africa	2.3	2.1	1.9	1.9	1.7	1.6	1.6	.9'	1.1	1.0'	1.1'
52 Eastern Europe	5.3	4.4	4.1	4.0	4.0	3.4	3.2	3.0'	3.3	3.4	3.0
53 U.S.S.R.	.2	.1	.1	.3	.3	.1	.1	.1	.3	.5	.4
54 Yugoslavia	2.4	2.3	2.2	2.0	2.0	1.9	1.7	1.6	1.7	1.7	1.6
55 Other	2.8	2.0	1.8	1.7	1.7	1.4	1.4	1.3	1.3	1.2'	1.0
56 Offshore banking centers	68.9	65.6	62.9	57.5	55.4	60.5	63.2	63.2'	60.2	63.7'	53.1'
57 Bahamas	21.7	21.5	21.2	21.2	17.1	19.9	22.3	24.0'	19.7	25.5'	17.1'
58 Bermuda	.9	.9	.7	.7	.4	.4	.7	.8	.6	.6	.6
59 Cayman Islands and other British West Indies	12.2	11.8	11.6	9.2	12.2	12.8	13.6	11.1'	12.4	10.7'	11.2'
60 Netherlands Antilles	4.2	3.4	2.2	2.2	2.4	1.9	1.8	1.7	1.3	1.2	1.2
61 Panama	5.8	6.7	6.0	4.3	4.2	5.1	4.1	5.4	5.2	5.1'	4.5
62 Lebanon	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1
63 Hong Kong	13.8	11.4	11.4	11.4	9.5	10.5	11.2	11.4	12.5	12.3	11.2
64 Singapore	10.3	9.8	9.8	8.4	9.3	9.7	9.4	8.6'	8.3	8.1'	7.0
65 Others ⁶	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
66 Miscellaneous and unallocated ⁷	16.8	17.3	16.9	16.8	16.8	17.2	19.8	19.8	18.0	21.3	24.1'

1. The banking offices covered by these data are the U.S. offices and foreign branches of U.S.-owned banks and of U.S. subsidiaries of foreign-owned banks. Offices *not* covered include (1) U.S. agencies and branches of foreign banks, and (2) foreign subsidiaries of U.S. banks. To minimize duplication, the data are adjusted to exclude the claims on foreign branches held by a U.S. office or another foreign branch of the same banking institution. The data in this table combine foreign branch claims in table 3.14 (the sum of lines 7 through 10) with the claims of U.S. offices in table 3.18 (excluding those held by agencies and branches of foreign banks and those constituting claims on own foreign branches).

2. Beginning with June 1984 data, reported claims held by foreign branches have been reduced by an increase in the reporting threshold for "shell" branches

from \$50 million to \$150 million equivalent in total assets, the threshold now applicable to all reporting branches.

3. This group comprises the Organization of Petroleum Exporting Countries shown individually, other members of OPEC (Algeria, Gabon, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, and United Arab Emirates), and Bahrain and Oman (not formally members of OPEC).

4. Excludes Liberia.

5. Includes Canal Zone beginning December 1979.

6. Foreign branch claims only.

7. Includes New Zealand, Liberia, and international and regional organizations.

3.22 LIABILITIES TO UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States¹

Millions of dollars, end of period

Type, and area or country	1983	1984	1985	1986	1987				
				Dec.	Mar.	June	Sept.	Dec. ^p	
1 Total	25,346	29,357	27,825	25,850 ^r	27,551 ^r	28,953 ^r	28,339	27,322	
2 Payable in dollars	22,233	26,389	24,296	21,996 ^r	23,361 ^r	24,466 ^r	24,018	22,192	
3 Payable in foreign currencies	3,113	2,968	3,529	3,854 ^r	4,190 ^r	4,487 ^r	4,321	5,129	
By type									
4 Financial liabilities	10,572	14,509	13,600	12,371 ^r	13,232 ^r	14,148 ^r	12,839	11,310	
5 Payable in dollars	8,700	12,553	11,257	9,886 ^r	10,496 ^r	11,249 ^r	10,127	8,068	
6 Payable in foreign currencies	1,872	1,955	2,343	2,485 ^r	2,737 ^r	2,899 ^r	2,712	3,242	
7 Commercial liabilities	14,774	14,849	14,225	13,479	14,318	14,805	15,500	16,012	
8 Trade payables	7,765	7,005	6,685	6,447	6,985	7,139	7,389	7,394	
9 Advance receipts and other liabilities	7,009	7,843	7,540	7,032	7,333	7,666	8,111	8,618	
10 Payable in dollars	13,533	13,836	13,039	12,110	12,865	13,218	13,891	14,125	
11 Payable in foreign currencies	1,241	1,013	1,186	1,368	1,453	1,587	1,609	1,887	
By area or country									
Financial liabilities									
12 Europe	5,742	6,728	7,700	8,138 ^r	8,484 ^r	9,765 ^r	9,188	7,577	
13 Belgium-Luxembourg	302	471	349	270	232	257	230	202	
14 France	843	995	857	661 ^r	758 ^r	822 ^r	615	415	
15 Germany	502	489	376	368 ^r	463 ^r	402 ^r	386	583	
16 Netherlands	621	590	861	704	693	669	641	1,014	
17 Switzerland	486	569	610	646	663 ^r	655 ^r	636	480	
18 United Kingdom	2,839	3,297	4,305	5,199	5,414 ^r	6,698 ^r	6,394	4,690	
19 Canada	764	863	839	399	431	441	407	357	
20 Latin America and Caribbean	2,596	5,086	3,184	1,961 ^r	2,366 ^r	1,744 ^r	961	845	
21 Bahamas	751	1,926	1,123	614	669	398	280	278	
22 Bermuda	13	35	4	4	0	0	0	0	
23 Brazil	32	35	29	32	26	22	22	25	
24 British West Indies	1,041	2,103	1,843	1,163	1,545	1,223	581	475	
25 Mexico	213	367	15	22	30	29	17	13	
26 Venezuela	124	137	3	0 ^r	0 ^r	2 ^r	3	0	
27 Asia	1,424	1,777	1,815	1,805 ^r	1,882 ^r	2,131 ^r	2,204	2,428	
28 Japan	991	1,209	1,198	1,398 ^r	1,480 ^r	1,751 ^r	1,734	2,042	
29 Middle East oil-exporting countries ²	170	155	82	8	7	7	7	8	
30 Africa	19	14	12	1	3	1	2	4	
31 Oil-exporting countries ³	0	0	0	1	1	0	0	1	
32 All other ⁴	27	41	50	67	67	66	76	98	
Commercial liabilities									
33 Europe	3,245	4,001	4,074	4,494	4,521	4,987	4,973	5,629	
34 Belgium-Luxembourg	62	48	62	101	85	111	56	125	
35 France	437	438	453	351	379	422	437	449	
36 Germany	427	622	607	722	591	594	679	915	
37 Netherlands	268	245	364	460	372	339	350	437	
38 Switzerland	241	257	379	387	484	557	556	558	
39 United Kingdom	732	1,095	976	1,346	1,309	1,380	1,475	1,660	
40 Canada	1,841	1,975	1,449	1,393	1,352	1,253	1,263	1,285	
41 Latin America and Caribbean	1,473	1,871	1,088	890	1,089	1,037	1,050	862	
42 Bahamas	1	7	12	32	28	13	22	19	
43 Bermuda	67	114	77	132	297	245	223	165	
44 Brazil	44	124	58	61	82	88	40	46	
45 British West Indies	6	32	44	48	88 ^r	63 ^r	44	20	
46 Mexico	585	586	430	213	185	160	231	189	
47 Venezuela	432	636	212	217	224	203	176	162	
48 Asia	6,741	5,285	6,046	5,098	5,818	5,921	6,516	6,566	
49 Japan	1,247	1,256	1,799	2,051	2,468	2,480	2,422	2,579	
50 Middle East oil-exporting countries ^{2,5}	4,178	2,372	2,829	1,686	1,948	1,870	2,109	1,956	
51 Africa	553	588	587	622	520	524	571	584	
52 Oil-exporting countries ³	167	233	238	197	170	166	151	135	
53 All other ⁴	921	1,128	982	981	1,019	1,083	1,128	1,085	

1. For a description of the changes in the International Statistics tables, see July 1979 BULLETIN, p. 550.

2. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

3. Comprises Algeria, Gabon, Libya, and Nigeria.

4. Includes nonmonetary international and regional organizations.

5. Revisions include a reclassification of transactions, which also affects the totals for Asia and the grand totals.

3.23 CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States¹

Millions of dollars, end of period

Type, and area or country	1983	1984	1985	1986	1987			
				Dec.	Mar.	June ^r	Sept.	Dec. ^p
1 Total	34,911	29,901	28,876	33,519 ^r	34,103 ^r	31,644	31,390	29,965
2 Payable in dollars	31,815	27,304	26,574	30,989 ^r	31,303 ^r	28,518	28,695	26,716
3 Payable in foreign currencies	3,096	2,597	2,302	2,530 ^r	2,800 ^r	3,126	2,696	3,249
By type								
4 Financial claims	23,780	19,254	18,891	23,424 ^r	24,149 ^r	21,691	21,055	19,426
5 Deposits	18,496	14,621	15,526	17,283 ^r	17,407 ^r	14,871	15,827	13,505
6 Payable in dollars	17,993	14,202	14,911	16,726 ^r	16,573 ^r	13,666	14,954	12,132
7 Payable in foreign currencies	503	420	615	557 ^r	833 ^r	1,205	873	1,373
8 Other financial claims	5,284	4,633	3,364	6,141 ^r	6,742 ^r	6,820	5,228	5,921
9 Payable in dollars	3,328	3,190	2,330	4,792 ^r	5,400 ^r	5,551	4,114	4,772
10 Payable in foreign currencies	1,956	1,442	1,035	1,349	1,342 ^r	1,269	1,114	1,149
11 Commercial claims	11,131	10,646	9,986	10,095	9,954	9,953	10,335	10,539
12 Trade receivables	9,721	9,177	8,696	8,902	8,898	8,910	9,394	9,538
13 Advance payments and other claims	1,410	1,470	1,290	1,192	1,056	1,043	942	1,001
14 Payable in dollars	10,494	9,912	9,333	9,471	9,330	9,301	9,626	9,812
15 Payable in foreign currencies	637	735	652	624	624	652	709	727
By area or country								
Financial claims								
16 Europe	6,488	5,762	6,929	8,827 ^r	9,403 ^r	9,958	9,473	9,014
17 Belgium-Luxembourg	37	15	10	41	15	6	23	6
18 France	150	126	184	138	172	154	169	330
19 Germany	163	224	223	111	163	92	98	64
20 Netherlands	71	66	161	151 ^r	132 ^r	140	157	282
21 Switzerland	38	66	74	185 ^r	77 ^r	98	44	76
22 United Kingdom	5,817	4,864	6,007	7,957	8,491	9,268	8,783	8,046
23 Canada	5,989	3,988	3,260	3,965 ^r	3,782 ^r	3,330	2,885	2,805
24 Latin America and Caribbean	10,234	8,216	7,846	9,209 ^r	9,550 ^r	7,553	7,502	6,725
25 Bahamas	4,771	3,306	2,698	2,628 ^r	3,951 ^r	2,588	2,518	1,865
26 Bermuda	102	6	6	6	3	6	2	2
27 Brazil	53	100	78	73	71	103	102	53
28 British West Indies	4,206	4,043	4,571	6,078	5,150 ^r	4,404	3,687	4,351
29 Mexico	293	215	180	174	164	167	173	172
30 Venezuela	134	125	48	21 ^r	20 ^r	20	18	19
31 Asia	764	961	731	1,316 ^r	1,189 ^r	776	1,105	760
32 Japan	297	353	475	999	931	439	737	480
33 Middle East oil-exporting countries ²	4	13	4	7 ^r	7 ^r	6	10	10
34 Africa	147	210	103	85	84	58	71	65
35 Oil-exporting countries ³	55	85	29	28	19	9	14	7
36 All other ⁴	159	117	21	22	140	16	20	58
Commercial claims								
37 Europe	3,670	3,801	3,533	3,718	3,703	3,855	4,121	4,004
38 Belgium-Luxembourg	135	165	175	133	145	137	168	175
39 France	459	440	426	410	417	437	413	588
40 Germany	349	374	346	447	451	532	551	549
41 Netherlands	334	335	284	173	165	182	199	139
42 Switzerland	317	271	284	217	196	187	205	184
43 United Kingdom	809	1,063	898	998	1,070	1,072	1,227	981
44 Canada	829	1,021	1,023	928	927	929	904	901
45 Latin America and Caribbean	2,695	2,052	1,753	1,981	1,944	1,882	1,852	2,094
46 Bahamas	8	8	13	28	11	14	12	19
47 Bermuda	190	115	93	170	157	153	125	159
48 Brazil	493	214	206	235	217	202	227	222
49 British West Indies	7	7	6	51	18 ^r	12	13	45
50 Mexico	884	583	510	411	445	347	367	369
51 Venezuela	272	206	157	234	171	201	189	294
52 Asia	3,063	3,073	2,982	2,751	2,707	2,645	2,783	2,882
53 Japan	1,114	1,191	1,016	881	926	952	1,022	1,148
54 Middle East oil-exporting countries ²	737	668	638	565	529	455	436	451
55 Africa	588	470	437	495	432	379	407	406
56 Oil-exporting countries ³	139	134	130	135	141	123	124	144
57 All other ⁴	286	229	257	222	240	262	268	252

1. For a description of the changes in the International Statistics tables, see July 1979 BULLETIN, p. 550.

2. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

3. Comprises Algeria, Gabon, Libya, and Nigeria.

4. Includes nonmonetary international and regional organizations.

3.24 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transactions, and area or country	1986	1987 ^a	1988	1987					1988		
			Jan. - Feb.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb. ^b	
				U.S. corporate securities							
STOCKS											
1 Foreign purchases	148,114	249,072	29,258	24,807 ^r	22,489 ^r	30,237 ^r	13,626	13,627	12,916	16,342	
2 Foreign sales	129,395	232,849	29,611	24,579 ^r	19,455 ^r	27,784 ^r	20,325	16,630	12,891	16,720	
3 Net purchases, or sales (-)	18,719	16,223	-353	228 ^r	3,034 ^r	2,452 ^r	-6,699	-3,004	25	-378	
4 Foreign countries	18,927	16,271	-289	126 ^r	2,944 ^r	2,438 ^r	-6,651	-2,943	56 ^r	-345	
5 Europe	9,559	1,886	-550	106 ^r	1,312	138	-5,948	-2,329	-226	-324	
6 France	459	905	-124	-69	-15	58	-541	-393	-96	-29	
7 Germany	341	-74	30	28	-12	380	-183	-149	67	-37	
8 Netherlands	936	890	-13	135	79	-40	-169	32	-72	59	
9 Switzerland	1,560	-1,163	-367	-325	435	294	-1,574	-743	-114	-253	
10 United Kingdom	4,826	539	-266	150 ^r	770	-624	-3,407	-959	-136	-130	
11 Canada	816	1,048	-20	-37 ^r	-52 ^r	252 ^r	169	111	147	-167	
12 Latin America and Caribbean	3,031	1,314	117	188	157	-512	-561	-50	-143	260	
13 Middle East ^c	976	-1,360	-147	-255	135	569	-83	-448	104	-251	
14 Other Asia	3,876	12,896	226	171	1,242	2,014	-28	-160	156	70	
15 Africa	297	123	-11	16	20	7	11	-6	7	-18	
16 Other countries	373	365	97	-63	132	-30	-211	-61	12	85	
17 Nonmonetary international and regional organizations	-208	-48	-65	102	90	15	-48	-61	-32	-33	
BONDS ^d											
18 Foreign purchases	123,169	105,823	11,457	7,099 ^r	8,662	9,158	5,716 ^r	6,773 ^r	5,024 ^r	6,433	
19 Foreign sales	72,520	78,128	11,217	5,638	4,786	7,275	5,386 ^r	5,461 ^r	5,187 ^r	6,031	
20 Net purchases, or sales (-)	50,648	27,695	239	1,461 ^r	3,876	1,883	330 ^r	1,313 ^r	-163 ^r	402	
21 Foreign countries	49,801	26,955	985	1,620 ^r	3,836	1,874	72 ^r	913	465 ^r	521	
22 Europe	39,313	22,176	551	1,687 ^r	3,149	922	409	550	279 ^r	272	
23 France	389	194	64	26	-37	55	-34	-13	51	13	
24 Germany	-251	-8	188	-22	-56	-98	-26	17	61	127	
25 Netherlands	387	269	-14	44	116	36	-16	1	-13	-1	
26 Switzerland	4,529	1,651	10	306	166	136	-39	-203	-50	60	
27 United Kingdom	33,900	19,934	382	1,388 ^r	2,828	1,012	371	751	333 ^r	49	
28 Canada	548	1,296	0	-8	47	305	68	114	29	-29	
29 Latin America and Caribbean	1,476	2,473	294	44	682	524	-15	292	-22	316	
30 Middle East ^c	-2,961	-551	-240	-14	-87	42	-92	-20	-164	-76	
31 Other Asia	11,270	1,606	414	-93	52	65	-254 ^r	-25	347	67	
32 Africa	16	16	-22	-17	-6	24	-10	3	0	-22	
33 Other countries	139	-61	-12	20	-1	-9	-33	0	-4	-8	
34 Nonmonetary international and regional organizations	847	740	-746	-159	40	10	257	400 ^r	-627	-119	
				Foreign securities							
35 Stocks, net purchases, or sales (-)	-2,360	1,127	-142	-401 ^r	483 ^r	2,089 ^r	704 ^r	841 ^r	517 ^r	-659	
36 Foreign purchases	49,587	95,208	10,703	8,770 ^r	8,816 ^r	12,974 ^r	7,592 ^r	4,897 ^r	4,989 ^r	5,714	
37 Foreign sales	51,947	94,082	10,845	9,171 ^r	8,333 ^r	10,885 ^r	6,889 ^r	4,055 ^r	4,472	6,373	
38 Bonds, net purchases, or sales (-)	-3,685 ^r	-7,601	-2,764	-279 ^r	-638 ^r	-2,566	-1,929	-1,379	-1,326 ^r	-1,439	
39 Foreign purchases	166,992	199,121	28,663	12,350 ^r	13,031 ^r	18,119 ^r	17,753 ^r	12,433	12,810 ^r	15,852	
40 Foreign sales	170,677 ^r	206,722	31,427	12,628 ^r	13,669 ^r	20,684	19,682 ^r	13,812	14,136 ^r	17,291	
41 Net purchases, or sales (-), of stocks and bonds	-6,045 ^r	-6,474	-2,906	-680 ^r	-155 ^r	-477 ^r	-1,225 ^r	-538 ^r	-809 ^r	-2,097	
42 Foreign countries	-7,000	-6,618	-2,992	-1,273 ^r	-476 ^r	289 ^r	-1,125 ^r	-224 ^r	-874 ^r	-2,117	
43 Europe	-18,533	-11,972	-1,930	-891 ^r	-505 ^r	-926 ^r	-1,582 ^r	-381 ^r	-319 ^r	-1,611	
44 Canada	-876	-4,065	-1,306	-527 ^r	-274 ^r	-37 ^r	-498	107	-656	-651	
45 Latin America and Caribbean	3,476	828	62	83	-20	-152	329	2	126	-63	
46 Asia	10,858	9,322	-160	232 ^r	85 ^r	1,330 ^r	421 ^r	159	-197 ^r	37	
47 Africa	52	89	12	5	14	16	3	10	9	3	
48 Other countries	-1,977	-820	331	-176 ^r	224 ^r	59	201	-121	163	168	
49 Nonmonetary international and regional organizations	955 ^r	144	85	594	320	-767	-101	-314	65	20	

1. Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

2. Includes state and local government securities, and securities of U.S. government agencies and corporations. Also includes issues of new debt securi-

ties sold abroad by U.S. corporations organized to finance direct investments abroad.

3.25 MARKETABLE U.S. TREASURY BONDS AND NOTES Foreign Transactions

Millions of dollars

Country or area	1986	1987	1988	1987					1988	
			Jan. - Feb.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb. ^p
			Transactions, net purchases or sales (-) during period ¹							
1 Estimated total ²	19,388	25,755 ^r	16,691	1,110	523	-1,232 ^r	6,380	2,675	4,645	12,046
2 Foreign countries ²	20,491	31,057 ^r	18,535	2,787	704	-5,497 ^r	7,676	4,290	5,740	12,794
3 Europe ²	16,326	23,610	10,149	-1,007	-1,167	-954	6,340	1,282	4,321	5,827
4 Belgium-Luxembourg	-245	653	711	366	-25	165	-2	-103	469	242
5 Germany ²	7,670	13,295	4,434	780	130	31	1,820	1,121	3,045	1,389
6 Netherlands	1,283	-911	-46	-254	-296	-707	314	-76	-337	291
7 Sweden	132	233	-35	-153	-156	4	182	51	-61	26
8 Switzerland ²	329	1,925	-1,070	-688	-99	-609	-297	-522	118	-1,188
9 United Kingdom	4,546	3,955	4,273	-431	-985	-642	3,163	1,200	-101	4,373
10 Other Western Europe	2,613	4,479	1,857	-631	259	804	1,158	-391	1,179	678
11 Eastern Europe	0	-19	26	4	5	0	3	1	9	16
12 Canada	881	4,534	915	378	203	-389	679	720	356	559
13 Latin America and Caribbean	926	-2,146	849	-675	-29	-117	472	-141	219	629
14 Venezuela	-96	150	-1	30	55	-63	35	1	0	-1
15 Other Latin America and Caribbean	1,130	-1,096	503	-49	-155	-227	367	167	184	319
16 Netherlands Antilles	-108	-1,200	346	-656	72	173	69	-309	36	311
17 Asia	1,345	4,707 ^r	6,708	4,318	1,762	-5,304 ^r	1,476	2,429	772	5,936
18 Japan	-22	877	7,974	1,839	799	-5,272	1,757	2,020	2,979	4,996
19 Africa	-54	-56	-13	-24	3	2	-29	49	-38	25
20 All other	1,067	407	-72	-204	-68	1,263	-1,260	-48	110	-182
21 Nonmonetary international and regional organizations	-1,104	-5,301 ^r	-1,844	-1,677	-180	4,265	-1,296	-1,615	-1,095	-749
22 International	-1,430	-4,387 ^r	-1,902	-1,722	111	4,326	-1,492	-1,620	-1,023	-879
23 Latin American regional	157	3	6	0	-10	0	0	0	8	-2
Memo										
24 Foreign countries ²	20,491	31,057 ^r	18,535	2,787	704	-5,497 ^r	7,676	4,290	5,740	12,794
25 Official institutions	14,214	31,188 ^r	12,219	2,612	1,341 ^r	2,466 ^r	1,854	1,794	5,118	7,101
26 Other foreign ²	6,283	-135 ^r	6,316	175	-637 ^r	-7,965 ^r	5,822	2,497	622	5,694
Oil-exporting countries										
27 Middle East ³	-1,529	-3,111	-1,152	329	-509	-695	-891	368	-809	-343
28 Africa ⁴	5	16	0	0	0	-1	-1	-1	0	0

1. Estimated official and private transactions in marketable U.S. Treasury securities with an original maturity of more than 1 year. Data are based on monthly transactions reports. Excludes nonmarketable U.S. Treasury bonds and notes held by official institutions of foreign countries.

2. Includes U.S. Treasury notes publicly issued to private foreign residents denominated in foreign currencies.

3. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

4. Comprises Algeria, Gabon, Libya, and Nigeria.

3.26 DISCOUNT RATES OF FOREIGN CENTRAL BANKS

Percent per year

Country	Rate on Apr. 30, 1988		Country	Rate on Apr. 30, 1988		Country	Rate on Apr. 30, 1988	
	Percent	Month effective		Percent	Month effective		Percent	Month effective
Austria	3.0	Dec. 1987	France ¹	7.25	Jan. 1988	Norway	8.0	June 1983
Belgium	6.5	Mar. 1988	Germany, Fed. Rep. of ...	2.5	Dec. 1987	Switzerland	2.5	Dec. 1987
Brazil	49.0	Mar. 1981	Italy	12.0	Aug. 1987	United Kingdom ² .....	...	...
Canada	9.06	Apr. 1988	Japan	2.5	Feb. 1987	Venezuela	8.0	Oct. 1985
Denmark	7.0	Oct. 1983	Netherlands	3.25	Jan. 1988			

1. As of the end of February 1981, the rate is that at which the Bank of France discounts Treasury bills for 7 to 10 days.

2. Minimum lending rate suspended as of Aug. 20, 1981.

NOTE. Rates shown are mainly those at which the central bank either discounts

or makes advances against eligible commercial paper and/or government commercial banks or brokers. For countries with more than one rate applicable to such discounts or advances, the rate shown is the one at which it is understood the central bank transacts the largest proportion of its credit operations.

3.27 FOREIGN SHORT-TERM INTEREST RATES

Percent per year, averages of daily figures

Country, or type	1985	1986	1987	1987			1988			
				Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
1 Eurodollars	8.27	6.70	7.07	8.29	7.41	7.86	7.11	6.73	6.74	7.05
2 United Kingdom	12.16	10.87	9.65	9.92	8.87	8.71	8.84	9.18	8.83	8.25
3 Canada	9.64	9.18	8.38	9.12	8.70	8.95	8.75	8.58	8.63	8.90
4 Germany	5.40	4.58	3.97	4.70	3.92	3.65	3.40	3.29	3.38	3.37
5 Switzerland	4.92	4.19	3.67	4.03	3.65	3.51	2.09	1.48	1.61	1.83
6 Netherlands	6.29	5.56	5.24	5.63	4.99	4.65	4.24	3.98	3.97	3.98
7 France	9.91	7.68	8.14	8.15	8.66	8.48	8.19	7.54	7.89	7.99
8 Italy	14.86	12.60	11.15	11.85	11.36	11.25	10.47	10.80	11.11	10.54
9 Belgium	9.60	8.04	7.01	6.84	6.93	6.57	6.49	6.19	6.09	6.08
10 Japan	6.47	4.96	3.87	3.89	3.90	3.90	3.88	3.82	3.82	3.80

NOTE. Rates are for 3-month interbank loans except for Canada, finance company paper; Belgium, 3-month Treasury bills; and Japan, Gensaki rate.

3.28 FOREIGN EXCHANGE RATES¹

Currency units per dollar

Country/currency	1985	1986	1987	1987		1988			
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
1 Australia/dollar ²	70.026	67.093	70.136	68.60	71.06	71.11	71.40	73.29	74.80
2 Austria/schilling	20.676	15.260	12.649	11.843	11.500	11.635	11.920	11.767	11.744
3 Belgium/franc	59.336	44.662	37.357	35.190	34.186	34.576	35.473	35.126	34.962
4 Canada/dollar	1.3658	1.3896	1.3259	1.3167	1.3075	1.2855	1.2682	1.2492	1.2353
5 China, P.R./yuan	2.9434	3.4615	3.7314	3.7314	3.7314	3.7314	3.7314	3.7314	3.7314
6 Denmark/krone	10.598	8.0954	6.8477	6.4962	6.3043	6.3562	6.4918	6.4261	6.4207
7 Finland/markka	6.1971	5.0721	4.4036	4.1392	4.0462	4.0391	4.1159	4.0483	4.0064
8 France/franc	8.9799	6.9256	6.0121	5.7099	5.5375	5.5808	5.7323	5.6893	5.6704
9 Germany/deutsche mark	2.9419	2.1704	1.7981	1.6821	1.6335	1.6537	1.6963	1.6770	1.6710
10 Greece/drachma	138.40	139.93	135.47	132.42	129.46	131.92	135.56	134.60	133.86
11 Hong Kong/dollar	7.7911	7.8037	7.7985	7.7968	7.7726	7.7872	7.7978	7.8028	7.8166
12 India/rupee	12.332	12.597	12.943	12.972	12.934	13.040	13.065	12.979	13.158
13 Ireland/punt	106.62	134.14	148.79	158.08	162.63	160.64	156.87	159.33	159.81
14 Italy/lira	1908.90	1491.16	1297.03	1238.89	1203.74	1216.88	1249.62	1240.67	1240.99
15 Japan/yen	238.47	168.35	144.60	135.40	128.24	127.69	129.17	127.11	124.90
16 Malaysia/ringgit	2.4806	2.5830	2.5185	2.4989	2.4944	2.5400	2.5812	2.5689	2.5743
17 Netherlands/guilder	3.3184	2.4484	2.0263	1.8931	1.8382	1.8584	1.9051	1.8837	1.8749
18 New Zealand/dollar ²	49.752	52.456	59.327	61.915	64.664	65.818	66.386	66.239	66.143
19 Norway/krone	8.5933	7.3984	6.7408	6.4233	6.3820	6.3538	6.4167	6.3337	6.2140
20 Portugal/escudo	172.07	149.80	141.20	136.84	133.77	135.87	138.84	137.48	136.77
21 Singapore/dollar	2.2008	2.1782	2.1059	2.0444	2.0127	2.0261	2.0185	2.0133	2.0044
22 South Africa/rand	2.2343	2.2918	2.0385	1.9738	1.9525	1.9755	2.0529	2.1330	2.1428
23 South Korea/won	861.89	884.61	825.93	802.30	798.34	791.31	776.85	757.37	745.31
24 Spain/peseta	169.98	140.04	123.54	113.26	110.80	112.34	114.36	112.38	110.80
25 Sri Lanka/rupee	27.187	27.933	29.471	30.519	30.644	30.825	30.859	30.892	30.939
26 Sweden/krona	8.6031	7.1272	6.3468	6.0744	5.9473	5.9749	6.0524	5.9497	5.8892
27 Switzerland/franc	2.4551	1.7979	1.4918	1.3825	1.3304	1.3466	1.3916	1.3863	1.3823
28 Taiwan/dollar	39.889	37.837	31.756	29.813	29.004	28.628	28.665	28.687	28.695
29 Thailand/baht	27.193	26.314	25.774	25.495	25.249	25.235	25.324	25.232	25.171
30 United Kingdom/pound ²	129.74	146.77	163.98	177.54	182.88	180.09	175.82	183.30	187.82
MEMO									
31 United States/dollar ³	143.01	112.22	96.94	91.49	88.70	89.29	91.08	89.73	88.95

1. Averages of certified noon buying rates in New York for cable transfers. Data in this table also appear in the Board's G.5 (405) release. For address, see inside front cover.

2. Value in U.S. cents.

3. Index of weighted-average exchange value of U.S. dollar against the

currencies of 10 industrial countries. The weight for each of the 10 countries is the 1972-76 average world trade of that country divided by the average world trade of all 10 countries combined. Series revised as of August 1978 (see FEDERAL RESERVE BULLETIN, vol. 64, August 1978, p. 700).

Guide to Tabular Presentation, Statistical Releases, and Special Tables

GUIDE TO TABULAR PRESENTATION

Symbols and Abbreviations

c	Corrected	0	Calculated to be zero
e	Estimated	n.a.	Not available
p	Preliminary	n.e.c.	Not elsewhere classified
r	Revised (Notation appears on column heading when about half of the figures in that column are changed.)	IPCs	Individuals, partnerships, and corporations
*	Amounts insignificant in terms of the last decimal place shown in the table (for example, less than 500,000 when the smallest unit given is millions)	REITs	Real estate investment trusts
		RPs	Repurchase agreements
		SMSAs	Standard metropolitan statistical areas
		....	Cell not applicable

General Information

Minus signs are used to indicate (1) a decrease, (2) a negative figure, or (3) an outflow.

"U.S. government securities" may include guaranteed issues of U.S. government agencies (the flow of funds figures also include not fully guaranteed issues) as well as direct

obligations of the Treasury. "State and local government" also includes municipalities, special districts, and other political subdivisions.

In some of the tables, details do not add to totals because of rounding.

STATISTICAL RELEASES

List Published Semiannually, with Latest Bulletin Reference

	Issue	Page
Anticipated schedule of release dates for periodic releases.....	June 1988	A87

SPECIAL TABLES

Published Irregularly, with Latest Bulletin Reference

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Assets and liabilities of commercial banks, June 30, 1987.....	February 1988	A70
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Assets and liabilities of commercial banks, December 31, 1987.....	June 1988	A70
Assets and liabilities of U.S. branches and agencies of foreign banks, March 31, 1987.....	August 1987	A70
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Assets and liabilities of U.S. branches and agencies of foreign banks, September 30, 1987.....	February 1988	A76
Assets and liabilities of U.S. branches and agencies of foreign banks, December 31, 1987.....	June 1988	A76
Terms of lending at commercial banks, February 1987.....	May 1987	A70
Terms of lending at commercial banks, May 1987.....	September 1987	A70
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Terms of lending at commercial banks, November 1987.....	May 1988	A70
Pro forma balance sheet and income statements for priced service operations, June 30, 1987.....	November 1987	A74
Pro forma balance sheet and income statements for priced service operations, September 30, 1987.....	February 1988	A80

Special tables begin on next page.

4.20 DOMESTIC AND FOREIGN OFFICES, Insured Commercial Bank Assets and Liabilities^{1,2}
 Consolidated Report of Condition, December 31, 1987
 Millions of dollars

Item	Total	Banks with foreign offices ^{5,7}			Banks with domestic offices only ⁸	
		Total	Foreign	Domestic	Over 100	Under 100
1 Total assets ⁶	2,947,724	1,703,543	445,763	1,319,328	830,766	413,416
2 Cash and balances due from depository institutions	353,184	246,768	128,611	118,157	69,403	37,012
3 Cash items in process of collection, unposted debits, and currency and coin		79,324	1,686	77,638	29,392	
4 Cash items in process of collection and unposted debits		n.a.	n.a.	64,969	21,095	
5 Currency and coin		n.a.	n.a.	12,669	8,297	
6 Balances due from depository institutions in the United States		36,695	23,231	13,465	22,656	
7 Balances due from banks in foreign countries and foreign central banks		106,983	103,480	3,503	5,339	
8 Balances due from Federal Reserve Banks		23,767	214	23,552	12,017	
MEMO						
9 Noninterest-bearing balances due from commercial banks in the United States (included in balances due from depository institutions in the U.S.)		n.a.	n.a.	7,983	13,847	12,571
10 Total securities, loans and lease financing receivables, net	2,385,209	1,298,702	n.a.	n.a.	727,345	359,162
11 Total securities, book value	509,111	213,317	30,017	183,300	174,510	121,284
12 U.S. Treasury securities and U.S. government agency and corporation obligations	310,215	112,918	714	112,204	110,006	87,291
13 U.S. Treasury securities	n.a.	66,096	548	65,548	63,136	n.a.
14 U.S. government agency and corporation obligations	n.a.	46,822	166	46,656	46,871	n.a.
15 All holdings of U.S. government-issued or guaranteed certificates of participation in pools of residential mortgages	71,853	38,531	70	38,461	19,659	13,663
16 All other	n.a.	8,292	96	8,196	27,212	n.a.
17 Securities issued by states and political subdivisions in the United States	119,033	50,154	754	49,400	44,311	24,567
18 Taxable	1,918	366	0	366	733	820
19 Tax-exempt	117,114	49,788	754	49,034	43,579	23,747
20 Other securities	79,863	50,245	28,549	21,696	20,193	9,426
21 Other domestic securities	n.a.	21,246	1,414	19,832	19,805	
22 All holdings of private certificates of participation in pools of residential mortgages	8,084	4,179	0	4,179	2,965	941
23 All other	42,393	17,067	1,414	15,653	16,840	8,485
24 Foreign securities	n.a.	28,999	27,135	1,864	387	
25 Federal funds sold and securities purchased under agreements to resell	128,786	58,485	330	58,156	45,294	25,007
26 Total loans and lease financing receivables, gross	1,810,697	1,070,586	221,266	849,320	521,280	218,830
27 Less: Unearned income on loans	14,715	6,622	2,117	4,505	5,572	2,522
28 Total loans and leases (net of unearned income)	1,795,982	1,063,965	219,149	844,816	515,709	216,308
29 Less: Allowance for loan and lease losses	48,513	36,909	n.a.	n.a.	8,167	3,437
30 Less: Allocated transfer risk reserves	156	156	n.a.	n.a.	1	0
31 EQUALS: Total loans and leases, net	1,747,312	1,026,899	n.a.	n.a.	507,541	212,871
Total loans, gross, by category						
32 Loans secured by real estate	591,217	280,732	17,103	263,629	210,345	100,140
33 Construction and land development				79,429	32,248	7,831
34 Farmland				1,617	4,065	8,773
35 1-4 family residential properties	n.a.	n.a.	n.a.	101,784	99,056	55,249
36 Multifamily (5 or more) residential properties				9,520	6,157	2,063
37 Nonfarm nonresidential properties				71,279	68,819	26,224
38 Loans to depository institutions	63,775	57,406	26,942	30,464	5,302	977
39 To commercial banks in the United States	n.a.	23,003	951	22,052	4,491	n.a.
40 To other depository institutions in the United States	n.a.	4,163	366	3,797	767	n.a.
41 To banks in foreign countries	n.a.	30,241	25,625	4,616	135	n.a.
42 Loans to finance agricultural production and other loans to farmers	29,366	5,576	325	5,251	6,307	17,483
43 Commercial and industrial loans	586,616	410,185	108,374	301,811	128,908	47,523
44 To U.S. addressees (domicile)	n.a.	313,410	15,125	298,284	128,516	n.a.
45 To non-U.S. addressees (domicile)	n.a.	96,775	93,249	3,527	392	n.a.
46 Acceptances of other banks	4,938	1,171	361	810	2,028	1,739
47 U.S. banks	n.a.	369	32	338	n.a.	n.a.
48 Foreign banks	n.a.	801	329	472	n.a.	n.a.
49 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	330,675	148,678	12,475	136,203	136,474	45,522
50 Credit cards and related plans	88,232	45,216	n.a.	n.a.	40,626	2,391
51 Other (includes single payment and installment)	242,443	103,463	n.a.	n.a.	95,848	43,132
52 Obligations (other than securities) of states and political subdivisions in the U.S. (includes nonrated industrial development obligations)	52,310	32,256	558	31,698	17,610	2,444
53 Taxable	1,374	451	0	451	809	114
54 Tax-exempt	50,936	31,804	558	31,246	16,801	2,330
55 All other loans	120,877	108,539	50,573	57,967	9,940	2,397
56 Loans to foreign governments and official institutions	n.a.	39,011	36,454	2,557	222	n.a.
57 Other loans	n.a.	69,529	14,119	55,410	9,717	n.a.
58 Loans for purchasing and carrying securities	n.a.	n.a.	n.a.	14,277	1,905	n.a.
59 All other loans	n.a.	n.a.	n.a.	41,133	7,812	n.a.
60 Lease financing receivables	30,923	26,043	4,554	21,489	4,276	604
61 Assets held in trading accounts	32,396	31,827	14,445	17,382	409	160
62 Premises and fixed assets (including capitalized leases)	44,482	23,221	n.a.	n.a.	13,954	7,307
63 Other real estate owned	11,032	4,757	n.a.	n.a.	3,537	2,738
64 Investments in unconsolidated subsidiaries and associated companies	2,320	1,585	n.a.	n.a.	681	54
65 Customers' liability on acceptances outstanding	37,575	37,121	n.a.	n.a.	429	25
66 Net due from own foreign offices, Edge and agreement subsidiaries, and IBFs	4,444	n.a.	n.a.	40,357	n.a.	n.a.
67 Intangible assets	4,444	3,002	n.a.	n.a.	1,273	169
68 Other assets	76,921	56,559	n.a.	n.a.	13,574	6,788

4.20 Continued

Item	Total	Banks with foreign offices ^{3,4}			Banks with domestic offices only ³	
		Total	Foreign	Domestic	Over 100	Under 100
69 Total liabilities, limited-life preferred stock, and equity capital.....	2,947,724	1,703,543	n.a.	n.a.	830,766	413,416
70 Total liabilities ⁷	2,770,244	1,620,311	446,361	1,235,497	771,895	378,038
71 Limited-life preferred stock.....	84	67	n.a.	n.a.	15	1
72 Total deposits.....	2,294,832	1,240,736	340,582	900,154	685,438	368,658
73 Individuals, partnerships, and corporations.....	↑	↑	186,962	802,899	622,684	335,744
74 U.S. government.....	↑	↑	↑	3,051	1,856	816
75 States and political subdivisions in the United States.....	↑	↑	↑	37,218	41,272	26,022
76 Commercial banks in the United States.....	n.a.	n.a.	n.a.	32,814	11,109	2,059
77 Other depository institutions in the United States.....	↓	↓	↓	4,459	2,467	1,135
78 Banks in foreign countries.....	↓	↓	↓	7,888	143	n.a.
79 Foreign governments and official institutions.....	↓	↓	↓	1,718	303	n.a.
80 Certified and official checks.....	19,194	10,745	637	10,108	5,604	2,845
81 All other ⁸	n.a.	n.a.	126,229	...	...	37
82 Total transaction accounts.....	↑	↑	↑	324,808	209,942	104,087
83 Individuals, partnerships, and corporations.....	↑	↑	↑	269,675	183,697	92,294
84 U.S. government.....	↑	↑	↑	2,100	1,371	610
85 States and political subdivisions in the United States.....	↑	↑	↑	8,929	10,560	7,118
86 Commercial banks in the United States.....	n.a.	n.a.	n.a.	21,911	7,044	819
87 Other depository institutions in the United States.....	↓	↓	↓	3,821	1,590	388
88 Banks in foreign countries.....	↓	↓	↓	7,211	72	n.a.
89 Foreign governments and official institutions.....	↓	↓	↓	1,052	5	n.a.
90 Certified and official checks.....	↓	↓	↓	10,108	5,604	2,845
91 All other.....	↓	↓	↓	...	...	12
92 Demand deposits (included in total transaction accounts).....	↑	↑	↑	256,945	136,937	58,176
93 Individuals, partnerships, and corporations.....	↑	↑	↑	203,577	115,485	50,947
94 U.S. government.....	↑	↑	↑	2,078	1,348	587
95 States and political subdivisions in the United States.....	↑	↑	↑	7,188	5,796	2,589
96 Commercial banks in the United States.....	↑	↑	↑	21,911	7,043	818
97 Other depository institutions in the United States.....	↑	↑	↑	3,821	1,585	378
98 Banks in foreign countries.....	↑	↑	↑	7,210	72	n.a.
99 Foreign governments and official institutions.....	↑	↑	↑	1,052	5	n.a.
100 Certified and official checks.....	↑	↑	↑	10,108	5,604	2,845
101 All other.....	↑	↑	↑	...	...	12
102 Total nontransaction accounts.....	n.a.	n.a.	n.a.	575,346	475,496	264,571
103 Individuals, partnerships, and corporations.....	n.a.	n.a.	n.a.	533,223	438,987	243,449
104 U.S. government.....	n.a.	n.a.	n.a.	951	485	206
105 States and political subdivisions in the United States.....	n.a.	n.a.	n.a.	28,289	30,713	18,904
106 Commercial banks in the United States.....	n.a.	n.a.	n.a.	10,903	4,065	1,239
107 U.S. branches and agencies of foreign banks.....	n.a.	n.a.	n.a.	594	221	n.a.
108 Other commercial banks in the United States.....	n.a.	n.a.	n.a.	10,309	3,844	n.a.
109 Other depository institutions in the United States.....	n.a.	n.a.	n.a.	638	877	748
110 Banks in foreign countries.....	n.a.	n.a.	n.a.	677	71	n.a.
111 Foreign branches of other U.S. banks.....	n.a.	n.a.	n.a.	11	6	n.a.
112 Other banks in foreign countries.....	n.a.	n.a.	n.a.	666	65	n.a.
113 Foreign governments and official institutions.....	n.a.	n.a.	n.a.	665	298	n.a.
114 All other.....	n.a.	n.a.	n.a.	...	...	25
115 Federal funds purchased and securities sold under agreements to repurchase.....	234,654	183,594	777	182,817	47,985	3,074
116 Demand notes issued to the U.S. Treasury.....	n.a.	n.a.	n.a.	13,537	3,482	524
117 Other borrowed money.....	98,901	76,365	31,627	44,738	21,571	966
118 Banks liability on acceptances executed and outstanding.....	37,721	37,267	7,216	30,051	429	25
119 Notes and debentures subordinated to deposits.....	17,423	14,769	n.a.	n.a.	2,219	435
120 Net due to own foreign offices, Edge and agreement subsidiaries, and IBFs.....	n.a.	n.a.	n.a.	21,191	n.a.	n.a.
121 All other liabilities.....	69,169	54,042	n.a.	n.a.	10,770	4,357
122 Total equity capital ⁹	177,396	83,165	n.a.	n.a.	58,855	35,376
MEMO						
123 Holdings of commercial paper included in total loans, gross.....	↑	2,309	1,493	816	1,457	n.a.
124 Total individual retirement accounts (IRA) and Keogh plan accounts.....	↑	↑	↑	34,364	32,763	16,048
125 Total brokered deposits.....	↑	↑	↑	27,344	4,797	683
126 Total brokered retail deposits.....	↑	↑	↑	6,827	2,878	515
127 Issued in denominations of \$100,000 or less.....	↑	↑	↑	934	2,161	458
128 Issued in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less.....	↑	↑	↑	5,892	717	58
Savings deposits						
129 Money market deposit accounts (MMDAs).....	↑	↑	↑	167,695	126,948	54,427
130 Other savings deposits (excluding MMDAs).....	↑	↑	↑	71,520	68,710	34,472
131 Total time deposits of less than \$100,000.....	↑	↑	↑	146,326	184	131,352
132 Time certificates of deposit of \$100,000 or more.....	n.a.	n.a.	n.a.	162,874	92,272	42,766
133 Open-account time deposits of \$100,000 or more.....	↑	↑	↑	26,931	3,983	1,553
134 All NOW accounts (including Super NOW).....	↑	↑	↑	63,380	70,212	44,035
135 Total time and savings deposits.....	↑	↑	↑	643,209	548,501	310,481
Quarterly averages						
136 Total loans.....	↑	↑	↑	813,120	502,809	212,131
137 Obligations (other than securities) of states and political subdivisions in the United States.....	↑	↑	↑	32,924	17,514	n.a.
138 Transaction accounts in domestic offices (NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts).....	↑	↑	↑	67,079	70,351	44,534
Nontransaction accounts in domestic offices						
139 Money market deposit accounts (MMDAs).....	↑	↑	↑	166,555	128,186	54,924
140 Other savings deposits.....	↑	↑	↑	71,522	69,574	34,361
141 Time certificates of deposit of \$100,000 or more.....	↑	↑	↑	157,970	90,983	41,630
142 All other time deposits.....	↑	↑	↑	170,839	183,953	131,807
143 Number of banks.....	13,516	253	↓	n.a.	2,294	10,969

Footnotes appear at the end of table 4.22

4.21 DOMESTIC OFFICES, Insured Commercial Banks with Assets of \$100 Million or more or with foreign offices^{1,2,3}
Consolidated Report of Condition, December 31, 1987

Millions of dollars

Item	Total	Members			Non-members
		Total	National	State	
1 Total assets ⁶	2,150,094	1,747,994	1,380,937	367,058	402,099
2 Cash and balances due from depository institutions	187,561	157,141	123,875	33,265	30,420
3 Cash items in process of collection and unposted debits	86,064	78,461	61,719	16,742	7,603
4 Currency and coin	20,966	17,563	14,584	2,979	3,403
5 Balances due from depository institutions in the United States	36,120	24,741	20,508	4,233	11,379
6 Balances due from banks in foreign countries and foreign central banks	8,842	6,629	5,211	1,417	2,213
7 Balances due from Federal Reserve Banks	35,569	29,747	21,853	7,894	5,822
8 Total securities, loans and lease financing receivables, (net of unearned income)	1,821,785	1,467,792	1,172,936	294,856	353,993
9 Total securities, book value	357,811	276,476	215,865	60,612	81,334
10 U.S. Treasury securities	128,684	99,753	79,593	20,159	28,931
11 U.S. government agency and corporation obligations	93,527	70,953	56,913	14,039	22,575
12 All holdings of U.S. government-issued or guaranteed certificates of participation in pools of residential mortgages	58,120	48,691	38,333	10,358	9,429
13 All other	35,407	22,262	18,580	3,682	13,145
14 Securities issued by states and political subdivisions in the United States	93,711	74,654	55,153	19,500	19,058
15 Taxable	1,099	774	600	175	324
16 Tax-exempt	92,613	73,879	54,554	19,326	18,733
17 Other domestic securities	39,637	29,107	23,514	5,594	10,530
18 All holdings of private certificates of participation in pools of residential mortgages	7,143	5,720	3,241	2,480	1,423
19 All other	32,494	23,387	20,273	3,114	9,107
20 Foreign securities	2,251	2,010	691	1,319	241
21 Federal funds sold and securities purchased under agreements to resell	103,450	86,445	66,371	20,074	17,005
22 Total loans and lease financing receivables, gross	1,370,601	1,112,565	896,597	215,968	258,036
23 LESS: Unearned income on loans	10,076	7,694	5,897	1,798	2,382
24 Total loans and leases (net of unearned income)	1,360,524	1,104,871	890,701	214,170	255,653
<i>Total loans, gross, by category</i>					
25 Loans secured by real estate	473,974	364,221	309,686	54,535	109,753
26 Construction and land development	111,678	91,840	75,693	16,147	19,838
27 Farmland	5,682	3,856	3,401	455	1,826
28 1-4 family residential properties	200,840	151,180	129,051	22,129	49,661
29 Multifamily (5 or more) residential properties	15,676	12,338	10,794	1,543	3,338
30 Nonfarm nonresidential properties	140,098	105,007	90,747	14,260	35,091
31 Loans to commercial banks in the United States	26,542	23,117	18,538	4,580	3,425
32 Loans to other depository institutions in the United States	4,563	4,289	3,451	838	274
33 Loans to banks in foreign countries	4,750	4,664	2,366	2,298	86
34 Loans to finance agricultural production and other loans to farmers	11,558	9,328	8,267	1,061	2,230
35 Commercial and industrial loans	430,719	356,974	278,278	78,696	73,745
36 To U.S. addressees (domicile)	426,800	353,418	275,366	78,052	73,383
37 To non-U.S. addressees (domicile)	3,919	3,556	2,912	644	363
38 Acceptances of other banks ¹⁰	2,838	2,007	1,759	249	830
39 Of U.S. banks	884	732	615	116	152
40 Of foreign banks	691	573	526	47	118
41 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	272,677	221,524	180,838	40,686	51,153
42 Loans to foreign governments and official institutions	2,779	2,658	1,880	777	122
43 Obligations (other than securities) of states and political subdivisions in the United States	49,308	41,298	30,794	10,504	8,010
44 Taxable	1,260	769	645	124	491
45 Tax-exempt	48,047	40,529	30,149	10,380	7,519
46 Other loans	65,127	59,337	42,029	17,308	5,790
47 Loans for purchasing and carrying securities	16,182	14,525	9,391	5,135	1,657
48 All other loans	48,945	44,812	32,638	12,174	4,133
49 Lease financing receivables	25,765	23,147	18,711	4,436	2,617
50 Customers' liability on acceptances outstanding	29,553	28,349	20,351	7,997	1,204
51 Net due from own foreign offices, Edge and agreement subsidiaries, and IBFs	40,357	36,927	25,583	11,344	3,430
52 Remaining assets	111,196	94,713	63,774	30,939	16,482

4.21 Continued

Item	Total	Members			Non-members
		Total	National	State	
53 Total liabilities and equity capital	2,150,094	1,747,994	1,380,937	367,058	402,099
54 Total liabilities ⁷	2,007,392	1,634,433	1,292,424	342,009	372,959
55 Total deposits	1,585,592	1,255,155	1,007,579	247,576	330,437
56 Individuals, partnerships, and corporations	1,425,582	1,124,643	906,343	218,300	300,940
57 U.S. government	4,907	4,039	3,479	560	869
58 States and political subdivisions in the United States	78,490	59,666	49,871	9,794	18,825
59 Commercial banks in the United States	43,923	39,346	29,821	9,525	4,577
60 Other depository institutions in the United States	6,926	5,597	4,119	1,478	1,329
61 Banks in foreign countries	8,031	7,324	4,061	3,263	707
62 Foreign governments and official institutions	2,020	1,797	833	963	224
63 Certified and official checks	15,712	12,745	9,053	3,692	2,967
64 Total transaction accounts	534,750	437,953	343,370	94,583	96,796
65 Individuals, partnerships, and corporations	453,372	366,205	290,406	75,799	87,168
66 U.S. government	3,471	2,831	2,371	460	640
67 States and political subdivisions in the United States	19,488	15,980	13,067	2,913	3,508
68 Commercial banks in the United States	28,955	27,501	20,765	6,735	1,454
69 Other depository institutions in the United States	5,411	4,776	3,429	1,347	635
70 Banks in foreign countries	7,283	6,909	3,810	3,100	374
71 Foreign governments and official institutions	1,057	1,007	470	537	50
72 Certified and official checks	15,712	12,745	9,053	3,692	2,967
73 Demand deposits (included in total transaction accounts)	393,882	329,555	252,418	77,137	64,328
74 Individuals, partnerships, and corporations	319,062	262,788	203,579	59,209	56,274
75 U.S. government	3,426	2,791	2,335	456	635
76 States and political subdivisions in the United States	12,984	11,042	8,979	2,063	1,942
77 Commercial banks in the United States	28,954	27,500	20,765	6,735	1,454
78 Other depository institutions in the United States	5,405	4,774	3,427	1,347	632
79 Banks in foreign countries	7,281	6,908	3,810	3,098	374
80 Foreign governments and official institutions	1,056	1,007	470	537	50
81 Certified and official checks	15,712	12,745	9,053	3,692	2,967
82 Total nontransaction accounts	1,050,842	817,202	664,209	152,993	233,640
83 Individuals, partnerships, and corporations	972,210	758,438	615,937	142,501	213,772
84 U.S. government	1,436	1,208	1,108	99	228
85 States and political subdivisions in the United States	59,002	43,686	36,804	6,881	15,317
86 Commercial banks in the United States	14,968	11,845	9,055	2,790	3,123
87 U.S. branches and agencies of foreign banks	815	161	96	65	655
88 Other commercial banks in the United States	14,153	11,684	8,960	2,725	2,468
89 Other depository institutions in the United States	1,515	821	690	131	694
90 Banks in foreign countries	748	415	252	163	333
91 Foreign branches of other U.S. banks	17	12	2	10	5
92 Other banks in foreign countries	731	403	250	153	328
93 Foreign governments and official institutions	963	790	363	426	174
94 Federal funds purchased and securities sold under agreements to repurchase	230,802	209,853	162,129	47,723	20,949
95 Demand notes issued to the U.S. Treasury	17,019	15,525	12,729	2,796	1,494
96 Other borrowed money	66,309	57,675	43,552	14,123	8,634
97 Banks liability on acceptances executed and outstanding	30,480	29,276	21,242	8,034	1,204
98 Notes and debentures subordinated to deposits	2,219	1,365	1,241	125	854
99 Net due to own foreign offices, Edge and agreement subsidiaries, and IBFs	21,191	18,000	13,793	4,207	3,191
100 Remaining liabilities	74,970	65,584	43,952	21,632	9,387
101 Total equity capital ⁸	142,702	113,561	88,513	25,048	29,141
MEMO					
102 Holdings of commercial paper included in total loans, gross	2,273	1,771	1,500	271	502
103 Total individual retirement accounts (IRA) and Keogh plan accounts	67,127	52,232	43,255	8,977	14,895
104 Total brokered deposits	32,142	26,604	22,016	4,587	5,538
105 Total brokered retail deposits	9,705	7,089	6,137	952	2,616
106 Issued in denominations of \$100,000 or less	3,096	2,039	1,898	142	1,056
107 Issued in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less	6,609	5,050	4,239	810	1,559
Savings deposits					
108 Money market deposit accounts (MMDAs)	294,643	233,940	189,726	44,215	60,703
109 Other savings accounts	140,230	108,212	84,539	23,673	32,018
110 Total time deposits of less than \$100,000	329,910	247,338	208,980	38,358	82,571
111 Time certificates of deposit of \$100,000 or more	255,146	200,695	162,822	37,873	54,451
112 Open-account time deposits of \$100,000 or more	30,914	27,017	18,143	8,874	3,897
113 All NOW accounts (including Super NOW accounts)	133,593	102,746	85,714	17,032	30,847
114 Total time and savings deposits	1,191,710	925,601	755,162	170,439	266,109
Quarterly averages					
115 Total loans	1,315,930	1,066,214	856,586	209,628	249,715
116 Obligations (other than securities) of states and political subdivisions in the United States	50,438	42,626	31,564	11,062	7,812
117 Transaction accounts (NOW accounts, ATS accounts, and telephone preauthorized transfer accounts)	137,430	106,383	87,529	18,854	31,047
Nontransaction accounts					
118 Money market deposit accounts (MMDAs)	294,741	234,091	190,312	43,778	60,651
119 Other savings deposits	141,096	108,480	85,531	22,949	32,617
120 Time certificates of deposit of \$100,000 or more	248,953	195,958	159,230	36,729	52,994
121 All other time deposits	354,793	270,161	223,360	46,801	84,361
122 Number of banks	2,547	1,481	1,253	228	1,066

Footnotes appear at the end of table 4.22

4.22 DOMESTIC OFFICES, Insured Commercial Bank Assets and Liabilities^{1,2,3} Consolidated Report of Condition, December 31, 1987

Millions of dollars

Item	Total	Members			Non-members
		Total	National	State	
1 Total assets⁶	2,563,509	1,920,847	1,522,006	398,842	642,662
2 Cash and balances due from depository institutions	224,573	172,992	137,040	35,953	51,581
3 Currency and coin	24,807	19,188	15,910	3,278	5,619
4 Noninterest-bearing balances due from commercial banks	34,401	19,188	16,050	3,138	15,214
5 Other	165,364	134,616	105,079	29,537	30,748
6 Total securities, loans, and lease financing receivables (net of unearned income)	2,184,384	1,619,038	1,296,083	322,955	565,346
7 Total securities, book value	479,094	324,924	255,399	69,526	154,170
8 U.S. Treasury securities and U.S. government agency and corporation obligations	309,501	205,186	164,474	40,711	104,316
9 Securities issued by states and political subdivisions in the United States	118,279	84,423	63,157	21,266	33,856
10 Taxable	1,918	1,079	855	224	839
11 Tax-exempt	116,360	83,344	62,301	21,042	33,017
12 Other securities	51,314	35,316	27,768	7,548	15,999
13 All holdings of private certificates of participation in pools of residential mortgages	8,084	6,166	3,542	2,624	1,918
14 All other	43,230	29,149	24,226	4,924	14,081
15 Federal funds sold and securities purchased under agreements to resell	128,457	97,919	76,003	21,916	30,538
16 Total loans and lease financing receivables, gross	1,589,430	1,204,988	971,457	233,531	384,442
17 Less: Unearned income on loans	12,598	8,794	6,776	2,018	3,804
18 Total loans and leases (net of unearned income)	1,576,833	1,196,194	964,681	231,513	380,638
<i>Total loans, gross, by category</i>					
19 Loans secured by real estate	574,114	406,167	343,648	62,519	167,947
20 Construction and land development	119,508	95,232	78,453	16,779	24,276
21 Farmland	14,455	6,857	5,807	1,050	7,597
22 1-4 family residential properties	256,090	174,771	148,010	26,760	81,319
23 Multifamily (5 or more) residential properties	17,739	13,216	11,513	1,702	4,524
24 Nonfarm nonresidential properties	166,322	116,091	99,864	16,227	50,231
25 Loans to depository institutions	36,833	32,567	24,805	7,762	4,266
26 Loans to finance agricultural production and other loans to farmers	29,041	15,716	13,325	2,391	13,324
27 Commercial and industrial loans	478,242	378,006	295,301	82,705	100,236
28 Acceptances of other banks	4,577	2,804	2,441	363	1,773
29 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	318,199	241,064	196,720	44,345	77,135
30 Obligations (other than securities) of states and political subdivisions in the United States	51,752	42,273	31,613	10,660	9,478
31 Nonrated industrial development obligations	1,374	817	683	133	557
32 Other obligations (excluding securities)	50,378	41,456	30,930	10,527	8,921
33 All other loans	70,304	63,024	44,721	18,304	7,280
34 Lease financing receivables	26,368	23,366	18,884	4,483	3,002
35 Customers' liability on acceptances outstanding	29,577	28,359	20,359	8,000	1,218
36 Net due from own foreign offices, Edge and agreement subsidiaries, and IBFs	40,357	36,927	25,583	11,344	3,430
37 Remaining assets	124,975	100,458	68,525	31,934	24,517
38 Total liabilities and equity capital	2,563,509	1,920,847	1,522,006	398,842	642,662
39 Total liabilities⁷	2,385,430	1,792,698	1,421,761	370,937	592,731
40 Total deposits	1,954,250	1,409,152	1,133,629	275,524	545,097
41 Individuals, partnerships, and corporations	1,761,326	1,265,218	1,021,377	243,840	496,108
42 U.S. government	5,723	4,369	3,753	616	1,353
43 States and political subdivisions in the United States	104,512	69,562	58,032	11,530	34,950
44 Commercial banks in the United States	45,981	40,685	30,858	9,827	5,297
45 Other depository institutions in the United States	8,061	6,159	4,599	1,559	1,902
46 Certified and official checks	18,558	14,020	10,097	3,923	4,538
47 All other	10,089	9,139	4,912	4,227	949
48 Total transaction accounts	638,836	481,602	379,267	102,335	157,234
49 Individuals, partnerships, and corporations	545,667	404,852	322,242	82,610	140,815
50 U.S. government	4,081	3,069	2,565	503	1,012
51 States and political subdivisions in the United States	26,606	18,653	15,283	3,370	7,953
52 Commercial banks in the United States	29,774	28,130	21,216	6,915	1,644
53 Other depository institutions in the United States	5,798	4,955	3,579	1,376	843
54 Certified and official checks	18,558	14,020	10,097	3,923	4,538
55 All other	8,352	7,923	4,286	3,638	429
56 Demand deposits (included in total transaction accounts)	452,059	354,574	272,886	81,689	97,484
57 Individuals, partnerships, and corporations	370,008	284,509	221,392	63,118	85,499
58 U.S. government	4,013	3,023	2,526	497	990
59 States and political subdivisions in the United States	15,573	12,023	9,799	2,224	3,550
60 Commercial banks in the United States	29,773	28,130	21,215	6,915	1,643
61 Other depository institutions in the United States	5,784	4,948	3,573	1,375	836
62 Certified and official checks	18,558	14,020	10,097	3,923	4,538
63 All other	8,350	7,922	4,285	3,636	428
64 Total nontransaction accounts	1,315,413	927,550	754,362	173,188	387,863
65 Individuals, partnerships, and corporations	1,215,659	860,366	699,136	161,230	355,293
66 U.S. government	1,642	1,301	1,188	113	341
67 States and political subdivisions in the United States	77,906	50,909	42,749	8,160	26,997
68 Commercial banks in the United States	16,207	12,555	9,643	2,912	3,653
69 Other depository institutions in the United States	2,263	1,204	1,020	184	1,059
70 All other	1,736	1,216	626	590	520

4.22 Continued

Item	Total	Members			Non-members
		Total	National	State	
71 Federal funds purchased and securities sold under agreements to repurchase	233,876	211,446	163,331	48,115	22,430
72 Demand notes issued to the U.S. Treasury	17,544	15,765	12,921	2,844	1,799
73 Other borrowed money	67,274	58,268	43,931	14,337	9,006
74 Banks liability on acceptances executed and outstanding	30,505	29,286	21,249	8,037	1,218
75 Notes and debentures subordinated to deposits	2,654	1,433	1,302	131	1,221
76 Net due to own foreign offices, Edge and agreement subsidiaries, and IBFs	21,191	18,000	13,793	4,207	3,191
77 Remaining liabilities	79,327	67,348	45,399	21,949	11,979
78 Total equity capital⁹	178,079	128,149	100,245	27,904	49,931
MEMO					
79 Assets held in trading accounts ¹⁰	17,951	17,708	10,166	7,542	242
80 U.S. Treasury securities	8,806	8,785	4,313	4,472	21
81 U.S. government agency corporation obligations	3,088	3,088	1,797	1,291	0
82 Securities issued by states and political subdivisions in the United States	2,443	2,435	1,648	787	7
83 Other bonds, notes and debentures	193	193	73	120	0
84 Certificates of deposit	646	631	562	69	15
85 Commercial paper	75	75	75	0	0
86 Bankers acceptances	1,674	1,630	1,233	398	44
87 Other	802	796	397	399	6
88 Total individual retirement accounts (IRA) and Keogh plan accounts	83,174	58,634	48,520	10,114	24,540
89 Total brokered deposits	32,825	26,921	22,271	4,650	5,904
90 Total brokered retail deposits	10,220	7,311	6,313	998	2,909
91 Issued in denominations of \$100,000 or less	3,553	2,228	2,051	177	1,326
92 Issued in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less	6,667	5,083	4,262	821	1,584
Savings deposits					
93 Money market deposit accounts (MMDAs)	349,071	257,830	209,298	48,532	91,241
94 Other savings deposits	174,702	122,651	96,039	26,611	52,051
95 Total time deposits of less than \$100,000	461,262	299,149	251,157	47,992	162,113
96 Time certificates of deposit of \$100,000 or more	297,912	220,365	179,283	41,081	77,547
97 Open-account time deposits of \$100,000 or more	32,467	27,556	18,584	8,972	4,911
98 All NOW accounts (including Super NOW)	177,628	120,758	100,629	20,129	56,870
99 Total time and savings deposits	1,502,191	1,054,578	860,743	193,835	447,613
Quarterly averages					
100 Total loans	1,528,061	1,155,806	929,226	226,580	372,255
101 Transaction accounts (NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts)	181,963	124,494	102,513	21,981	57,470
Nontransaction accounts					
102 Money market deposit accounts (MMDAs)	349,665	258,211	210,087	48,124	91,454
103 Other savings deposits	175,457	122,845	96,982	25,863	52,612
104 Time certificates of deposit of \$100,000 or more	290,583	215,080	175,229	39,851	75,503
105 All other time deposits	486,599	321,985	265,639	56,346	164,614
106 Number of banks	13,516	5,663	4,572	1,091	7,853

1. Effective Mar. 31, 1984, the report of condition was substantially revised for commercial banks. Some of the changes are as follows: (1) Previously, banks with international banking facilities (IBFs) that had no other foreign offices were considered domestic reporters. Beginning with the Mar. 31, 1984 call report these banks are considered foreign and domestic reporters and must file the foreign and domestic report of condition; (2) banks with assets greater than \$1 billion have additional items reported; (3) the domestic office detail for banks with foreign offices has been reduced considerably; and (4) banks with assets under \$25 million have been excused from reporting certain detail items.

2. The "n.a." for some of the items is used to indicate the lesser detail available from banks without foreign offices, the inapplicability of certain items to banks that have only domestic offices and/or the absence of detail on a fully consolidated basis for banks with foreign offices.

3. All transactions between domestic and foreign offices of a bank are reported in "net due from" and "net due to." All other lines represent transactions with parties other than the domestic and foreign offices of each bank. Since these intraoffice transactions are nullified by consolidation, total assets and total liabilities for the entire bank may not equal the sum of assets and liabilities respectively, of the domestic and foreign offices.

4. Foreign offices include branches in foreign countries, Puerto Rico, and in U.S. territories and possessions; subsidiaries in foreign countries; all offices of Edge act and agreement corporations wherever located and IBFs.

5. The 'over 100' column refers to those respondents whose assets, as of June 30 of the previous calendar year, were equal to or exceeded \$100 million. (These respondents file the FFIEC 032 or FFIEC 033 call report.) The 'under 100' column refers to those respondents whose assets, as of June 30 of the previous calendar year, were less than \$100 million. (These respondents filed the FFIEC 034 call report.)

6. Since the domestic portion of allowances for loan and lease losses and allocated transfer risk reserve are not reported for banks with foreign offices, the components of total assets (domestic) will not add to the actual total (domestic).

7. Since the foreign portion of demand notes issued to the U.S. Treasury is not reported for banks with foreign offices, the components of total liabilities (foreign) will not add to the actual total (foreign).

8. The definition of 'all other' varies by report form and therefore by column in this table. See the instructions for more detail.

9. Equity capital is not allocated between the domestic and foreign offices of banks with foreign offices.

10. Components of assets held in trading accounts are only reported for banks with total assets of \$1 billion or more; therefore the components will not add to the totals for this item.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, December 31, 1987

Millions of dollars

Item	All states ²		New York		California		Illinois	
	Total including IBFs	IBFs only ³	Total including IBFs	IBFs only ³	Total including IBFs	IBFs only ³	Total including IBFs	IBFs only ³
1 Total assets⁴	460,787	233,338	339,119	185,850	69,427	30,329	29,244	10,688
2 Claims on nonrelated parties	423,279	192,650	314,591	153,767	61,367	25,743	29,244	9,952
3 Cash and balances due from depository institutions	109,616	90,659	92,059	75,985	8,948	8,285	6,970	5,549
4 Cash items in process of collection and unposted debits	368	0	342	0	6	0	6	0
5 Currency and coin (U.S. and foreign)	24	n.a.	18	n.a.	2	n.a.	2	n.a.
6 Balances with depository institutions in United States	60,168	44,487	49,216	36,054	5,515	4,935	4,482	3,159
7 U.S. branches and agencies of other foreign banks (including their IBFs)	52,875	42,176	43,143	33,952	5,124	4,861	3,904	3,055
8 Other depository institutions in United States (including their IBFs)	7,293	2,311	6,074	2,102	391	74	578	104
9 Balances with banks in foreign countries and with foreign central banks	47,086	46,171	40,738	39,930	3,360	3,350	2,404	2,390
10 Foreign branches of U.S. banks	2,239	2,191	2,004	1,962	105	104	119	114
11 Other banks in foreign countries and foreign central banks	44,848	43,981	38,734	37,968	3,256	3,246	2,285	2,276
12 Balances with Federal Reserve Banks	1,970	n.a.	1,746	n.a.	65	65	76	n.a.
13 Total securities and loans	252,841	94,432	174,572	71,821	42,321	16,352	20,691	4,026
14 Total securities, book value	33,033	9,823	26,227	7,387	4,406	2,116	1,258	215
15 U.S. Treasury	5,695	n.a.	5,329	n.a.	149	n.a.	125	n.a.
16 Obligations of U.S. government agencies and corporations	3,604	n.a.	3,562	n.a.	41	n.a.	0	n.a.
17 Other bonds, notes, debentures and corporate stock (including state and local securities)	23,733	9,823	17,336	7,387	4,215	2,116	1,133	215
18 Federal funds sold and securities purchased under agreements to resell	18,095	3,080	16,553	2,648	967	265	231	95
19 U.S. branches and agencies of other foreign banks	11,078	1,564	9,992	1,233	822	235	132	65
20 Commercial banks in United States	4,124	651	3,892	638	61	10	69	0
21 Other	2,893	865	2,669	778	85	20	30	30
22 Total loans, gross	220,001	84,685	148,454	64,473	37,989	14,274	19,439	3,811
23 Less: Unearned income on loans	193	76	109	39	73	37	6	0
24 Equals: Loans, net	219,808	84,609	148,345	64,434	37,916	14,236	19,433	3,811
<i>Total loans, gross, by category</i>								
25 Real estate loans	14,312	171	7,118	136	3,051	29	1,988	0
26 Loans to depository institutions	67,308	48,998	48,943	33,850	12,819	10,693	3,976	3,152
27 Commercial banks in United States (including IBFs)	34,801	18,359	24,987	11,493	7,289	5,235	2,267	1,500
28 U.S. branches and agencies of other foreign banks	30,494	17,346	21,208	10,716	6,902	5,054	2,164	1,444
29 Other commercial banks in United States	4,307	1,014	3,778	777	387	181	103	56
30 Other depository institutions in United States (including IBFs)	110	47	66	38	10	0	25	0
31 Banks in foreign countries	32,397	30,592	23,891	22,319	5,520	5,458	1,684	1,652
32 Foreign branches of U.S. banks	1,030	942	822	736	146	145	61	61
33 Other banks in foreign countries	31,367	29,650	23,068	21,583	5,374	5,313	1,623	1,591
34 Other financial institutions	6,101	829	3,847	747	1,056	43	910	28
35 Commercial and industrial loans	108,573	18,518	68,156	15,619	19,223	2,178	12,058	404
36 U.S. addressees (domicile)	85,680	174	49,493	164	16,470	10	11,548	0
37 Non-U.S. addressees (domicile)	22,893	18,344	18,663	15,455	2,753	2,168	510	404
38 Acceptances of other banks	723	30	627	24	51	0	6	6
39 U.S. banks	186	0	126	0	35	0	0	0
40 Foreign banks	537	30	501	24	16	0	6	6
41 Loans to foreign governments and official institutions (including foreign central banks)	17,618	15,857	15,328	13,897	1,312	1,275	246	221
42 Loans for purchasing or carrying securities (secured and unsecured)	2,994	33	2,606	32	354	0	0	0
43 All other loans	2,373	249	1,830	169	123	56	255	0
44 All other assets	42,727	4,479	31,407	3,313	9,130	842	1,353	282
45 Customers' liability on acceptances outstanding	30,223	n.a.	21,769	n.a.	7,290	n.a.	664	n.a.
46 U.S. addressees (domicile)	19,349	n.a.	11,891	n.a.	6,631	n.a.	627	n.a.
47 Non-U.S. addressees (domicile)	10,874	n.a.	9,879	n.a.	659	n.a.	37	n.a.
48 Other assets including other claims on nonrelated parties	12,505	4,479	9,638	3,313	1,841	842	689	282
49 Net due from related depository institutions ⁵	37,508	40,688	24,528	32,083	8,060	4,585	0	736
50 Net due from head office and other related depository institutions ⁵	37,508	n.a.	24,528	n.a.	8,060	n.a.	0	n.a.
51 Net due from establishing entity, head offices, and other related depository institutions ⁵	n.a.	40,688	n.a.	32,083	n.a.	4,585	n.a.	736
52 Total liabilities⁴	460,787	233,338	339,119	185,850	69,427	30,329	29,244	10,688
53 Liabilities to nonrelated parties	401,710	212,420	309,629	171,541	62,059	27,548	16,372	7,185

4.30 Continued
Millions of dollars

Item	All states ²		New York		California		Illinois	
	Total excluding IBFs	IBFs only ³	Total excluding IBFs	IBFs only ³	Total excluding IBFs	IBFs only ³	Total excluding IBFs	IBFs only ³
54 Total deposits and credit balances	60,042	164,825	49,910	147,718	1,923	9,049	3,152	3,026
55 Individuals, partnerships, and corporations	47,004	13,404	37,801	9,283	1,807	439	2,562	30
56 U.S. addressees (domicile)	36,715	298	30,816	296	500	0	2,368	0
57 Non-U.S. addressees (domicile)	10,289	13,106	6,984	8,987	1,307	439	194	30
58 Commercial banks in United States (including IBFs) ..	8,298	54,319	7,686	47,442	12	4,674	564	1,651
59 U.S. branches and agencies of other foreign banks ..	3,858	46,180	3,336	40,156	6	4,184	503	1,374
60 Other commercial banks in United States	4,440	8,139	4,350	7,286	6	489	61	277
61 Banks in foreign countries	2,004	87,659	1,916	81,889	16	3,884	2	1,327
62 Foreign branches of U.S. banks	231	8,325	231	7,598	0	454	0	198
63 Other banks in foreign countries	1,773	79,334	1,685	74,291	16	3,430	2	1,129
64 Foreign governments and official institutions (including foreign central banks)	1,277	9,326	1,194	8,987	15	52	2	17
65 All other deposits and credit balances	1,005	117	937	116	48	0	3	0
66 Certified and official checks	454	n.a.	376	n.a.	26	n.a.	18	n.a.
67 Transaction accounts and credit balances (excluding IBFs)	5,959	↑	5,008	↑	179	↑	205	↑
68 Individuals, partnerships, and corporations	3,619	↑	2,902	↑	143	↑	180	↑
69 U.S. addressees (domicile)	2,101	↑	1,711	↑	88	↑	176	↑
70 Non-U.S. addressees (domicile)	1,519	↑	1,191	↑	55	↑	4	↑
71 Commercial banks in United States (including IBFs) ..	434	↑	427	↑	1	↑	0	↑
72 U.S. branches and agencies of other foreign banks ..	61	↑	61	↑	0	↑	0	↑
73 Other commercial banks in United States	373	n.a.	366	n.a.	1	n.a.	0	n.a.
74 Banks in foreign countries	995	↑	934	↑	6	↑	2	↑
75 Foreign branches of U.S. banks	46	↑	46	↑	0	↑	0	↑
76 Other banks in foreign countries	950	↑	889	↑	6	↑	2	↑
77 Foreign governments and official institutions (including foreign central banks)	358	↑	288	↑	1	↑	2	↑
78 All other deposits and credit balances	99	↑	81	↑	2	↑	3	↑
79 Certified and official checks	454	↑	376	↑	26	↑	18	↑
80 Demand deposits (included in transaction accounts and credit balances)	4,779	↑	4,040	↑	124	↑	192	↑
81 Individuals, partnerships, and corporations	3,080	↑	2,564	↑	90	↑	167	↑
82 U.S. addressees (domicile)	1,823	↑	1,531	↑	53	↑	163	↑
83 Non-U.S. addressees (domicile)	1,257	↑	1,033	↑	38	↑	4	↑
84 Commercial banks in United States (including IBFs) ..	67	↑	61	↑	1	↑	0	↑
85 U.S. branches and agencies of other foreign banks ..	6	↑	6	↑	0	↑	0	↑
86 Other commercial banks in United States	60	n.a.	54	n.a.	1	n.a.	0	n.a.
87 Banks in foreign countries	817	↑	757	↑	6	↑	2	↑
88 Foreign branches of U.S. banks	1	↑	1	↑	0	↑	0	↑
89 Other banks in foreign countries	816	↑	755	↑	6	↑	2	↑
90 Foreign governments and official institutions (including foreign central banks)	300	↑	231	↑	1	↑	2	↑
91 All other deposits and credit balances	61	↑	52	↑	0	↑	3	↑
92 Certified and official checks	454	↑	376	↑	26	↑	18	↑
93 Non-transaction accounts (including MMDAs, excluding IBFs)	54,083	↑	44,903	↑	1,745	↑	2,946	↑
94 Individuals, partnerships, and corporations	43,385	↑	34,899	↑	1,664	↑	2,382	↑
95 U.S. addressees (domicile)	34,615	↑	29,106	↑	412	↑	2,192	↑
96 Non-U.S. addressees (domicile)	8,770	↑	5,794	↑	1,251	↑	190	↑
97 Commercial banks in United States (including IBFs) ..	7,864	↑	7,259	↑	11	↑	564	↑
98 U.S. branches and agencies of other foreign banks ..	3,796	↑	3,276	↑	6	↑	503	↑
99 Other commercial banks in United States	4,068	n.a.	3,984	n.a.	5	n.a.	60	n.a.
100 Banks in foreign countries	1,009	↑	982	↑	10	↑	0	↑
101 Foreign branches of U.S. banks	185	↑	185	↑	0	↑	0	↑
102 Other banks in foreign countries	824	↑	797	↑	10	↑	0	↑
103 Foreign governments and official institutions (including foreign central banks)	919	↑	906	↑	13	↑	0	↑
104 All other deposits and credit balances	906	↑	857	↑	46	↑	1	↑
105 IBF deposit liabilities	↑	164,825	↑	147,718	↑	9,049	↑	3,026
106 Individuals, partnerships, and corporations	↑	13,404	↑	9,283	↑	439	↑	30
107 U.S. addressees (domicile)	↑	298	↑	296	↑	0	↑	0
108 Non-U.S. addressees (domicile)	↑	13,106	↑	8,987	↑	439	↑	30
109 Commercial banks in United States (including IBFs) ..	↑	54,319	↑	47,442	↑	4,674	↑	1,651
110 U.S. branches and agencies of other foreign banks ..	↑	46,180	↑	40,156	↑	4,184	↑	1,374
111 Other commercial banks in United States	n.a.	8,139	n.a.	7,286	n.a.	489	n.a.	277
112 Banks in foreign countries	↑	87,659	↑	81,889	↑	3,884	↑	1,327
113 Foreign branches of U.S. banks	↑	8,325	↑	7,598	↑	454	↑	198
114 Other banks in foreign countries	↑	79,334	↑	74,291	↑	3,430	↑	1,129
115 Foreign governments and official institutions (including foreign central banks)	↑	9,326	↑	8,987	↑	52	↑	17
116 All other deposits and credit balances	↑	117	↑	116	↑	0	↑	0

For notes see end of table.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, December 31, 1987¹—Continued
 Millions of dollars

Item	All states ²		New York		California		Illinois	
	Total including IBFs	IBFs only ³	Total including IBFs	IBFs only ³	Total including IBFs	IBFs only ³	Total including IBFs	IBFs only ³
117 Federal funds purchased and securities sold under agreements to repurchase.....	37,161	3,733	27,531	2,605	7,815	946	1,465	136
118 U.S. branches and agencies of other foreign banks	11,413	1,855	7,177	1,058	3,296	684	760	70
119 Other commercial banks in United States	9,865	269	5,733	136	3,565	133	461	0
120 Other	15,883	1,609	14,621	1,410	954	129	243	66
121 Other borrowed money	96,288	39,987	52,786	18,300	33,459	16,896	7,547	3,775
122 Owed to nonrelated commercial banks in United States (including IBFs).....	62,478	15,552	32,475	4,636	24,000	9,464	4,027	823
123 Owed to U.S. offices of nonrelated U.S. banks.....	27,223	2,644	17,032	851	7,697	1,490	1,885	77
124 Owed to U.S. branches and agencies of nonrelated foreign banks	35,255	12,908	15,443	3,785	16,303	7,974	2,142	746
125 Owed to nonrelated banks in foreign countries	22,638	21,946	11,916	11,279	7,363	7,347	2,968	2,943
126 Owed to foreign branches of nonrelated U.S. banks	3,089	3,032	1,171	1,124	1,585	1,580	286	286
127 Owed to foreign offices of nonrelated foreign banks.....	19,548	18,914	10,744	10,155	5,778	5,767	2,681	2,657
128 Owed to others	11,172	2,490	8,396	2,386	2,095	85	552	10
129 All other liabilities	43,394	3,874	31,684	2,918	9,813	656	1,183	248
130 Branch or agency liability on acceptances executed and outstanding	33,563	n.a.	23,794	n.a.	8,590	n.a.	670	n.a.
131 Other liabilities to nonrelated parties.....	9,831	3,874	7,890	2,918	1,223	656	513	248
132 Net due to related depository institutions ⁵	59,077	20,918	29,490	14,309	7,368	2,781	12,872	3,504
133 Net due to head office and other related depository institutions ⁵	59,077	n.a.	29,490	n.a.	7,368	n.a.	12,872	n.a.
134 Net due to establishing entity, head office, and other related depository institutions ⁵	n.a.	20,918	n.a.	14,309	n.a.	2,781	n.a.	3,504
MEMO								
135 Non-interest bearing balances with commercial banks in United States.....	2,854	6	2,611	6	102	0	59	0
136 Holding of commercial paper included in total loans	1,095		898		87		104	
137 Holding of own acceptances included in commercial and industrial loans	2,629	↑	1,649	↑	730	↑	110	↑
138 Commercial and industrial loans with remaining maturity of one year or less.....	60,966	n.a.	35,952	n.a.	11,713	n.a.	8,026	n.a.
139 Predetermined interest rates	37,723		21,146		8,721		5,002	
140 Floating interest rates	23,243		14,805		2,992		3,024	
141 Commercial and industrial loans with remaining maturity of more than one year	47,607		32,205		7,509		4,032	
142 Predetermined interest rates	15,895		10,103		3,232		1,709	
143 Floating interest rates	31,712	↓	22,102	↓	4,277	↓	2,323	↓

4.30 Continued

Millions of dollars

Item	All states ²		New York		California		Illinois	
	Total excluding IBFs	IBFs only ³	Total excluding IBFs	IBFs only ³	Total excluding IBFs	IBFs only ³	Total excluding IBFs	IBFs only ³
144 Components of total nontransaction accounts, included in total deposits and credit balances of nontransactional accounts, including IBFs.....	69,664	↑ n.a. ↓	60,687	↑ n.a. ↓	1,615	↑ n.a. ↓	3,177	↑ n.a. ↓
145 Time CDs in denominations of \$100,000 or more.....	40,682		33,786		1,112		2,315	
146 Other time deposits in denominations of \$100,000 or more.....	9,062		8,272		358		369	
147 Time CDs in denominations of \$100,000 or more with remaining maturity of more than 12 months.....	19,920		18,629		145		493	
	All states ²		New York		California		Illinois	
	Total including IBFs	IBFs only ³	Total including IBFs	IBFs only ³	Total including IBFs	IBFs only ³	Total including IBFs	IBFs only ³
148 Market value of securities held.....	37,130	9,528	30,721	7,250	4,037	1,956	1,245	216
149 Immediately available funds with a maturity greater than one day included in other borrowed money.....	56,765	n.a.	30,426	n.a.	22,295	n.a.	2,776	n.a.
150 Number of reports filed ⁶	502	.....	229	.....	122	.....	51	.....

1. Data are aggregates of categories reported on the quarterly form FFIEC 002, "Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks." Details may not add to totals because of rounding. This form was first used for reporting data as of June 30, 1980, and was revised as of December 31, 1985. From November 1972 through May 1980, U.S. branches and agencies of foreign banks had filed a monthly FR 886a report. Aggregate data from that report were available through the Federal Reserve statistical release G.11, last issued on July 10, 1980. Data in this table and in the G.11 tables are not strictly comparable because of differences in reporting panels and in definitions of balance sheet items.

2. Includes the District of Columbia.

3. Effective December 1981, the Federal Reserve Board amended Regulations D and Q to permit banking offices located in the United States to operate International Banking Facilities (IBFs). As of December 31, 1985, data for IBFs are reported in a separate column. These data are either included in or excluded from the total columns as indicated in the headings. The notation "n.a." indicates

that no IBF data are reported for that item, either because the item is not an eligible IBF asset or liability or because that level of detail is not reported for IBFs. From December 1981 through September 1985, IBF data were included in all applicable items reported.

4. Total assets and total liabilities include *net* balances, if any, due from or due to related banking institutions in the United States and in foreign countries (see footnote 5). On the former monthly branch and agency report, available through the G.11 statistical release, *gross* balances were included in total assets and total liabilities. Therefore, total asset and total liability figures in this table are not comparable to those in the G.11 tables.

5. "Related banking institutions" includes the foreign head office and other U.S. and foreign branches and agencies of the bank, the bank's parent holding company, and majority-owned banking subsidiaries of the bank and of its parent holding company (including subsidiaries owned both directly and indirectly).

6. In some cases two or more offices of a foreign bank within the same metropolitan area file a consolidated report.

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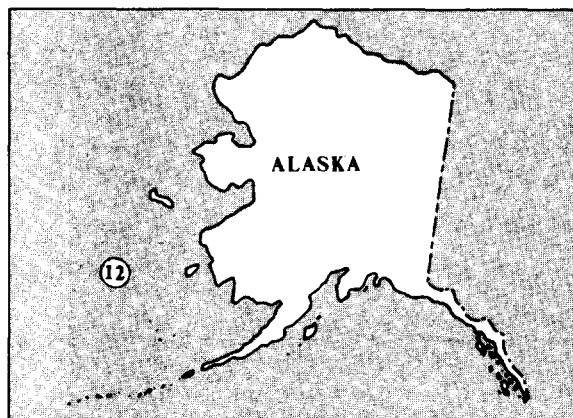
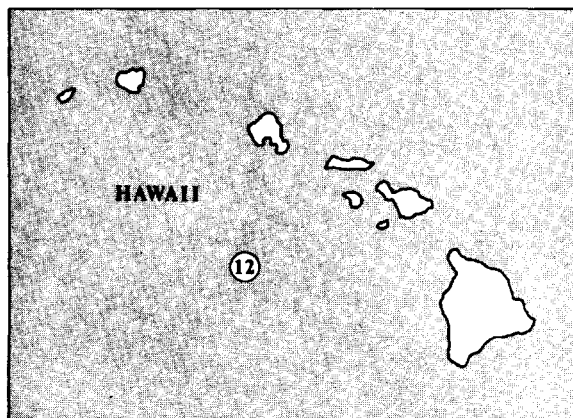
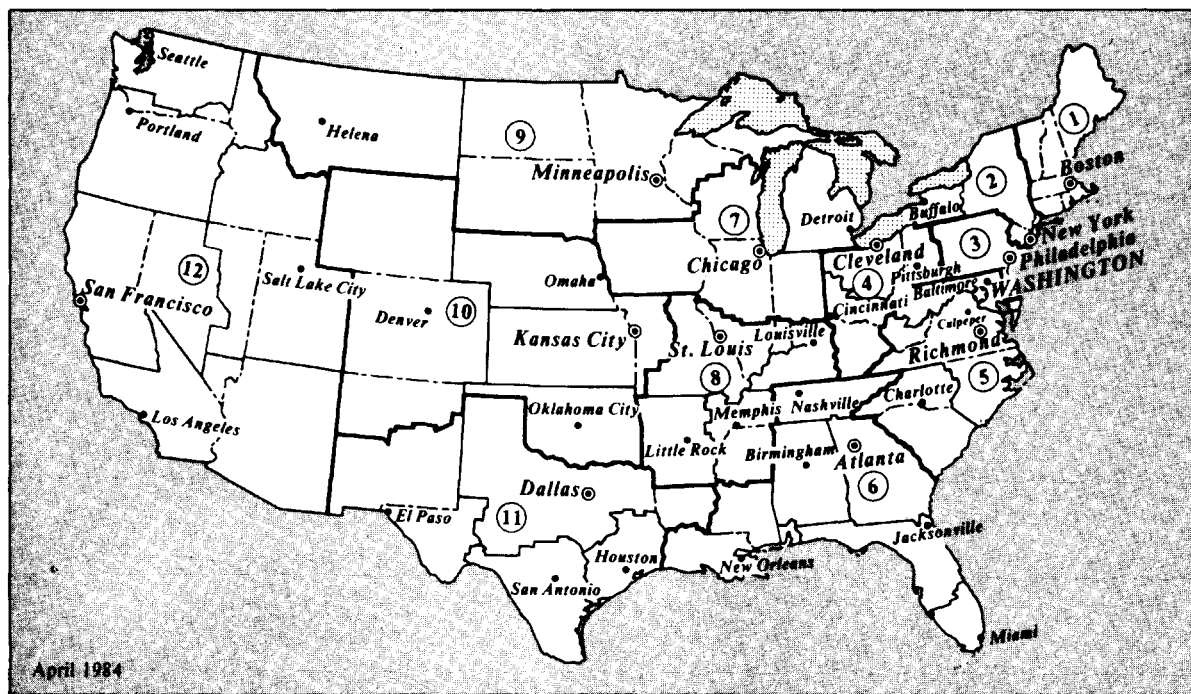
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Birmingham35283	Roy D. Terry		Delmar Harrison ¹
Jacksonville32231	E. William Nash, Jr.		Fred R. Herr ¹
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Detroit48231	Richard T. Lindgren		Roby L. Sloan ¹
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Little Rock72203	James R. Rodgers		John F. Breen
Louisville40232	Lois H. Gray		James E. Conrad
Memphis38101	Sandra B. Sanderson		Paul I. Black, Jr.
MINNEAPOLIS55480	Michael W. Wright John A. Rollwagen	Gary H. Stern Thomas E. Gainor	
Helena59601	Marcia S. Anderson		Robert F. McNellis
KANSAS CITY64198	Irvine O. Hockaday, Jr. Fred W. Lyons, Jr.	Roger Guffey Henry R. Czerwinski	
Denver80217	James C. Wilson		Enis Alldredge, Jr.
Oklahoma City73125	Patience S. Latting		William G. Evans
Omaha68102	Kenneth L. Morrison		Robert D. Hamilton
DALLAS75222	Bobby R. Inman Hugh G. Robinson	Robert H. Boykin William H. Wallace	
El Paso79999	Peyton Yates		Tony J. Salvaggio ¹
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Los Angeles90051	Richard C. Seaver		John F. Hoover ¹
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Salt Lake City84125	Don M. Wheeler		Angelo S. Carella ¹
Seattle98124	Carol A. Nygren		E. Ronald Liggett ¹
			Gerald R. Kelly ¹

*Additional offices of these Banks are located at Lewiston, Maine 04240; Windsor Locks, Connecticut 06096; Cranford, New Jersey 07016; Jericho, New York 11753; Utica at Oriskany, New York 13424; Columbus, Ohio 43216; Columbia, South Carolina 29210; Charleston, West Virginia 25311; Des Moines, Iowa 50306; Indianapolis, Indiana 46204; and Milwaukee, Wisconsin 53202.

The Federal Reserve System

Boundaries of Federal Reserve Districts and Their Branch Territories



LEGEND

— Boundaries of Federal Reserve Districts

--- Boundaries of Federal Reserve Branch Territories

★ Board of Governors of the Federal Reserve System

⊙ Federal Reserve Bank Cities

• Federal Reserve Branch Cities

· Federal Reserve Bank Facility

Publications of Interest

FEDERAL RESERVE CONSUMER CREDIT PUBLICATIONS

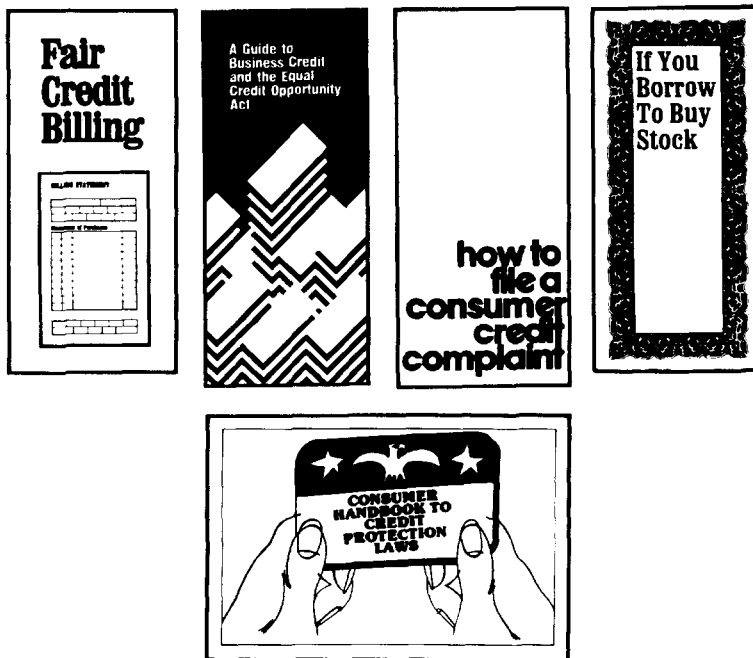
The Federal Reserve Board publishes a series of pamphlets covering individual credit laws and topics, as pictured below. The series includes such subjects as how the Equal Credit Opportunity Act protects women against discrimination in their credit dealings, how to use a credit card, and how to resolve a billing error.

The Board also publishes the *Consumer Handbook to Credit Protection Laws*, a complete guide to consumer credit protections. This 44-page booklet ex-

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Protections offered by the Electronic Fund Transfer Act are explained in *Alice in Debitland*. This booklet offers tips for those using the new "paperless" systems for transferring money.

Copies of consumer publications are available free of charge from Publications Services, Mail Stop 138, Board of Governors of the Federal Reserve System, Washington, D.C. 20551. Multiple copies for classroom use are also available free of charge.



Publications of Interest

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The *Monetary Policy and Reserve Requirements Handbook* contains Regulations A, D, and Q plus related materials.

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tains Regulations G, T, U, and X, dealing with extensions of credit for the purchase of securities, together with all related statutes, Board interpretations, rulings, and staff opinions. Also included is the Board's list of OTC margin stocks.

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