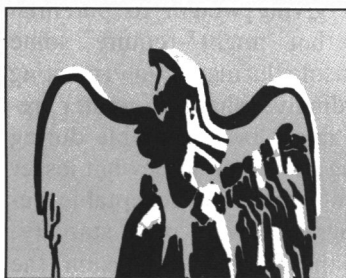

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Clearing and Payment Systems: The Role of the Central Bank

Bruce J. Summers, Deputy Director, Division of Reserve Bank Operations and Payment Systems, prepared this article. An earlier version of this paper was presented in Washington, D.C., at the Central Banking Seminar of the International Monetary Fund, November 6, 1990.

Two themes of the Central Banking Seminar are directly relevant to consideration of payment system issues. One is the interdependencies of different functions normally performed by a central bank. In this regard, I know of no other aspect of the central bank's responsibility that requires more cooperation and coordination among the various central banking disciplines than the payment system does. A second theme of the seminar is the role of the central bank in dealing with financial crises. Stress on a nation's payment system is often one of the earliest and most direct manifestations of financial crisis. Indeed, the payment system may be a direct channel through which liquidity and credit problems are transferred from one participant in the financial system to another. Such transfers have the potential to create systemic liquidity and credit problems that are of direct concern to the central bank. As a result, central banks are increasingly focusing on proper safeguards to allow payment system participants not only to control their risk, but also to prevent the contagion of systemic risk.

Because it has relevance for a range of central bank disciplines and functions and because it can become a focus of crisis management, the payment system does indeed deserve a prominent place in the thinking of central bankers. Yet, until the last decade or so, interest in payment system issues has

been of secondary importance on the central banking agenda. The payment system has traditionally been almost exclusively the province of central bank staff members with operations and automation responsibilities, reflecting the view that the payment system is essentially a mechanical process. Along these lines, the literature on the payment system has traditionally been slanted toward analyses of economic efficiency, with much of the literature framed in the context of the economics of the firm. The payment system has now entered the mainstream for central bankers, although, admittedly, the degree of interest varies from country to country.

This paper has three main parts. First, to provide a common frame of reference, I develop a model of the payment system, with special reference to the essential role of the central bank.

Payment Systems in Market Economies

The fifth Central Banking Seminar sponsored by the International Monetary Fund was held as the Fund is engaged in a major program of assistance to central banks in Eastern Europe. Under the aegis of the IMF Central Banking Department, central bankers from several western countries have been helping their counterparts in Eastern Europe to adapt their organizations and operations to functioning in a market economy. The author is leading a team of experts from the Federal Reserve as part of the IMF technical assistance mission to the National Bank of Poland to help reform that nation's payment system.

The significance of the payment system as an integral part of a nation's financial structure has been highlighted by the recent experiences of Eastern European central banks. In a market economy, the payment system is the conduit for executing economic choices. Without a properly structured payment system, significant change in the rest of the economy could not proceed. Also, reform of core central banking functions, ranging from monetary control to banking supervision and regulation, could not effectively take place.

NOTE. The author has benefited from comments made by colleagues in the Federal Reserve System and in several other central banks. Special appreciation is due to Jeffrey C. Marquardt and Patrick M. Parkinson for the critical review they have provided since the inception of the paper.

Glossary

Automated clearinghouse (ACH). A paperless payment mechanism, which in the United States is capable of processing both credit and debit transfers. In the United States, the ACH is primarily used for low-value, recurring payments made in connection with consumer transactions.

Clearing House Interbank Payments System (CHIPS). A private credit transfer mechanism for large-value transactions operated by the New York Clearing House. CHIPS transfers are primarily related to international transactions. In 1990, the daily average number of funds transfers processed by CHIPS was about 150,000, with a daily average value of about \$890 billion. The approximately 130 CHIPS participants control their risk through a combination of bilateral net debit caps and aggregate net debit limits. The CHIPS participants' positions are netted continually during the day, and net obligations are settled at the end of the day through Fedwire transfers among 20 settlement participants. To help ensure end-of-day settlement in the event that a participant is not able to meet its obligations, CHIPS has established a formal loss-sharing agreement backed by dedicated collateral held on a custodial basis by the Federal Reserve Bank of New York.

Daylight overdrafts. Intraday extensions of credit made by banks (including the central bank) when payment instructions of an account holder are honored even though there are insufficient balances available in the account to fund the transaction at the time it is made. Daylight overdrafts can become overnight loans if the account balance cannot be brought back to zero or a positive position by the close of the banking day.

Delivery versus payment. An arrangement in which the exchange of value in fulfillment of an economic obligation, involving, for example, securities, foreign exchange,

or other financial instruments and their derivative products, is synchronized so that final payment is received at delivery. The party owed funds thus avoids the risk of late payment or default on a payment.

Discount window or Lombard facility. A lending facility through which a central bank extends overnight credit, generally for a short term.

Fedwire. An electronic facility operated by the Federal Reserve Banks used for (1) credit transfers of reserve balances among banks across the books of the Federal Reserve Banks and (2) the transfer among banks of book-entry U.S. government and agency securities in a delivery-versus-payment environment on the books of the Federal Reserve Banks. Fedwire funds transfers are considered final and irrevocable when the recipient of the transfer is sent an advice of credit by the Federal Reserve. In 1990, the daily average number of funds transfers on Fedwire was about 255,000, with a daily average value of about \$790 billion; the daily average number of securities transfers was about 45,000, with a daily average value of about \$400 billion.

Payment system. A set of contractual arrangements and operating facilities used to transfer value. Payment systems can be distinguished by the degree of finality provided. In some systems, such as Fedwire, the payments are final—that is, they represent an irrevocable transfer of value. In some other systems, the payments are provisional—that is, they represent a transfer that can be reversed because of the inability of the party making the payment to fund the obligation. Systems that are designed to process payments and provide for irrevocable transfers of value are better suited for large-value transactions.

Second, I discuss the implications of the public policy and supervisory roles of the central bank in the payment system. These implications include (1) the need to establish public policies to guide the structure of newly developing private clearing and settlement arrangements, in terms of both their integrity and efficiency, and (2) the need for supervision of private clearing arrangements, not only domestically, but also for cross-border systems, in close cooperation with foreign central banks. Finally, I examine the role of the central bank as operator of a large-value, interbank payment mechanism. Special attention is given to the implications of the central bank's

role as a source of intraday liquidity to the financial system and to the "safety net" attributes associated with access to a large-value transfer mechanism.

MODEL OF THE PAYMENT SYSTEM

In the simplest terms, the payment system is the apparatus through which obligations incurred as a result of economic activity are discharged through transfers of monetary value. The payment system is used primarily for simple day-to-day activities, such as retail transactions, that

Model of the Payment System

Economic Activity

Trading in goods, services, and financial instruments results in the assumption of an obligation to perform on a contract (to supply or pay for goods, services, or financial instruments). The contract may include specific terms regarding the timing and form of payment.

Payment

Payment results in the discharge of the obligation with cash or a payment order leading to the transfer of bank balances. Payment orders involve clearing and settlement.

Clearing Transfer and recording of the payment instruction. Clearing of gross payments is done transaction by transaction through the banking system. Gross payments or the underlying obligations that give rise to the payments can be netted by specialized clearing organizations.

Settlement Actual transfer of value to a deposit account at the payee's bank based on the payment instruction. If gross payments are settled, the value is transferred for each payment instruction. Net payments are also channeled through the banking system for settlement. The timing of settlement can be any of the following:

- Immediate.
- Same day (end of day).
- Next day.

may be paid by using a very rudimentary, but nonetheless very effective, payment mechanism, such as cash.¹ If the obligation is not discharged immediately (or in "real time," to use technical language) by using cash, then an alternative payment instrument, such as a paper or electronic credit or debit order, must be used. For payment orders, the process of discharging the obligation can be divided conceptually into two parts. The first part is the clearing process in which payment information is conveyed from the payor to the payee, probably through intermediary banks. The second part is settlement, in which the actual transfer of value associated with

the payment order is made, generally not with cash but with a claim on a bank.

The payment system is also used to settle complex and large-value transactions, such as those arising from trading in financial instruments and their derivative products, and to transfer other "commodities." The markets for such instruments are very efficient: In some cases, assets are held for only a few hours or minutes. The size of individual transactions may also be very large. The average secondary market trade in U.S. government securities, for example, is about \$9 million. These markets therefore have rapid turnover of high-value transactions. Accordingly, while the model of clearing and settlement described here applies to large-value payments, the form the payment process takes has become rather specialized, often involving clearing organizations that ensure that payment in good funds is made against delivery for the contract in question (delivery-versus-payment systems) and that increasingly perform a multi-lateral netting of such contracts among those trading in the instruments to reduce the total

1. Although cash payments may appear rudimentary, they actually embody essential features that are sought in more sophisticated electronic payment mechanisms, including large-value funds transfer systems. When an obligation is discharged by using cash, and assuming there is confidence in the government issuing the currency, the payment and final settlement are simultaneous and immediate. Apart from the physical restrictions that make cash payments practical only for small-value transactions, much may be learned from the principles embodied in the use of this form of payment. See Goodfriend (1990).

value of individual deliveries and payments that must be completed.²

In this simple model of the payment process (shown in the box), economic activity gives rise to an obligation to perform on a contract. In many cases, the contract may specify the terms regarding the form of payment, including both timing and type of instrument used. As noted, discharge of an obligation using payment methods other than cash involves clearing the payment order, including the transfer, processing, and recording of payment instructions on the books of the institutions holding the accounts of the payor and the payee.

For most unspecialized transactions, each individual obligation is treated separately for purposes of clearing and settlement. When such obligations are handled and recorded individually, they are known as gross transactions, which receive gross settlement on the books of the settlement entity. Specialized transactions, which may include those for various classes of securities and equities and their derivative products, rely on traditional payment mechanisms for final settlement but increasingly involve the preliminary step of netting. Netting is a process in which gross obligations between two (bilateral) or more (multilateral) entities are settled by a single transfer of the net amount of funds or goods due from each obligor. When properly performed, netting reduces significantly the total value transferred and the number of payment transactions. Properly executed, netting can also result in significant reduction of risk, as described below.

Settlement involves the actual transfer of value based on payment instructions, whether gross or net, on the books of private banking institutions, through the use of bank balances, or on the books of the central bank. Commercial banks serve the primary role in the settlement step of the process. Banks are equipped to play the role of payment intermediary for two reasons. First, they hold the accounts of those engaged in economic activity. A second reason, often overlooked, is that banks can provide credit services to payors so that a payor's obligation can be discharged even though it may not have the funds available when the payment is due. If

the payor is a good credit risk and agrees to the bank's credit terms, then the bank will complete settlement by transferring value even if the payor is short of funds, thus greatly facilitating the payment process. In essence, banks provide the liquidity to allow the payment process to run smoothly. As intermediaries, banks aggregate payments due to and from each other and often settle payments through their own intermediary, that is, through the central bank.

The volume and value of payment transactions in a modern economy with well developed financial markets have reached the level at which central banks are increasingly relied upon to provide final settlement among banks. Central bank settlement can be immediate, occurring directly upon the processing of a credit payment order, or same day, involving a delay until the end of the banking day.³ As will be explained below, central banks may have a role in providing liquidity support to commercial banks by providing central bank credit either intraday or at the end of the day, to ensure completion of payments on schedule. Such liquidity support should be consciously managed by the central bank because providing liquidity can easily get out of hand.⁴ Short-term "daylight loans" to banks by the central bank, if not repaid by the end of the day, become overnight loans. Thus, a direct connection exists between a central bank's decision to provide daylight credit and the management of its discount or Lombard facility.

THE PUBLIC POLICY AND SUPERVISORY ROLES OF THE CENTRAL BANK

Although the role of central banks in the payment system varies from country to country, they have

3. Some markets and central banks still rely on "next day" settlement, in which the transfers of value nominally occur on a given day but remain provisional—that is, they could be reversed—until some specified time the next day. Next-day settlement is particularly common in securities markets and is being addressed by the Group of Thirty recommendation to move all securities to same-day settlement.

4. As it has in the United States, where daylight overdrafts on the books of the Federal Reserve Banks now total about \$70 billion for funds transfers and another \$90 billion for book-entry securities transfers.

2. See Parkinson (1990).

several common areas of concern regarding their countries' payment systems as broadly defined, including both clearing and settlement.

The Execution of Monetary Policy

One area of concern involves the relation between the payment system and the execution of monetary policy. The result of the clearing and settlement process is that an economic actor obtains a bank deposit, which is one component of "money," from another economic actor. The link between economic activity and money occurs via the clearing and settlement process, which in this manner can be seen as having a fundamental role in the execution of central bank policy.⁵ Accordingly, central banks should have a special concern about clearing and payment systems for broad reasons of monetary policy implementation.

Stability of the Financial System

Another common area of concern among central banks has to do with the stability of the financial system. This concern leads directly to an interest in the integrity of the payment system, that is, the ability of the payment system to function safely and efficiently even during times of financial stress. Such financial stress may be related to generalized market factors, such as wide swings in asset prices that create difficulties for the "losers" in trading to meet their obligations. Or, financial stress may be related to specific problems with a large participant in the payment system, either a nonfinancial corporation or a bank, to meet its own and, in the case of a bank, possibly its customers' obligations.

As was noted earlier, the payment system is one of the first places where financial stress can manifest itself—through the inability of payment system participants to meet their payment obligations. Serious problems involving one or several payment system participants, if contained, should not pose a threat to the safe and efficient functioning of the basic process. Such problems are properly the concern of the central bank in its bank supervisory role. Depending on the nature of the problem, however, financial stress suffered by one or more participants can translate into systemic problems that threaten the overall viability of the payment system. The celebrated case of the failure of Bankhaus Herstatt in 1974, for example, illustrates how just one institution's inability to discharge its payment obligations (in this case payment of dollars against deutsche marks in foreign exchange transactions) can seriously affect the positions of other payment system participants.⁶ When the financial problems of one or several participants threaten the viability of the entire process, the possibility of systemic risk to the payment system becomes real.

Efficient Operation of the Payment System

The efficient operation of the payment system is another legitimate concern of the central bank and is important on at least two counts. First, the proper handling of payments is a resource-consuming activity that deserves attention on purely economic grounds. In the United States, for example, the annual cost of operating the domestic payment system is estimated at about \$60

5. Examples of the effects that malfunctions in the clearing and settlement process, even those resulting from mundane operational problems, may have for financial markets and central bank policy are not hard to find. In August 1990, a power outage on Wall Street led to disruptions in money market operations, including Fedwire. These operating disruptions resulted in interest rate swings due to banks' inability to move balances efficiently. Similarly, in November 1985 an internal software problem at the Bank of New York involving the securities transfer application led that bank to incur massive daylight overdrafts with the Federal Reserve and an overnight discount window loan of \$23 billion.

6. The 1974 Herstatt case has given rise to the term "Herstatt risk," which describes the temporal dimension of the credit risk assumed by the counterparty in a foreign exchange deal when payment of one currency becomes final some time before the payment of the second currency is completed. Herstatt risk arises in part because the operating schedules of national payment systems are not synchronized. In addition, there is no mechanism today that offers the benefits of concurrency that could be derived from a delivery-versus-payment mechanism. In the case of the U.S. dollar, final settlement each day of roughly \$425 billion in foreign exchange is delayed up to fourteen hours (for deals originated in the Far East) until the final settlement of CHIPS transfers on the books of the Federal Reserve Bank of New York at about 5:30 p.m. eastern time in the United States.

billion.⁷ If the payment process involves substantial participation by the private sector, then we should have confidence that market forces will tend to enhance the efficient operation of the payment system. The introduction of newer technologies with high fixed investment costs, however, may entail some element of increasing returns to scale in the payment processing aspects of clearing and settlement. To the extent that returns to scale are increasing, the payment process may exhibit natural monopoly characteristics. In the natural monopoly case, the central bank needs to be knowledgeable about payment processing operations and the behavior of the natural monopolist that operates the system, including the fees charged and the fairness of the terms of access to the payment infrastructure.

The second reason for the central bank's concern about the efficiency of the payment system is that its functioning has implications for the efficiency of the underlying markets that it supports. Some of these markets, such as those for certain financial instruments, are worldwide. The location of the nucleus of activity for these markets may depend at least in part on the integrity and efficiency of the clearing and settlement process in different countries. Thus, countries that wish to play a role as financial centers must be concerned about the efficient operation of their payment systems.

Central Bank Payment System Operations

The actual operation of payment systems by central banks encompasses a broad range of experience. At one end of the spectrum is the example of the United States, where the Federal Reserve, through the twelve Federal Reserve Banks, has been an active operator of both paper and electronic payment mechanisms since the passage of the Federal Reserve Act in 1913. It is estimated that the Federal Reserve handles one-third of all checks cleared in the United States and the majority of automated clearinghouse (ACH) transactions. Moreover, the Federal Re-

serve handles about half of large-value funds transfers and all book-entry securities transfers of U.S. government and certain agency securities over Fedwire. Since the passage of the Monetary Control Act of 1980, the Federal Reserve has established fees for providing payment services. Payment services are offered in direct competition with the private sector, and the Federal Reserve recovers the full costs of providing these services, including the imputed costs of capital, debt, and taxes that a private firm would incur. Revenues generated from providing payment services now total nearly \$800 million annually.

The Federal Reserve's dual role of competitor in and regulator of the payment system has been a difficult and almost chronically controversial one. The Congress of the United States mandated a very active operational role for the Federal Reserve in the payment system because of conditions arising from the fractionalized U.S. banking structure, in which true nationwide banking does not exist even today, and because of the geographic size and diversity of the nation. The geography and legal environment in the United States probably create a unique set of conditions. The conditions that influence the extent of a central bank's involvement in payment system operations can change with time, however, so that the operating role of the central bank should not necessarily be taken as a constant, but rather as a matter of policy choice influenced by environmental factors.⁸

Conditions other than geography and banking structure, however, may lead a central bank to play a significant operating role in a nation's payment system. For example, in some nations, such as France, the central bank plays a major operational role in the payment system on behalf of the banking system. In this model, which is probably influenced by economies of scale and national preferences regarding the degree of direct governmental involvement in the management of national "utilities," the central bank is the logical entity to provide the payment infrastructure.

At the other end of the spectrum of payment system operations, a central bank may play a

7. This estimate does not include any imputed cost associated with the risks assumed by banks (including the central bank) in granting credit as part of the payment process. See Humphrey and Berger (1990).

8. See Johnson (1990).

very minor role in the operation of its nation's payment system. In Canada and the United Kingdom, for example, payment processing is largely carried out by private enterprises and is governed by a ruling body composed of representatives of the financial services sector. The central bank, while not directly involved in the operations of the payment system, typically plays a coordinating role in these arrangements and, under certain terms and conditions, may make its books available for the settlement of payment transactions.

My purely personal point of view, which is conditioned by more than a decade of involvement in the payment system, both as a practitioner and as a policy advisor, is that the benefits of placing operations in the hands of the private sector should not be underestimated. Indeed, in virtually every other market for goods and services, the benefits of competition in ensuring a continuous high standard of performance are best attained through a free market approach. Assuming for the moment that principles governing the safe operation of the payment process are clearly laid out and that compliance with these principles is adequately supervised by the central bank, then, all other things equal, the process should generally work best when ruled by competitive forces in a market environment.

I say "generally" because of the notable exception of the large-value payment mechanism that provides immediate settlement on the books of the central bank. This payment mechanism may be considered an instrument of financial policy and is therefore best controlled by the central bank. It is virtually impossible for the private sector to provide the same degree of safety and liquidity for the transfer of money balances that can be provided by the central bank. Interbank systems for the transfer of large amounts of funds are discussed later.

Supervision of Private Clearing and Settlement Systems

The central bank's involvement in establishing principles for, and, when necessary, in supervising and regulating private clearing and settlement arrangements that support large-value transactions, is especially critical. I will not recount here

the financial, structural, and operational features that should characterize these systems and in which the central bank must have an essential interest.⁹ Most important, however, are features that commit the private participants in the specialized clearing systems, especially in multilateral clearing arrangements, to provide guarantees for the final settlement of the net positions that arise from the clearing. Such guarantees must be founded upon carefully constructed entrance criteria for participation in the arrangements. Moreover, members of such clearing arrangements must have the incentives and capabilities to make their own credit judgements about the parties with whom they will do business. In addition, concrete commitments are needed in the form of loss-sharing arrangements backed by either collateral or lines of credit to ensure the liquidity and resources to guarantee settlement in the event of default by one or more participants.

A good deal of analysis is taking place in the United States in both the Federal Reserve and the private sector to refine the principles that should govern private large-value transfer systems, including delivery-versus-payment systems. Recently, the Federal Reserve has given regulatory approval for the operation of private clearing arrangements for U.S. government securities (through the Government Securities Clearing Corporation) and for mortgage-backed securities (through the Participants Trust Company). An arrangement for dematerializing (that is, converting from paper to book-entry form), clearing, and settling commercial paper transactions has been started by the Depository Trust Company. Finally, the members of CHIPS have adopted a system of settlement guarantees for that large-value funds transfer system.

The principles underlying the proper operation of private clearing and settlement arrangements are universal. Indeed, the central banks of the Group of Ten (G-10) countries have recently adopted international minimum standards to guide the operation of cross-border and multi-

9. For an excellent review of these features, see the May 1988 address given by E. Gerald Corrigan at the Williamsburg payments symposium sponsored by the Federal Reserve Bank of Richmond. See Corrigan (1990).

currency interbank netting and clearing arrangements.¹⁰ The G-10 central banks have also recognized the need to oversee the operation of significant interbank netting arrangements and have established principles for cooperation among themselves when such arrangements operate across borders.

Clearly, a component of the financial system as important as the payment system should not go unsupervised. Active involvement by the central bank in developing the principles under which private clearing arrangements operate is the most important role in supervision of the payment system.

An important tool for ensuring compliance with sound payment system principles is the regular commercial bank examination process, in which central banks or other governmental authorities conduct safety and soundness inspections of individual banks. A bank's participation in a private clearing arrangement can be scrutinized as part of the commercial bank examination process, and effective influence can be applied to the clearing arrangement through the examination of the institutions that use it. In addition, the proper application of sound payment system principles can be accomplished through supervision of the privately operated clearing organizations that adopt these principles for the processing of specialized payment transactions. Although central bank settlement of transactions processed through private clearing organizations provides a vehicle to ensure that such arrangements employ sound payment system principles, the sole sanction of refusing to settle may be disruptive for established systems. Consequently, having more flexible supervisory tools available to the central bank is desirable. Such supervisory authority over clearing organizations might include review and approval of their rules, rulewriting authority, and cease-and-desist and removal powers to address in a timely manner serious problems that have implications for the safe and sound operation of the payment system.

Finally, in an interdependent world where goods, services, and financial instruments are traded routinely across national borders, the need for international payment mechanisms is increasing dramatically. Such cross-border sys-

tems may operate in many countries and time zones, thus presenting central banks with a variety of challenges that can only be met through cooperation in the development and execution of payment policy. The international payment system, therefore, should be a focus of our attention in the years ahead, as reflected in the recent actions of the G-10 central banks to adopt minimum standards to guide the operation of cross-border interbank netting and clearing arrangements, along with principles of cooperation among the central banks themselves for overseeing such arrangements.

THE ROLE OF THE CENTRAL BANK AS OPERATOR OF LARGE-VALUE PAYMENT MECHANISMS

Another aspect of the role of the central bank in the payment system is, I believe, becoming increasingly important, if not essential. This role involves the operation of a large-value, real-time funds transfer mechanism to handle final settlement transfers on the books of the central bank.

Efficient financial markets are a prerequisite to the development of modern financial systems. As was noted earlier, the financial system is today characterized by high volumes of large-value transfers occurring each day. Experience has shown (for example, in the Herstatt case and, more recently, in the failure of Drexel, Burnham, Lambert, Inc.), that the payment system is best insulated from shocks that may have systemic risk consequences, such as the inability of one or more large participants to meet payment obligations, by minimizing temporal risk and establishing private settlement guarantees to maintain confidence in the system. There is no surer way to provide finality and certainty of actual settlement than through the irrevocable transfer of value on the books of the central bank.

A large-value credit transfer mechanism run by the central bank can be flexible enough to support many types of payments, including net settlement transfers generated by specialized clearing organizations. Further, the transfer of value can occur through central bank operation of a delivery-versus-payment system for a subset of

10. See Bank for International Settlements (1990).

financial instruments, for example, government securities, in which gross transfers are settled as they occur. Or, the central bank can offer its real-time funds transfer capabilities to private book-entry settlement systems to settle the net positions of participants in these systems.

In summary, the availability of a final settlement vehicle that minimizes, to the theoretical limit of eliminating, the time delay between the initiation of a payment instruction and its final settlement is becoming more and more important. There is, in my view, no substitute for a central bank's playing the key role in governing, if not in operating, such a mechanism. Yet, caution must be exercised lest a central bank become the primary source of the intraday liquidity needed for a smoothly functioning payment process. Along these lines, a relevant case study is our experience in the United States with daylight overdrafts on the books of the central bank occurring as a result of the operation of a large-value funds transfer mechanism.

As was noted earlier, the practice of providing intraday credit as part of the payment process is now recognized as a core banking function. In the United States, the Federal Reserve provides a huge amount of daylight liquidity to the U.S. payment system. Nearly 40 percent of these daylight overdrafts are incurred by the ten largest overdrafters, while approximately three-quarters are incurred by the fifty largest overdrafters. There is also a private-sector source of intraday credit through CHIPS, with controls in place since October 1990 to help ensure timely end-of-day settlement should a participant with a large intraday net debit position be unable to cover its obligations by the close of business.

Daylight credit is roughly analogous to the short-term working capital requirements of firms whose intraday patterns of receipts may not exactly match their patterns of expenditures. A large, complex, market-oriented economy could not function effectively without a certain amount of intraday liquidity to fund the gaps that result from the difficulty associated with synchronizing the timing of high volumes of payment transactions. In the United States, the central bank currently provides this liquid-

ity at no explicit cost. In Switzerland, in contrast, the central bank does not permit daylight overdrafts, and banks have managed to conduct their business without an intraday market. Yet, again, in Japan the central bank provides no intraday liquidity, but a private market for daylight (morning and afternoon) credit has emerged.

Daylight credit is a valuable commodity. Extensions of daylight credit, however, have the economic cost of exposing the lender to default risk. For the central bank, a direct connection exists between the extension of intraday credit and discount window or Lombard credit, because a borrower's inability to repay its daylight loan puts the central bank in the position of having to consider converting the loan to an overnight credit.

If something has value but is not priced, then it tends to be overused and wasted. The current high level of daylight overdrafts in the United States and the resulting exposure of the Federal Reserve to default risk suggest that intraday credit is now being overused in the United States. Accordingly, the Board of Governors proposed in June 1989, and expects to implement once a scheme for measuring daylight overdrafts is adopted, an explicit fee for the use of daylight credit extended by the Federal Reserve Banks. The rationale for pricing daylight overdrafts is two-fold. First, the Federal Reserve strongly favors market solutions to resource allocation problems. Second, we believe that the significant amount of daylight credit currently supplied should be controlled and reduced, without, however, disrupting the payment system. Charging a relatively low fee should permit users of payment services to make the adjustments necessary to reduce gradually the amount of daylight overdrafts they incur while avoiding abrupt changes in the supply of daylight credit.¹¹

From a historical perspective, it seems clear to me that the Federal Reserve had no intention whatsoever of providing large amounts of daylight credit, priced or otherwise, when it began offering funds transfer services early in its history. The origins of

11. The Federal Reserve Board has proposed phasing in a charge of 25 basis points at an annual rate for daily average daylight overdrafts as an appropriate starting point for daylight overdraft pricing.

the present-day Fedwire system date to 1918, and the designers and operators of the early system could not have anticipated the significant increase in the value and velocity of payments. In fact, it was not until the 1970s that the increase in the volume of funds transfers resulted in the rapid intraday turnover of reserve balances, leading to material extensions of intraday credit. Accordingly, I think it unlikely that the Federal Reserve would have positioned itself as a large provider of daylight credit had the nature of the modern day phenomenon been better understood when Fedwire was designed.

Consideration of the role of the central bank as the operator of a large-value funds transfer system leads naturally to the question of the "safety net" attributes of this role. Access to the payment system through clearing and settlement services provided by the central bank, including perhaps central bank credit, is one component of the safety net that central banks and governments place under their financial systems. In many countries, various implicit and explicit forms of deposit insurance designed to ensure public confidence in depository institutions and the safety of their deposits are also a component. Of course, the most essential component of the safety net is the emergency liquidity assistance that is available through the central bank.

Like any other part of the safety net, access to the payment system must be judiciously managed to ensure that it is not abused. Used properly, however, and in combination with the central bank's supervisory and regulatory oversight of the banking system, access to the payment system can be a useful regulatory tool in ensuring that depository institutions do not fail prematurely.¹² In essence, the central bank gives financial system participants confidence that the payments they may receive from a troubled institution are good value. With this confidence, they will be willing to continue to deal with the troubled institution, thus providing the time the bank regulatory authorities need to work out an orderly solution to the problem. Without such confidence, a troubled institution, by being fro-

zen out of the payment system, would be isolated and doomed to immediate failure.

SUMMARY

The payment system is now recognized as an essential component of a smoothly operating market economy supported by an efficient and complex financial system. The central bank has a proper role (1) in establishing public policy to govern the structure of clearing and settlement arrangements in the payment system; (2) in supervising the payment system through the clearing organizations and banking institutions that play key roles in risk management; (3) in providing settlement across its books; and (4) in operating large-value payment mechanisms. Much is to be gained by permitting private entities to compete in the provision of payment services to the public. Because of the critical nature and "safety net" attributes of large-value payment mechanisms, however, operation of such a mechanism, alone or in parallel with similar privately operated mechanisms, is properly a role of the central bank. Central banks must take care in controlling the intraday liquidity they provide to the financial system and the payment system risk they absorb.

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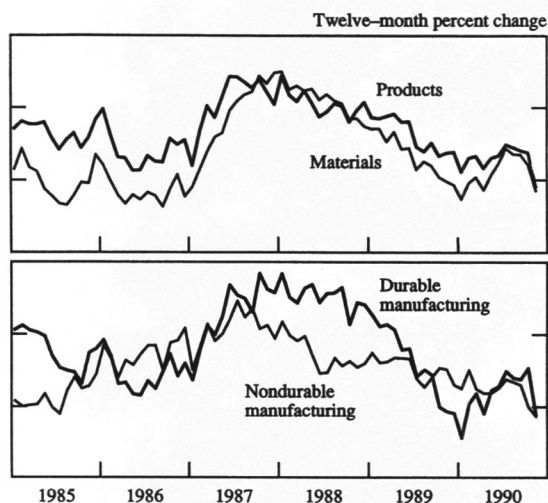
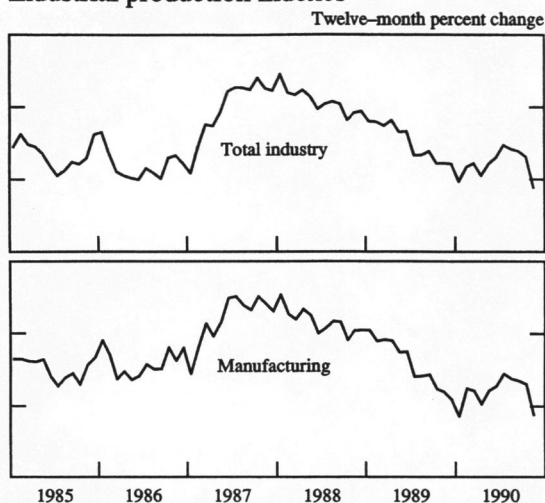
Industrial Production and Capacity Utilization

Released for publication on December 14

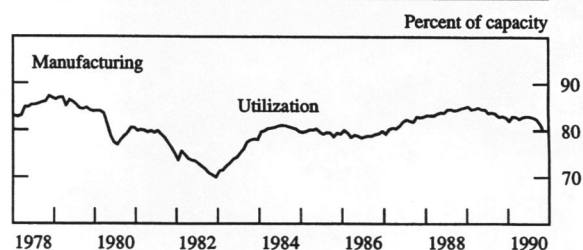
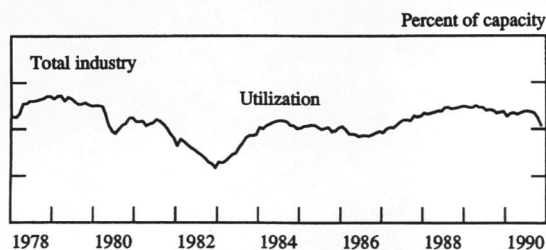
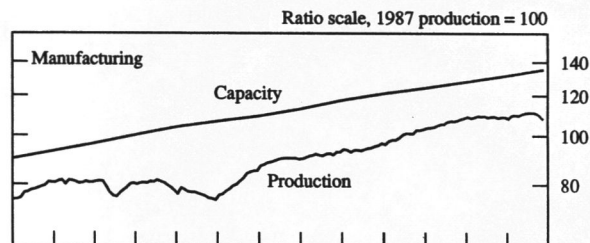
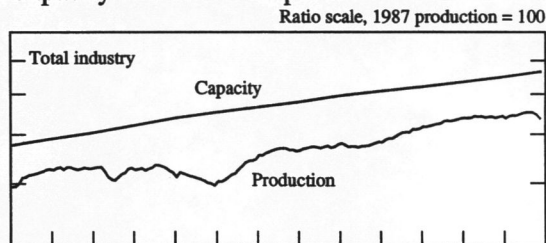
Industrial production fell 1.7 percent in November after a decline of 0.9 percent (revised) in October. A 20 percent drop of motor vehicle assemblies coupled with a sharp curtailment in output of related parts and materials accounted for more than half of the overall loss. In addition, production at utilities

fell 3.6 percent, owing mainly to unseasonably warm weather. Elsewhere, industrial output declined noticeably for the third successive month. Total industrial capacity utilization dropped 1.5 percentage points to 80.9 percent, its lowest level since May 1987. At 107.5 percent of its 1987 annual average, total industrial production in November was 0.6 percent below its level of a year ago.

Industrial production indexes



Capacity and industrial production



All series are seasonally adjusted. Latest series, November.

Industrial production	1987 = 100				Percentage change from preceding month				Per-centage change, Nov. 1989 to Nov. 1990
	1990				1990				
	Aug. ^r	Sept. ^r	Oct. ^r	Nov. ^p	Aug. ^r	Sept. ^r	Oct. ^r	Nov. ^p	
Total index	110.5	110.4	109.4	107.5	.1	-.1	-.9	-1.7	-.6
Previous estimates	110.4	110.6	109.6	...	.0	.2	-.8	...	...
Major market groups									
Products, total.....	110.9	111.1	110.1	108.4	.0	.1	-.8	-1.6	-.4
Consumer goods	107.8	108.1	107.0	104.9	.3	.3	-1.0	-2.0	-2.3
Business equipment.....	125.4	126.5	125.4	123.0	.4	.8	-.8	-1.9	3.7
Construction supplies.....	105.3	103.5	102.5	100.8	-1.3	-1.7	-.9	-1.7	-5.8
Materials	109.7	109.3	108.2	106.2	.1	-.4	-1.0	-1.8	-.7
Major industry groups									
Manufacturing.....	111.1	111.0	110.1	108.2	.0	-.1	-.8	-1.7	-.6
Durable	113.5	113.6	112.3	109.5	.1	.0	-1.1	-2.5	-.5
Nondurable	108.1	107.6	107.2	106.6	-.1	-.4	-.4	-.6	-.7
Mining	102.4	103.7	102.6	102.5	-1.6	1.2	-1.0	-.1	1.3
Utilities	111.4	110.8	109.1	105.1	1.6	-.5	-1.6	-3.6	-3.0
Capacity utilization	Percent of capacity								Capacity growth, Nov. 1989 to Nov. 1990
	Average, 1967-89	Low, 1982	High, 1988-89	1989	1990				
				Nov.	Aug. ^r	Sept. ^r	Oct. ^r	Nov. ^p	
Total industry	82.2	71.8	85.0	83.5	83.6	83.3	82.4	80.9	2.7
Manufacturing.....	81.5	70.0	85.1	83.0	82.8	82.5	81.6	80.0	3.2
Advanced processing	81.1	71.4	83.6	81.7	81.4	81.5	80.7	78.9	3.5
Primary processing	82.3	66.8	89.0	86.1	85.9	84.7	83.8	82.4	2.5
Mining	87.3	80.6	87.2	87.1	89.2	90.4	89.6	89.6	-1.4
Utilities	86.8	76.2	92.3	86.2	87.9	87.4	85.9	82.7	1.1

r Revised.
p Preliminary.

NOTE. Indexes are seasonally adjusted.

In market groups, output of consumer goods other than motor vehicles was curtailed sharply again in November. The production of goods for the home, such as appliances and furniture, has weakened considerably since June, and clothing output continued its downward trend evident throughout this year. The output of consumer energy products, particularly gasoline and electricity for residential use, also declined sharply in November. The production of business equipment other than autos and trucks was reduced about ¼ percent in November, after a decrease of about ½ percent in October. This recent weakness has been concentrated in industrial equipment; output in this sector had risen sharply, on balance, between March and September. In November, the production of construction supplies dropped further and was nearly 7 percent below the recent high levels reached early this year. Apart from the decline in parts and materials for motor vehicles, the most significant decreases in output of materials occurred in the energy components, par-

ticularly in electricity generation and coal mining. Among other materials, production of textiles fell again, and output of basic metals edged down after having declined sharply in the previous two months; in contrast, production of paper materials continued to be well maintained.

In industry groups, manufacturing output fell 1.7 percent in November; the factory utilization rate fell 1.6 percentage points to 80 percent, its lowest level since January 1987. Excluding motor vehicles and parts, manufacturing output fell 0.8 percent in November, after a decline of 0.7 percent in October and a drop of 5.0 percent in September. The utilization rate at mines was unchanged in November, but the operating rate for utilities fell sharply again.

For the second month, declines were widespread throughout manufacturing. Output of durable goods fell 2.5 percent in November; a decrease of more than 8 percent in transportation equipment accounted for about half the decline,

while production of furniture, lumber, and fabricated metals also dropped sharply. Output of nondurable goods fell 0.6 percent in November, and declines were somewhat less widespread than those in durables.

Utilization in both primary and advanced processing industries fell sharply in November. The operating rate for primary processing now stands at 82.4 percent, about the same as its 1967–89 average. The weakest primary processing industries are lumber and textiles, in

which utilization rates are well below their longer-run averages. Most other primary processing industries still show above-average operating rates despite the recent declines. In contrast, utilization for advanced processing industries has fallen to 78.9 percent, more than 2 percentage points below its longer-run average. Rates for motor vehicles and parts, apparel, printing and publishing, and instruments are all more than 4 percentage points below their respective longer-run averages.

Announcements

CHANGE IN THE DISCOUNT RATE

The Federal Reserve Board announced on December 18, 1990, a reduction in the discount rate from 7 percent to 6½ percent, effective Wednesday, December 19.

Action was taken against the background of weakness in the economy, constraints on credit, and slow growth in the monetary aggregates. The reduction, in part, realigns the discount rate with market interest rates.

In taking the action, the Board voted on requests submitted by the boards of directors of the Federal Reserve Banks of Boston, New York, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, and Dallas. The Board subsequently approved similar requests by the boards of directors of the Federal Reserve Banks of Philadelphia, Cleveland, and San Francisco, also effective December 19. The discount rate is the interest rate that is charged depository institutions when they borrow from their District Federal Reserve Banks.

REDUCTION IN THE RESERVE REQUIREMENTS ON NONPERSONAL TIME DEPOSITS AND NET EUROCURRENCY LIABILITIES

The Federal Reserve Board announced on December 4, 1990, a reduction in reserve requirements on nonpersonal time deposits and on net Eurocurrency liabilities.

There is currently a 3 percent reserve requirement on nonpersonal time deposits with an original maturity of less than eighteen months and on net Eurocurrency liabilities. Both requirements will be lowered to zero over coming weeks.

The Board has been reviewing these reserve requirements for some time. Reserve requirements on nonpersonal time deposits and net Eurocurrency liabilities were retained in the

Monetary Control Act of 1980, primarily to permit greater precision of monetary control when policy focused on reserve aggregate targeting. In subsequent years, as the Federal Reserve moved away from the procedures in effect in the early 1980s, which required a broad reserve base, reserve requirements on nonpersonal time accounts have become somewhat of an anachronism. Moreover, the current 3 percent requirement has placed depository institutions at a disadvantage relative to other providers of credit, spawning efforts to circumvent the requirement.

The Board took action at this time also in response to mounting evidence that commercial banks have been tightening their standards of creditworthiness and the terms and conditions for many types of loans. While much of this tightening has been welcome from the standpoint of safety and soundness, it has in recent months begun to exert a contractionary influence on the economy. This influence has been reflected in slow growth in the broad monetary aggregates and in bank credit.

Lower reserve requirements at any given level of money market interest rates will reduce costs to depository institutions, providing added incentive to lend to creditworthy borrowers, thus countering, to some extent, the recent tightening in credit terms.

The change will be implemented in two steps. The reserve ratios will be reduced to 1.5 percent in the reserve maintenance period that begins December 13 and to zero in the following maintenance period beginning December 27. This phase-in occurs at a time when there otherwise would be a large seasonal need to provide reserves to depository institutions.

For small institutions that report and have fixed required reserves on a quarterly basis, the reduction will take place in the next quarterly period starting January 17, 1991.

Currently, required reserves on nonpersonal

time deposits total about \$11.7 billion and about \$1.9 billion on net Eurocurrency liabilities. About \$2 billion of these reserve requirements are satisfied through vault cash holdings, with the rest met by balances at the Reserve Banks.

No change was made by the Board in the current level of reserve requirements on transaction accounts—3 percent on the first \$40.4 million of net transaction accounts and 12 percent on levels above that amount. The “low reserve tranche” will be raised to \$41.1 million later this month.

A zero requirement has applied for many years to nonpersonal time deposits with an original maturity of eighteen months or more.

APPOINTMENT OF NEW MEMBERS TO THE THRIFT INSTITUTIONS ADVISORY COUNCIL

The Federal Reserve Board announced on December 21, 1990, the names of seven new members appointed to its Thrift Institutions Advisory Council (TIAC) and designated a new President of the Council for 1991.

The Council is an advisory group made up of twelve representatives from thrift institutions. The panel was established by the Board in 1980 and includes representatives from savings and loan associations, savings banks, and credit unions. The Council meets at least four times each year with the Board of Governors to discuss developments relating to thrift institutions, the housing industry, mortgage finance, and certain regulatory issues.

Marion O. Sandler, President/Chief Executive Officer of World Savings and Loan Association, Oakland, California, will serve as President.

The seven new members, named for two-year terms that began January 1, are the following: Daniel C. Arnold, Chairman and President of Farm and Home Financial Corporation, Houston, Texas; James L. Bryan, President and CEO, TEXINS Credit Union, Richardson, Texas; Richard A. Larson, Chairman and CEO, West Bend Savings Bank, West Bend, Wisconsin; Preston Martin, Managing Director, WSGP Partners, L.P., San Francisco, California; Richard D. Parsons, President and CEO, the Dime Savings Bank of New York, New York City; Edmond M. Shanahan, President and CEO, Bell Federal

S&L Association, Chicago, Illinois; and Woodbury C. Titcomb, President and CEO, Peoples Bancorp of Worcester, Inc. and Peoples Savings Bank, Worcester, Massachusetts.

The other members of the Council are the following: David L. Hatfield, President of Fidelity Federal Savings and Loan Association, Kalamazoo, Michigan; Lynn W. Hodge, President and CEO of United Savings Bank Inc., Greenwood, South Carolina; Elliot K. Knutson, Chairman and CEO of Washington Federal Savings & Loan Association, Seattle, Washington; and John Wm. Laisle, President and CEO of Mid-First Bank SSB, Oklahoma City, Oklahoma.

REGULATION H: AMENDMENT

The Federal Reserve Board amended on December 20, 1990, its Regulation H (Membership in the Federal Reserve System), concerning the payment of dividends by state member banks.

The rule revises the way in which state member banks calculate their dividend payment capacity and brings the treatment of loan-loss reserves for dividend payment purposes into line with current regulatory reporting standards and generally accepted accounting principles (GAAP).

Portions of the rule have been made effective immediately to allow state member banks to use the new rule in calculating dividend payments for 1990.

The provisions of the Board's rule are consistent with a similar rule published for national banks by the Office of the Comptroller of the Currency on December 13, 1990.

PROPOSED ACTIONS

The Federal Reserve Board issued for public comment on December 19, 1990, a proposal to require depository institutions that originate or receive commercial automated clearinghouse (ACH) transactions through the Federal Reserve Banks to establish electronic access to the Reserve Banks for ACH services. Comments are due by March 27, 1991.

The Federal Reserve Board issued for public comment on December 5, 1990, interim amend-

ments it has adopted to Regulation CC (Availability of Funds and Collection of Checks) to conform the regulation to a recent amendment to the Expedited Funds Availability Act, pending adoption of a final rule. Comment was requested by January 11, 1991.

CHANGES IN BOARD STAFF

The Board of Governors announced a change, effective December 17, 1990, in the name of the

Division of Federal Reserve Bank Operations to Division of Reserve Bank Operations and Payment Systems to appropriately reflect this Division's responsibilities for overseeing Reserve Bank activities and developments in payment systems. It also announced, in the Division of Reserve Bank Operations and Payment Systems, the promotion of David L. Robinson from Associate Director to Deputy Director of Finance and Control and the assignment of Bruce J. Summers from the Federal Reserve Bank of Richmond to fill the position of Deputy Director of Payments and Automation.

Record of Policy Actions of the Federal Open Market Committee

MEETING HELD ON NOVEMBER 13, 1990

Domestic Policy Directive

The information reviewed at this meeting suggested that economic activity was weakening in the fourth quarter. A substantial decline in real disposable income and falling consumer confidence pointed to some softening in consumer demand, and advance indicators of business capital spending signaled considerable sluggishness in investment expenditures. At the same time, businesses appeared to be keeping a tight rein on their inventories, partly through recent sharp cuts in output. Industrial production had turned down after rising moderately during the summer, and recent declines in nonfarm payroll employment and average workweeks indicated some emerging slack in labor markets. Broad measures of prices continued to be boosted by the surge in energy prices, but the trend in labor costs appeared to have improved slightly.

Total nonfarm payroll employment declined further in October. Job losses were widespread across industries but were particularly notable in the manufacturing and construction sectors. Employment also contracted at wholesale and retail trade establishments for the third straight month. In October, the civilian unemployment rate held steady at 5.7 percent while initial claims for unemployment insurance rose steeply.

After rising moderately during the summer, industrial production declined substantially in October. Part of the drop reflected a slower pace of motor-vehicle assemblies; however, reductions in output were widespread in other industries as well, especially in those producing non-auto consumer goods and construction supplies. Total industrial capacity utilization fell in October after edging up on balance in the previous two quarters.

Consumer spending was estimated to have

leveled out in real terms over August and September, when a surge in energy prices caused a substantial drop in real disposable income. Nevertheless, over the third quarter as a whole, the pace of spending was substantially higher than in the previous quarter. Major surveys of consumer attitudes continued to indicate a sharp deterioration in consumer confidence. Total private housing starts edged lower in September; sales of new and existing homes continued to weaken, and the vacancy rate for rental apartments persisted at a high level.

Shipments of nondefense capital goods rose on balance over the August–September period; the gain resulted in part from increases for office and computing equipment. New orders for business equipment pointed to a considerable softening in spending for such goods in coming months. Nonresidential construction activity fell appreciably in August and September, retracing the increases recorded in the two previous months. Persisting high vacancy rates for commercial properties in many areas, financial pressures on builders and their lenders, and the downward trend in construction permits and contracts suggested that nonresidential building activity would remain sluggish. Manufacturing inventories posted only modest increases over the August–September period, and the ratio of stocks to shipments edged lower. At the retail level, non-auto inventories changed little on balance over July and August, and inventory–sales ratios remained within the range that had prevailed for an extended period.

The nominal U.S. merchandise trade deficit widened slightly in August from the revised July rate; for the two months combined, the deficit was substantially higher than its average rate for the second quarter. In August, a sharp increase in the price of imported oil was only partly offset by a decline in the quantity imported; the value

of non-oil imports was little changed from the elevated July level. Exports picked up somewhat in August but remained within the range recorded in the first half of the year. The performance of the major foreign industrial economies had been mixed. In Western Germany and Japan, the pace of economic activity remained robust in the third quarter, and growth in France picked up after a weak second quarter. In Canada and the United Kingdom, by contrast, economic activity appeared to be declining. Measures of consumer price inflation had risen for almost all of the major industrial countries, reflecting mainly the effects of higher energy prices.

Producer prices of finished goods rose sharply in October, boosted for the third consecutive month by the effects of higher oil prices; food prices also advanced and reversed their September decline. Producer prices of non-energy, non-food finished goods increased in September and October at about the moderate average pace evident in previous months of the year. At earlier stages of processing, the prices of metals and some raw materials had fallen considerably, despite the depreciation of the dollar on foreign exchange markets. Higher oil prices continued to push up consumer prices, which rose in September at the elevated August rate. Excluding energy and food items, consumer inflation slowed a little in September, but the rate of increase over the first nine months of the year was appreciably above the pace during 1989. The growth in total compensation costs for private industry workers decelerated in the third quarter, reflecting smaller gains in wages and salaries. Measured on a year-over-year basis, twelve-month changes in total labor compensation had fallen a bit below the rates recorded earlier in the year, when increases in payroll taxes and the minimum wage exerted their initial effect on labor costs. Average annual earnings of production or nonsupervisory workers were unchanged in October.

At its meeting on October 2, the Committee adopted a directive that called for maintaining the existing degree of pressure on reserve positions for at least a short period after the meeting. It was presumed that some slight easing would be implemented later in the intermeeting period, assuming passage of a federal budget resolution calling for a degree of fiscal restraint comparable

to that under consideration at the time of the meeting and the absence of major unexpected economic or financial developments. After such an easing, the directive provided that slightly greater reserve restraint might be acceptable during the remainder of the intermeeting period or somewhat lesser reserve restraint would be acceptable depending on progress toward price stability, the strength of the business expansion, the behavior of the monetary aggregates, and developments in foreign exchange and domestic financial markets. The reserve conditions contemplated by the Committee were expected to be consistent with growth of M2 and M3 at annual rates of about 4 and 2 percent respectively over the period from September through December.

After the Committee meeting, open market operations were directed initially at maintaining unchanged reserve conditions. In late October, against the background of a weakening economy and in light of the conclusion of a budget agreement involving large reductions in the federal deficit over the next several years, pressures on reserve conditions were eased slightly. Over the course of the intermeeting period, several technical adjustments also were made to assumed levels of adjustment plus seasonal borrowing to reflect the declines in seasonal borrowing activity that typically occur during the autumn. Adjustment plus seasonal borrowing fell from about \$500 million in the reserve maintenance period completed immediately after the October meeting to an average of roughly \$250 million thus far in the maintenance period ending the day after this meeting. In the context of more cautious reserve management policies at some banks and some carryover of end-of-quarter pressures, the federal funds rate generally remained near $8\frac{1}{4}$ percent in the early part of the intermeeting period. Subsequently, as end-of-quarter pressures receded, the funds rate edged down to 8 percent; late in the period, after the slight easing of reserve conditions, the funds rate slipped further to $7\frac{3}{4}$ percent or a bit below. Most other market interest rates also declined over the intermeeting period; however, the reductions tended to be greater for Treasury than for private issues, reflecting increased demand for high-grade assets by investors concerned about credit quality. Yields on Treasury bonds rose apprecia-

bly shortly after the October meeting when a budget accord initially failed to receive congressional approval; they more than retraced these increases as prospects for fiscal restraint grew brighter, clearer signs of a softer economy emerged, and investors sought higher-quality investments.

In foreign exchange markets, the trade-weighted value of the dollar in terms of the other G-10 currencies declined considerably further over the intermeeting period. The long budget stalemate, indications of additional weakness in the U.S. economy, concerns about the U.S. financial system, and associated expectations of an easing in U.S. monetary policy contributed to the drop in the dollar. The decline was intensified by signs that monetary policy remained restrictive in Japan and might tighten in Germany.

In October, M2 grew only slightly after two months of relatively rapid expansion, while M3 was about unchanged. The sluggishness of M2 in October owed partly to a contraction in its transactions and liquid savings components. The managed-liability components of M3 also were weak, reflecting restrained asset growth at banks and stepped-up thrift resolution activity around the end of the quarter. Through October, expansion of M2 was estimated to be somewhat below the middle of the Committee's range for the year and growth of M3 near the lower end of its range. The expansion of total domestic nonfinancial debt appeared to have been near the midpoint of its monitoring range.

The staff projection was prepared against the background of continuing uncertainties associated with the situation in the Persian Gulf region. The staff continued to assume that no major further disruption to world oil supplies would occur and that oil prices would drop appreciably in the first half of next year. The staff also assumed continuing constraints on the supply of credit, reflected in tighter terms and reduced availability, in response to perceptions of increased credit risks in a relatively weak economy and the problems facing many financial intermediaries. In the near term, higher energy costs would damp real disposable income and consumer spending, and reduced credit availability would be among the factors restraining outlays for business equipment and spending for residen-

tial and nonresidential construction. In these circumstances, a mild downturn in overall activity was projected for the near term, but growth was expected to resume during the first half of 1991, aided in part by the assumed decline in oil prices. The staff anticipated that exports would grow relatively rapidly over the next several quarters in association with continued expansion on average in the economies of major foreign industrial nations and the increased international competitiveness of U.S. goods owing to the dollar's depreciation over the past year. As business sales and orders improved, production could be expected to pick up and business investment outlays to rise. The outlook for inflation remained clouded by the uncertainties regarding oil prices, but given the assumption of a sizable decline in the latter and some increased slack in resource utilization, the staff projected a slower rise in prices and labor costs.

In the Committee's discussion of the economic situation and outlook, members focused on the growing indications of a softening economy. Some key measures of business conditions suggested a decline in the economy, and business and consumer sentiment appeared to have deteriorated appreciably; however, the available data on recent developments were still limited, particularly with respect to consumer and business capital spending, and as a consequence were still inconclusive. Moreover, some developments that typically can contribute to a recession, such as a substantial buildup in inventories, did not seem to be a factor in the current economic situation. Assuming lower oil prices in the months ahead and given the outlook for further strength in exports stemming especially from the substantial decline that had occurred in the foreign exchange value of the dollar, a relatively mild downturn followed by a limited rebound next year was viewed as a reasonable expectation.

Many of the members noted that, while the most likely outcome was a relatively mild and brief downturn, there were risks of a more severe or prolonged contraction in economic activity. The substantial decline that had occurred in business and consumer confidence likely reflected not only the course of events in the Middle East, but perhaps also uncertainty about developments in that area and their implications for oil prices. A cutback in spending that more

fully reflected these attitudes could be greater than currently appeared to be under way. Another source of risks that also could be contributing to the decline in confidence was the state of the financial system, including concerns about the condition of many financial institutions, a curtailed supply of credit to many borrowers, and more generally a widespread perception of relatively fragile financial conditions. Bank loan officers appeared to be reacting increasingly to what they perceived as rising credit risks in a softening economy; their incentives to restrict their lending were strengthened by concerns about the capital positions of their own banks and the possibility that their institutions could face a reduced availability or higher cost of funds. To an important extent, banker attitudes were being influenced by developments in the real estate markets; further, or more widespread, weakening in those markets would add to problem loans in bank portfolios and could foster further cutbacks in bank lending activity more generally. Financial institutions other than banks also were experiencing funding and other difficulties, raising concerns that they might become less willing suppliers of credit. For now, growth in credit and related expansion in money were sluggish but did not seem to be collapsing. Nonetheless, members remained concerned that supplies of credit might prove inadequate to the needs of many qualified borrowers, thereby deepening any downturn and impeding a satisfactory rebound in economic activity.

Members continued to report uneven conditions in different parts of the country and sectors of the economy, but signs of some weakening in business activity were increasing in most areas. Moreover, in keeping with broad survey results, contacts indicated that business and consumer confidence had deteriorated in virtually all parts of the country, including areas that were experiencing at least modest growth in overall business activity. At the same time, conditions were reported to be generally favorable in agriculture, export demands were growing, and on the whole business inventories were indicated to be close to desired levels, at least given current levels of demand.

Members noted that the adverse effects of sharply higher oil prices on disposable incomes

and consumer sentiment appeared among other developments to have arrested the growth in real consumer spending in recent months; retail sales, notably of automobiles and other durables, were expected to remain weak and possibly decline over the next several months, although the prospective increase in federal excise taxes on certain luxury items might well boost sales of such goods through year-end at the expense of sales early next year. Members agreed that in the absence of further disturbances in oil markets, growth in real consumer spending could be expected to resume, especially if oil prices were to decline; indeed, such growth was likely to provide a major impetus for some strengthening in the economy next year. Net exports also appeared to be positioned to contribute to expanding business activity as a result of the substantial declines that had occurred in the foreign exchange value of the dollar and sustained expansion in a number of major foreign industrial countries. Business contacts reported that demands from abroad were continuing to buttress manufacturing activity in many areas, although there were indications of some slippage in such demands from some countries. The prospects for business investment remained less promising for a number of reasons, including the uncertain outlook for sales and profits and the weakness in commercial construction associated with earlier overexpansion. With regard to the outlook for fiscal policy, the difficult and extended process of securing the recent budget agreement and the still massive deficits projected for the nearer term appeared to have had an adverse effect at least temporarily on attitudes, and perhaps as a consequence financial markets had not yet fully recognized the appreciable degree of enforceable restraint that was built into that agreement.

Turning to the outlook for inflation, members referred to accumulating indications that the core rate of inflation, excluding the discernible effects of the surge in energy prices, might have stabilized. There were signs of diminished wage pressures in the aggregate data, and the latter were confirmed by reports from several parts of the country. In the context of reduced pressures on productive resources, it now seemed more likely that the effects of higher oil and import prices would not be built into the general price and

wage structure. Nonetheless, members cautioned that an extended period probably would be needed before substantial progress was achieved in reducing inflation, given the strength of inflationary expectations.

In the Committee's discussion of policy for the intermeeting period ahead, all of the members indicated that they favored or could support a proposal calling for some slight immediate easing of reserve conditions; one member expressed a preference for somewhat greater easing while another saw advantages in delaying the easing move. The growing signs of a softening economy, the related vulnerability of many business and financial firms to added financial strains, and the increased reluctance of institutional lenders to accommodate less than prime business borrowers suggested that the Committee should remain especially alert during the weeks ahead to signals that some further easing was appropriate. The lack of significant monetary growth over the course of recent months also was seen as pointing in the same direction. However, the weakness in the economy reflected in part an external shock whose effects could not be entirely offset without exacerbating a still substantial inflation, and the dollar had been under considerable downward pressure in the foreign exchange markets. In this situation, any easing needed to be approached with caution. While there were some differences in emphasis, the members agreed that a limited degree of easing at this juncture would provide some insurance against a deep and prolonged recession without incurring a substantial risk in current circumstances of fostering intensified inflationary pressures.

In their discussion, members took account of a staff analysis that pointed to weaker monetary growth in the current quarter than had been anticipated at the time of the previous meeting. The slower expansion in M2 and M3 appeared to reflect the tightening supply of credit through depository institutions and the associated damping of asset expansion and funding needs at those institutions. In addition, slower projected growth in nominal GNP in the current quarter implied reduced demands for money and credit. Some members commented that the projected expansion of both M2 and M3 within the Committee's ranges for the year suggested that monetary

policy on balance had been on an appropriate course. However, the recent weakness in monetary growth was becoming a matter of increasing concern and was an important consideration for some members in their support of some easing of reserve conditions.

In regard to possible intermeeting adjustments in the degree of reserve pressure, most of the members indicated a preference for retaining the current bias in the directive toward potential easing. In support of this view, it was noted that in prevailing circumstances an intermeeting move, if any, was more likely to be toward some easing than the reverse. A few members questioned, however, whether such a bias was desirable in light of the slight easing that the members already contemplated, especially since any additional move would represent the third easing action by the Committee in a relatively short period. In the circumstances, it was understood that a tilt toward ease in the directive would not imply any commitment to a second easing action during the intermeeting period; in particular, the potential desirability of any additional easing would need to be assessed in the light of market reactions to the initial action, especially the behavior of the dollar in the foreign exchange markets.

At the conclusion of the Committee's discussion, all of the members indicated their acceptance of a directive that called for a slight reduction in the degree of pressure on reserve positions. The directive also called for giving weight to potential developments that might require some slight further easing during the intermeeting period. Accordingly, slightly greater reserve restraint might be acceptable during the intermeeting period or somewhat lesser reserve restraint would be acceptable depending on progress toward price stability, the strength of the business expansion, the behavior of the monetary aggregates, and developments in foreign exchange and domestic financial markets.

At the conclusion of the meeting the following domestic policy directive was issued to the Federal Reserve Bank of New York:

The information reviewed at this meeting suggests a weakening in economic activity. Total nonfarm payroll employment declined further in October, reflecting sizable job losses in manufacturing and construction; the civilian unemployment rate held steady at 5.7

percent. Industrial production declined sharply in October after rising moderately during the summer. Consumer spending is estimated to have flattened out in real terms over August and September when a surge in energy prices caused a substantial drop in real disposable income. Advance indicators of business capital spending point to considerable softening in investment in coming months. Residential construction weakened further in the third quarter. The nominal U.S. merchandise trade deficit widened substantially in July–August from its average rate in the second quarter as imports strengthened. Markedly higher oil prices have boosted consumer and producer prices in recent months. The latest data on labor costs suggest some slight improvement from earlier trends.

Most interest rates have fallen somewhat since the Committee meeting on October 2. In foreign exchange markets, the trade-weighted value of the dollar in terms of the other G-10 currencies has declined considerably further over the intermeeting period.

In October, M2 grew only slightly after two months of relatively rapid expansion, while M3 was about unchanged. Through October, expansion of M2 was estimated to be somewhat below the middle of the Committee's range for the year and growth of M3 near the lower end of its range. Expansion of total domestic nonfinancial debt appears to have been near the midpoint of its monitoring range.

The Federal Open Market Committee seeks monetary and financial conditions that will foster price stability, promote growth in output on a sustainable basis, and contribute to an improved pattern of international transactions. In furtherance of these objectives, the Committee at its meeting in July reaffirmed the range it had established in February for M2 growth of 3 to 7 percent, measured from the fourth quarter of 1989 to the fourth quarter of 1990. The Committee in July also retained the monitoring range of 5 to 9 percent for the year that it had set for growth of total domestic nonfinancial debt. With regard to M3, the Committee recognized that the ongoing restructuring of thrift depository institutions had depressed its growth relative to spending and total credit more than anticipated. Taking account of the unexpectedly strong M3 velocity, the Committee decided in July to reduce the 1990 range to 1 to 5 percent. For 1991, the Committee agreed on provisional ranges for monetary growth, measured from the fourth quarter of 1990 to the fourth quarter of 1991, of 2½ to 6½ percent for M2 and 1 to 5 percent for M3. The Committee tentatively set the associated monitoring range for growth of total domestic nonfinancial debt at 4½ to 8½ percent for 1991. The behavior of the monetary aggregates will continue to be evaluated in the light of progress toward price level stability, movements in their velocities, and developments in the economy and financial markets.

In the implementation of policy for the immediate future, the Committee seeks to decrease slightly the existing degree of pressure on reserve positions. Taking account of progress toward price stability, the strength of the business expansion, the behavior of the monetary aggregates, and developments in foreign exchange and domestic financial markets, slightly greater reserve restraint might or somewhat lesser reserve restraint would be acceptable in the intermeeting period. The contemplated reserve conditions are expected to be consistent with growth of both M2 and M3 over the period from September through December at annual rates of about 1 to 2 percent.

Votes for this action: Messrs. Greenspan, Corrigan, Angell, Boehne, Boykin, Hoskins, Kelley, LaWare, Mullins, Ms. Seger, and Mr. Stern. Votes against this action: None.

At this meeting, the Committee reviewed its practice of including a sentence in the operational paragraph of the directive that referred to the possibility of a Committee consultation to be called at the Chairman's discretion during an intermeeting period in the event that the federal funds rate fluctuated persistently outside a relatively wide range. That range had been set at 4 percentage points for many years and was a legacy of now outdated operating procedures that had been in place in the early 1980s. The members agreed that under current procedures the directive sentence in question served no real purpose, at least in its present form, in terms of providing guidance for holding intermeeting consultations. Such consultations are based on understandings that vary over time, depending on surrounding circumstances. Accordingly, all of the members favored or found acceptable a proposal calling for deletion of the sentence. The members noted that the deletion would have no implications for the implementation of monetary policy or for the Committee's understandings or procedures with respect to what reserve market, financial, or economic conditions would call for consultations between meetings.

At the conclusion of this discussion, the members voted to delete the sentence incorporating the federal funds range from the operational paragraph.

Votes for this action: Messrs. Greenspan, Corrigan, Angell, Boehne, Boykin, Hoskins, Kelley, LaWare, Mullins, Ms. Seger, and Mr. Stern. Votes against this action: None.

Legal Developments

FINAL RULE—AMENDMENT TO REGULATION D

The Board of Governors is amending 12 C.F.R. Part 204, its Regulation D (Reserve Requirements of Depository Institutions), requiring depository institutions to maintain reserves of 3 percent on their nonpersonal time deposits with original maturities or notice periods of less than one and one-half years. Such time deposits are sometimes referred to as "short-term nonpersonal time deposits." Also pursuant to section 19 of that Act, the Board's Regulation D requires any depository institution, including a U.S. branch or agency of a foreign bank, to maintain reserves of 3 percent on net balances owed to a directly related foreign office or to foreign offices of nonrelated depository institutions, on loans to U.S. residents made by related foreign offices, and on assets held by related foreign offices acquired from domestic offices. Such reservable liabilities are known as "Eurocurrency liabilities." The Board is now amending its Regulation D to reduce the reserve requirement on short-term nonpersonal time deposits and Eurocurrency liabilities from the current level of 3 percent to zero percent. These reductions will be phased in over two successive reserve maintenance periods for depository institutions that report their deposits weekly under Regulation D, and will be effective at the beginning of the next quarterly period for quarterly reporters.

Reserve requirements on transaction accounts (generally 12 percent) and nonpersonal time deposits with original maturities or notice periods of one and one-half years or more (zero percent) are not being changed. Reporting requirements and regulatory definitions also are not being changed.

Effective December 13, 1990,¹ 12 C.F.R. Part 204 is amended as follows:

1. Compliance dates: (These compliance dates do not affect the compliance dates for amendments to Regulation D concerning the low reserve tranche and the deposit cutoff as announced at 55 *Federal Register* 49,992 (1990). However, the amendments made by the Board in this action to 12 C.F.R. 204.9(a) (1) supersede the amendments made by the Board to that section on November 28, 1990 and announced at 55 *Federal Register* 49,992 (1990). Reserves on short-term nonpersonal time deposits and Eurocurrency liabilities for weekly reporting depository institutions will be reduced from 3 percent to 1 1/2 percent effective with the weekly reporter reserve maintenance period that begins on Thursday, December 13, 1990, and

Part 208—Reserve Requirements of Depository Institutions

1. The authority citation for Part 204 continues to read as follows:

Authority: Sections 11(a), 11(c), 19, 25, 25(a) of the Federal Reserve Act (12 U.S.C. 248(a), 248(c), 371a, 371b, 461, 601, 611); section 7 of the International Banking Act of 1978 (12 U.S.C. 3105); and section 411 of the Garn-St Germain Depository Institutions Act of 1982 (12 U.S.C. 461).

2. In section 204.2, footnote 2 in paragraph (c)(1)(i) is revised to read as follows:

Section 204.2—Definitions.

* * * * *

2. A nonpersonal time deposit with a stated maturity of one and one-half years or more may be treated as having an original maturity of one and one-half years or more only if it is subject to the minimum penalty described in section 204.2(f)(3).

3. In section 204.3, the word "and" is added after the semicolon in paragraph (a)(3)(i)(A); the colon and the word "and" are removed at the end of paragraph (a)(3)(i)(B) and a period is added; and paragraph (a)(3)(i)(C) is removed.

4. In section 204.3, paragraph (c)(2) is revised to read as follows:

will be reduced from 1 1/2 percent to zero percent effective with the weekly reporter reserve maintenance period that begins on Thursday, December 27, 1990. For quarterly reporting institutions, reserves on these liabilities will be reduced to zero percent effective January 17, 1991, the beginning of the next quarterly period. (Required reserves on nonpersonal time deposits and Eurocurrency liabilities for quarterly reporters total on the order of \$450 million.) The Board believes that this time period will be sufficient to provide the desired stimulus promptly while minimizing the disruption to the financial markets resulting from the reduction.

Section 204.3—Computation and maintenance.

* * * * *

(c) *Computation of required reserves for institutions that report on a weekly basis.*

(1) * * *

(2) A reserve balance shall be maintained during a given maintenance period based on the daily average net transaction accounts held by the depository institutions during the computation period that began immediately prior to the beginning of the maintenance period.

* * * * *

5. Section 204.9(a)(1), as revised in a final rule document published on December 4, 1990 (55 *Federal Register* 49,992 (1990)), is hereby withdrawn. Section 204.9(a) is now revised to read as follows:

Section 204.9—Reserve requirement ratios.

(a)(1) *Reserve percentages.* The following reserve ratios are prescribed for all depository institutions, Edge and Agreement Corporations, and United States branches and agencies of foreign banks:

Category	Reserve Requirement
Net transaction accounts ¹	
\$0 to \$41.1 million.....	3 percent of amount
over \$41.1 million.....	\$1,233,000 plus 12 percent of amount over \$41.1 million
Nonpersonal time deposits...	0 percent
Eurocurrency liabilities.....	0 percent

1. Dollar amounts do not reflect the adjustment to be made by the next paragraph.

(2) *Exemption from reserve requirements.* Each depository institution, Edge or agreement corporation, and U.S. branch or agency of a foreign bank is subject to a zero percent reserve requirements on an amount of its transaction accounts subject to the low reserve tranche in paragraph (a)(1) not in excess of \$3.4 million determined in accordance with section 204.3(a)(3) of this part.

* * * * *

FINAL RULE—AMENDMENT TO REGULATION H

The Board of Governors is amending 12 C.F.R. Parts 208 and 250, its Regulation H (Membership in the Federal Reserve System), that will clarify the circumstances under which state member banks may pay

dividends and will bring calculation of dividend payment capacity more closely into line with current regulatory reporting standards and generally accepted accounting principles (GAAP). The rule defines the terms used in two statutory provisions that impose capital and current earnings restrictions on the payment of dividends by national banks. These provisions, 12 U.S.C. §§ 56 and 60, are made applicable to state member banks by section 9 of the Federal Reserve Act.

Section 208.19(a) of this regulation will be effective January 25, 1991. Section 208.19(b) will be effective December 20, 1990, although a state member bank may choose to apply the paragraph retroactively (see transition provisions in section 208.19(b)(5)), 12 C.F.R. Parts 208 and 250 are amended as follows:

Part 208—Membership of State Banking Institutions in the Federal Reserve System

1. The authority citation for Part 208 continues to read as follows:

Authority: Sections 9, 11(a), 11(c), 19, 21, 25, and 26(a) of the Federal Reserve Act, as amended (12 U.S.C. 321–338, 248(a), 248(c), 461, 481–486, 601, and 611, respectively); sections 4 and 13(j) of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1814 and 1823(j), respectively); section 7(a) of the International Banking Act of 1978 (12 U.S.C. 3105); sections 907–910 of the International Lending Supervision Act of 1983 (12 U.S.C. 3906 - 3909); sections 2, 12(b), 12(g), 12(i), 15B(c)(5), 17, 17A, and 23 of the Securities Exchange Act of 1934 (15 U.S.C. 78b, 78l(b), 78l(g), 78l(i), 78o-4(c)(5), 78q, 78q-1, and 78w, respectively); section 5155 of the Revised Statutes (12 U.S.C. 36) as amended by the McFadden Act of 1927; and sections 1101-1122 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, 12 U.S.C. 3310 and 3331-3351).

2. Section 208.19 is added to read as follows:

Section 208.19—Payment of dividends.

(a) *Capital limitations on payment of dividends.* No state member bank shall, during the time it continues its banking operations, withdraw, or permit to be withdrawn, either in the form of dividends or otherwise, any portion of its capital. If losses have at any time been sustained by a state member bank that equal or exceed its undivided profits then on hand, no dividend shall be paid. No dividend shall be paid by a state member bank while it continues its banking operations, to an amount greater than its net profits

then on hand, deducting therefrom its losses and bad debts.

(1) *Exceptions.* Exceptions to the limitations contained in this paragraph (a) may be made only with the prior approval of the Board and of at least two-thirds of the shares of each class of stock outstanding.

(2) *Dividends on common and preferred stock.* The provisions of this paragraph (a) shall apply to the payment of dividends on both common and preferred stock.

(3) *"Bad debt."* Under paragraph (a), bad debts must be deducted from the net profits then on hand in computing funds available for the payment of dividends. The term "bad debt" includes matured obligations due a bank on which the interest is past due and unpaid for six months unless the debts are well secured and in the process of collection. Obligations include every type of indebtedness owed to the bank, including, for example, loans, investment securities, time deposits in other depository institutions, and leases. The six-month period of default may begin at any time, regardless of when the debt matures.

(i) *Matured debt.* Whether a debt has matured for the purposes of this subsection usually will be determined by applicable contract law. Generally, a debt is matured when all or a part of the principal is due and payable as a result of demand, arrival of the stated maturity date, or acceleration by contract or by operation of law. Nevertheless, any demand debt on which the payment of interest is six months past due will be considered matured even though payment on the debt has not been demanded. Installment loans on which any payment is six months past due will be considered matured even though acceleration of the total debt may not have occurred.

(ii) *Well-secured debt.* A debt is well secured if it is secured by collateral in the form of liens on, or pledges of, real or personal property, including securities, having realizable value sufficient to discharge the debt in full, or by the guaranty of a financially responsible party. If a loan that would otherwise be considered a bad debt is partially secured, that portion not properly secured will be considered a bad debt.

(iii) *Debt in process of collection.* A debt is in the process of collection if collection of the debt is proceeding in due course, either through legal action, including judgment enforcement procedures, or, in appropriate circumstances, through collection efforts not involving legal action which are reasonably expected to result in repayment of the debt or in its restoration to current status. In

any case, the bank should have a plan of collection setting forth the reasons for the selected method of collection, the responsibilities of the bank and the borrower, and the expected date of repayment of the debt or its restoration to current status.

(iv) *Debts of bankrupt or deceased debtors.* A claim duly filed against the estate of a bankrupt or deceased debtor is considered as being in the process of collection. The obligation is well secured if it meets the criteria set forth in paragraph 3(a)(ii) of this section or if the claim of the bank against the estate has been duly filed and the statutory period for filing has expired and the assets of the estate are adequate to discharge all obligations in full.

(v) *Documentation.* The bank must maintain in its files documentation to support its evaluation of the obligation. In addition, the bank must retain, at a minimum, monthly progress reports on its collection efforts, noting and explaining any deviation from the collection plan.

(4) *"Undivided profits then on hand."* For the purpose of this section, the terms "undivided profits then on hand" and "net profits then on hand" shall have the same meaning, and shall be referred to herein as "undivided profits then on hand."

(i) *Allowance for loan and lease losses.* When calculating the amount of dividends a bank can pay under 12 U.S.C. 56 and this paragraph, the bank may not add the balance in its allowance for loan and lease losses to its undivided profits for the purpose of determining undivided profits then on hand. The terms "allowance for loan and lease losses" and "undivided profits" shall have the same meaning as set forth in the instructions for the Reports of Condition and Income.

(ii) *Bad debts.* When deducting its bad debts from its undivided profits then on hand, a bank shall first subtract the sum of its bad debts from the balance of its allowance for loan and lease losses account. If the sum of a bank's bad debts is greater than its allowance for loan and lease losses, the excess bad debt shall then be deducted from the bank's undivided profits then on hand.

(iii) *Surplus surplus.* State member banks are required to comply with state law provisions concerning the maintenance of surplus funds in addition to common capital. To the extent a bank has capital surplus in excess of that required under applicable state law, the bank has "surplus surplus." Only that portion of the surplus surplus that meets the following conditions may be transferred to the undivided profits account and be available for the payment of dividends:

(A) The bank's board of directors approves the transfer of funds from capital surplus to undivided profits; and

(B) The transfer has been approved by the Board. The bank must be able to demonstrate to the Board that the portion of the surplus surplus to be transferred came from the earnings of prior periods, excluding earnings transferred as a result of stock dividends. Requests for Board approval shall be submitted to the appropriate Federal Reserve Bank. The bank may consider the transfer to be approved if the Board or the Reserve Bank does not notify the bank within thirty days after the Reserve Bank's receipt of the notice that the transfer has been disapproved or that it is subject to continuing consideration.

(b) *Earnings limitations on payment of dividends.* A state member bank may not pay a dividend if the total of all dividends declared by the bank in any calendar year exceeds the total of its net profits for that year combined with its retained net profits of the preceding two calendar years, less any required transfers to surplus or to a fund for the retirement of any preferred stock, unless the bank has received the prior approval of the Board for the dividend under paragraph (b)(3) of this section.

(1) *Dividends on common and preferred stock.* The provisions of this paragraph (b) apply to the payment of dividends on both preferred and common stock.

(2) *"Net profits."* "Net profits" shall be equal to the net income or loss as reported by a state member bank in its Reports of Condition and Income. When computing its "net profits" under this section, a bank should not add its provisions for loan and lease losses to, nor deduct net charge offs from, its reported net income.

(3) *Retained net profits.* Retained net profits of any period shall be equal to the net income or loss as reported in the Reports of Condition and Income less any common or preferred stock dividends declared or otherwise charged to the undivided profits of the period for which retained net profits are computed.

(4) *Approval of dividends.* A bank must request and receive the approval of the Board before declaring a dividend if the amount of all dividends (common and preferred), including the proposed dividend, declared by the bank in any calendar year exceeds the total of the bank's net profits of that year to date combined with its retained net profits of the preceding two calendar years, less any required transfers to surplus or a fund for the retirement of any preferred stock. Requests for the Board's approval shall be submitted to the appropriate Federal Reserve Bank.

(5) *Effective date and transition provisions.*

(i) For the purpose of computing "net profits" pursuant to 12 U.S.C. 60, a state member bank must apply paragraph (b)(2) of this section no later than January 1, 1991. A bank may elect to use this paragraph (b)(2) of this section to calculate net profits for 1990, if it applies this provision on a full calendar year to date basis.

(ii) Whether a bank chooses to use paragraph (b)(2) of this section beginning as of January 1, 1990 or 1991, it may elect to apply the paragraph (b)(2) to recalculate retained net profits for one or both of the prior two years.

(iii) Once a bank has elected to calculate net profits or retained net profits for a particular year applying the provisions of paragraph (b)(2) of this section, retained net profits and net profits for all subsequent periods in the calculation must also be calculated using paragraph (b)(2) of this section. If a state member bank has elected to use paragraph (b)(2) of this section for a particular year, the bank may not change the method of calculation used for that year during subsequent periods.

Part 250—Miscellaneous Interpretations

1. The authority citation for Part 250 continues to read as follows:

Authority: 12 U.S.C. 248(i).

2. Sections 250.101, 250.102, and 250.103 are redesignated as sections 208.125, 208.126, and 208.127 in Part 208.

3. Section 250.104 is removed.

ORDERS ISSUED UNDER BANK HOLDING COMPANY ACT

Orders Issued Under Section 3 of the Bank Holding Company Act

Eurocapital, S.A.
Madrid, Spain

Banco Europeo de Finanzas, S.A.
Madrid, Spain

Order Approving the Formation of Bank Holding Companies

Eurocapital, S.A., ("Eurocapital") and its subsidiary, Banco Europeo de Finanzas, S.A., ("BEF") both of

Madrid, Spain, have applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act ("BHC Act") (12 U.S.C. § 1842(a)(1)) to acquire 65 percent of the voting shares of First Community Trust Company, Inc., San Juan, Puerto Rico ("Bank"), and thereby become bank holding companies for purposes of the BHC Act.

Notice of the applications, affording interested parties an opportunity to submit comments, has been given in accordance with section 3(b) of the BHC Act (55 *Federal Register* 39,323 (1990)). 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)).

Eurocapital is a Spanish banking organization with \$250.3 million in assets. BEF, with assets of \$224.0 million, is the 67th largest bank in Spain. BEF and its subsidiaries operate only in Spain. Eurocapital's only other subsidiary, Euroges Factoring, S.A., is a non-banking company that engages in a variety of lending and advisory activities in Portugal, and does not take deposits. The Board has determined that Eurocapital and BEF meet the requirements of section 211.23(b) of Regulation K for the exemptions to the nonbanking prohibitions of the BHC Act provided to qualifying foreign banking organizations. 12 C.F.R. 211.23.

Bank, with total consolidated assets of \$20.7 million, is the smallest of 18 commercial banking organizations in the San Juan, Puerto Rico market.¹ This acquisition constitutes the first entry into the United States by Eurocapital and BEF. In view of the fact that neither Eurocapital nor BEF engages in any activities in the United States and based upon the facts of record, the Board concludes that the proposed transaction will have no adverse effect on competition, and will not increase the concentration of resources in any relevant market.

Section 3(c) of the BHC Act requires in every case that the Board consider the financial resources of the applicant organization and the banking organization to be acquired. The financial and managerial resources and future prospects of Eurocapital and BEF and their subsidiaries are generally satisfactory and consistent with approval of this application. Considerations relating to the convenience and needs of the communities to be served are consistent with approval of these applications.

Based on the foregoing and all of the facts of record, the Board has determined that these applications should be, and hereby are, approved. The acquisition of 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 this Order, unless such period is extended for good cause by the Board or the Federal Reserve Bank of New York, acting pursuant to delegated authority.

By order of the Board of Governors, effective December 17, 1990.

Voting for this action: Chairman Greenspan and Governors Seger, Angell, Kelley, LaWare, and Mullins.

JENNIFER J. JOHNSON
Associate Secretary of the Board

Mitsui Manufacturers Bank Los Angeles, California

Order for Public Meeting

On March 28, 1990, the Board approved an application by The Mitsui Bank, Limited, Tokyo, Japan, and The Taiyo Kobe Bank, Limited, Kobe, Japan, to acquire Taiyo Kobe Bank and Trust Company, New York, New York ("TKBTC"), as a nonbank trust company under section 4 of the Bank Holding Company Act ("BHC Act").¹ The *Mitsui* Order noted, however, that Mitsui Manufacturers Bank, Los Angeles, California ("MMB"),² had not implemented in all respects the type of Community Reinvestment Act ("CRA") program outlined in the Joint Agency Policy Statement regarding the CRA,³ and that there were significant issues raised regarding the adequacy of MMB's CRA performance.

Accordingly, the Board stated its intent to hold a public meeting on MMB's CRA performance in connection with Mitsui Taiyo Kobe's application under section 3 of the BHC Act to convert TKBTC back into a bank after January 1, 1991 (the "TKBTC application"),⁴ unless the record developed on that application over the next several months, in the Board's view, resolved the issues regarding MMB's CRA performance.

1. *The Mitsui Bank, Limited*, 76 *Federal Reserve Bulletin* 381 (1990)(hereinafter, "*Mitsui* Order").

2. MMB is the United States subsidiary bank of The Mitsui Taiyo Kobe Bank, Limited, Tokyo, Japan ("Mitsui Taiyo Kobe"), the successor by merger of The Mitsui Bank and The Taiyo Kobe Bank.

3. 54 *Federal Register* 13,742 (1989).

4. On January 1, 1991, the interstate banking laws of New York and California will permit commercial bank acquisitions by bank holding companies located in these states.

1. The San Juan banking market is approximated by the San Juan-Caguas Consolidated Metropolitan Statistical Area, with the addition of the Arecibo MSA and the following towns: Aibonito, Arroyo, Barranquitas, Ceiba, Ciales, Comerio, Guayama, Jayuya, Lares, Maunabo, Morovis, Naguabo, Orocovis, Patillas, Salinas, Utuado, and Yabucoa.

As required under the *Mitsui* Order, TKBTC has completed its divestiture of loans and deposits and has represented that it is in compliance with the activities limitations on trust companies contained in section 2(c)(2)(D) of the BHC Act. Accordingly, the conditions stated by the Board for processing the TKBTC application have been completed and the time frame for resolving the CRA issues discussed in the *Mitsui* Order has been fulfilled.

Under the Board's policy statement regarding informal meetings in section 262.25(d) of the Board's Rules, the Board may convene a public meeting to elicit information, to clarify factual issues related to an application, and to provide an opportunity for interested individuals to provide testimony. 12 C.F.R. 262.25(d). Having considered the record on this matter, the Board has determined that it is appropriate to hold a public meeting on the issues regarding MMB's performance under the CRA in connection with the TKBTC application.⁵

Accordingly, *it is hereby ordered* that a public meeting be held on the issues regarding MMB's record of performance under the CRA in connection with the TKBTC application.

It is further ordered that the Director of the Division of Consumer and Community Affairs be designated as the Presiding Officer of the public meeting.

It is further ordered that all persons wishing to give testimony at the public meeting shall file with William W. Wiles, Secretary of the Board, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, N.W., Washington, D.C. 20551, a written request to appear containing the following information:

- (i) the name and address of the person wishing to appear;
- (ii) a statement of the expected nature of the testimony; and
- (iii) the amount of time at the public meeting the person is requesting.

All information must be received by the Secretary of the Board on or before January 15, 1991.

It is further ordered that, on the basis of these requests and taking into account the interests of the persons requesting to appear, the Presiding Officer shall schedule times for persons wishing to testify at a public meeting that will commence on a date and at an appropriate location in California to be announced subsequently.

It is further ordered that the Presiding Officer shall have the authority and discretion in conducting the public meeting and prescribing all procedures incidental thereto to ensure that the public meeting proceeds in a fair and orderly manner, including providing for filing deadlines for written submissions and procedures for scheduling persons to participate at the public meeting.

By order of the Board of Governors, effective December 14, 1990.

Voting for this action: Chairman Greenspan and Governors Seger, Angell, Kelley, LaWare, and Mullins.

JENNIFER J. JOHNSON
Associate Secretary of the Board

Norwest Corporation Minneapolis, Minnesota

Order Approving the Acquisition of a Bank Holding Company

Norwest Corporation, Minneapolis, Minnesota ("Norwest"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied under section 3 of the BHC Act (12 U.S.C. § 1842) to acquire Chalfen Bankshares, Inc. ("Chalfen"), and thereby indirectly acquire First National Bank in Anoka ("Bank"), both in Anoka, Minnesota.

Notice of the application, affording interested persons an opportunity to submit comments, has been duly published (55 *Federal Register* 29,100 (1990)). 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 BHC Act.

Norwest, with total consolidated assets of \$26.8 billion, operates 34 banking subsidiaries located in Minnesota, Wisconsin, Illinois, Indiana, Arizona, Iowa, Montana, Nebraska, North Dakota, and South Dakota.¹ Norwest is the second largest banking organization in Minnesota, controlling approximately \$10.1 billion in deposits in Minnesota, representing 24.0 percent of the total deposits in commercial banking organizations in the state. Chalfen is the 13th largest banking organization in Minnesota, controlling approximately \$183.9 million in deposits in Minnesota, representing 0.4 percent of the total deposits in commercial banking organizations in the state. Upon consummation of the proposed acquisition, Norwest would remain the

5. Submissions on MMB's performance under the CRA at the public meeting may also be relevant to the Board's consideration of any section 3 application involving MMB.

1. Asset data are as of June 30, 1990. State banking data are as of December 31, 1989.

second largest commercial banking organization in Minnesota, controlling approximately \$10.3 billion in deposits in Minnesota, representing 24.5 percent of the total deposits in commercial banking organizations in the state. Consummation of the proposal would not result in significantly adverse effects on the concentration of banking resources in Minnesota.

Both Norwest and Chalfen compete directly in the Minneapolis-St. Paul banking market.² Norwest is the second largest commercial banking organization in the market, controlling approximately \$7.8 billion in deposits, representing 29.0 percent of the total deposits in commercial banking organizations in the market.³ Chalfen is the 12th largest commercial banking organization in the market, controlling approximately \$183.9 million in deposits, representing 0.7 percent of the total deposits in commercial banking organizations in the market. The Minneapolis-St. Paul banking market is highly concentrated.⁴ Upon consummation of this proposal, Norwest would remain the second largest commercial banking organization in the market, controlling approximately \$8.0 billion in deposits, representing 29.7 percent of the total deposits in commercial banking organizations in the market. The Herfindahl-Hirschman Index ("HHI") would increase by 40 points to 2284. If 50 percent of the deposits controlled by thrift institutions were included in the calculation of market concentration, Norwest and Chalfen would control 27.3 percent and 0.6 percent of total thrift-adjusted market deposits, respectively.⁵ The HHI would increase by 35

points to 2041 upon consummation of this proposal.

The two largest banking organizations in the Minneapolis-St. Paul banking market together control approximately 61.1 percent of total thrift-adjusted market deposits. The third largest depository institution in the market controls approximately 8.3 percent of total thrift-adjusted market deposits. During the past two years, the number of commercial banks in the market has declined, although there are still over 100 bank and thrift competitors in the market.

The Board has previously indicated that, in the context of the structure of the Minneapolis-St. Paul banking market, the acquisition of any depository institution in the market by either of the two largest firms in the market requires close scrutiny. The Board has indicated that, under the conditions in the Minneapolis-St. Paul banking market, the acquisition by these two banking organizations of a series of depository organizations with relatively small market shares could, on a cumulative basis, lead to significant anti-competitive effects. Since 1989, Norwest has acquired a banking organization and a thrift institution that competed with Norwest in this market.⁶

The Board recognizes in this case that Chalfen is the 12th largest banking organization in the Minneapolis-St. Paul banking market and controls less than one percent of the deposits in the market. As noted above, consummation of this proposal would cause the thrift-adjusted HHI for this market to increase by approximately 35 points. Because of changes in the Minneapolis-St. Paul banking market since Norwest's 1989 acquisition, the thrift-adjusted HHI following consummation of the proposed transaction will increase by only 36 points to 2041 in comparison to the HHI prior to Norwest's 1989 acquisition. This increase is less than the level that would likely give rise to a challenge of a bank acquisition on competitive grounds under the Department of Justice Merger Guidelines. This calculation takes into account changes in the market share of other competitors in the Minneapolis-St. Paul banking market that affect the concentration level and the HHI of the market.

In light of all the facts in this case, including the number of competitors remaining in the market, the size and location of Chalfen, other recent events in the market and other facts of record, the Board does not believe that the effect of the proposed acquisition on competition in the Minneapolis-St. Paul banking market, viewed either as an individual acquisition or in the

2. The Minneapolis-St. Paul banking market is approximated by Anoka, Hennepin, Ramsey, Washington, Carver, Scott and Dakota Counties; Lent, Chisago Lake, Shafer, Wyoming and Franconia Townships in Chisago County; Blue Hill, Baldwin, Orrock, Livonia and Big Lake Townships and the City of Elk River in Sherburne County; Monticello, Otsego, Buffalo, Frankfort, Rockford and Franklin Townships in Wright County; Lanesburgh Township in Le Sueur County, Minnesota; and the Town of Hudson in St. Croix County, Wisconsin.

3. Market share data are as of June 30, 1990, and reflect all acquisitions in the Minneapolis-St. Paul banking market that the Board has approved. See *Norwest Corporation*, 76 *Federal Reserve Bulletin* 873 (1990); *First Bank Systems*, 76 *Federal Reserve Bulletin* 1051 (1990).

4. Under the revised Department of Justice Merger Guidelines, 49 *Federal Register* 26,823 (June 2, 1984), any market in which the post-merger HHI is over 1800 is considered highly concentrated, and the Justice 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 Justice 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 mergers for anticompetitive effects implicitly recognizes the competitive effects of limited-purpose lenders and other non-depository financial entities.

5. The Board previously has indicated that thrift institutions have become, or have the potential to become, major competitors of commercial banks. *Midwest Financial Group*, 75 *Federal Reserve*

Bulletin 386 (1989); *CB&T Bancshares, Inc.*, 75 *Federal Reserve Bulletin* 381 (1989); *National City Corporation*, 70 *Federal Reserve Bulletin* 743 (1984). The Board believes that the record in this case supports inclusion of thrift institutions on a 50 percent weighted basis in the calculation of market share in this market.

6. See *Norwest Corporation*, 76 *Federal Reserve Bulletin* 873 (1990); *Norwest Corporation*, 75 *Federal Reserve Bulletin* 399 (1989).

context of other recent acquisitions by Norwest, would be so significantly adverse as to warrant denial of this proposal. The Board continues to believe, however, that acquisitions by the leading firms in this market require close scrutiny, and will consider whether a series of acquisitions of depository institutions in this market with relatively small market shares could, on a cumulative basis, lead to significant anticompetitive effects in this market.

In considering the convenience and needs of the communities to be served, the Board has taken into account the record of the subsidiary banks of both Norwest and Chalfen under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*) ("CRA"). The CRA requires the federal financial supervisory agencies to encourage financial institutions to help meet the credit needs of the local communities in which they operate consistent with the safe and sound operation of such institutions. To accomplish this end, the CRA requires the appropriate federal supervisory authority to "assess an institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of the institution," and to take this record into account in its evaluation of bank holding company applications.

In this regard, the Board has received comments from the Amalgamated Clothing and Textile Workers Union ("Protestant") critical of the CRA performance of Norwest.⁷ Protestant alleges that the record of performance by Norwest and its lead bank, Norwest Bank Minnesota, N.A., Minneapolis, Minnesota ("NBM"), demonstrates a failure to meet the credit needs of low- and moderate-income, minority, and farm communities, and a failure to comply with other aspects of the CRA.⁸

7. The Board also has considered additional comments filed on this application after the close of the comment period which raise substantially similar issues. Under the Board's rules, the Board may in its discretion take into consideration the substance of such comments. 12 C.F.R. 262.3(e).

8. Protestant specifically alleges that Norwest has failed to meet the credit needs of: Minnesota's low- and moderate-income communities in Minneapolis-St. Paul and Duluth; the predominately minority communities in Minneapolis-St. Paul; and Minnesota farming communities. Protestant asserts that Norwest has engaged in discriminatory lending practices, reduced rural lending and increased farm foreclosures. Protestant also criticizes other aspects of Norwest's CRA performance, including: insufficient participation in multifamily housing programs; an insufficient community marketing initiative and the production of promotional materials that discourage farm and minority credit applicants; failure to meet with community groups; and operation of branches with inconvenient business hours. Alleged technical violations of the CRA include Norwest's failure to: delineate reasonable local communities, include adverse comments in public comment files, and produce requested home mortgage data. In a general sense, Protestant alleges that Norwest uses capital raised locally for investments made outside the midwestern region and that Norwest inadequately monitors CRA compliance through its board of directors.

The Board has carefully reviewed the CRA performance record of Norwest, Chalfen, and their bank subsidiaries, as well as the comments of Protestant and Norwest's response to those comments, in light of the CRA, the Board's regulations, and the jointly issued Statement of the Federal Financial Supervisory Agencies Regarding the Community Reinvestment Act ("Agency CRA Statement").⁹ The Agency CRA Statement provides guidance regarding the types of policies and procedures that the supervisory agencies believe financial institutions should have in place in order to fulfill their responsibilities under the CRA on an ongoing basis, and the procedures that the supervisory agencies will use during the application process to review an institution's CRA compliance and performance. The Agency CRA Statement also suggests that decisions by agencies to allow financial institutions to expand will be made pursuant to an analysis of the institution's overall CRA performance, and will be based on the actual record of performance of the institution.¹⁰

Initially, the Board notes that Norwest's subsidiary banks, including NBM, and Chalfen's subsidiary banks have received satisfactory ratings from their primary regulators in the most recent examinations of their CRA performance. The Agency CRA Statement provides that, although CRA examination reports do not provide conclusive evidence of an institution's CRA record, these reports will be given great weight in the applications process.¹¹

The record in this application indicates that Norwest's subsidiary banks have delineated reasonable local communities that do not exclude low- and moderate-income neighborhoods.¹² NBM's delineated community includes the seven-county Minneapolis-St. Paul metropolitan area and does not exclude any low- and moderate-income neighborhoods in this area. Duluth's delineated community includes Duluth and Hermantown, and surrounding area within a 15-mile radius of the bank's headquarters, including low- and moderate-income neighborhoods. Norwest's Home Mortgage Disclosure Act ("HMDA") data further indicate that Norwest's loan policies do not discriminate against low- and moderate-income communities in Minneapolis-St. Paul or Duluth.¹³

9. 54 *Federal Register* 13,742 (1989).

10. *Id.*

11. *Id.* at 13,745.

12. There is no evidence of record that Norwest's ability to meet the credit needs of its local community has been restricted because of a large amount of investments outside the midwestern region. In addition, recent CRA examinations have not revealed any evidence of racially discriminatory lending practices.

13. For example, in 1989 Norwest increased the number of its mortgage loans from its 1988 lending level, resulting in (taking into account the number of owner-occupied units in those areas) 15.1

The products and services that help meet the credit needs of low- and moderate-income communities that Norwest provides include mortgage and home improvement loans, a low-cost checking account, and direct small business loans.¹⁴ In addition, Norwest markets its credit products and services by radio, television and newspapers, with its branches undertaking more targeted advertising in neighborhood publications.¹⁵

Norwest also participates in various governmentally-insured and assisted programs that benefit low- and moderate-income areas. The Board notes that Norwest's subsidiaries continue to make FmHA-guaranteed loans and reduced rate loans to farmers.¹⁶ To help meet the housing needs of low- and moderate-income families, Norwest has invested in the Riverside Plaza, a rental housing renovation project in Minneapolis. Norwest has also made energy, home improvement and home purchase loans through the Minnesota Housing Finance Agency and has participated in multifamily housing initiatives, including city-sponsored initiatives, through the Minneapolis Community Development Agency.

Norwest has implemented a Community Marketing Initiative ("CMI") that requires each subsidiary bank to develop an outreach program to provide for an ongoing assessment of community financial service needs.¹⁷ NBM monitors compliance with the CRA through its Community Affairs Officer who reports to the NBM's board quarterly on CRA activities and related issues.¹⁸ NBM's board reviews its CRA plan, considers input from community advisory groups, ensures compliance with the technical requirements of the CRA (including the CRA statement, community

delineation and other requirements) and monitors NBM's performance.¹⁹

The Board believes that, on balance, the CRA records of Norwest and NBM are consistent with approval of this application. The Board expects Norwest to continue its record of improvement under the CRA and the Board will consider the progress of Norwest and NBM in future applications to expand their deposit-taking operations. For the foregoing reasons, and based upon the overall CRA record of Norwest and its subsidiary banks and other facts of record, the Board concludes that convenience and needs considerations, including the records of performance under the CRA of Norwest and Chalfen, are consistent with approval of this application.²⁰ The Board also concludes that the financial and managerial resources and future prospects of Norwest, Chalfen and their subsidiaries are consistent with approval of this application.

Based on all the foregoing and other facts of record, the Board has determined that the application should be, and hereby is, approved. The 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 Minneapolis, acting pursuant to delegated authority.

By order of the Board of Governors, effective December 27, 1990.

Voting for this action: Governors Seger, Kelley, LaWare, and Mullins. Voting against this action: Governor Angell. Absent and not voting: Chairman Greenspan.

JENNIFER J. JOHNSON
Associate Secretary of the Board

percent of all Norwest mortgage lending occurring in low- and moderate-income areas in Minneapolis-St. Paul. Approximately 8 percent of the owner-occupied housing stock in the Minneapolis-St. Paul area is located in low- and moderate-income areas. Similarly, 9.1 percent of all Norwest mortgage lending in Duluth in 1989 occurred in low- and moderate-income areas, where approximately 10 percent of the owner-occupied housing stock in the Duluth area is located in low- and moderate-income areas.

14. Norwest's Community Home Ownership Program is offered through Norwest Mortgage, Inc., a nonbanking subsidiary that handles all of Norwest's mortgage lending. Norwest also offers Startline as a low-cost checking account. Norwest's inner city branch locations offer a full range of services and the business hours for its branch banks generally are comparable for the Minneapolis-St. Paul area.

15. Norwest has directed a minority media advertisement campaign to Minneapolis-St. Paul inner city residents and there is no evidence that Norwest discourages credit applications from minority or rural applicants.

16. For example, NBM originated \$10 million in small farm loans in 1989. See also *Norwest Corporation*, 74 *Federal Reserve Bulletin* 568 (1988).

17. The CMI states that Norwest's board of directors is responsible for reviewing the CRA plans of its subsidiary banks.

18. The Community Affairs Officer also attends bank officer meetings to provide training on CRA requirements and objectives.

19. NBM has indicated to the Office of the Comptroller of the Currency that it will correct any problems regarding comments maintained in its public files.

20. Protestant and other commenters have requested that the Board hold a public hearing or meeting to assess further facts surrounding Norwest's CRA performance. Generally under the Board's rules, the Board may, in its discretion, hold a public hearing or meeting on an application to clarify factual issues related to the application and to provide an opportunity for testimony, if appropriate. 12 U.S.C. §§ 262.3(e) and 262.25(d).

The Board has carefully considered these requests. In the Board's view, the parties have had ample opportunity to present submissions, and Protestant has submitted substantial written comments that have been considered by the Board. In light of these facts, the Board has determined that a public meeting or hearing is not necessary to clarify the factual record in this application, or otherwise warranted in this case. Accordingly, the requests for a public meeting or hearing on this application are hereby denied.

**Norwest Corporation
Minneapolis, Minnesota**

*Order Approving Acquisition of a Bank Holding
Company and its Bank Subsidiaries*

Norwest Corporation, Minneapolis, Minnesota ("Norwest"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied under section 3(a)(3) of the BHC Act (12 U.S.C. § 1842(a)(3)) to acquire all of the voting shares of Wyoming National Bancorporation, Casper, Wyoming ("WNB"), and thereby to indirectly acquire its bank subsidiaries, all in Wyoming: Wyoming National Bank Casper, Casper; Wyoming National Bank Cheyenne, Cheyenne; Wyoming National Bank Gillette, Gillette; Wyoming National Bank Kemmerer, Kemmerer; Wyoming National Bank Lovell, Lovell; and Wyoming National Bank Wheatland, Wheatland.

Notice of the application, affording interested persons an opportunity to submit comments, has been published (55 *Federal Register* 23,805 (1990)). 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 BHC Act.

Section 3(d) of the BHC Act (12 U.S.C. § 1842(d)) ("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."¹

Wyoming law authorizes financial institutions located in any state to acquire Wyoming financial institutions that have been chartered to do business in Wyoming for at least three years.² WNB and all of its bank subsidiaries have been chartered to do business in Wyoming for at least three years. Based on the foregoing, the Board has determined that the proposed acquisition is specifically authorized by the statute laws of Wyoming and that Board approval of the proposal is not barred by the Douglas Amendment.³

Norwest, with total consolidated assets of \$27.8 billion, operates 36 banking subsidiaries located in

Minnesota, Wisconsin, Illinois, Indiana, Arizona, Iowa, Montana, Nebraska, North Dakota, and South Dakota.⁴ Norwest is the second largest commercial banking organization in Minnesota, controlling approximately \$13.6 billion in commercial bank deposits in Minnesota, representing 26.0 percent of total deposits in commercial banking organizations in the state. WNB, the second largest commercial banking organization in Wyoming, controls deposits of approximately \$447.4 million, representing 10.4 percent of total deposits in commercial banking organizations in the state.

Norwest and WNB do not compete directly in any banking market, and numerous potential entrants into the relevant banking markets exist. Based on these and all of the other facts of record, the Board believes that consummation of the proposal would not have a significantly adverse effect upon competition or the concentration of banking resources in any relevant banking market.

The financial and managerial resources and future prospects of Norwest and WNB and their subsidiaries 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.⁵

Accordingly, based on the foregoing and other facts of record, the Board has determined that the application should be, and hereby is, approved subject to obtaining the required approval of the appropriate state banking agency. The proposal shall not be consummated before the thirtieth calendar day following the effective date of this Order, or later than three months following the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Minneapolis, acting pursuant to delegated authority.

By order of the Board of Governors, effective December 27, 1990.

Voting for this action: Governors Seger, Angell, Kelley, LaWare, and Mullins. Absent and not voting: Chairman Greenspan.

JENNIFER J. JOHNSON
Associate Secretary of the Board

1. 12 U.S.C. § 1842(d). 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. *Id.*

2. Wyo. Stat. § 13-9-303 (1990).

3. The Banking Division of the Wyoming Department of Audit has confirmed that the acquisition of WNB is authorized under Wyoming law.

4. Data are as of March 31, 1990.

5. The record of performance of Norwest under the Community Reinvestment Act is discussed in the Board's Order approving Norwest's acquisition of Chalfen Bankshares, Inc., Anoka, Minnesota, 77 *Federal Reserve Bulletin* 110 (1991) (Order dated December 27, 1990).

Orders Approved Under Section 4 of the Bank Holding Company Act

Main Street Banks Incorporated Covington, Georgia

Order Approving Application to Acquire a Savings Association

Main Street Banks Incorporated, Covington, Georgia ("MSBI"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied pursuant to section 4(c)(8) of the BHC Act (12 U.S.C. §1843(c)(8)) and section 225.23(a) of the Board's Regulation Y (12 C.F.R. 225.23(a)), to acquire all of the outstanding shares of Main Street Savings Bank, F.S.B., Conyers, Georgia ("Main Street"), a *de novo* federally chartered savings bank, pursuant to section 225.25(b)(9) of the Board's Regulation Y (12 C.F.R. 225.25(b)(9)).

Notice of the application, affording interested persons an opportunity to submit comments, has been published (55 *Federal Register* 47,392 (1990)). 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.¹

The Board has determined that the operation of a savings association is closely related to banking and permissible for bank holding companies. 12 C.F.R. 225.25(b)(9). In making this determination, the Board required that savings associations acquired by bank holding companies conform their direct and indirect activities to those permissible for bank holding companies under section 4 of the BHC Act. MSBI has committed that, upon consummation, Main Street will engage in only those activities permitted for bank holding companies under section 4(c)(8) of the BHC Act and Regulation Y.

In order to approve applications under section 4(c)(8) of the BHC Act, the Board is required to determine that the performance of the proposed activities by MSBI "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).

1. The Community Bankers Association of Georgia submitted comments regarding the proposal's compliance with state law but subsequently withdrew those comments.

MSBI, with total consolidated assets of \$185.9 million, operates two banking subsidiaries in Georgia.² MSBI is the 22nd largest commercial banking organization in Georgia, controlling approximately \$148.7 million in commercial bank deposits in Georgia, representing less than 1 percent of the total deposits in commercial banking organizations in the state. Main Street is the 52nd largest savings association in Georgia, with approximately \$47.9 million in total deposits, representing less than 1 percent of the total thrift deposits in the state.³ Upon consummation of the proposed acquisition, MSBI would become the 17th largest commercial banking organization in Georgia, controlling approximately \$196.6 million in deposits, representing less than 1 percent of total deposits in commercial banking organizations in the state. In the Board's view, consummation of this proposal would not have a significantly adverse effect upon the concentration of banking organizations in Georgia.

MSBI and Main Street compete directly in the Atlanta, Georgia, banking market.⁴ In the Atlanta banking market, MSBI is the 19th largest depository organization with \$130 million in deposits, representing less than 1 percent of the total deposits held by banks and savings associations operating in the market ("market deposits"). Main Street is the 78th largest depository organization in the market, with \$47.9 million in deposits, representing less than 1 percent of market deposits. Upon consummation of this proposal, MSBI would become the 15th largest depository organization in the market, with \$177.9 million in deposits, representing less than 1 percent of market deposits.⁵ The Herfindahl-Hirschman Index ("HHI"), upon consummation, would decrease by 2 points to 1089.⁶ Based on these and other facts of

2. Asset data are as of September 30, 1990. State and market banking data are as of December 31, 1989, and June 30, 1989, respectively.

3. Main Street's parent, Prime Bancshares, Inc., Decatur, Georgia, will organize a new federal thrift (Main Street) and cause Main Street to acquire two branches located in Rockdale County, Georgia, from DeKalb Federal Savings Bank (now known as Prime Bank, F.S.B.) which is affiliated with Main Street. MSBI will then acquire Main Street. Accordingly, the deposit data of Main Street and the competitive considerations in this Order reflect Main Street's operations in Rockdale County upon consummation of the restructuring.

4. The Atlanta Metro Area banking market includes the counties of Cherokee, Clayton, Cobb, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Henry, Newton, Paulding, Rockdale, Coweta, and Walton.

5. The pre-consummation market share data are based on calculations in which the deposits of Main Street and all other thrifts are included at 50 percent. Upon consummation of the proposal, Main Street would be affiliated with a commercial banking organization, thus, on a *pro forma* basis, the deposits of Main Street are included at 100 percent, while the deposits of other savings associations continue to be included at 50 percent.

6. Under the revised Department of Justice Merger Guidelines, 49 *Federal Register* 26,823 (1984), a market in which the post-merger HHI is between 1000 and 1800 is considered moderately concentrated.

record, the Board concludes that the acquisition would not have a significantly adverse effect on competition in the Atlanta banking market.

The financial and managerial resources and future prospects of MSBI and its bank subsidiaries and of Main Street are consistent with approval. In assessing the financial factors, the Board believes that bank holding companies must maintain adequate capital at savings associations that they propose to acquire. Upon consummation, MSBI and its bank subsidiaries would meet applicable capital requirements, and MSBI will cause Main Street to meet all applicable capital requirements. In this regard, MSBI has committed that Main Street will have Tier 1 capital, excluding all intangible assets, of at least 3 percent of its total assets upon consummation of the proposal. In addition, MSBI commits that Main Street will meet all current and future minimum capital ratios adopted for savings associations by the Office of Thrift Supervision or the Federal Deposit Insurance Corporation. The record does not indicate that consummation of this proposal is likely to result in any significant adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices.

Georgia law states that no "bank," including a federal savings bank, can be acquired by a bank holding company unless it has been in existence and continuously operating as a bank for a period of five years or more.⁷ Under Georgia law, however, this five-year requirement is satisfied if the "predecessor institution" of the bank to be acquired has been continuously operating or chartered to operate as a bank for at least five years. The Georgia Department of Banking and Finance has approved this transaction, concluding that the predecessor institution to Main Street, DeKalb Federal Savings Bank and the two Rockdale County branches, satisfies the five-year longevity requirement for purposes of Georgia law.⁸

Based on the foregoing and all the facts of record including the commitments made by MSBI set forth in this Order, the Board has determined that the balance of public interest factors it must consider under section 4(c)(8) of the BHC Act is favorable and consistent with approval of MSBI's application to acquire Main

Street. Accordingly, 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 the Board's Regulation Y, including sections 225.4(d) and 225.23 (12 C.F.R. 225.4(d) and 225.23), 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, or to prevent evasion of, the provisions and purposes of the BHC Act and the Board's regulations and orders issued thereunder. This transaction shall not be consummated 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 Atlanta, pursuant to delegated authority.

By order of the Board of Governors, effective December 21, 1990.

Voting for this action: Governors Seger, Angell, Kelley, LaWare, and Mullins. Absent and not voting: Chairman Greenspan.

JENNIFER J. JOHNSON
Associate Secretary of the Board

The Mitsui Taiyo Kobe Bank, Limited Tokyo, Japan

Order Approving Application to Engage in Various Interest Rate and Currency Swap and Private Placement Activities

The Mitsui Taiyo Kobe Bank, Limited, Tokyo, Japan ("Mitsui Taiyo Kobe"), 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(a)(3) of the Board's Regulation Y (12 C.F.R. 225.23(a)(3)) to engage *de novo* through its subsidiary, Mitsui Taiyo Kobe Global Capital, Inc., New York, New York ("Company"),¹ in the following activities:

- (1) Intermediating in the international swap markets by acting as originator and principal in interest rate swap and currency swap transactions;
- (2) Acting as an originator and principal with respect to certain risk-management products such as caps,

In such markets, the Justice Department is unlikely to challenge a merger if the increase in the HHI is less than 100 points.

7. Ga. Code Ann. § 7-1-608(a)(2) (1989).

8. See Certificate of Approval from Robert M. Moler, Deputy Commissioner, dated December 17, 1990, and transmittal letter. DeKalb Federal Savings Bank was chartered in 1941 and has continuously operated its two Rockdale County branches since 1963 and 1981. The Georgia Department's approval also places certain conditions on Main Street's ability to branch or convert to a commercial bank, and the Board expects Main Street to comply with the conditions of the state approval.

1. Company will be two-thirds owned by Mitsui Taiyo Kobe and one-third owned by Brown, Bramwell & Company, Inc. ("Brown, Bramwell"), a newly-formed corporation which is wholly owned by two individuals who will serve as officers of Company. Mitsui Taiyo Kobe has committed that as long as Brown, Bramwell is a shareholder of Company, Brown, Bramwell will not engage in any business or make investments other than holding the stock of Company without prior written consent of the Federal Reserve System.

floors and collars, as well as options on swaps, caps, floors and collars ("swap derivative products");

(3) Acting as a broker or agent with respect to the foregoing transactions or instruments;

(4) Acting as adviser to institutional customers regarding financial strategies involving interest rate and currency swaps and swap derivative products; and

(5) Through a subsidiary of Company, providing services related to structuring and arranging, as agent, the private placement of debt securities or similar instruments that are incidental to the above-mentioned swap activities.

Notice of the application, affording interested persons an opportunity to submit comments, has been published (55 *Federal Register* 42,268 (1990)). 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 4 of the BHC Act.

With total consolidated assets equivalent to approximately \$403 billion, Mitsui Taiyo Kobe is the second largest banking organization in the world.² In the United States, Mitsui Taiyo Kobe owns a bank subsidiary in Los Angeles, California; two trust companies in New York, New York; two agencies in Los Angeles, California, and branches in Chicago, Illinois; New York, New York; and Seattle, Washington.³ It engages in securities brokerage activities through Mitsui Securities Company (USA), Inc., New York, New York.

Swap Activities

The Board previously has determined by order that the proposed activities relating to swaps and swap derivative products are closely related to banking and permissible for bank holding companies within the meaning of section 4(c)(8) of the BHC Act.⁴ Mitsui Taiyo Kobe proposes to engage in these swap activities in accordance with all of the provisions and conditions set forth in these orders.

Company appears to be capable of managing the risks associated with the proposed activities. Mitsui Taiyo Kobe, which has extensive experience in lending and financing services worldwide, has undertaken to

provide credit screening for all potential counterparties of Company through its credit desk services in Tokyo. In appropriate cases, Company will obtain a letter of credit on behalf of, or collateral from, a counterparty. In addition, Company will establish separate credit risk exposure limits for each swap counterparty. Company will monitor this exposure on an ongoing basis, in the aggregate, and with respect to each counterparty. Senior management will be periodically informed of the potential risk to which Company is exposed.

In order to manage the risk associated with adverse changes in interest rates ("price risk"), Company will match all the swaps and related instruments in which it is principal and will hedge any unmatched positions pending a suitable match. Company will not enter into unmatched or unhedged swaps for speculative purposes. Company's management will set absolute limits on the level of risk to which its swap portfolio may be exposed. Company's exposure to price risk will be monitored by both business management and internal auditing personnel to guarantee compliance with the risk limitations imposed by management. Auditing personnel will report directly to senior management to ensure that any violations of portfolio risk limitations are reported and corrected.

With respect to the risk associated with the potential for differences between the floating rate indices on two matched or hedged swaps ("basis risk"), Company's management will impose absolute limits on the aggregate basis risk to which Company's swaps portfolio may be exposed. If the level of risk threatens to exceed the limits at any time, Company will actively seek to enter into matching transactions for its unmatched positions. Company's internal auditing staff, together with management, will monitor compliance with the management-imposed basis risk limits.⁵

In addition, Company intends to minimize operations risk through the recruitment and training of an experienced bank-office support staff and the use of a separate operational and data processing structure for processing swap and hedging transactions.

In order to minimize any possible conflicts of interests between Company's role as a principal or broker in swap transactions and its role as advisor to potential counterparties, Company will disclose to each customer the fact that Company may have an interest as a counterparty principal or broker in the course of action ultimately chosen by the customer. Also, in any case in which Company has an interest in a specific

2. Data are as of March 31, 1990.

3. Under the conditions in *The Mitsui Bank, Limited*, 76 *Federal Reserve Bulletin* 381 (1990), Mitsui Taiyo Kobe will consolidate its separate full-service branches in New York City, limited branches in Chicago, and agency offices in Los Angeles by March, 1991. Mitsui Taiyo Kobe has conformed the deposit-taking activities of its Washington branch as required by section 5 of the International Banking Act and the Board's Order.

4. *The Sanwa Bank, Limited*, 77 *Federal Reserve Bulletin* 64 (1991); *The Fuji Bank, Limited*, 76 *Federal Reserve Bulletin* 768 (1990); *The Sumitomo Bank, Limited*, 75 *Federal Reserve Bulletin* 582 (1989).

5. In addition to price and basis risk, the value of a swap option is subject to market expectations of the future direction and rate of change in interest rates, or volatility risk. Company's management will impose absolute limits on the level of volatility risk to which Company's swap portfolio may be exposed.

transaction as an intermediary or principal, Company will advise its customer of that fact before recommending participation in that transaction.⁶ In addition, Company's advisory services will be offered only to sophisticated institutional customers who would be unlikely to place undue reliance on investment advice received and better able to detect investment advice motivated by self-interest.⁷

The Board has expressed its concerns regarding conflicts of interests and related adverse effects that, absent certain limitations, may be associated with financial advisory activities. In order to address these potential adverse effects, Mitsui Taiyo Kobe has committed that:

- (i) Company's financial advisory activities will not encompass the performance of routine tasks or operations for a client on a daily or continuous basis;
- (ii) Disclosure will be made to each potential client of Company that Company is an affiliate of Mitsui Taiyo Kobe;
- (iii) Company will not make available to Mitsui Taiyo Kobe or any of Mitsui Taiyo Kobe's subsidiaries confidential information received from Company's clients, except with the client's consent; and
- (iv) Advice rendered by Company on an explicit fee basis will be without regard to correspondent balances maintained by a client of Company at Mitsui Taiyo Kobe or any of Mitsui Taiyo Kobe's depository subsidiaries.

Private Placement Activities

Mitsui Taiyo Kobe also has applied to provide services related to structuring and arranging, as agent, the private placement of debt securities or similar instruments which are incidental to the above-mentioned swap activities. The Board has previously determined

by order that acting as agent in the private placement of all types of securities is closely related to banking and permissible for bank holding companies within the meaning of section 4(c)(8) of the BHC Act.⁸ Mitsui Taiyo Kobe has committed that Company will conduct its private placement activities in a manner consistent with, and subject to, the prudential limitations relied upon by the Board in approving this activity.⁹

Mitsui Taiyo Kobe has proposed to have its U.S. affiliates, branches or agencies extend credit to an issuer whose debt securities have been placed by the placement subsidiary¹⁰ of Company where the proceeds would be used to pay the principal amount of the securities at maturity. Mitsui Taiyo Kobe has committed that these extensions of credit will conform to the limitations set forth in the Board's decision in *J.P. Morgan*, including the requirement that a period of at least three years elapse from the time of the placement of the securities to the decision to extend credit, that Mitsui Taiyo Kobe maintain adequate documentation of these transactions and decisions, and that the extensions of credit meet prudent and objective standards, as well as the standards set out in section 23B of the Federal Reserve Act.¹¹ The Federal Reserve Bank of San Francisco will closely review loan documentation of U.S. affiliates to ensure that an independent and thorough credit evaluation has been undertaken with respect to the participation of the bank in these credit extensions to issuers of securities privately placed by an agent affiliated with the bank.

Mitsui Taiyo Kobe also has proposed to have the placement subsidiary place securities with its parent holding company or with a nonbank subsidiary of the parent company consistent with the Board's ruling in *J.P. Morgan*. In this regard, Mitsui Taiyo Kobe will establish both individual and aggregate limits on the investment by affiliates of the placement subsidiary in any particular issue of securities that is placed by the

6. In any transaction in which Company arranges a swap transaction between an affiliate and a third party, the third party will be informed that Company is acting on behalf of an affiliate.

7. An institutional customer is defined by Mitsui Taiyo Kobe to be:

- (1) a bank (acting in an individual or fiduciary capacity); an insurance company; a registered investment company under the Investment Company Act of 1940; or a corporation, partnership, trust, proprietorship, organization or institutional entity with assets exceeding \$1,000,000 that regularly engages in transactions in securities;
- (2) an employee benefit plan with assets exceeding \$1,000,000 or whose investment decisions are made by a bank, insurance company or investment advisor registered under the Investment Advisers Act of 1940;
- (3) a broker-dealer or options trader registered under the Securities Exchange Act of 1934, or other securities, investment or banking professional; or
- (4) an entity all of the equity owners of which are institutional customers.

8. See, e.g., *First Union Corporation*, 76 Federal Reserve Bulletin 174 (1990); *J.P. Morgan & Company Incorporated*, 76 Federal Reserve Bulletin 26 (1990); *Bankers Trust New York Corporation*, 75 Federal Reserve Bulletin 829 (1989).

9. See *Bankers Trust New York Corporation*, 73 Federal Reserve Bulletin 138, 152-53 (1987) ("*Bankers Trust*"), as modified in *The Bank of Montreal*, 74 Federal Reserve Bulletin 500 (1988) (quantitative limitations unnecessary), *Bankers Trust New York Corporation*, 75 Federal Reserve Bulletin 829 (1989) (placement with "accredited investors" as this term is defined in the Securities Act of 1933), *The Chase Manhattan Corporation*, 76 Federal Reserve Bulletin 658 (1990) (placement of minimum denominations of \$100,000), *First Eastern Corporation*, 76 Federal Reserve Bulletin 764 (1990) (prohibition of director interlocks between Company and lead bank unnecessary), and *The Toronto-Dominion Bank*, 76 Federal Reserve Bulletin 573 (1990) (private placement activities by affiliates of foreign banks).

10. The placement subsidiary will be a broker/dealer and member of the National Association of Securities Dealers.

11. 12 U.S.C. § 371c-1.

placement subsidiary and will establish appropriate internal policies, procedures, and limitations regarding the amount of securities of any particular issue placed by the subsidiary that may be purchased by Mitsui Taiyo Kobe and each of its nonbanking subsidiaries, individually and in the aggregate.¹² These policies and procedures, as well as the purchases themselves, will be reviewed by the Federal Reserve Bank of San Francisco.

Financial Factors, Managerial Resources and Other Considerations

In order to approve this application, the Board is required to determine that the performance of the proposed activities of Mitsui Taiyo Kobe "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).

In every case involving a nonbanking acquisition by a bank holding company under section 4 of the BHC Act, the Board considers the financial condition and resources of the applicant and its subsidiaries and the effect of the transaction on these resources.¹³ In this case, the primary capital ratio of Mitsui Taiyo Kobe, as publicly reported, is below the minimum level specified in the Board's Capital Adequacy Guidelines. After making adjustments to reflect Japanese banking and accounting practices, however, including consideration of a portion of the unrealized appreciation in Mitsui Taiyo Kobe's portfolio of equity securities consistent with the principles in the Basle capital framework, Mitsui Taiyo Kobe's capital ratio meets United States standards.

Consummation of the proposal would provide added convenience to Mitsui Taiyo Kobe's customers. In addition, the Board expects that the *de novo* entry of Mitsui Taiyo Kobe into the market for these services in the United States would increase the level of competition among providers of these services. Under the framework established in this and prior decisions,

consummation of this proposal is not likely to result in any significant adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices. Accordingly, the Board has determined that the performance of the proposed activities by Mitsui Taiyo Kobe can reasonably be expected to produce public benefits that would outweigh adverse effects under the proper incident to banking standard of section 4(c)(8) of the BHC Act.

Based on the above, the Board has determined to, and hereby does, approve the application subject to the commitments made by Mitsui Taiyo Kobe, as well as all of the terms and conditions set forth in this order and in the above-noted Board orders that relate to these activities. The Board's determination is also subject to all of the conditions set forth in 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 evasion of, the provisions of the BHC Act and the Board's regulations and orders issued thereunder.

This transaction shall not be consummated 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 San Francisco, pursuant to delegated authority.

By order of the Board of Governors, effective December 10, 1990.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

NCNB Corporation
Charlotte, North Carolina

Order Approving Application to Acquire a Savings Association

NCNB Corporation, Charlotte, North Carolina ("NCNB"), 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 acquire De Novo NCNB Florida Federal Savings Bank, IV, Tampa, Florida ("De Novo Savings"), a savings association, pursuant to section 225.25(b)(9) of the Board's Regulation Y (12 C.F.R.

12. The limit established shall not exceed 50 percent of the issue being placed. Additionally, in the development of these policies and procedures, Mitsui Taiyo Kobe will incorporate, with respect to placements of securities, the limitations established by the Board in condition 12 of its order regarding aggregate exposure of Mitsui Taiyo Kobe's U.S. subsidiaries and offices on a consolidated basis to any single customer whose securities are underwritten or dealt in by the placement subsidiary. *J.P. Morgan & Company, Incorporated, The Chase Manhattan Corporation, Bankers Trust New York Corporation, Citicorp and Security Pacific Corporation*, 75 Federal Reserve Bulletin 192 (1989).

13. 12 C.F.R. 225.24; *The Fuji Bank, Limited*, 75 Federal Reserve Bulletin 94 (1989); *Bayerische Vereinsbank AG*, 73 Federal Reserve Bulletin 155, 156 (1987).

225.25(b)(9)). De Novo Savings has been formed to acquire the assets and assume the liabilities of two branches of American Savings and Loan Association, Miami, Florida ("American"). NCNB has also requested Board approval of its proposal under section 5(d)(3) of the Federal Deposit Insurance Act ("FDI Act"), as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (Pub. L. No. 101-73, § 206, 103 Stat. 183, 199 (1989)) ("FIRREA"), to merge De Novo Savings into one of NCNB's existing subsidiary banks, NCNB National Bank of Florida, Tampa, Florida ("NCNB-Florida").¹

Notice of the applications, affording interested persons an opportunity to submit comments, has been published (55 *Federal Register* 37,359 (1990)). The time for filing comments has expired, and the Board has considered the applications and all comments received in light of the public interest factors set forth in section 4(c)(8) of the BHC Act.

The Board has determined that the operation of a savings association is closely related to banking and permissible for bank holding companies. 12 C.F.R. 225.25(b)(9). In making this determination, the Board required that savings associations acquired by bank holding companies conform their direct and indirect activities to those activities permissible for bank holding companies under section 4 of the BHC Act. NCNB has committed to conform all activities of De Novo Savings to the requirements of section 4 of the BHC Act and Regulation Y. In order to approve the application, the Board also is required by section 4(c)(8) of the BHC Act to determine that the ownership and operation of De Novo Savings by NCNB "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).

NCNB, with total consolidated assets of \$69.2 billion, operates 16 banking subsidiaries located in North Carolina, Georgia, Florida, Maryland, South Carolina, Texas, and Virginia. NCNB is the fifth largest banking organization in Florida, controlling approximately \$9.5 billion in deposits in the state, representing 8.5 percent of the total deposits in commercial banking organizations in Florida.² The American branches to be acquired by NCNB control \$24.0 million in deposits.

1. 12 U.S.C. § 1815(d)(3). Section 5(d)(3) of the FDI Act (the "Oakar Amendment") permits the merger of a savings association owned by a bank holding company into a subsidiary bank owned by the same bank holding company under certain circumstances.

2. Asset data are as of September 30, 1990. State banking data are as of June 30, 1990.

Upon consummation of the proposed transactions, NCNB would remain the fifth largest commercial banking organization in Florida. In the Board's view, consummation of this proposal would not have a significantly adverse effect on the concentration of banking resources in Florida.

The two branches of American that NCNB is proposing to acquire operate in the Hernando County, Florida banking market.³ NCNB does not currently own or operate any depository institutions or depository institution branches in this market. Based on all the facts of record, the Board has determined that consummation of this proposal would not have a significantly adverse effect on the concentration of resources or on competition in any relevant banking market.

The financial and managerial resources and future prospects of NCNB and its bank subsidiaries are consistent with approval. Upon consummation, NCNB and its bank subsidiaries would meet all applicable regulatory capital requirements.

In connection with this application, the Board has received comments from the Charlotte Reinvestment Alliance, Charlotte, North Carolina ("Alliance"), and Texas ACORN, Dallas, Texas, critical of the performance of NCNB's lead North Carolina bank, NCNB National Bank of North Carolina, Charlotte, North Carolina ("NCNB-North Carolina"), as well as that of NCNB's lead Texas bank, NCNB Texas National Bank ("NCNB-Texas"), Dallas, Texas, under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*) ("CRA"). The Board previously has indicated that the terms and the purposes of the CRA and the BHC Act require the Board to consider CRA performance in connection with its review of a section 4 application by a bank holding company to acquire a savings association.⁴ Accordingly, in considering this application, the Board has taken into account the record of NCNB's subsidiary banks in meeting their obligations under the CRA.

The Alliance contends that NCNB-North Carolina has failed to meet the credit needs of its entire community, including low-income and minority neighborhoods. Specifically, the Alliance alleges:

3. The Hernando County market consists of Hernando County, Florida.

4. *Norwest Corporation*, 76 *Federal Reserve Bulletin* 873, 876 (1990). The Board previously has determined that the CRA by its terms does not apply to applications by bank holding companies to acquire nonbanking companies under section 4(c)(8) of the BHC Act. *The Mitsui Bank, Ltd.*, 76 *Federal Reserve Bulletin* 381 (1990). In this regard, the Board notes that, unlike all other companies that may be acquired by bank holding companies under section 4(c)(8) of the BHC Act, savings associations are insured depository institutions, as that term is defined in the CRA, and acquisitions of savings associations are subject to review under the express terms of the CRA.

- (1) the bank is making few housing loans in Mecklenburg County's low-income and/or minority census tracts;
- (2) branch office locations are not convenient for low-income or minority residents;
- (3) the CRA Statement and the public file are not readily available for public inspection;
- (4) NCNB officials did not contact the Alliance when members approached NCNB about two loan requests; and
- (5) NCNB maintains banking relationships with the South African government.

With respect to NCNB-Texas, Texas ACORN alleges that it is unable to obtain detailed information regarding CRA programs implemented by the bank. Additionally, in correspondence to the Alliance, other organizations have raised concerns regarding the mortgage lending practices of NCNB-Texas.

The Board has reviewed carefully the CRA performance record of NCNB's subsidiary banks as well as the comments from Protestants in light of the CRA, the Board's regulations and the Statement of the Federal Financial Supervisory Agencies Regarding the Community Reinvestment Act ("Agency CRA Statement").⁵ The Agency CRA Statement provides guidance regarding the types of policies and procedures that the supervisory agencies believe financial institutions should have in place in order to fulfill their responsibilities under the CRA on an ongoing basis, and the procedures that the supervisory agencies will use during the application process to review an institution's CRA compliance and performance. The Agency CRA Statement explains that decisions by agencies to allow financial institutions to expand will be made pursuant to an analysis of the institution's overall CRA performance, and will be based on the actual record of performance of the institution.

In this regard, the record indicates that substantially all of NCNB's subsidiary banks, representing substantially all of NCNB's assets, have received satisfactory ratings from their primary regulators during the most recent examinations of each bank's CRA performance.⁶

5. 54 *Federal Register* 13,742 (1989).

6. The Board notes that one bank subsidiary, representing a small percentage of NCNB's assets, received a less than satisfactory CRA performance rating in its most recent CRA examination. The subsidiary bank has taken steps to address the deficiencies in its CRA performance and to improve performance, and has adopted a comprehensive CRA program that contains the elements of an effective CRA policy as outlined in the Agency CRA Statement, including the appointment of a CRA officer, conduct of needs assessment studies for each low-income census tract within the subsidiary bank's delineated community, and establishment of an officer call program. The record does not show that the problems identified at this subsidiary bank indicate chronic institutional deficiencies or a pattern of CRA deficiencies at other NCNB banks. In light of these and the other facts of

NCNB has adopted a corporate CRA policy that sets out CRA-related goals for all NCNB banks. Elements of the strategy for achieving these goals — community needs assessment, product development, target marketing, training, management involvement, community and economic development activities, and self-assessment — are tailored to each statewide market and are detailed in the community investment policies for NCNB subsidiary banks. Results are monitored at each bank through quarterly meetings by a CRA Committee of the bank's board of directors, and by a CRA Management Committee comprised of CRA coordinators from each major market area and senior managers. Reports on CRA developments at all of the NCNB banks are also provided on a quarterly basis to the parent holding company's CRA Subcommittee of its board of directors by the corporate Director of Community Investment.

NCNB-North Carolina has received a satisfactory rating from its primary regulator in the most recent examination of its CRA performance. In addition, the bank has in place the types of programs outlined in the Agency CRA Statement as essential to any effective CRA program. For example, NCNB-North Carolina has worked with numerous local non-profit organizations involved with housing programs that benefit low-income individuals such as the Charlotte-Mecklenburg Housing Partnership, the Greenville Neighborhood Project, the Neighborhood Housing Services of Charlotte, the Family Housing Services, the Charlotte-Mecklenburg Urban League and the Habitat for Humanity. The bank has provided assistance to these groups by participating in loan pools, extending commercial loans and making donations. For example, NCNB-North Carolina has made a \$5 million commitment to the Charlotte-Mecklenburg Housing Partnership Loan Program, a program designed to benefit individuals who earn between 45 and 67 percent of the Department of Housing and Urban Development's ("HUD") median income for the Charlotte metropolitan statistical area ("MSA"). The bank also has provided a \$200,000 line of credit to the Neighborhood Housing Services of Charlotte to purchase, rehabilitate and sell 25 homes to low- and moderate-income people and has provided funding to the Habitat for Humanity which resulted in the construction of almost 50 homes for low-income families. Under the Adopt-A-House Program, NCNB-North Carolina purchased land and building materials while its employees provided labor to build a home for a low-income family.

record, the Board believes that it is appropriate in this case to give weight to the corrective measures undertaken by NCNB to improve the CRA performance of this subsidiary bank.

Home Mortgage Disclosure Act ("HMDA") data for 1987 and 1988 show that NCNB-North Carolina's housing-related lending in low- and moderate-income areas compares favorably with its lending in other areas.⁷ In addition, NCNB-North Carolina's housing related lending in minority areas has been consistent with, or has surpassed its lending in non-minority tracts having a comparable income level, and its record in penetrating minority communities compares quite favorably with HMDA-reporting lenders as a whole.⁸ Similar patterns are indicated for home improvement lending in both years, with NCNB-North Carolina showing a stronger penetration of minority communities in low- and moderate-income as well as middle-income areas, than other lenders in the market. With regard to other loan activity in low- and moderate-income census tracts statewide, NCNB-North Carolina has made consumer loans in an amount of \$101.3 million and commercial loans in an amount of \$230.7 million since 1989, and has purchased investments that aid in constructing and improving municipal and public housing projects in an amount that exceeded \$70 million as of December 31, 1989. Analysis of NCNB-North Carolina's lending practices in the market in which it operates does not suggest a pattern of illegal racial or income bias.

NCNB-North Carolina, through its mortgage lending subsidiary, NCNB Mortgage Corporation, offers several mortgage products that are designed to accommodate the needs of low- and moderate-income buyers. The corporation participates in the Government Low-to-Moderate-Income Program, which provides housing credit at below-market interest rates, with no minimum mortgage amount and assistance with closing costs. In 1989, a total of 74 loans, in an amount of \$4 million, were made under this program in North Carolina, and at least \$10.8 million in such loans were made throughout the states NCNB serves. The mortgage corporation also participates in numerous state and county housing authority programs which involve the issuance of mortgage revenue bonds to fund residential mortgage loans to low- and moderate-income buyers. The corporation promotes both programs by contacting realtors that do business in low- and moderate-income areas. The cor-

poration also offers loans through the Federal Housing Administration-insured loan program and the Veterans Administration's guaranteed loan program.

NCNB-North Carolina's CRA efforts also are enhanced by the activities of NCNB Community Development Corporation, Charlotte, North Carolina ("CDC"), a non-profit subsidiary of NCNB-North Carolina, which makes housing loans that benefit low- and moderate-income areas. CDC is presently developing a \$10 million project for low-income housing in one of the census tracts targeted by the Alliance. Upon completion, the project will provide 105 new residential units for low-income families. Approximately \$600,000 has been loaned under this program. Another CDC-sponsored project, financed by NCNB-North Carolina and the city of Charlotte, received recognition for urban development excellence from HUD. NCNB has taken steps to obtain regulatory approval to establish a CDC in Texas.

NCNB-North Carolina's branch offices appear to be reasonably accessible to low- and moderate-income residents. The bank operates 31 full service branches in Mecklenburg County. While the Alliance has criticized the number of branches in low- and moderate-income neighborhoods, the record indicates that 11 of the branches of NCNB-North Carolina, or 35 percent of its branches, are located in the 38 low- and moderate-income census tracts in the county. NCNB-North Carolina recently has undertaken several projects designed to improve and upgrade the access of low- and moderate-income customers to NCNB branches. For example, the bank's Beatties Ford branch, which is located in the center of the largest minority-owned retail business area in Mecklenburg County, was completely remodeled in late 1989 to provide customers with an enlarged and modern branch facility. In January 1990, NCNB-North Carolina opened the North Graham branch in a census tract with a 94 percent minority population and a median income of \$9,500 annually. The branch is designed to offer check cashing and basic banking services to residents of the community. The Board notes that examination findings made no criticism of the convenience of branch locations or business hours for less affluent segments of the community.

The Alliance has raised concerns regarding the availability of NCNB-North Carolina's CRA Notice and CRA public file. In this application, NCNB-North Carolina has an obligation under the Board's Regulation BB (12 C.F.R. 228) to provide to any member of the public its CRA public file and CRA Notice upon request. NCNB-North Carolina has established procedures to ensure that such information is readily available upon request and has trained branch management and all public contact personnel in the technical requirements of the CRA. The record indicates that the bank's

7. In 1987 and 1988, NCNB-North Carolina's market share for mortgage loans throughout the Charlotte MSA was 11 percent and 12 percent, respectively. The bank's market share in mortgages generated for low- and moderate-income census tracts for the same period was 9 percent and 11 percent, respectively. In minority areas, NCNB-North Carolina's market share for 1987 and 1988 was 21 percent and 16 percent, respectively.

8. In 1987, for example, the ratio of mortgage loans made by NCNB-North Carolina in low- and moderate-income minority areas to those made in non-minority areas in the same income bracket was 4 to 1, while that ratio for lenders in the aggregate was 1 to 1.5. In middle-income neighborhoods, the ratio of NCNB's mortgage lending in minority versus non-minority areas was 1 to 1.6 as compared to a ratio of 1 to 4.5 for lenders as a whole.

CRA record has been made available to representatives of the Alliance upon their request. In response to criticisms by the Alliance and Texas Acorn that NCNB has failed to respond to requests to initiate a dialogue regarding community needs, the record indicates that NCNB has sought input from various community organizations, including the Alliance and Texas ACORN. NCNB has incorporated feedback received from the community into its business plans.

NCNB's lead Texas Bank, NCNB-Texas, was formed in 1988 when NCNB purchased from the Federal Deposit Insurance Corporation the insolvent subsidiary banks of First RepublicBank Corporation ("First Republic").⁹ The acquisition of the remaining subsidiaries of First Republic was completed in the third quarter of 1989. Since completion of the acquisition, NCNB-Texas has begun to implement the types of programs outlined in the Agency CRA Statement as essential to any effective CRA program and has received a satisfactory rating from its primary regulator in its most recent examination.

HMDA data for 1989 indicate that the number of residential mortgage loans made by NCNB-Texas, and its predecessor, First Republic, in low- and moderate-income minority and racially-mixed tracts served by the bank, as a percentage of all mortgage loans in its portfolio, was somewhat higher than that for lenders in the aggregate in the Austin and Dallas MSAs.¹⁰ To date, NCNB-Texas has originated or purchased \$21 million in mortgages in low- and moderate-income census tracts, which constitutes an increase of over one-third when compared to the volume of loans originated or purchased by the bank in 1989. In addition, NCNB-Texas has also committed to a \$15 million participation in various housing finance bond programs in Texas in 1990 and maintains agreements with Dallas civic groups which set specific goals for housing and small business lending in targeted communities. NCNB has indicated that it will continue to implement its CRA program.

Based on these and other facts of record, the Board believes that the record of performance under the CRA is consistent with approval of this application. The Board expects NCNB-Texas to continue to implement

fully its CRA program and improve its record of CRA performance, and will consider the progress of NCNB-Texas in future applications. Consummation of this proposal is not likely to result in any significant adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices. In light of the considerations discussed above, and based on all the facts of record, the Board has determined that the balance of public interest factors it must consider under section 4(c)(8) of the BHC Act is favorable and consistent with approval of NCNB's application to acquire De Novo Savings.¹¹

Accordingly, the Board has determined that the proposed application pursuant to section 4(c)(8) of the BHC Act should be, and hereby is, approved.

The Board also has considered the request by NCNB for approval of the merger of De Novo Savings into NCNB-Florida pursuant to section 5(d)(3) of the FDI Act.¹² Based on all of the facts of record, the Board has determined that the proposed application under section 5(d)(3) of the FDI Act should be, and hereby is, approved.

The approvals granted in this Order are subject to NCNB's obtaining any other required approvals of the appropriate federal and state banking agencies for the

11. The Alliance also has requested that the Board hold a public hearing to assess further facts surrounding NCNB's CRA performance. Generally, under the Board's rules, the Board may, in its discretion, hold a public hearing or meeting on an application to clarify factual issues related to the application and to provide an opportunity for testimony, if appropriate. 12 U.S.C. §§ 263.3(e) and 262.25(d). In the Board's view, the Alliance has had ample opportunity to comment and has submitted substantial written comments that have been considered by the Board. In light of these facts, the Board has determined that neither a public hearing or public meeting is necessary to clarify the factual record in these applications, or otherwise warranted in this case. Accordingly, Protestant's request for a public hearing or public meeting on this application is hereby denied.

12. The proposed merger of De Novo Savings into NCNB-Florida meets the requirements of section 5(d)(3) of the FDI Act. The record shows that:

- (1) the aggregate amount of the total assets of all depository institution subsidiaries of NCNB is \$69.2 billion, an amount which is not less than 200 percent of the total assets of De Novo Savings, which currently has approximately \$24.0 million in total assets;
- (2) NCNB and all of its bank subsidiaries currently meet all applicable capital standards and, upon consummation of the proposed transactions, will continue to meet all applicable capital standards;
- (3) the transaction is not in substance the acquisition of a Bank Insurance Fund member bank by a Savings Association Insurance Fund member;
- (4) American, the predecessor of De Novo Savings, had tangible capital of less than 5 percent during the quarter preceding its acquisition by NCNB;
- (5) the transaction, which involves the merger of De Novo Savings, a savings association located in Florida, into a bank subsidiary of NCNB, a bank holding company whose banking subsidiaries' operations are principally conducted in North Carolina, would comply with the requirements of section 3(d) of the BHC Act if De Novo Savings were a state bank which NCNB was applying to acquire.

9. The Trust Departments of NCNB's various subsidiary banks maintain, in a fiduciary capacity, shares of a company doing business in South Africa. These shares were included in the assets acquired from First Republic; however, NCNB is not the beneficial owner of the shares. Such a relationship is not, by itself, an indicator that the banks are engaged in discriminatory practices, as is suggested by the Alliance. The record indicates that NCNB's banks maintain policies which prohibit discrimination. These policies are maintained at all levels, and relate to, among other things, extensions of credit, operations, employment and purchasing.

10. However, the number of residential mortgage loans made by NCNB-Texas in all low- and moderate-income areas served by the bank was smaller than that for lenders in the aggregate in the Austin, Dallas, Houston and San Antonio MSAs.

proposed transactions. The determination under section 4(c)(8) of the BHC Act is also subject to all of the conditions set forth in the Board's Regulation Y, including sections 225.4(d) and 225.23, and to the Board's authority to require such modifications 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 transactions approved in this Order 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 Richmond, pursuant to delegated authority.

By order of the Board of Governors, effective December 10, 1990.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

NCNB Corporation
Charlotte, North Carolina

Order Approving Application to Engage in Asset Management, Servicing, and Collection Activities

NCNB Corporation, Charlotte, North Carolina ("NCNB"), 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(a)(3) of the Board's Regulation Y (12 C.F.R. 225.23(a)(3)), to engage *de novo* in asset management, servicing, and collection activities through FRM, Inc., Dallas, Texas ("FRM").

FRM would provide asset management services to the Resolution Trust Corporation ("RTC") and the Federal Deposit Insurance Corporation ("FDIC"). In addition, NCNB proposes to provide these services both to unaffiliated third party investors that purchase pools of assets that have been assembled by the RTC or the FDIC from troubled financial institutions, and generally to unaffiliated financial institutions with troubled assets.¹

1. NCNB must obtain the prior approval of the Board before providing asset management services in connection with pools of assets that were not originated or held by financial institutions and their affiliates.

Notice of the application, affording interested persons an opportunity to submit comments, has been published (55 *Federal Register* 42,477 (1990)). 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 4(c)(8) of the BHC Act.

NCNB, with total consolidated assets of \$69.2 billion, is sixth largest banking organization in the nation. NCNB operates eight subsidiary banks and engages directly and through subsidiaries in a variety of permissible nonbanking activities.²

Under the proposal, FRM would not acquire an ownership interest in the assets that it manages or in the institutions for which it provides asset management services.³ In addition, FRM would not engage in providing real property management or real estate brokerage services as part of its proposed activities.⁴

The Board has previously approved many of the activities encompassed within NCNB's proposed asset management activities on an individual basis.⁵ In addition, the Board has permitted bank holding companies to engage in asset management activities through the Management Consignment Program of the Federal Home Loan Bank Board in *First Florida Banks, Inc.* ("First Florida").⁶

2. Data are as of September 30, 1990.

3. Asset management encompasses the liquidation (or other disposition) of loans and their underlying collateral, including real estate and other assets acquired through foreclosure or in satisfaction of debts previously contracted ("DPC property"). Specific individual activities include: classifying and valuing loan portfolios; filing reviews of loan documentation; developing collection strategies; negotiating renewals, extensions, and restructuring agreements; initiating foreclosure, bankruptcy, and other legal proceedings, where appropriate; and developing and implementing market strategies for the sale or refinancing of individual loans and for the packaging and sale of whole or securitized loan portfolios. In addition, NCNB would conduct and review (either directly or through independent contractors) appraisals and environmental inspections; provide asset valuations; perform cash flow and asset review analyses; contract with and supervise independent property managers; and lease (either directly or through independent contractors) real estate and other DPC property. NCNB also would dispose of DPC property by developing and implementing marketing strategies for the sale of DPC property, either individually or packaged for investors or developers.

4. NCNB will contract with independent third parties to obtain these services for assets under FRM's management.

5. The Board has previously determined that bank holding companies may engage in the following individual activities proposed by NCNB pursuant to the Board's Regulation Y: servicing extensions of credit (section 225.25(b)(1)); performing functions or activities permissible for trust companies (section 225.25(b)(3)); providing investment or financial advice (section 225.25(b)(4)); providing management consulting to nonaffiliated depository institutions (section 225.25(b)(11)); providing personal property and real estate appraisal activities (section 225.25(b)(13)); and operating a collection agency (section 225.25(b)(23)). The Office of the Comptroller of the Currency has also indicated that asset management is a permissible activity for national banks. See Memorandum from Paul Allan Schott, Chief Counsel, to Emory W. Rushton, Deputy to the Director, RTC, dated October 18, 1990.

6. 74 *Federal Reserve Bulletin* 771 (1988). This program involved corporations managing assets of failed financial institutions acquired

In this regard, NCNB has made commitments to address the concerns raised in *First Florida* regarding a bank holding company's ability to control an institution through the terms of an asset management agreement without the necessary regulatory approvals. For example, NCNB has committed that it will not own the stock of, or be represented on the board of directors of any unaffiliated institution for which FRM provides asset management services. In addition, NCNB has committed that FRM will not establish policies or procedures of general applicability, and that FRM's services for unaffiliated financial institutions would be limited to asset management, servicing, and collection activities.⁷

Although the type of asset management activities proposed by NCNB are the same as those previously approved by the Board, NCNB proposes to make these services available to a wider group of potential customers. Financial institutions and their affiliates, however, would continue to be the originator of the assets to be managed. Accordingly, NCNB would only manage assets that its financial institution affiliates would have authority to originate and own. In the Board's view, the managed assets will be of the type that NCNB would have expertise to manage and the public or private ownership of the assets would not affect the nature of the activity or diminish NCNB's ability to manage the assets.

In light of the above, the Board believes that the proposed activities are closely related to banking. The Board is also required to determine that the performance of the proposed activity by NCNB is a proper incident to banking—that is, whether the proposed activity “can reasonably be expected to produce benefits, such as greater convenience, increased competition, or gains in efficiency, 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 the proposal can reasonably be expected to result in public benefits. NCNB's proposal would facilitate the disposal of assets of financial institutions in receivership as well as financial institutions with troubled financial assets. Moreover, the efficient disposition of such assets can reasonably be expected to produce benefits to the public. Since FRM will own no equity in the institutions for which it provides asset

management services or in the assets that it manages, NCNB will assume no adverse financial risk from engaging in the proposed activities. The Board also believes that NCNB's *de novo* entry into the market will increase competition for these services.

However, NCNB also seeks approval to acquire institutions whose assets are being managed by FRM. In *First Florida*, the Board expressed concern that a bank holding company might obtain confidential information in the course of providing its asset management services that would provide the bank holding company with a competitive advantage over other institutions in the bidding process for the failed institution under management. The Board also noted that such information could give the managing bank holding company a competitive advantage over the ultimate acquiror of the failed institution in markets where they both compete.

To address these concerns, NCNB has committed that it will establish and implement procedures to preserve the confidentiality of information obtained in the course of providing asset management services.⁸ These procedures will prevent the use of information obtained by FRM through its asset management activities in the course of preparing any bid that NCNB may prepare to acquire the institution managed by FRM, or to unfairly compete against the winning bidder in the relevant market.

On the basis of all of the facts of record, the Board concludes that potential adverse effects are outweighed by the public benefits that would result from approval of this application. There is also no evidence in the record to indicate that consummation of this proposal is likely to result in any significantly adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices. Accordingly, the Board has determined that the balance of public interest factors that it must consider under section 4(c)(8) of the BHC Act is favorable and consistent with approval. The financial and managerial resources and future prospects of NCNB and its subsidiaries, in the context of this proposal, are also consistent with approval.

Based upon the foregoing and all of the other facts of record, the Board has determined to approve, and hereby does approve, this application. 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 evasion of, the pro-

by the Federal Home Loan Bank Board. In addition, the Board also permitted bank holding companies to provide asset management services for thrifts managed by the Federal Savings and Loan Insurance Corporation.

7. NCNB will also provide its services for a limited period of time. The Board notes that, while NCNB will manage assets on an ongoing basis, the owner of the assets retains the right to make all final decisions regarding asset dispositions and to terminate NCNB as an asset manager.

8. NCNB's procedures will be subject to review by the Federal Reserve System.

visions of the BHC Act and the Board's regulations and orders issued thereunder.

This transaction shall not be consummated 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 Richmond, acting pursuant to delegated authority.

By order of the Board of Governors, effective December 24, 1990.

Voting for this action: Governors Seger, Angell, Kelley, LaWare, and Mullins. Absent and not voting: Chairman Greenspan.

JENNIFER J. JOHNSON
Associate Secretary of the Board

Swiss Bank Corporation
Basle, Switzerland

Order Approving an Application to Engage in Trading Options on Foreign Exchange and, Offering Investment Advice on Financial and Non-Financial Options and Futures Contracts, Securities, and Interest Rate and Currency Swaps

Swiss Bank Corporation, Basle, Switzerland ("Applicant"), a foreign bank subject to the provisions of the Bank Holding Company Act (the "BHC Act"), has applied 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), for the Board's approval to acquire control of SBC-O'Connor Services, L.P., Chicago, Illinois ("Partnership"). Applicant would acquire control through a limited partnership interest representing 80 percent of the equity of Partnership.¹ O'Connor Partners, an affiliate of O'Connor and Associates, Chicago, Illinois (O'Connor and Associates and its affiliates are collectively referred to as "OCA"), a commodity trading organization, would acquire a general partnership interest representing 20 percent of the equity of Partnership.

Applicant has also applied under section 4(c)(8) of the BHC Act for the Board's approval for its wholly owned subsidiary, SBX, Chicago, Illinois, to become the Specialist in options on the Swiss franc traded during the day session of the Philadelphia Stock Exchange ("PHLX") and a registered options trader ("Trader") with respect to options on the Deutsche mark, Japanese yen, Swiss franc, British pound, Canadian dollar, French franc, Australian dollar, and European Cur-

rency Unit. Applicant has also applied for Partnership to provide execution services to SBX and Applicant's United States branches with respect to:

- (i) over-the-counter options on foreign exchange, U.S. government securities, and other money market instruments which a bank may buy or sell in the cash market for its own account, and indices on such securities and instruments;
- (ii) exchange-traded transactions in futures, options, and options on futures on foreign exchange, U.S. government securities and other money market instruments which a bank may buy or sell in the cash market for its own account, and indices on such securities and instruments; and
- (iii) spot and forward transactions in foreign exchange.

Notice of the application, affording interested persons an opportunity to submit comments on the proposal, has been published (55 *Federal Register* 29,896 (1990)). 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.

Applicant is the 28th largest banking organization in the world, controlling total consolidated assets of approximately U.S. \$123.3 billion.² Applicant has branches in New York, New York; Chicago, Illinois; and San Francisco, California; and agencies in Atlanta, Georgia; Miami, Florida; and Houston, Texas.

OCA is an integrated group of companies and partnerships engaged in trading derivative instruments relating to debt and equity securities, oil, gas, silver, and gold. OCA trades for its own account in these instruments and does not offer investment advice to third parties. Currently, the majority of OCA's activities are not permissible for bank holding companies under section 4(c)(8) of the BHC Act.

In order to approve an application submitted pursuant to section 4(c)(8) of the BHC Act, the Board is required to determine that the proposed activity is "so closely related to banking as to be a proper incident thereto." 12 U.S.C. § 1843(c)(8). In considering whether a proposed new activity would be a proper incident to banking, the Board must find that the proposed acquisition "can reasonably be expected to produce benefits to the public . . . that outweigh the 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).

1. Applicant would acquire 79 percent directly and one percent through its wholly owned subsidiary, SBC Acquisition Sub, Wilmington, Delaware.

2. All banking data are as of December 31, 1989.

I. Investment Advice on Non-Financial Derivative Contracts

Applicant proposes that Partnership would provide advice to Applicant, its affiliates, and OCA with respect to trading in derivative instruments, such as options, futures contracts, and warrants. Partnership would advise Applicant and its affiliates on trading in derivative instruments relating to bank-eligible securities and foreign exchange in the United States.³ In addition to providing advice on these matters, Partnership also would provide advice to Applicant and its foreign affiliates with respect to trading in derivative instruments, such as options, warrants, or futures, based on debt and equity securities outside of the United States. Partnership also would give advice to Applicant and affiliates with respect to interest rate and currency swaps and swap derivative products.

Applicant also has proposed that Partnership provide advice to OCA and its affiliates on:

- (1) trading debt and equity securities;
- (2) trading options, futures, and options on futures with respect to debt and equity securities, including options on futures and futures contracts based on indices of debt and equity securities; and
- (3) trading options, futures, and options on futures with respect to silver and gold.

Partnership also would give advice to OCA on trading options and futures on oil and gas ("non-financial futures advice").⁴ Applicant maintains that the computer system that monitors the trading of options and futures based on bank-eligible securities also may be used for profitable trading of options and futures based on other types of commodities.

The Board has determined that the provision of investment advice with respect to securities, futures and options on futures on government securities, other bank-eligible securities, and bullion is closely related to banking. 12 C.F.R. 225.25(b)(4) and (b)(19). In addition, the Board has permitted a bank holding company to provide investment advice with respect to futures and options on futures based on stock and bond indices,⁵ and interest rate and currency swaps.⁶ The Board has not previously approved the provision

of non-financial futures advice for bank holding companies pursuant to section 4(c)(8) of the BHC Act. As outlined above, in order to approve this activity, the Board must find that the activity is closely related to banking and a proper incident thereto.

The Board believes that the record in this case demonstrates that the provision of advice with respect to non-financial futures and options is closely related to banking. The Office of the Comptroller of the Currency ("OCC") has found that the provision of investment advisory services is within the "business of banking."⁷ In this decision, the OCC determined that advice on exchange-traded agricultural and other commodity futures contracts would be permissible for a national bank, since the contracts are financial products, and that the provision of investment advice was essentially the same as the advice given with respect to financial futures contracts. The OCC's position is that the provision of investment advice is incidental to the bank's authority to purchase and sell the instruments on behalf of its customers.⁸

The Board has permitted bank holding companies to provide advice with respect to futures and options on futures relating to bank-eligible securities, bullion, and foreign exchange. 12 C.F.R. 225.25(b)(19). The Board also has permitted bank holding companies to provide investment advice relating to options and futures contracts based on broad based indices of stock and bonds. *The Hongkong and Shanghai Banking Corporation, Kellett, N.V., and HSBC Holdings, B.V.*, 76 *Federal Reserve Bulletin* 770 (1990). The provision of investment advice with respect to investing in options and futures based on non-financial instruments appears to be the functional equivalent of providing advice with respect to options and futures based on financial instruments, because, in each case, the bank holding company subsidiary is furnishing advice with respect to the trading of a financial instrument to a sophisticated client.

The provision of investment advice to OCA and Applicant appears not to present potential adverse effects, such as unfair competition, undue concentration of resources, or conflicts of interests. Partnership would provide this advice only to Applicant, its affiliates, and OCA. Partnership would not provide advice to third parties without prior Board approval. OCA and Applicant are sophisticated institutions that would be qualified to evaluate the advice given by Partner-

3. Trades for the account of Applicant, as opposed to its subsidiaries, would be maintained at its state-chartered branches in New York, New York, and Chicago, Illinois. Partnership may execute some of the trades on behalf of the branches. Partnership would not, however, execute trades on behalf of foreign affiliates.

4. Neither Applicant nor any of its affiliates, including Partnership, would execute or clear transactions on behalf of OCA or its affiliates.

5. *The Long-Term Credit Bank of Japan, Limited*, 74 *Federal Reserve Bulletin* 573 (1988).

6. *The Sumitomo Bank, Limited*, 75 *Federal Reserve Bulletin* 582 (1989).

7. See, OCC Interpretative Letter 494, dated December 20, 1989. In this letter, the OCC determined that a national bank may provide execution, clearing, and advisory services for customer transactions in standardized, exchange-traded "nonfinancial" futures contracts and options, such as futures on oil and agricultural products.

8. See, OCC Letter No. (date), reprinted in [1985-1987 Transfer Binder] Fed. Banking Law Rep. (CCH) ¶ 85,535.

ship.⁹ Partnership would not execute or clear any transactions on behalf of OCA.

Accordingly, the Board has determined, under the facts and circumstances of this case, that the provision of investment advice on financial and non-financial futures, options, and options on futures to OCA and Applicant is closely related to banking and a proper incident to banking for purposes of section 4(c)(8) of the BHC Act.

II. Execution Services on Behalf of Applicant and SBX

Applicant has proposed that Partnership provide execution services to SBX and Applicant's United States branches with respect to:

- (i) over-the-counter options on foreign exchange, U.S. government securities, and other money market instruments, and indices on such securities and instruments;
- (ii) exchange-traded transactions in futures, options, and options on futures on foreign exchange, U.S. government securities and other money market instruments, and indices on such securities and instruments; and
- (iii) spot and forward transactions in foreign exchange.

The Board has recognized that commercial banks and bank holding companies may combine the functions of giving advice on foreign exchange transactions and executing foreign exchange transactions.¹⁰ In addition, the Board has permitted a bank holding company to combine advice and execution services in transactions on derivative instruments based on U.S. government

securities and other money market instruments.¹¹ Finally, the Board has previously approved the combination of securities brokerage with investment advice.¹² Accordingly, the Board finds that the proposed combination of foreign exchange and government securities advisory and execution services is closely related to banking.

In order to approve the combination of these activities, the Board is required to determine that the activity would be a proper incident to banking. Partnership would provide execution services only to Applicant and its affiliates. The provision of these services may be expected to increase competition, since Partnership would be facilitating Applicant's entry into these markets. In this case, the potential adverse effects, such as conflicts of interests, or undue concentration of resources, are limited due to the fact that the services would be provided solely to Applicant and SBX.

Accordingly, the Board has determined, under the facts and circumstances of this case, that the combination of investment advice and execution services to Applicant's U.S. branches and SBX is closely related to banking and proper incident thereto for purposes of section 4(c)(8) of the BHC Act.

III. Trading in Options on Foreign Exchange

Applicant has proposed that its wholly owned subsidiary, SBX, trade for its own account in options¹³ based on foreign exchange by:

- (i) acting as the Specialist in Swiss franc options traded on the PHLX; and
- (ii) acting as a registered options trader in options on the Deutsche mark, Japanese yen, Swiss franc, British pound, Canadian dollar, French franc, Australian dollar, and European Currency Unit.¹⁴

9. Under the Board's Regulation Y, a bank holding company may offer investment advice on financial futures and options only to "financial institutions and other financially sophisticated institutions that have significant dealing or holding in the underlying commodities, securities, or instruments." 12 C.F.R. 225.25(b)(19)(ii). OCA and Applicant would qualify under this definition due to their extensive trading activities.

In addition, the Board's Regulation Y requires that when a bank holding company subsidiary offers investment advice, the subsidiary be registered as a commodity trading advisor ("CTA") with the Commodity Futures Trading Commission. This requirement does not appear imperative in this application since OCA and Applicant would be co-venturers in Partnership, and thus, in essence, would be providing investment advice to themselves. Accordingly, registration as a CTA does not appear necessary in this context. The Board has permitted the provision of investment advice with respect to financial futures without registration as a CTA. *Security Pacific Corporation*, 74 *Federal Reserve Bulletin* 820 (1988) ("Security Pacific"). The customer base in *Security Pacific* was sophisticated institutional customers. As previously noted, Partnership would not offer investment advice to third parties.

10. *Banca Commerciale Italiana S.p.A.*, 76 *Federal Reserve Bulletin* 649 (1990); and 12 C.F.R. 225.25(b)(18) and (b)(19).

11. *Security Pacific Corporation*, 70 *Federal Reserve Bulletin* 238 (1984); *Citicorp*, 76 *Federal Reserve Bulletin* 664 (1990); and 12 C.F.R. 225.25(b)(18) and (b)(19).

12. *PNC Financial Corp.*, 76 *Federal Reserve Bulletin* 396 (1989).

13. A currency option represents the contractual right, but not the obligation, to purchase or sell a predetermined amount of currency at a specific price at any time prior to a specific date. The option provides a means of hedging foreign exchange risk and a means of investing in foreign currency without incurring excessive risk. Other contracts relating to foreign exchange are "spot" contracts, which are individual agreements for the immediate (within two days) purchase or sale of currency, "forward" contracts, which are customized agreements for the purchase or sale of a specific quantity of currency to be settled at a predetermined future date, and futures contracts, which are standardized agreements for the purchase or sale of currency at a pre-determined future date traded on commodity exchanges. Both forward and futures contracts provide a means to establish a firm exchange rate for an obligatory transaction at a later date.

14. In addition to its market-making functions on the PHLX, Applicant has proposed that SBX execute and clear options based on foreign exchange, and bank-eligible securities on behalf of Applicant and its subsidiaries, including its U.S. branches. SBX's operations would be integrated with the trading program of Applicant. These services would appear to be permissible under section 4(a)(2)(A) of the

SBX would execute and clear transactions for its own account and for the accounts of affiliates.

The Board has approved most of these market-making activities in previous orders.¹⁵ The Board has denied an application to act as a specialist with respect to options on the French franc.¹⁶

As the sole Specialist in Swiss franc options designated by the PHLX, SBX would be obliged to make a market, or bid and offer, for all traders who approach it on the PHLX, but technically would not be obliged in any way as to the price and quantity it bids and offers.¹⁷ Applicant maintains that Exchange rules generally prohibit a Specialist from speculating.¹⁸ Specialists generate profits from the spread between their bid and offer quotations.¹⁹ The activities of a registered options trader are similar to the activities of a Specialist.²⁰

The Board has previously recognized that foreign exchange activities have traditionally been conducted by banks and are permissible activities under the BHC Act.²¹ Banks act as market-makers in the interbank

market, continually offering both bid and offer prices on the currencies and contracts they trade. Through their participation in the interbank market for foreign currency options, banks have developed experience in dealing, market-making and risk management, which are essential elements of the proposed activities.

The Office of the Comptroller of the Currency ("OCC") has authorized national banks to deal in foreign currency options as a Specialist and Trader on a securities exchange.²² Banks are major participants in all aspects of the foreign exchange markets and also act as market-makers in various currencies.²³ Their activities include trading for their own account as well as for customers in virtually all foreign exchange markets and instruments, including trading foreign currency options on regulated exchanges as proposed here.²⁴

The proposed activities would facilitate the development of the foreign exchange options market by providing increased market liquidity and enhanced opportunities for financial institutions to hedge foreign exchange risk. In addition, the entry of Company into the market for these services may be expected to increase competition among Traders. Consummation of the proposal also is likely to provide gains in efficiency through linkage of the interbank foreign exchange market with the market for exchange-traded options on foreign exchange.

Because fluctuations in foreign exchange prices and volatility can affect such profits, SBX would operate pursuant to trading limits that would maintain its exposure to limits adopted by Applicant and would be constantly monitored by management. In addition, SBX would carefully hedge its portfolio of foreign exchange options in order to ensure compliance with these limits.

With regard to the adverse effects that might stem from the proposal, acting as a Specialist and Trader involves the financial risk of adverse rate fluctuations. In this case, Applicant has sought to minimize these risks. First, the rules of the Exchange permit the

BHC Act (12 U.S.C. § 1843(a)(2)(A)), which permits a bank holding company subsidiary to furnish services to its affiliates.

15. *Societe Generale*, 75 *Federal Reserve Bulletin* 580 (1989) ("Societe Generale I") (approval of Specialist activities in Deutsche marks); and *Societe Generale*, 76 *Federal Reserve Bulletin* 776 (1990) ("Societe Generale II") (approval of registered options trader activities in other currencies, except the French franc).

16. *Companie Financiere de Suez and Banque Indosuez*, 72 *Federal Reserve Bulletin* 141 (1986) ("Banque Indosuez").

17. The Specialist is subject to evaluation quarterly by floor traders of the Exchange and, therefore, may have an incentive to make what traders would consider "good" bids and offers.

18. Exchange Rule 1020 prohibits a Specialist from engaging in transactions for its own account unless those transactions "are reasonably necessary to permit such specialist to maintain a fair and orderly market."

19. A Specialist's activities consist of three basic functions: (1) to use reasonable efforts to make a "fair and orderly" market in Swiss francs and to engage, to a reasonable degree under existing circumstances, in dealings for its own account when a lack of price continuity or temporary supply/demand disparities exist; (2) to collate and publish the best bids/offers for Swiss franc options; and (3) to act as agent for orders in Swiss franc options, in particular for "limit orders" left on the Specialist's books.

20. A Trader in foreign exchange options deals for its own account in order to maintain a "fair and orderly" market in certain options when a lack of price continuity or temporary disparity in supply or demand exists on options for which the Trader makes a market. SBX would be obliged to make a market in the proposed foreign currency options, or bid and offer, for all traders who approach it on the Exchange, but would not be obliged in any way as to the price and quantity it bids and offers. A Trader is permitted to "leave the floor," i.e., not trade, provided the Trader meets minimum trading levels each quarter.

21. See *Hongkong and Shanghai Banking Corporation*, 75 *Federal Reserve Bulletin* 217 (1989) (trading foreign exchange forwards, futures, options, and options on futures for its own account for other than hedging purposes to a limited extent); and *The Nippon Credit Bank, Ltd.*, 75 *Federal Reserve Bulletin* 308 (1989) (engaging in foreign exchange spot transactions).

In addition, in 1989, the Board approved the application of *Societe Generale* to engage *de novo* in acting as the specialist in deutsche mark options traded on the Exchange during the Exchange's day session. *Societe Generale I*. In *Societe Generale I*, the Board determined that

these activities would be permissible for a bank holding company since the activities were functionally and operationally similar to dealing in foreign currency.

22. See, Letter dated June 3, 1988, from J. Michael Shepherd, Senior Deputy Comptroller for Corporate and Economic Programs, to Republic National Bank of New York (acting as a registered options trader on the PHLX with respect to Australian dollars, Canadian dollars, British pounds, German marks, Swiss francs, French francs, Japanese yen, and European Currency Unit); Letter, dated January 11, 1984, from Michael Patriarca, Deputy Comptroller for Multinational Banking, to H. Helmut Loring, Senior Vice President, Bank of America, N.T. & S.A. (acting as a specialist on the PHLX with respect to the French franc). The OCC found that these activities were permissible for national banks, and relied upon representations that the bank would have limited exposure to the losses of its subsidiary.

23. See *The Hong Kong and Shanghai Banking Corporation, Kellett, N.V., HSBC Holdings, B.V. and Marine Midland Banks, Inc.*, 75 *Federal Reserve Bulletin* 217 (1989).

24. See *Societe Generale II*.

Specialist and Trader to set the price and quantity that it will buy and sell in order to minimize its risk in an adverse or volatile market. The Specialist or Trader is required to deal for its own account as necessary to maintain a "fair and orderly market." Under the rules of the Exchange a Trader is permitted to leave the trading floor, provided it has met the minimum trading requirements for each quarter. Therefore, unlike the Specialist, who is expected to trade at all times, a Trader may refrain from dealing when potential profits do not appear likely.

Second, Applicant states that the proposed activities are not speculative and that Exchange Rules are intended to prohibit a Specialist or Trader from speculating.²⁵ Rather, Specialists and Traders generate profits from the spread between their bid and offer quotations. Applicant states that SBX would be carefully hedged at all times and would operate pursuant to trading limits that would limit its exposure to potential losses.²⁶

Third, the record also shows that Applicant has experience in trading foreign currency options on the over-the-counter market and on exchanges, and hedging strategies. In this regard, SBX would institute a computerized options risk-management system that would include an ongoing analysis of risk exposure and hedges; "what if" studies for different market scenarios; continuous review of Company's compliance with its own internal limits; and back-office surveillance of the firm's floor trading activities.²⁷ Company would be a registered broker-dealer with the Securities and Exchange Commission and hence subject to the net capital requirements applicable to registered broker-dealers.

IV. Joint Venture Considerations

In prior decisions, the Board has expressed concern that joint ventures could potentially lead to a matrix of relationships between co-venturers that could break

down the legally mandated separation of banking and commerce, create the possibility of conflicts of interest, and other adverse effects that the BHC Act was designed to prevent, or impair or give the appearance of impairing the ability of the banking organization to function effectively as an independent and impartial provider of credit.²⁸ Further, joint ventures must be analyzed carefully for any possible adverse effects on competition and on the financial condition of the banking organization involved in the proposal.

In prior cases involving joint ventures between bank holding companies and firms generally engaged in securities activities not authorized for bank holding companies, the Board has relied on a series of commitments to address these potential adverse effects. These commitments are designed to separate the activities of the joint venture from those of the nonbanking co-venturer, *Wells Fargo*. In this case, Applicant has made a number of commitments similar to those that the Board has relied upon in other cases. The commitments are designed to ensure a separation between the joint venture and OCA's activities related to dealing in derivative instruments. Under the circumstances of this case, and in view of the fact that OCA does not offer its services to customers and that the Partnership would not offer investment advice to unaffiliated third parties, the Board finds these commitments are sufficient to address its concerns about potential adverse effects associated with the joint venture.

The financial and managerial resources of Applicant are considered consistent with approval. Based on 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 subject to the conditions of this Order, the Board has determined that the proposed application should be, and hereby is, approved.

The Board's determination is subject to all 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 evasion of, the provisions of the BHC Act and the Board's regulations and orders issued thereunder. This transaction shall not be consummated later than three months after the effective date of this Order,

25. Exchange Rule 1014 provides that a Specialist and a Trader should not enter into transactions for its own account unless those transactions "are reasonably calculated to contribute to the maintenance of a fair and orderly market." In addition, Rule 1015 states that no member of the Exchange should enter into a transaction which is "excessive in view of his financial resources or in view of the market for such security."

26. Applicant has not proposed to engage in pit arbitrage activities. See *Citicorp*, 68 *Federal Reserve Bulletin* 776 (1982). Company would purchase and sell foreign exchange options as a market maker, and seek to profit from a disparity between bid and offer prices. Company would fully hedge these positions.

27. The Board believes that the circumstances of this case are distinguishable from the situation in *Companie Financiere de Suez and Banque Indosuez*, 72 *Federal Reserve Bulletin* 141 (1986). Since that decision, the market for options has expanded and the involvement of banks has become more widespread.

28. See *Amsterdam-Rotterdam, N.V.*, 70 *Federal Reserve Bulletin* 835 (1984); *The Fuji Bank, Limited*, 75 *Federal Reserve Bulletin* 577 (1989); *Wells Fargo & Company*, 76 *Federal Reserve Bulletin* 465 (1990) ("Wells Fargo").

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 December 21, 1990.

Voting for this action: Governors Seger, Angell, Kelley, LaWare, and Mullins. Absent and not voting: Chairman Greenspan.

JENNIFER J. JOHNSON
Associate Secretary of the Board

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

Comerica Incorporated
Detroit, Michigan

Order Approving Applications to Acquire and Merge Bank Holding Companies

Comerica Incorporated, Detroit, Michigan ("Comerica"), a bank holding company within the meaning of the Bank Holding Company Act (the "BHC Act"), has applied for the Board's approval under section 3 of the BHC Act (12 U.S.C. § 1842) to acquire:

- (1) Plaza Commerce Bancorp, San Jose, California ("Plaza Commerce"), and thereby indirectly acquire Plaza Bank of Commerce, San Jose, California; and
- (2) InBancshares, City of Industry, California, and thereby indirectly acquire Bank of Industry, City of Industry, California.¹

Comerica also has applied under section 4 of the BHC Act to acquire Plaza Commerce's sole nonbanking subsidiary, Plaza Realty Advisors, San Jose, California ("Plaza Realty"), and thereby engage through Plaza Realty in arranging and brokering residential, commercial, and construction loans, and other exten-

sions of credit, pursuant to section 225.25(b)(1) of the Board's Regulation Y (12 C.F.R. 225.25(b)(1)).

Notice of the applications, affording interested parties an opportunity to submit comments, has been published (55 *Federal Register* 28,828 (1990)). 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 of the BHC Act.

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 control of any bank located outside the bank holding company's home state unless such acquisition "is specifically authorized by the statute laws of the State in which such bank is located, by language to that effect and not merely by implication."² Comerica's home state is Michigan, and California is the home state of the subsidiary banks to be acquired.³

Effective January 1, 1991, the California interstate banking statute expressly authorizes bank holding companies located in other states to acquire existing California banks and bank holding companies, if there is substantial reciprocity between California law and the law of the home state of the acquiring out-of-state bank holding company.⁴ The laws of Michigan provide for similar reciprocal out-of-state acquisitions by expressly authorizing out-of-state bank holding companies to acquire Michigan banking institutions, if the laws of the acquiring out-of-state bank holding company's home state permit reciprocal acquisitions by Michigan bank holding companies and these laws are not unduly restrictive in administering such reciprocity.⁵ Accordingly, Michigan law meets the substantial reciprocity requirement of California law and California law expressly authorizes the proposed acquisi-

2. 12 U.S.C. § 1842(d).

3. A bank holding company's home state is that state in which the total deposits of the bank holding company's subsidiary banks were largest on July 1, 1966, or on the date the bank holding company became a bank holding company, whichever date is later.

4. Cal. Fin. Code §§ 3753, 3756 (West 1989). Substantial reciprocity exists if:

- (i) California bank holding companies may acquire banking institutions located in the home state of the acquiring out-of-state bank holding company on terms and conditions substantially the same as acquisitions made by the acquiring out-of-state bank holding company in its home state; and
- (ii) California bank holding companies making acquisitions in the home state of the acquiring out-of-state bank holding company have substantially all the powers and capabilities under the laws of the home state of the acquiring out-of-state bank holding company. Cal. Fin. Code § 3751(j) (West 1989).

5. Mich. Stat. Ann. § 23.710(130b(4)) (Callaghan Supp. 1990). California law does not impose unduly restrictive conditions on acquisitions by Michigan bank holding companies and the Michigan Financial Institutions Bureau has approved Comerica's proposed acquisitions of Plaza Commerce and InBancshares.

1. In the event that Comerica is unable to acquire all the voting shares of Plaza Commerce, Comerica has requested Board approval to acquire 24.9 percent of its voting shares. The Board has approved the acquisition by a bank holding company of less than a controlling interest in a bank and Comerica has offered a number of commitments that the Board has previously found helpful in determining that an investing bank holding company will not be able to exercise a controlling influence over another bank for purposes of the BHC Act. See *First Community Bancshares, Inc.*, 77 *Federal Reserve Bulletin* 000 (1991) and Board Orders cited therein.

Bank of Industry has a direct investment in a real estate project known as Chino Hills pursuant to authority granted by the State of California. Comerica has committed to divest this interest within two years of consummation of this proposal and not to expand the activities of this project during the two-year period.

tions.⁶ In light of the foregoing, the Board believes that approval of the proposal is not barred by the Douglas Amendment.

Comerica is the second largest banking organization in Michigan, operating four subsidiary banks with total deposits of \$10.8 billion, representing approximately 13.2 percent of the total deposits in commercial banks in Michigan.⁷ Comerica also controls commercial banking organizations in Ohio and Texas. Plaza Commerce is the 34th largest commercial banking organization in California, operating a single subsidiary bank with deposits of \$447 million, representing less than one percent of the total deposits in commercial banks in California. InBancshares is the 80th largest commercial banking organization in California, controlling a single subsidiary bank with deposits of \$200 million, representing less than one percent of the total deposits in commercial banking organizations in California. Consummation of the proposals would not result in an adverse effect on the concentration of banking resources in California or Michigan.

Comerica does not compete directly with either Plaza Commerce or InBancshares in any banking market. Plaza Commerce and InBancshares compete directly in the San Francisco banking market.⁸ In that market, Plaza Commerce controls deposits of \$447 million and InBancshares controls deposits of \$88 million, each representing less than one percent of the total deposits in commercial banks in the market. Upon consummation of the proposals, the Herfindahl-Hirschman Index ("HHI") would increase by less than one point to 1732.⁹ Accordingly, consummation of the proposals would not result in a significantly

adverse effect on competition in any relevant banking market. Consummation also would not result in a significant adverse effect on probable future competition in any relevant banking market. In addition, the financial and managerial resources and future prospects of Comerica, Plaza Commerce, InBancshares, and their subsidiary banks are consistent with approval.

In considering the convenience and needs of the communities to be served, the Board has taken into account the record of the subsidiary banks of Comerica under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*) (the "CRA"). The CRA requires the federal financial supervisory agencies to encourage financial institutions to help meet the credit needs of the local communities in which they operate, consistent with the safe and sound operation of such institutions. To accomplish this end, the CRA requires the appropriate federal supervisory authority to "assess an institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of the institution," and to take this record into account in its evaluation of bank holding company applications.¹⁰

In this regard, the Board has received comments from the Community Coalition for Reinvestment, Grand Rapids, Michigan ("Protestant"), that generally criticize the record of performance of Comerica Bank, N.A. ("Bank"), in meeting the credit needs of low- and moderate-income communities, including small businesses, in the Grand Rapids area.¹¹ Comerica has submitted a detailed response to these comments.¹²

The Board has carefully reviewed the CRA performance of Comerica, Plaza Commerce and InBancshares and their bank subsidiaries, as well as the Protestant's comments and Comerica's response to those comments, in light of the CRA, Board regulations, and the Statement of the Federal Financial Supervisory Agencies Regarding the Community Re-

6. Michigan law also requires an out-of-state applicant to agree to limit the interest rate charged for certain consumer loans to Michigan residents borrowing within Michigan and to have a satisfactory record under the Community Reinvestment Act. Mich. Stat. Ann. § 23.710(130b(11) and (12)) (Callaghan Supp. 1990). These requirements, however, do not impair the substantial reciprocity of the Michigan statute and the Office of the California Superintendent of Banks has confirmed that Michigan law is substantially reciprocal with California law.

7. Deposit data are as of September 30, 1990. State ranking data are as of June 30, 1990.

8. The San Francisco banking market is approximated by the San Francisco-Oakland-San Jose RMA adjusted to include the city of St. Helena, California.

9. Under the revised Department of Justice Merger Guidelines, 49 *Federal Register* 26,823 (1984), a market in which the post-merger HHI is above 1000 is considered to be moderately concentrated. In such markets, the Department is likely to challenge a merger that increases the HHI by more 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 anti-competitive effects) unless the post-merger HHI is at least 1800 and the merger increases the HHI by more than 200 points. The Justice Department has stated that the higher than normal HHI thresholds for screening bank mergers for anticompetitive effects implicitly recognize the competitive effect of limited-purpose lenders and other non-depository financial entities.

10. 12 U.S.C. § 2903.

11. Protestants specifically allege the following deficiencies in Bank's CRA performance:

- (i) patterns of racially discriminatory lending practices in 1987-88 Home Mortgage Disclosure Act data;
- (ii) failure to provide basic banking services and an insufficient number of banking locations;
- (iii) insufficient marketing of banking services; and
- (iv) insufficient residential and home improvement lending.

12. Representatives of both Bank and Comerica have met privately with Protestant several times in an effort to clarify the CRA issues presented. Although the parties were unable to resolve all of their differences, Comerica has implemented a substantial number of Protestant's suggestions. Bank and Comerica have offered to continue to work with Protestant to address their concerns. Other commenters to these applications have withdrawn their comments.

investment Act ("Agency CRA Statement").¹³ The Agency CRA Statement provides guidance regarding the types of policies and procedures that the supervisory agencies believe financial institutions should have in place in order to fulfill their responsibilities under the CRA on an ongoing basis, and the procedures that the supervisory agencies will use during the applications process to review an institution's CRA compliance and performance. The Agency CRA Statement also suggests that decisions by agencies to allow financial institutions to expand will be made pursuant to an analysis of the overall CRA performance of the institution.

Initially, the Board notes that the subsidiary banks of Plaza Commerce, InBancshares, and Comerica, including Bank, have received satisfactory ratings from their primary regulators in the most recent examinations of their CRA performance. In this regard, the Agency CRA Statement provides that, while CRA examination reports do not provide conclusive evidence of an institution's CRA record, the federal supervisory agencies will accord such reports great weight in the applications process.¹⁴ The Board also notes that, in accordance with the terms of a previous Board Order, Comerica submits quarterly reports to the Federal Reserve Bank of Chicago detailing the CRA efforts of Comerica's lead subsidiary bank.¹⁵

In addition, the Board notes that Comerica and its subsidiary banks, including Bank, have implemented policies, of the types outlined in the Agency CRA Statement, that contribute to an effective CRA program. For example, Comerica has established a program to supervise and review the CRA programs of its subsidiary banks.¹⁶ Comerica's vice-chairman, the organization's second-ranking officer, is charged with CRA program oversight responsibility. Comerica has also designated a vice-president to serve as Corporate CRA Corporate Officer and, with a CRA staff, to coordinate the CRA activities of Comerica and its subsidiary banks.¹⁷

Bank ascertains community credit needs through direct forms of community contact. Bank employs its officer call program to gather information on the credit needs of low- to moderate-income individuals and small businesses in the community. As noted below, Bank officers and employees learn more about community credit needs by participating in community and civic organizations. Bank also has implemented programs to train bank managers to develop effective relationships with local communities and community organizations.

Bank and its management participate with several community organizations in programs that are designed to develop housing and consumer credit for low- and moderate-income and minority residents of the Grand Rapids area. A senior management official of Bank serves on the Board of the Local Initiatives Support Coalition, a nonprofit organization that invests in the housing efforts of community development corporations and assists and raises funds for such community development corporations.¹⁸

Bank provides basic banking services and credit to low- and moderate-income individuals in its community, offering basic checking accounts, savings accounts and check cashing services at prices comparable to or lower than its Grand Rapids competitors. Banking services are also provided from locations within low- and moderate-income communities. Two of Bank's ten branches in the Grand Rapids area are in downtown Grand Rapids, and Comerica has indicated that it will investigate the feasibility of placing ATMs in central city Grand Rapids to better meet the needs of that community.¹⁹

The record also shows that Bank markets its products and services through general circulation media. Comerica has stated that Bank will advertise in newspapers that directly serve the minority community of Grand Rapids. In addition, Bank has developed a bilingual Spanish-English brochure describing Bank's home improvement lending services. Through its own Speaker's Bureau and the Grand Rapids Chamber of Commerce, Bank also participates in a series of seminars and presentations to educate low-income and minority individuals and the small business community about obtaining business or mortgage financing and related products.

18. In addition, Bank provides financial assistance to the Inner City Christian Federation, a Grand Rapids community organization that rehabilitates inner-city housing. Bank has also assisted the Grand Rapids Neighborhood Improvement Program in the development of a consumer mortgage lending pool and a survey concerning basic banking needs and services.

19. The two central city branch locations in Grand Rapids are located on bus lines and are adjacent to free parking.

13. 54 *Federal Register* 13,742 (1989).

14. 54 *Federal Register* at 13,745.

15. *Comerica Incorporated*, 74 *Federal Reserve Bulletin* 809 (1988).

16. Pursuant to Comerica's CRA policy, each of Comerica's subsidiary banks prepares a quarterly report to Comerica's corporate CRA committee that records and evaluates the reporting bank's CRA efforts.

17. Comerica's CRA committee, composed of both CRA officers and senior officers in Comerica's substantive lending areas, monitors Comerica's efforts to meet community needs and initiates and reviews CRA policy initiatives. To implement such policy and assist its subsidiary banks in meeting their CRA responsibilities, Comerica provides guidance to each of its subsidiary banks through senior on-site personnel (or, in the case of Bank, through on-site personnel in each region that Bank serves). In addition, the CRA Statements of Comerica's subsidiary banks describe the types of credit offered, the methods for performing community credit needs, and list the types of community projects that the Comerica has funded.

The Board notes that, in the past, there have been some disparities in the residential mortgage and home improvement loan data for Bank's lending to borrowers in low- and moderate-income areas.²⁰ However, Comerica has stated that it recognizes these disparities and has taken steps to address them. In order to better meet the mortgage and home improvement credit needs of its community, Comerica has introduced several credit products specifically appropriate to low- and moderate-income borrowers in Grand Rapids. These include home improvement and home equity loans for land contract holders, fixed rate term home equity loans, and a secured credit card.²¹ Comerica has also liberalized loan underwriting standards applicable to conventional mortgage products for low- and moderate-income borrowers.²²

For the foregoing reasons, and based upon all of the facts of record, the Board concludes that the records of performance under the CRA of Comerica and its subsidiary banks, including steps taken by Comerica to enhance its record of performance under the CRA, are consistent with approval of these applications. Accordingly, the Board concludes that convenience and needs considerations are consistent with approval.²³

20. In the "Report on Loan Discrimination" submitted to Congress by the Board on October 13, 1989 pursuant to section 1220 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (the "Report"), the Board generally reviewed various public studies of mortgage lending in Atlanta, Cleveland, Detroit and Boston. The Report noted that, while these studies appeared to indicate that disparities existed in home mortgage lending between minority and non-minority areas, they did not draw definitive conclusions about the existence or extent of racial discrimination in mortgage lending and did not account for certain factors other than discrimination in lending that might account for these disparities—including differences in demand for mortgage loans, differences in the types of mortgage products offered by depository and nondepository institutions, and the tendency of nondepository lenders to dominate the minority mortgage loan market.

21. In 1989, Comerica made 23 home improvement or home equity loans totalling \$312,000 in the central city of Grand Rapids identified by the Protestant. In the first six months of 1990, Comerica has made approximately the same number and amount of such loans in the central city (24 for \$299,000) as it made in all of 1989.

22. In 1989, Comerica made 27 loans totalling \$2.3 million in the central city of Grand Rapids defined by the Protestant, an increase of \$1 million or 87 percent over Comerica's lending in this area in 1988. Comerica projects that in 1990, 34 loans totalling \$1.7 million will be made on properties located in the central city.

23. Protestant also has requested that the Board hold a public hearing or meeting to assess further facts surrounding Bank's CRA performance. Generally under the Board's rules, the Board may, in its discretion, hold a public hearing or meeting on an application to clarify factual issues related to the application and to provide an opportunity for testimony, if appropriate. 12 U.S.C. §§ 262.3(e) and 262.25(d).

The Board has carefully considered the Protestant's request for a public meeting or hearing in this case. In the Board's view, the parties have had ample opportunity to present submissions, and have submitted substantial written comments that have been considered by the Board. In light of these facts, the Board has determined that a public meeting or hearing is not necessary to clarify the factual record in

Comerica has also applied to acquire all the voting shares of Plaza Realty, and through Plaza Realty engage in arranging and brokering residential, commercial, and construction loans, and other extensions of credit. The Board has determined that such activities are permissible for bank holding companies under section 225.25(b)(1) of the Board's Regulation Y (12 C.F.R. 225.25(b)(1)).

In light of the facts of record, the Board concludes that Comerica's acquisition of Plaza Realty would not significantly affect competition in any relevant market. Furthermore, there is no evidence in the record to indicate that approval of this proposal would result in any significantly adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices. Accordingly, the Board has determined that the balance of the public interest factors it must consider under section 4(c)(8) of the BHC Act is favorable and 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. In granting this approval, the Board has relied upon Comerica's commitments and representations, and this approval is conditioned upon Comerica obtaining all required State approvals. 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 period is extended for good cause by the Board or by the Federal Reserve Bank of Chicago, acting pursuant to delegated authority. The determination as to the nonbanking activities approved in this case is subject to all of the conditions contained in Regulation Y, including those in 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 notification or termination of the activities of a 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.

By order of the Board of Governors, effective December 3, 1990.

Voting for this action: Chairman Greenspan and Governors Seger, Angell, Kelley, LaWare, and Mullins.

JENNIFER J. JOHNSON
Associate Secretary of the Board

these applications, or is otherwise warranted in this case. Accordingly, Protestant's request for a public meeting or hearing on these applications is hereby denied.

**Firststar Corporation
Milwaukee, Wisconsin**

*Order Approving Acquisition of a Bank Holding
Company and Banking and Nonbanking Subsidiaries*

Firststar Corporation, Milwaukee, Wisconsin ("Firststar"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied for the Board's approval under section 3(a)(3) of the BHC Act (12 U.S.C. § 1842(a)(3)) to acquire Banks of Iowa, Inc., Des Moines, Iowa ("BOI"), and thereby indirectly acquire BOI's subsidiary banks.¹ Firststar also has applied for the Board's approval under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) to acquire the nonbanking subsidiaries of BOI.²

Notice of the applications, affording interested persons an opportunity to submit comments, has been duly published (55 *Federal Register* 38,581 (1990)). 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 BHC Act.

Section 3(d) of the BHC Act, 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 bank 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."³ Firststar's home state is Wisconsin and BOI's home state is Iowa.⁴

Effective January 1, 1991, the Iowa regional interstate banking statute expressly authorizes regional bank holding companies, defined as bank holding companies located in the midwestern region, to acquire Iowa banks or bank holding companies.⁵ Firststar is located in a state within the designated midwestern region, and thus is authorized to acquire an Iowa bank.⁶ In light of the foregoing, the Board believes that approval of the proposal is not barred by the Douglas Amendment.⁷

Firststar operates 42 banking subsidiaries located in Wisconsin, Minnesota, Illinois and Arizona. Firststar is the largest banking organization in Wisconsin, operating 26 subsidiary banks with total deposits of approximately \$5.5 billion, representing approximately 14.7 percent of the total deposits in commercial banks in the state.⁸ BOI, which operates 12 banking subsidiaries in Iowa, is the second largest banking organization in the state, controlling approximately \$2.1 billion in deposits, representing approximately 7.7 percent of the total deposits in commercial banks in the state. Consummation of this proposal would not result in an adverse effect on the concentration of banking resources in Wisconsin or Iowa.

Firststar does not compete directly with BOI in any banking market. Accordingly, consummation of this proposal would not result in a significantly adverse effect on competition in any relevant banking market. Consummation also would not result in a significantly adverse effect on probable future competition in any relevant banking market.

The financial and managerial resources and future prospects of Firststar, BOI, and their subsidiary banks

1. BOI's subsidiary banks are: United Bank & Trust, Ames, Iowa; First National Bank, Burlington, Iowa; Cedar Falls Trust & Savings Bank, Cedar Falls, Iowa; Merchants National Bank of Cedar Rapids, Cedar Rapids, Iowa; Council Bluffs Savings Bank, Council Bluffs, Iowa; First Bank, National Association, Davenport, Iowa; Valley National Bank, Des Moines, Iowa; Central Trust and Savings Bank, Eldridge, Iowa; Henry County Savings Bank, Mount Pleasant, Iowa; Union Bank and Trust Company, Ottumwa, Iowa; and Montgomery County National Bank of Red Oak, Red Oak, Iowa.

2. Firststar proposes to acquire the following nonbanking subsidiaries of BOI, all located in Des Moines, Iowa: Banks of Iowa Credit Corporation ("BICC") and through BICC engage in purchasing and handling nonperforming loans; Banks of Iowa Capital Corporation ("BICAP") and through BICAP engage in asset liquidation; and Banks of Iowa Computer Services, Inc. ("BICS") and through BICS engage in providing data processing services and facilities for BOI, its subsidiary banks and nonaffiliated financial institutions. These activities are authorized for bank holding companies pursuant to sections 225.25(b)(1) and (b)(7) of the Board's Regulation Y (12 C.F.R. 225.25(b)(1) and (b)(7)).

3. 12 U.S.C. § 1842(d).

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

5. Iowa Stat. Ann. §§ 524.1852 and 524.1851.9 (West 1990). "Midwestern region" means the states of Illinois, Iowa, Minnesota, Missouri, Nebraska, South Dakota and Wisconsin. Iowa Stat. Ann. §§ 524.1851.6. Iowa law also incorporates by reference the Douglas Amendment's test for determining the state in which the regional bank holding company is located. Iowa Stat. Ann. § 524.1851.10.

6. However, Iowa law prohibits acquisitions by regional bank holding companies under the following circumstances:

- (i) the acquiring regional bank holding company would have, in the aggregate, more than 35 percent of the sum of the total time and demand deposits in all state and national banks and savings and loan associations located in Iowa;
- (ii) all existing bank subsidiaries of the acquiring regional bank holding company do not satisfy applicable capital requirements;
- (iii) the acquiring regional bank holding company has not been in existence for at least three years;
- (iv) the Iowa bank holding company to be acquired has not been in existence for at least three years; and
- (v) each of the subsidiary banks of the Iowa bank holding company to be acquired has not been in existence for at least five years. Iowa Stat. Ann. §§ 524.1802.2 and 524.1855. In light of the facts of record, the Board concludes that none of these circumstances prohibit the proposed transaction.

7. The Office of the Iowa Superintendent of Banking has indicated that the proposed acquisition is authorized under Iowa law.

8. All banking data are as of December 31, 1989.

are consistent with approval. The Board also finds that considerations relating to the convenience and needs of the communities to be served are consistent with approval.

Firststar has also applied, pursuant to section 4(c)(8) of the BHC Act, to acquire three nonbanking subsidiaries of BOI, BICC, BICAP and BICS. The Board has determined by regulation that each of these activities is permissible for bank holding companies under section 4(c)(8) of the BHC Act and Firststar proposes to conduct these activities in accordance with the Board's regulations.

In light of the facts of record, the Board concludes that Firststar's acquisition of BICC, BICAP and BICS would not significantly affect competition in any relevant market. Furthermore, there is no evidence in the record to indicate that consummation of this proposal is likely to result in any significantly adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices. Accordingly, the Board has determined that the balance of public interest factors it must consider under section 4(c)(8) of the BHC Act is favorable and 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. This approval is conditioned, however, upon Firststar obtaining all required State approvals. The 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 Chicago, pursuant to delegated authority. The determination as to Firststar's nonbanking activities is subject to all of the conditions contained in the Board's Regulation Y, including those in 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 holding company or any of its subsidiaries as the Board finds necessary to assure compliance with, or prevent evasions of, the provisions and purposes of the BHC Act and the Board's regulations and orders issued thereunder.

By order of the Board of Governors, effective December 14, 1990.

Voting for this action: Chairman Greenspan and Governors Seger, Angell, Kelley, LaWare, and Mullins.

JENNIFER J. JOHNSON
Associate Secretary of the Board

Orders Issued Under Bank Merger Act

Plaza Merger Company
Miami, Florida

Plaza Bank of Miami
Miami, Florida

Order Approving Merger of Banks

Plaza Merger Company, Miami, Florida, has applied under section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. § 1828(c)) (the "Bank Merger Act"), to merge with and into Plaza Bank of Miami, Miami, Florida ("Plaza Bank"), a state member bank.¹ Plaza Merger Company also has applied for membership in the Federal Reserve System pending consummation of the proposed merger.²

Notice of these applications, affording interested persons an opportunity to submit comments, has been given in accordance with the Bank Merger Act and the Board's Rules of Procedure (12 C.F.R. 262.3(b)). As required by the Bank Merger Act, reports on the competitive effects of the transaction were requested from the United States Attorney General, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation. The time for filing comments has expired, and the Board has considered the merger application and all comments received in light of the factors set forth in section 18(c) of the Bank Merger Act.

Plaza Bank is one of the smaller commercial banking organizations in Florida, controlling total deposits of \$46.8 million, representing less than one percent of total deposits in commercial banks in the state.³ Plaza Merger Company has been created solely to facilitate the acquisition by its shareholders of all the voting shares of Plaza Bank, and it is a shell non-operating institution. The merger of Plaza Merger Company with and into Plaza Bank will not have a significantly adverse effect on competition or increase the concentration of banking resources in any relevant banking market.

1. Plaza Bank will be the surviving bank, and will keep its name, title, and charter. Plaza Bank, currently a state member bank, will remain a member of the Federal Reserve System.

2. In connection with this transaction, the shareholders of Plaza Merger Company have filed a notice under the Change in Bank Control Act (12 U.S.C. § 1817(j)) to acquire 100 percent of the voting shares of Plaza Bank (55 *Federal Register* 31,107 (1990)). The merger and membership applications that are the subject of this Order have been filed to facilitate these shareholders' acquisition of Plaza Bank. Concurrently with this Order, the Board has determined not to disapprove the Change in Bank Control Act notice filed by the Plaza Merger Company shareholders.

3. Banking data are as of June 30, 1990.

The financial and managerial resources of Plaza Bank, and considerations relating to the convenience and needs of the community to be served, are consistent with approval. Based upon the foregoing and other considerations reflected in the record, the Board believes that consummation of the transaction would be consistent with the public interest.

Plaza Merger Company also has applied under section 9 of the Federal Reserve Act (12 U.S.C. § 321 *et seq.*) for membership in the Federal Reserve System pending consummation of the contemplated merger. The Board has considered the factors it is required to consider when approving applications for membership pursuant to section 9 of the Federal Reserve Act (12 U.S.C. § 322) and finds those factors 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. This transaction shall not be consummated before the thirtieth 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 Atlanta, pursuant to delegated authority.

By order of the Board of Governors, effective December 19, 1990.

Voting for this action: Governors Seger, Angell, Kelley, LaWare, and Mullins. Absent and not voting: Chairman Greenspan.

JENNIFER J. JOHNSON
Associate Secretary of the Board

ORDERS ISSUED UNDER THE FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT ("FIRREA ORDERS")

Recent orders have been issued by the Staff Director of the Division of Banking Supervision and Regulation and the General Counsel of the Board as listed below. Copies are available upon request to the Freedom of Information Office, Office of the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Bank Holding Company	Acquired Thrift	Surviving Bank(s)	Approval Date
American Bancshares of Arkansas, Inc., Charleston, Arkansas	First America Savings Bank, F.S.B., Fort Smith, Arkansas (Albert Pike Branch)	American State Bank, Charleston, Arkansas	December 7, 1990
Arvest Bank Group, Inc., Bentonville, Arkansas	First America Savings Bank, F.S.B., Fort Smith, Arkansas (Siloam Springs Branch)	First National Bank of Siloam Springs, Siloam Springs, Arkansas	December 7, 1990
BankAmerica Corporation, San Francisco, California Seafirst Corporation, Seattle, Washington	Benjamin Franklin Federal Savings & Loan Association, Portland, Oregon	Seattle First National Bank, Seattle, Washington	December 28, 1990
BankAmerica Corporation, San Francisco, California	Frontier Savings Association, Las Vegas, Nevada	Bank of America Nevada, Reno, Nevada	December 14, 1990
Barnett Banks, Inc., Jacksonville, Florida	Haven Federal Savings and Loan Association, F.A., Winter Haven, Florida	Barnett Bank of Polk County, Lakeland, Florida	December 7, 1990

FIRREA Orders—Continued

Bank Holding Company	Acquired Thrift	Surviving Bank(s)	Approval Date
Boatmen's Bancshares, Inc., St. Louis, Missouri	Community Federal Savings and Loan Association, St. Louis, Missouri	The Boatmen's National Bank of St. Louis, St. Louis, Missouri	December 14, 1990
Bright Financial Services, Inc., Flora, Indiana	Hometown Federal Savings Bank, Delphi, Indiana (Burlington, Delphi, Lafayette-Greenbush, and Rossville Branches)	Bright National Bank, Flora, Indiana	December 14, 1990
Business Bank of America, Inc., Wichita, Kansas	First Federal Savings Bank of Kansas, Wellington, Kansas (Wichita Branch)	Citizens Bank and Trust Company, Abilene, Kansas	December 14, 1990
Carolina First Corporation, Greenville, South Carolina	American Federal Bank, F.S.B., Greenville, South Carolina (2 Branches)	Carolina First Bank, Greenville, South Carolina	December 28, 1990
Emprise Financial Corp.—Hutchinson, Wichita, Kansas	First Federal Savings Bank of Kansas, Wellington, Kansas (Lindsborg Branch)	Emprise Bank, N.A., Hutchinson, Kansas	December 14, 1990
First Citizens BancShares, Inc., Raleigh, North Carolina	Mutual Savings and Loan Association, Inc., Charlotte, North Carolina	First-Citizens Bank & Trust Company, Raleigh, North Carolina	December 14, 1990
First Commercial Corporation, Little Rock, Arkansas	First America Savings Bank, F.S.B., Fort Smith, Arkansas (Russellville Branch)	First National Bank of Russellville, Russellville, Arkansas	December 7, 1990
Lafayette Bancorporation, Lafayette, Indiana	Hometown Federal Savings Bank, Delphi, Indiana (Brookston and Lafayette-Teal Road Branches)	Lafayette Bank and Trust Company, Lafayette, Indiana	December 14, 1990
Nebraska Bancorporation, Inc., Alliance, Nebraska	FirstTier Savings Bank, Omaha, Nebraska	Alliance National Bank and Trust Company, Alliance, Nebraska	December 14, 1990
Ozark Bancshares, Ozark, Arkansas	First America Savings Bank, F.S.B., Fort Smith, Arkansas (Ozark Branch)	Bank of Ozark, Ozark, Arkansas	December 7, 1990
PNC Financial Corp., Pittsburgh, Pennsylvania	First Federal Savings and Loan Association of Pittsburgh, Pittsburgh, Pennsylvania	Pittsburgh National Bank, Pittsburgh, Pennsylvania	December 28, 1990

FIRREA Orders—Continued

Bank Holding Company	Acquired Thrift	Surviving Bank(s)	Approval Date
Simmons First National Corporation, Pine Bluff, Arkansas	First America Savings Bank, F.S.B., Fort Smith, Arkansas (Bella Vista, Fort Smith-South, Rogers and Springdale Branches)	Simmons First National Bank, Pine Bluff, Arkansas	December 7, 1990
St. Mary Holding Corporation, Franklin, Louisiana	Terrebonne Savings and Loan Association, Houma, Louisiana	The St. Mary Bank & Trust Co., Franklin, Louisiana	December 7, 1990
Tescott Bancshares, Inc., Tescott, Kansas	First Federal Savings Bank of Kansas, Wellington, Kansas (Salina Branch)	The Bank of Tescott, Tescott, Kansas	December 14, 1990
Vista Bancorporation, Van Buren, Arkansas	First America Savings Bank, F.S.B., Fort Smith, Arkansas (Van Buren and Alma Branches)	Citizens Bank & Trust Co., Van Buren, Arkansas	December 7, 1990
West-Ark Bancshares, Inc., Clarksville, Arkansas	First American Savings Bank, F.S.B., Fort Smith, Arkansas (Booneville Branch)	Arkansas State Bank, Clarksville, Arkansas	December 7, 1990

APPLICATIONS APPROVED UNDER BANK HOLDING COMPANY ACT

By the Secretary of the Board

Recent applications have been approved by the Secretary of the Board as listed below. Copies are available upon request to the Freedom of Information Office, Office of the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Section 3

Applicant(s)	Bank(s)	Effective date
Central Bancshares of the South, Inc., Birmingham, Alabama	Plaza National Bank, Dallas, Texas	December 20, 1990

Section 4

Applicant(s)	Bank(s)	Effective date
BankAmerica Corporation, San Francisco, California	BAN Interim Federal Savings Bank, Las Vegas, Nevada	December 14, 1990
Barnett Banks, Inc., Jacksonville, Florida	Barnett Federal Savings and Loan Association, F.A., Winter Haven, Florida	December 6, 1990
First Commercial Corporation, Little Rock, Arkansas	First Commercial Savings and Loan, Russellville, Arkansas	December 7, 1990
Provident Bancorp, Inc., Cincinnati, Ohio	Suburban Federal Savings and Loan Association, Covington, Kentucky	December 21, 1990
Simmons First National Corporation, Pine Bluff, Arkansas	Simmons First Federal Savings and Loan Association, Pine Bluff, Arkansas	December 7, 1990
U.S. Bancorp, Portland, Oregon	Credco of Washington, Inc., Solana Beach, California	December 7, 1990

*APPLICATIONS 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(s)	Bank(s)	Reserve Bank	Effective date
Arvada Bank Holding Company, Arvada, Colorado	The First National Bank of Arvada, Arvada, Colorado	Kansas City	November 30, 1990
B & G Investment Company, San Antonio, Texas	First State Bank, Bandera, Texas	Dallas	November 30, 1990
CBT Corporation, Inc., Big Timber, Montana	Citizens Bank and Trust Company, Big Timer, Montana	Minneapolis	November 29, 1990
Chandler Bancshares, Inc., Chandler, Minnesota	State Bank of Chandler, Chandler, Minnesota	Minneapolis	November 29, 1990
Clear Lake Investors, Inc., Clear Lake, Iowa	Clear Lake Bank and Trust Company, Clear Lake, Iowa	Chicago	December 18, 1990
Community Trust Financial Services Corporation, Hiram, Georgia	Community Trust Bank, Hiram, Georgia	Atlanta	November 26, 1990
First Bancorp of Durango, Inc., Durango, Colorado	First National Bank of Durango, Durango, Colorado	Kansas City	November 28, 1990

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective date
First Belleville Bancshares, Inc., Belleville, Kansas	Scandia State Bank, Scandia, Kansas	Kansas City	December 19, 1990
First Commerce Bancshares, Inc., Lincoln, Nebraska	First National McCook Company, McCook, Nebraska	Kansas City	December 14, 1990
Stuart Family Partnership, Lincoln, Nebraska			
Catherine Stuart Schmoker Family Partnership, Lincoln, Nebraska			
James Stuart, Jr. Family Partnership, Lincoln, Nebraska			
The Scott Stuart Family Partnership, Lincoln, Nebraska			
First Michigan Bank Corporation, Holland, Michigan	Maynard-Allen State Bank, Portland, Michigan	Chicago	November 23, 1990
First National BancShares, Inc., Williston, North Dakota	First National Bank & Trust Co. of Williston, Williston, North Dakota	Minneapolis	December 12, 1990
First of Searcy, Inc., Searcy, Arkansas	Citizens Bancshares of Beebe, Inc., Beebe, Arkansas	St. Louis	November 30, 1990
First State Bancshares, Inc., Farmington, Missouri	First State Bank of St. Francois County, Bonne Terre, Missouri	St. Louis	November 29, 1990
Fourth Financial Corporation, Wichita, Kansas	American State Bank and Trust Company, Great Bend, Kansas	Kansas City	November 30, 1990
FSB Bancorp, Inc., Pound, Wisconsin	Farmers State Bank of Pound, Pound, Wisconsin	Chicago	December 7, 1990
Geneva State Company, Geneva, Nebraska	The Geneva State Bank, Geneva, Nebraska	Kansas City	December 13, 1990
Glasgow Bancshares Corporation, Glasgow, Kentucky	Bowling Green Bank & Trust Company, National Association, Bowling Green, Kentucky	St. Louis	November 28, 1990
Harleysville National Corporation, Harleysville, Pennsylvania	Citizens National Bank of Lansford, Lansford, Pennsylvania	Philadelphia	November 27, 1990
Johnson Heritage Bancorp, Ltd., Racine, Wisconsin	Biltmore Bank Corp., Phoenix, Arizona	Chicago	November 27, 1990

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective date
Jones Holding Company, Ltd., Albany, Texas	Albany Bancshares, Inc., Albany, Texas First National Bank of Albany, Albany, Texas	Dallas	December 14, 1990
Key Centurion Bancshares, Inc., Charleston, West Virginia	Spectrum Financial Corporation, Wheeling, West Virginia	Richmond	December 13, 1990
Keystone Financial, Inc., Harrisburg, Pennsylvania	Ambassador Bank of the Commonwealth (In Organization), Allentown, Pennsylvania	Philadelphia	November 28, 1990
Krause Financial, Inc., Winnebago, Minnesota	First National Bank in Winnebago, Winnebago, Minnesota	Minneapolis	November 26, 1990
Mascouten Bancorp, Inc., Beardstown, Illinois	The First National Bank of Beardstown, Beardstown, Illinois	Chicago	November 30, 1990
Morton Financial Corporation, Morton, Texas	South Plains National Bank, Levelland, Texas	Dallas	November 30, 1990
Mountaineer Bankshares of West Virginia, Inc., Martinsburg, West Virginia	The First National Bank of Cameron, Cameron, West Virginia	Richmond	December 18, 1990
Peotone Bancorp, Inc., Peotone, Illinois	Founders Bancorp, Inc., Scottsdale, Arizona	Chicago	December 18, 1990
Terrapin Bancorp, Inc., Elizabeth, Illinois			
Philippine National Bank, Manila, Philippines	Century Holding Corporation, San Francisco, California	San Francisco	November 19, 1990
Pinnacle Banc Group, Inc., Oak Brook, Illinois	The Berwyn National Bank, Berwyn, Illinois	Chicago	December 14, 1990
SCB Financial Corporation, Smith Center, Kansas	Lull and Rush Agency, Lebanon, Kansas	Kansas City	November 30, 1990
Scott County Bancorp, Inc., Winchester, Illinois	Founders Bancorp, Inc., Scottsdale, Arizona	St. Louis	December 18, 1990
SNB Financial Corporation, Summerville, South Carolina	Summerville National Bank, Summerville, South Carolina	Richmond	December 7, 1990
South Florida Bank Holding Corporation, Fort Myers, Florida	South Florida Bank, Fort Myers, Florida	Atlanta	November 21, 1990

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective date
Sterling Bancorp, Baltimore, Maryland	Sterling Bank & Trust Company, Baltimore, Maryland	Richmond	November 27, 1990
Sun Financial Corporation, Earth City, Missouri	E Corporation, Earth City, Missouri	St. Louis	December 18, 1990
Valley Bancorporation, Appleton, Wisconsin	Exchange State Bank of LaCrosse, LaCrosse, Wisconsin	Chicago	November 30, 1990
Waterford Bancshares, Inc., Waterford, Wisconsin	Waterford Bank, Waterford, Wisconsin	Chicago	November 28, 1990
Wells Fargo and Company, San Francisco, California	Citizens Holdings, Anaheim, California	San Francisco	November 30, 1990

Section 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective date
Banque Nationale de Paris, Paris, France	BAIL Capital Markets, Inc., New York, New York	San Francisco	December 7, 1990
Caisse Nationale de Credit Agricole, S.A., Paris, France	Locasuez America, Inc., New York, New York	Chicago	November 23, 1990
NCNB Corporation, Charlotte, North Carolina	NCNB Life Insurance Company, Dallas, Texas NCNB Texas Life Insurance Company, Dallas, Texas	Richmond	December 20, 1990
Nebraska Bancorporation, Inc., Alliance, Nebraska	ANB Savings Bank, F.S.B., Alliance, Nebraska	Kansas City	December 14, 1990
TSB Bancorp, Inc., Woodland, Georgia	Georgia Home Lending Corporation, Peachtree City, Georgia	Atlanta	November 21, 1990
Valley National Bancorp, Wayne, New Jersey	Mayflower Financial Corporation, Livingston, New Jersey	New York	December 14, 1990

Sections 3 and 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective date
Johnson International Bancorp, Ltd., Racine, Wisconsin	Johnson Heritage Bancorp, Ltd., Racine, Wisconsin Johnson Heritage Trust Company, Racine, Wisconsin	Chicago	November 27, 1990

*APPLICATIONS APPROVED UNDER BANK MERGER 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.

Applicant(s)	Bank(s)	Reserve Bank	Effective date
American Trust and Savings, Dubuque, Iowa	Midland Savings Bank, FSB, Des Moines, Iowa	Chicago	December 14, 1990
Bank of Lakeview, Lakeview, Michigan	Morley Branch of Independent Bank - West Michigan, Rockford, Michigan	Chicago	November 30, 1990
The Ohio Bank, Findlay, Ohio	The Citizens Community Bank, Mt. Blanchard, Ohio	Cleveland	November 29, 1990

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.

State of Illinois v. Board of Governors, No. 90-C-6863 (N.D. Illinois, filed November 27, 1990). Action seeking to restrain the Board from providing state examination materials in response to a Congressional subpoena. On December 12, 1990, the court issued a temporary restraining order preventing the Board and the Chicago Reserve Bank from providing documents relating to the state examination in response to the subpoena.

Citicorp v. Board of Governors, No. 90-4124 (2d Circuit, filed October 4, 1990). Petition for review of Board order requiring Citicorp to terminate certain insurance activities conducted pursuant to Delaware law by an indirect nonbank subsidiary. The Delaware Bankers Association and the State of Delaware have intervened on behalf of petitioners, and insurance trade associations have intervened on behalf of the Board in the action.

Stanley v. Board of Governors, No. 90-3183 (7th Circuit, filed October 3, 1990). Petition for review of Board order imposing civil money penalties on five former bank holding company directors.

Sibille v. Federal Reserve Bank of New York and Board of Governors, No. 90-CIV-5898 (S.D. New York, filed September 12, 1990). Appeal of denial of Freedom of Information Act request.

Kuhns v. Board of Governors, No. 90-1398 (D.C. Cir., filed July 30, 1990). Petition for review of Board order denying request for attorney's fees pursuant to Equal Access to Justice Act. Oral argument is scheduled for February 15, 1991.

May v. Board of Governors, No. 90-1316 (D.C. Cir., filed July 27, 1990). Appeal of District Court order dismissing plaintiff's action under Freedom of Information and Privacy Acts. Board's motion for summary affirmance filed October 12, 1990.

Burke v. Board of Governors, No. 90-9509 (10th Circuit, filed February 27, 1990). Petition for review of Board orders assessing civil money penalties and issuing orders of prohibition.

BancTEXAS Group, Inc. v. Board of Governors, No. CA 3-90-0236-R (N.D. Texas, filed February 2, 1990). Suit for preliminary injunction enjoining the Board from enforcing a temporary order to cease and desist requiring injection of capital into plaintiff's subsidiary banks under the Board's source of strength doctrine. District court granted preliminary injunction on June 5, 1990, in light of *MCorp v. Board of Governors*, 900 F.2d 852 (5th Cir. 1990).

Rutledge v. Board of Governors, No. 90-7599 (11th Cir., filed August 21, 1990). Appeal of district court grant of summary judgment for defendants in tort suit challenging Board and Reserve Bank supervisory actions. Board's brief filed November 27, 1990.

Kaimowitz v. Board of Governors, No. 90-3067 (11th Cir., filed January 23, 1990). Petition for review of Board order dated December 22, 1989, approving application by First Union Corporation to acquire Florida National Banks. Petitioner objects to approval on Community Reinvestment Act grounds.

Babcock and Brown Holdings, Inc. v. Board of Governors, No. 89-70518 (9th Cir., filed November 22, 1989). Petition for review of Board determination that a company would control a proposed insured bank for purposes of the Bank Holding Company Act. Awaiting scheduling of oral argument.

Consumers Union of U.S., Inc. v. Board of Governors, No. 90-5186 (D.C. Cir., filed June 29, 1990). Appeal of District Court decision upholding amendments to Regulation Z implementing the Home Equity Loan Consumer Protection Act. Oral argument scheduled for February 20, 1991; the Board's brief was filed December 14, 1990.

Synovus Financial Corp. v. Board of Governors, No. 89-1394 (D.C. Cir., filed June 21, 1989). Petition for review of Board order permitting relocation of a bank holding company's national bank subsidiary from Alabama to Georgia. Oral argument was held on October 11, 1990. On December 10, the Justice Department filed a brief on behalf of the Board and the Office of the Comptroller of the Currency in response to a request from the court regarding an issue in the case.

MCorp v. Board of Governors, No. 89-2816 (5th Cir., filed May 2, 1989). Appeal of preliminary injunction against the Board enjoining pending and future enforcement actions against a bank holding company now in bankruptcy. On May 15, 1990, the Fifth Circuit vacated the district court's order enjoining the Board from proceeding with enforcement actions based on section 23A of the Federal Reserve Act, but upheld the district court's order enjoining such actions based on the Board's source-of-strength doctrine. 900 F.2d 852 (5th Cir. 1990). On December 10, the Solicitor General filed a petition for *certiorari* in the Supreme Court on behalf of the Board, and MCorp filed a cross-petition for *certiorari*.

MCorp v. Board of Governors, No. CA3-88-2693 (N.D. Tex., filed October 10, 1988). Application for injunction to set aside temporary cease and desist orders. Stayed pending outcome of *MCorp v. Board of Governors*, 900 F.2d 852 (5th Cir. 1990).

White v. Board of Governors, No. CU-S-88-623-RDF (D. Nev., filed July 29, 1988). Age discrimination complaint. Board's motion to dismiss or for summary judgment pending.

FINAL ENFORCEMENT ORDERS ISSUED BY THE BOARD OF GOVERNORS

First State Bank of Maple Park
Maple Park, Illinois

The Federal Reserve Board announced on December 27, 1990, the issuance of Cease and Desist Orders against the First State Bank of Maple Park, Maple

Park, Illinois, and Bruce Madden and Joe A. Pruess, institution-affiliated parties of the First State Bank of Maple Park, Maple Park, Illinois.

Nathaniel L. Singleton
New York, New York

The Federal Reserve Board announced on December 6, 1990, the issuance of an Order of Prohibition

against Nathaniel L. Singleton, a former officer of the Manufacturers Hanover Trust Company, New York, New York.

WRITTEN AGREEMENTS APPROVED BY FEDERAL RESERVE BANKS

Citizens First Bancorp, Inc.
Glen Rock, New Jersey

The Federal Reserve Board announced on December 28, 1990, the execution of a Written Agreement between the Federal Reserve Bank of New York and Citizens First Bancorp, Inc., Glen Rock, New Jersey.

Smyrna Bank & Trust Co.
Smyrna, Georgia

The Federal Reserve Board announced on December 28, 1990, the execution of a Written Agreement between the Federal Reserve Bank of Atlanta, the Commissioner of the Department of Banking and Finance of the State of Georgia, and the Smyrna Bank & Trust Co., Smyrna, Georgia.

UBAF Arab American Bank
New York, New York

The Federal Reserve Board announced on December 28, 1990, the execution of a Written Agreement between the Federal Reserve Bank of New York and the UBAF Arab American Bank, New York, New York.

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

Annual rates of change, seasonally adjusted in percent¹

Monetary and credit aggregates	1989	1990			1990				
	Q4	Q1	Q2	Q3	July	Aug.	Sept.	Oct.	Nov.
<i>Reserves of depository institutions²</i>									
1 Total	5.1	2.4	-1.4	-1.4	-8.2	8.6	6.7	-9.4	3.4
2 Required	5.0	2.5	-9	-1.5	-10.1	8.6	6.0	-8.3	1.0
3 Nonborrowed	7.2	-3.9	-1.0	2.0	-5.8	5.2	13.0	-5.2	7.1
4 Monetary base ³	4.0	8.5	7.0	8.8	6.4	13.1	14.6	6.9	4.5
<i>Concepts of money, liquid assets, and debt⁴</i>									
5 M1	5.1	4.8	3.5	4.1	-6	10.2 ^r	9.1 ^r	-3.1 ^r	3.8
6 M2	7.1	6.4	3.2	3.1	1.9	6.4	5.3 ^r	1 ^r	-1.4
7 M3	2.0	2.9	1.1	1.7 ^r	1.3 ^r	4.6 ^r	8 ^r	-1.3 ^r	-1.7
8 L	3.1	2.7	1.1	2.6 ^r	2.6 ^r	3.1 ^r	6.5 ^r	-1.5	n.a.
9 Debt	7.3	6.1	6.9 ^r	7.4 ^r	7.8 ^r	8.6 ^r	6.7 ^r	5.1	n.a.
<i>Nontransaction components</i>									
10 In M2 ⁵	7.7	6.9	3.1	2.8	2.7	5.2	4.0 ^r	1.2 ^r	-3.1
11 In M3 only ⁶	-16.6	-10.4	-7.2 ^r	-4.3 ^r	-1.1 ^r	-2.6 ^r	-18.0 ^r	-7.6 ^r	-3.1
<i>Time and savings deposits</i>									
<i>Commercial banks</i>									
12 Savings	7.2	9.5	5.1	3.9	3.7	1.2	4.9	7.9	-6
13 MMDAs	12.3	9.1	10.6	9.4	8.8	12.0	4.5	1.3 ^r	1.6
14 Small-denomination time ⁷	11.3	7.8	12.0	15.3	18.9	6.5	8.2	20.4 ^r	3.5
15 Large-denomination time ^{8,9}	2.7	-1.1	-2.7	-8 ^r	5.4 ^r	-10.2	-13.9	-7.7	-9
<i>Thrift institutions</i>									
16 Savings .....	.2	1.3	.5	-2.3	-1.5	-1.1	-6.5	-13.7	-5.0
17 MMDAs	4.7	5.7	2.6	-10.4	-12.6	-5.5	1.8	-10.1	-9
18 Small-denomination time ⁷	-2.5	-3.3	-7.1	-12.8 ^r	-15.3	-4.1	-7.7 ^r	-18.3 ^r	-5.9
19 Large-denomination time ⁸	-28.6	-24.7	-30.2 ^r	-31.3 ^r	-35.6 ^r	-29.3 ^r	-26.3	-37.4 ^r	-39.6
<i>Money market mutual funds</i>									
20 General purpose and broker-dealer	29.1	19.8	1.3	13.1	11.9	32.3	21.4	9.8	-4.9
21 Institution-only	3.3	10.2	11.7	21.9	17.9	56.2	22.1	38.2	3.0
<i>Debt components⁴</i>									
22 Federal	10.4 ^r	6.8	9.7 ^r	14.3 ^r	13.8 ^r	18.6 ^r	11.1 ^r	6.2	n.a.
23 Nonfederal	6.4	6.0 ^r	6.1 ^r	5.3 ^r	6.0 ^r	5.5 ^r	5.3 ^r	4.8	n.a.

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 regulatory changes in reserve requirements. (See also table 1.20.)

3. Seasonally adjusted, break-adjusted monetary base consists of (1) seasonally adjusted, break-adjusted total reserves (line 1), plus (2) the seasonally adjusted currency component of the money stock, plus (3) (for all quarterly reporters on the "Report of Transaction Accounts, Other Deposits and Vault Cash" and for all those weekly reporters whose vault cash exceeds their required reserves) the seasonally adjusted, break adjusted difference between current vault cash and the amount applied to satisfy current reserve requirements.

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 depository institutions 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 all depository 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. Data are derived from the Federal Reserve Board's flow of funds accounts. Data on debt of domestic nonfinancial sectors are monthly averages, derived by averaging adjacent month-end levels. 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.

6. Sum of large time deposits, term RPs, term Eurodollars of U.S. residents, and 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. 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.

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

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

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									
	1990			1990									
	Sept.	Oct.	Nov.	Oct. 17	Oct. 24	Oct. 31	Nov. 7	Nov. 14	Nov. 21	Nov. 28			
SUPPLYING RESERVE FUNDS													
1 Reserve Bank credit	285,966	284,920	288,202	284,709	283,846	284,370	288,154	287,417	287,829	288,500			
2 U.S. government securities ^{1, 2}													
3 Bought outright-system account	233,704	234,588	238,788	234,224	234,623	234,880	238,926	238,618	238,323	238,368			
4 Held under repurchase agreements	2,797	1,050	2,405	1,451	0	0	1,274	784	3,719	3,799			
5 Federal agency obligations ²													
6 Bought outright	6,377	6,366	6,343	6,377	6,362	6,343	6,343	6,343	6,343	6,343			
7 Held under repurchase agreements	930	284	163	365	0	0	121	121	146	232			
8 Acceptances	0	0	0	0	0	0	0	0	0	0			
9 Loans to depository institutions ²													
10 Adjustment credit	240	62	43	44	27	104	40	86	7	51			
11 Seasonal credit	419	331	163	333	318	295	212	177	147	133			
12 Extended credit	5	18	25	15	20	31	24	25	24	25			
13 Float	752	704	482	580	914	665	654	502	365	328			
14 Other Federal Reserve assets	40,742	41,517	39,791	41,320	41,582	42,052	40,560	40,762	38,757	39,221			
15 Gold stock	11,064	11,061	11,060	11,062	11,061	11,060	11,060	11,060	11,059	11,059			
16 Special drawing rights certificate account	8,518	8,566	10,018	8,518	8,518	8,732	10,018	10,018	10,018	10,018			
17 Treasury currency outstanding	20,198	20,254	20,321	20,251	20,265	20,279	20,302	20,314	20,325	20,337			
ABSORBING RESERVE FUNDS													
18 Currency in circulation	272,891	274,662	278,216	275,467	274,829	274,533	275,712	277,697	278,922	280,094			
19 Treasury cash holdings	525	529	552	525	530	536	548	551	556	555			
20 Deposits, other than reserve balances, with Federal Reserve Banks													
21 Treasury	6,358	5,544	5,543	5,505	4,931	6,274	6,519	5,471	5,375	4,894			
22 Foreign	258	250	250	241	255	249	245	313	229	213			
23 Service-related balances and adjustments	2,017	2,024	1,948	2,274	1,945	2,039	2,019	1,884	1,929	1,960			
24 Other	279	309	240	259	225	524	245	227	254	238			
25 Other Federal Reserve liabilities and capital	9,905	9,375	9,380	9,332	9,162	9,346	10,164	9,103	9,014	9,228			
26 Reserve balances with Federal Reserve Banks ³	33,513	32,108	33,472	30,936	31,812	30,940	34,081	33,562	32,952	32,732			
End-of-month figures				Wednesday figures									
1990				1990									
				Sept.	Oct.	Nov.	Oct. 17	Oct. 24	Oct. 31	Nov. 7	Nov. 14	Nov. 21	Nov. 28
SUPPLYING RESERVE FUNDS													
23 Reserve Bank credit	284,364	288,586	291,580	285,482	281,627	288,586	286,140	293,685	286,528	290,979			
24 U.S. government securities ^{1, 2}													
25 Bought outright-system account	234,373	237,763	242,633	233,484	232,764	237,763	237,943	238,423	238,258	238,849			
26 Held under repurchase agreements	0	0	2,352	2,532	0	0	0	5,490	2,519	5,167			
27 Federal agency obligations ²													
28 Bought outright	6,377	6,343	6,342	6,377	6,343	6,343	6,343	6,343	6,343	6,342			
29 Held under repurchase agreements	0	0	270	737	0	0	0	846	91	453			
30 Acceptances	0	0	0	0	0	0	0	0	0	0			
31 Loans to depository institutions ²													
32 Adjustment credit	77	297	97	49	23	297	6	407	8	29			
33 Seasonal credit	423	262	7	323	314	262	198	163	138	128			
34 Extended credit	5	33	26	16	27	33	22	28	22	26			
35 Float	1,832	918	486	785	401	918	1,001	1,084	215	433			
36 Other Federal Reserve assets	41,277	42,972	39,367	41,177	41,755	42,972	40,627	40,902	38,934	39,551			
37 Gold stock	11,063	11,060	11,059	11,061	11,061	11,060	11,060	11,059	11,059	11,059			
38 Special drawing rights certificate account	8,518	10,018	10,018	8,518	8,518	10,018	10,018	10,018	10,018	10,018			
39 Treasury currency outstanding	20,227	20,279	20,348	20,251	20,265	20,279	20,302	20,314	20,325	20,337			
ABSORBING RESERVE FUNDS													
37 Currency in circulation	271,905	275,043	279,507	275,292	274,779	275,043	276,392	278,525	279,991	280,137			
38 Treasury cash holdings	527	544	552	530	535	544	551	556	555	552			
39 Deposits, other than reserve balances, with Federal Reserve Banks													
40 Treasury	7,638	7,607	5,495	6,244	5,547	7,607	5,996	5,334	3,272	4,742			
41 Foreign	360	297	264	201	283	297	236	198	215	242			
42 Service-related balances and adjustments	1,942	2,039	1,935	2,274	1,945	2,039	2,019	1,884	1,929	1,960			
43 Other	374	1,777	213	302	202	1,777	224	234	210	229			
44 Other Federal Reserve liabilities and capital	9,606	9,995	9,515	9,015	8,917	9,995	8,902	8,818	8,832	9,082			
45 Reserve balances with Federal Reserve Banks ³	31,820	32,642	35,525	31,452	29,263	32,642	33,200	39,526	32,925	35,448			

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. Beginning with the May 1990 *Bulletin*, this table has been revised to correspond with the H.4.1 statistical release.

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. Components may not add to totals because of rounding.

1.12 RESERVES AND BORROWINGS Depository Institutions¹

Millions of dollars

Reserve classification	Monthly averages ⁹									
	1987	1988	1989	1990						
	Dec.	Dec.	Dec.	May	June	July	Aug.	Sept.	Oct.	Nov.
1 Reserve balances with Reserve Banks ²	37,691	37,837	35,436	32,771	33,878	32,946	32,448	33,303	32,127 ^r	33,399
2 Total vault cash ³	26,675	28,204	29,812	29,812	29,632	30,457	30,843	30,622	31,516	31,086
3 Applied vault cash ⁴	24,449	25,909	27,374	27,461	27,318	27,996	28,280	28,149	28,925	28,662
4 Surplus vault cash ⁵	2,226	2,295	2,439	2,351	2,314	2,460	2,563	2,473	2,591	2,424
5 Total reserves ⁶	62,141	63,746	62,810	60,232	61,197	60,943	60,728	61,452	61,052 ^r	62,061
6 Required reserves	61,094	62,699	61,888	59,269	60,423	60,081	59,860	60,544	60,206	61,098
7 Excess reserve balances at Reserve Banks ⁷	1,046	1,047	922	962	774	862	868	909	847 ^r	963
8 Total borrowings at Reserve Banks	777	1,716	265	1,335	881	757	927	624	410	230
9 Seasonal borrowings at Reserve Banks	93	130	84	244	311	389	430	418	335	162
10 Extended credit at Reserve Banks ⁸	483	1,244	20	875	346	280	127	6	18	24
Biweekly averages of daily figures for weeks ending										
1990										
	Aug. 8	Aug. 22	Sept. 5	Sept. 19	Oct. 3	Oct. 17	Oct. 31	Nov. 14	Nov. 28	Dec. 12
11 Reserve balances with Reserve Banks ²	32,389	32,463	32,477	34,316	32,389	32,833	31,365 ^r	33,821	32,865	34,174
12 Total vault cash ³	30,597	31,379	30,229	30,291	31,222	31,673	31,422	30,653	31,633	30,294
13 Applied vault cash ⁴	27,974	28,815	27,720	27,976	28,565	29,171	28,756	28,293	29,124	28,025
14 Surplus vault cash ⁵	2,623	2,565	2,509	2,315	2,657	2,502	2,666	2,361	2,510	2,269
15 Total reserves ⁶	60,363	61,277	60,197	62,292	60,954	62,004	60,121 ^r	62,114	61,989	62,199
16 Required reserves	59,599	60,367	59,304	61,546	59,832	61,021	59,471	61,132	61,005	61,510
17 Excess reserve balances at Reserve Banks ⁷	764	910	893	746	1,122	984	650 ^r	982	984	689
18 Total borrowings at Reserve Banks	908	1,124	638	705	516	401	397	282	193	130
19 Seasonal borrowings at Reserve Banks	429	432	430	410	424	345	307	195	140	87
20 Extended credit at Reserve Banks ⁸	419	38	8	5	9	13	26	25	25	25

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 and includes other off-balance sheet "as-of" adjustments.

3. Total "lagged" vault cash held by those depository institutions currently subject to reserve requirements. 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. All vault cash held during the lagged computation period by "bound" institutions (i.e., those whose required reserves exceed their vault cash) plus the amount of vault cash applied during the maintenance period by "nonbound" institutions (i.e., those whose vault cash exceeds their required reserves) to

satisfy current reserve requirements.

5. Total vault cash (line 2) less applied vault cash (line 3).

6. Reserve balances with Federal Reserve Banks (line 1) plus applied vault cash (line 3).

7. Total reserves (line 5) less required reserves (line 6).

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. Data are prorated monthly averages of biweekly averages.

A6 Domestic Financial Statistics □ February 1991

1.13 SELECTED BORROWINGS IN IMMEDIATELY AVAILABLE FUNDS Large Banks¹

Averages of daily figures, in millions of dollars

Maturity and source	1990, week ending Monday ²								
	Aug. 27	Sept. 3	Sept. 10	Sept. 17	Sept. 24	Oct. 1	Oct. 8	Oct. 15	Oct. 22
<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	84,057	87,664	95,172	91,246	79,956	81,974	91,217	86,843	78,536
2 For all other maturities	19,697	19,572	17,839	18,103	17,796	16,572	15,376	17,561	18,933
From other depository institutions, foreign banks and foreign official institutions, and U.S. government agencies									
3 For one day or under continuing contract	39,306	36,237	38,524	38,249	37,308	31,985	36,441	37,361	34,698
4 For all other maturities	16,386	17,206	17,452	17,425	16,585	16,960	19,050	19,576	19,784
<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	17,044	18,639	16,370	14,524	16,336	15,586	19,495	18,854	16,492
6 For all other maturities	25,459	24,590	22,600	23,224	21,774	19,072	20,207	21,599	22,747
All other customers									
7 For one day or under continuing contract	32,102	33,258	33,378	32,726	31,776	29,621	31,139	32,559	31,762
8 For all other maturities	14,649	14,612	13,833	13,415	12,863	13,021	12,308	12,002	12,526
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	48,340	51,861	52,564	51,336	46,590	49,163	50,017	47,434	45,415
10 To all other specified customers ³	15,970	16,310	17,741	17,243	17,230	14,620	15,420	15,690	16,937

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. Beginning with the August Bulletin data appearing are the most current available. To obtain data from May 1, 1989, through April 16, 1990, contact the

Division of Applications Development and Statistical Services, Financial Statement Reports Section, (202) 452-3349.

3. 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 1/2/91	Effective date	Previous rate	On 1/2/91	Effective date	Previous rate	On 1/2/91	Effective date	Previous rate	Effective date
Boston.....	6½	12/19/90	7	6½	12/19/90	7	8.05	12/27/90	8.15	12/13/90
New York.....		12/19/90			12/19/90			12/27/90		12/13/90
Philadelphia.....		12/19/90			12/19/90			12/27/90		12/13/90
Cleveland.....		12/19/90			12/19/90			12/27/90		12/13/90
Richmond.....		12/19/90			12/19/90			12/27/90		12/13/90
Atlanta.....		12/19/90			12/19/90			12/27/90		12/13/90
Chicago.....		12/19/90			12/19/90			12/27/90		12/13/90
St. Louis.....		12/19/90			12/19/90			12/27/90		12/13/90
Minneapolis.....		12/19/90			12/19/90			12/27/90		12/13/90
Kansas City.....		12/19/90			12/19/90			12/27/90		12/13/90
Dallas.....		12/19/90			12/19/90			12/27/90		12/13/90
San Francisco.....	6½	12/19/90	7	6½	12/19/90	7	8.05	12/27/90	8.15	12/13/90

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. 3.....	8½–9½	9½	23.....	11½	11½	July 11.....	6	6
	9½	9½	Aug. 2.....	11–11½	11	22.....	5½–6	5½
1979—July 20.....	10	10	3.....	11	11			
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	1988—Aug. 9.....	6–6½	6½
Oct. 8.....	11–12	12	13.....	9½	9½	11.....	6½	6½
10.....	12	12	Nov. 22.....	9–9½	9			
1980—Feb. 15.....	12–13	13	26.....	9	9	1989—Feb. 24.....	6½–7	7
19.....	13	13	Dec. 14.....	8½–9	9	27.....	7	7
May 29.....	12–13	13	15.....	8½–9	8½			
30.....	12	12	17.....	8½	8½	In effect Jan. 2, 1991.....	6½	6½
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 for 1986 and 1987 but was not renewed for 1988.

2. Extended credit is available to depository institutions, when 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 four 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–\$41.1 million	3	12/18/90
More than \$41.1 million	12	12/18/90
<i>Nonpersonal time deposits</i> ^{5, 6}	0	12/27/90
<i>Eurocurrency liabilities</i> ⁷	0	12/27/90

1. Reserve requirements in effect on Jan. 31, 1991. Required reserves must be held in the form of deposits with Federal Reserve Banks or vault cash. Nonmember institutions 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* or 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 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. 20, 1988, the exemption was raised from \$3.2 million to \$3.4 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); and (2) net other transaction accounts. The exemption applies only to 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).

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 change in transaction accounts held by all depository institutions, determined as of June 30 each year. Effective Dec. 18, 1990 for institutions reporting quarterly and Dec. 25, 1990 for institutions reporting weekly, the amount was increased from \$40.4 million to \$41.1 million.

5. The reserve requirements on nonpersonal time deposits with an original maturity of less than 1-1/2 years were reduced from 3 percent to 1-1/2 percent on the maintenance period that began December 13, 1990, and to zero for the maintenance period that began December 27, 1990, for institutions that report weekly. The reserve requirement on nonpersonal time deposits with an original maturity of 1-1/2 years or more has been zero since October 6, 1983.

6. For institutions that report quarterly, the reserves on nonpersonal time deposits with an original maturity of less than 1-1/2 years were reduced from 3 percent to zero on January 17, 1991.

7. The reserve requirements on Eurocurrency liabilities were reduced from 3 percent to zero in the same manner and on the same dates as were the reserves on nonpersonal time deposits with an original maturity of less than 1-1/2 years (see notes 5 and 6).

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS¹

Millions of dollars

Type of transaction		1987	1988	1989	1990						
					Apr.	May	June	July	Aug.	Sept.	Oct.
U.S. TREASURY SECURITIES											
Outright transactions (excluding matched transactions)											
Treasury bills											
1	Gross purchases	18,983	8,223	14,284	5,796	3,365	1,732	287	4,264	631	846
2	Gross sales	6,051	587	12,818	0	0	0	0	68	0	0
3	Exchange	239,740	241,876	231,211	17,286	22,894	16,279	16,159	21,912	19,041	19,271
4	Redemptions	9,029	2,200	12,730	0	0	0	0	0	0	0
Others within 1 year											
5	Gross purchases	3,659	2,176	327	0	0	50	0	0	0	0
6	Gross sales	300	0	0	0	0	0	0	0	0	0
7	Maturity shift	21,504	23,854	28,848	993	4,387	1,314	1,321	3,235	1,010	1,934
8	Exchange	-20,388	-24,588	-25,783	-4,304	-2,771	0	-3,577	-4,550	0	0
9	Redemptions	70	0	500	0	0	0	0	0	0	0
1 to 5 years											
10	Gross purchases	10,231	5,485	1,436	100	0	0	0	0	0	0
11	Gross sales	452	800	490	0	0	0	0	0	0	0
12	Maturity shift	-17,975	-17,720	-25,534	-739	-3,607	-1,314	-1,234	-2,188	-1,010	-1,677
13	Exchange	18,938	22,515	23,250	4,081	2,521	0	3,577	4,200	0	0
5 to 10 years											
14	Gross purchases	2,441	1,579	287	0	0	0	0	0	0	0
15	Gross sales	0	175	29	0	0	0	0	0	0	0
16	Maturity shift	-3,529	-5,946	-2,231	-254	-530	0	-87	-697	0	-256
17	Exchange	950	1,797	1,934	223	0	0	0	0	0	0
Over 10 years											
18	Gross purchases	1,858	1,398	284	0	0	0	0	0	0	0
19	Gross sales	0	0	0	0	0	0	0	0	0	0
20	Maturity shift	0	-188	-1,086	0	-250	0	0	-350	0	0
21	Exchange	500	275	600	0	250	0	0	350	0	0
All maturities											
22	Gross purchases	37,170	18,863	16,617	5,896	3,365	1,782	287	4,264	631	846
23	Gross sales	6,803	1,562	13,337	0	0	0	0	68	0	0
24	Redemptions	9,099	2,200	13,230	0	0	0	0	0	0	0
Matched transactions											
25	Gross sales	950,923	1,168,484	1,323,480	97,970	121,596	107,896	95,144	113,647	120,036	117,247
26	Gross purchases	950,935	1,168,142	1,326,542	98,643	121,218	110,042	95,787	110,635	120,280	122,873
Repurchase agreements ²											
27	Gross purchases	314,621	152,613	129,518	6,409	3,959	11,242	13,106	26,700	31,996	19,844
28	Gross sales	324,666	151,497	132,688	7,832	3,959	11,242	11,447	23,764	34,932	19,844
29	Net change in U.S. government securities	11,234	15,872	-10,055	5,146	2,987	3,928	2,590	4,121	-2,060	6,472
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	276	587	442	78	0	0	33	37	0	34
Repurchase agreements ²											
33	Gross purchases	80,353	57,259	38,835	2,595	2,314	3,221	4,697	7,130	7,394	5,913
34	Gross sales	81,350	56,471	40,411	3,104	2,314	3,221	4,137	5,944	8,580	5,913
35	Net change in federal agency obligations	-1,274	198	-2,018	-587	0	0	527	1,149	-1,186	-34
36	Total net change in System Open Market Account	9,961	16,070	-12,073	4,559	2,987	3,928	3,117	5,270	-3,247	6,438

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.

1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements¹

Millions of dollars

Account	Wednesday					End of month		
	1990					1990		
	Oct. 31	Nov. 7	Nov. 14	Nov. 21	Nov. 28	Sept. 28	Oct. 31	Nov. 30
Consolidated condition statement								
ASSETS								
1 Gold certificate account	11,060	11,060	11,059	11,059	11,059	11,063	11,060	11,059
2 Special drawing rights certificate account	10,018	10,018	10,018	10,018	10,018	8,518	10,018	10,018
3 Coin	551	551	552	548	533	533	551	532
Loans								
4 To depository institutions	591	225	598	168	183	505	591	131
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	0	0	0	0	0	0	0	0
7 Bought outright	6,343	6,343	6,343	6,343	6,342	6,377	6,343	6,342
8 Held under repurchase agreements	0	0	846	91	453	0	0	270
U.S. Treasury securities								
Bought outright								
9 Bills	115,218	115,399	115,878	115,713	116,204	111,828	115,218	119,763
10 Notes	91,582	91,582	91,582	91,382	91,482	91,582	91,582	91,707
11 Bonds	30,963	30,963	30,963	31,163	31,163	30,963	30,963	31,163
12 Total bought outright	237,763	237,943	238,423	238,258	238,849	234,373	237,763	242,633
13 Held under repurchase agreements	0	0	5,490	2,519	5,167	0	0	2,352
14 Total U.S. Treasury securities	237,763	237,943	243,913	240,777	244,016	234,373	237,763	244,985
15 Total loans and securities	244,697	244,511	251,699	247,379	250,994	241,255	244,697	251,728
16 Items in process of collection	5,992	6,398	9,743	6,033	5,565	8,358	5,992	6,235
17 Bank premises	853	853	856	860	860	844	853	862
Other assets								
18 Denominated in foreign currencies ³	35,669	33,206	33,240	33,359	33,360	34,454	35,669	33,579
19 All other ⁴	6,227	6,583	6,866	4,684	5,160	6,006	6,227	4,859
20 Total assets	315,067	313,180	324,033	313,940	317,550	311,031	315,067	318,871
LIABILITIES								
21 Federal Reserve notes	255,860	257,191	259,319	260,768	260,885	252,738	255,860	260,243
Deposits								
22 To depository institutions	34,546	35,116	41,712	34,943	37,570	33,834	34,546	37,359
23 U.S. Treasury—General account	7,607	5,996	5,334	3,272	4,742	7,638	7,607	5,495
24 Foreign—Official accounts	297	236	198	215	242	360	297	264
25 Other	1,777	224	234	210	229	374	1,777	213
26 Total deposits	44,226	41,572	47,478	38,641	42,784	42,206	44,226	43,331
27 Deferred credit items	4,986	5,515	8,417	5,698	4,799	5,783	6,481	5,783
28 Other liabilities and accrued dividends	3,569	3,680	3,609	3,587	3,850	4,021	3,569	3,807
29 Total liabilities	308,641	307,958	318,824	308,694	312,318	305,446	308,641	313,163
CAPITAL ACCOUNTS								
30 Capital paid in	2,402	2,402	2,402	2,407	2,407	2,399	2,402	2,404
31 Surplus	2,243	2,243	2,243	2,243	2,243	2,243	2,243	2,243
32 Other capital accounts	1,781	577	564	595	582	943	1,781	1,062
33 Total liabilities and capital accounts	315,067	313,180	324,033	313,940	317,550	311,031	315,067	318,871
34 MEMO: Marketable U.S. Treasury securities held in custody for foreign and international accounts	239,933	237,884	241,046	240,993	244,045	234,926	240,993	246,728
Federal Reserve note statement								
35 Federal Reserve notes outstanding issued to bank	300,234	301,496	302,487	303,438	304,187	296,914	300,234	304,591
36 LESS: Held by bank	44,375	44,304	43,168	42,669	43,302	44,176	44,375	44,349
37 Federal Reserve notes, net	255,860	257,191	259,319	260,768	260,885	252,738	255,860	260,243
Collateral held against notes net:								
38 Gold certificate account	11,060	11,060	11,059	11,059	11,059	11,063	11,060	11,059
39 Special drawing rights certificate account	10,018	10,018	10,018	10,018	10,018	8,518	10,018	10,018
40 Other eligible assets	0	0	0	0	0	0	0	0
41 U.S. Treasury and agency securities	234,782	236,113	238,242	239,691	239,808	239,808	234,782	239,166
42 Total collateral	255,860	257,191	259,319	260,768	260,885	252,738	255,860	260,243

1. Some of these data also appear in the Board's H.4.1 (503) release. For address, see inside front cover. Components may not add to totals because of rounding.

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.

I.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holding

Millions of dollars

Type and maturity groupings	Wednesday					End of month		
	1990					1990		
	Oct. 31	Nov. 7	Nov. 14	Nov. 21	Nov. 28	Sept. 28	Oct. 31	Nov. 30
1 Loans—Total.....	429	225	598	168	183	505	429	131
2 Within 15 days.....	379	71	484	156	175	284	379	80
3 16 days to 90 days.....	51	154	114	12	8	221	51	50
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.....	237,763	237,943	238,428	240,777	244,015	234,373	237,763	242,633
10 Within 15 days ¹	13,747	8,334	14,628	13,622	13,450	7,099	13,747	3,841
11 16 days to 90 days.....	54,970	58,614	52,572	57,145	57,634	60,033	54,970	63,974
12 91 days to 1 year.....	71,899	73,848	74,081	71,703	74,625	69,835	71,899	77,288
13 Over 1 year to 5 years.....	59,484	59,484	59,484	60,349	60,349	59,700	59,484	59,572
14 Over 5 years to 10 years.....	13,126	13,126	13,126	13,221	13,221	13,170	13,126	13,221
15 Over 10 years.....	24,536	24,536	24,536	24,736	24,736	24,536	24,536	24,736
16 Federal agency obligations—Total.....	6,343	6,343	6,344	6,434	6,795	6,377	6,343	6,342
17 Within 15 days.....	99	0	94	445	714	200	99	261
18 16 days to 90 days.....	705	819	780	519	604	525	705	604
19 91 days to 1 year.....	1,710	1,695	1,698	1,698	1,668	1,709	1,710	1,668
20 Over 1 year to 5 years.....	2,516	2,516	2,557	2,557	2,595	2,634	2,516	2,595
21 Over 5 years to 10 years.....	1,125	1,125	1,025	1,025	1,025	1,120	1,125	1,025
22 Over 10 years.....	188	188	188	188	188	188	188	188

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

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

1.20 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND MONETARY BASE¹

Billions of dollars, averages of daily figures

Item	1986 Dec.	1987 Dec.	1988 Dec.	1989 Dec.	1990							
					Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ²	Seasonally adjusted											
1 Total reserves ³	58.02	58.59	60.59	60.03	60.28	59.78	59.73	59.32	59.75	60.08	59.61	59.78
2 Nonborrowed reserves ⁴	57.20	57.82	58.88	59.77	58.65	58.45	58.85	58.56	58.82	59.46	59.20	59.55
3 Nonborrowed reserves plus extended credit ⁵	57.50	58.30	60.12	59.79	60.05	59.32	59.20	58.84	58.95	59.46	59.22	59.57
4 Required reserves ⁶	56.65	57.55	59.55	59.11	59.38	58.82	58.96	58.46	58.88	59.17	58.76	58.81
5 Monetary base ⁹	241.43	258.06	275.24	284.95	293.54	294.40	296.28	297.86	301.12	304.78	306.55 ⁷	307.70
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ²	Not seasonally adjusted											
6 Total reserves ⁷	59.46	60.07	62.22	61.67	61.05	58.74	59.61	59.47	59.21	59.81	59.24 ⁸	60.04
7 Nonborrowed reserves	58.64	59.30	60.50	61.40	59.42	57.41	58.73	58.71	58.29	59.19	58.83 ⁸	59.81
8 Nonborrowed reserves plus extended credit ⁵	58.94	59.78	61.75	61.42	60.82	58.28	59.07	58.99	58.41	59.20	58.85	59.83
9 Required reserves ⁸	58.09	59.03	61.17	60.75	60.15	57.78	58.84	58.61	58.34	58.90	58.40	59.08
10 Monetary base ⁹	245.17	262.00	279.54	289.45	293.35	293.52	297.37	299.90	301.46	303.56	305.00	308.73
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ¹⁰												
11 Total reserves ¹¹	59.56	62.14	63.75	62.81	62.51	60.23	61.20	60.94	60.73	61.45	61.05	62.06
12 Nonborrowed reserves	58.73	61.36	62.03	62.54	60.88	58.90	60.32	60.19	59.80	60.83	60.64	61.83
13 Nonborrowed reserves plus extended credit ⁵	59.04	61.85	63.27	62.56	62.29	59.77	60.66	60.47	59.93	60.83	60.66	61.86
14 Required reserves ⁶	58.19	61.09	62.70	61.89	61.62	59.27	60.42	60.08	59.86	60.54	60.21	61.10
15 Monetary base ¹²	247.62	266.06	283.00	292.55	296.87	297.03	300.99	303.39	304.99	307.21	308.85	312.71
16 Excess reserves ¹³	1.37	1.05	1.05	.92	.90	.96	.77	.86	.87	.91	.85	.96
17 Borrowings from the Federal Reserve	.83	.78	1.72	.27	1.63	1.33	.88	.76	.93	.62	.41	.23

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 reflect adjustments for discontinuities or "breaks" associated with regulatory changes in reserve requirements.

3. Seasonally adjusted, break-adjusted total reserves equal seasonally adjusted, break-adjusted required reserves (line 4) plus excess reserves (line 16).

4. Seasonally adjusted, break-adjusted nonborrowed reserves equal seasonally adjusted, break-adjusted total reserves (line 1) less total borrowings of depository institutions from the Federal Reserve (line 17).

5. 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.

6. The seasonally adjusted, break-adjusted monetary base consists of (1) seasonally adjusted, break-adjusted total reserves (line 1), plus (2) the seasonally adjusted currency component of the money stock, plus (3) (for all quarterly reporters on the "Report of Transaction Accounts, Other Deposits and Vault Cash" and for all those weekly reporters whose vault cash exceeds their required reserves, the seasonally adjusted, break-adjusted difference between current vault cash and the amount applied to satisfy current reserve requirements.

7. Break-adjusted total reserves equal break-adjusted required reserves (line 9) plus excess reserves (line 16).

8. To adjust required reserves for discontinuities because of regulatory changes in reserve requirements, a multiplicative procedure is used to estimate what required reserves would have been in past periods had current reserve requirements been in effect. Break-adjusted required reserves includes required reserves against transactions deposits and nonpersonal time and savings deposits (but not reservable nondeposit liabilities).

9. The break-adjusted monetary base equals (1) break-adjusted total reserves (line 6), plus (2) the (unadjusted) currency component of the money stock, plus (3) (for all quarterly reporters on the "Report of Transaction Accounts, Other Deposits and Vault Cash" and for all those weekly reporters whose vault cash exceeds their required reserves) the break-adjusted difference between current vault cash and the amount applied to satisfy current reserve requirements.

10. Reflects actual reserve requirements, including those on nondeposit liabilities, with no adjustments to eliminate the effects of discontinuities associated with changes in reserve requirements.

11. Reserve balances with Federal Reserve Banks plus vault cash used to satisfy reserve requirements.

12. The monetary base, not break-adjusted and not seasonally adjusted, consists of (1) total reserves (line 11), plus (2) required clearing balances and adjustments to compensate for float at Federal Reserve Banks, plus (3) the currency component of the money stock, plus (4) (for all quarterly reporters on the "Report of Transaction Accounts, Other Deposits and Vault Cash" and for all those weekly reporters whose vault cash exceeds their required reserves) the difference between current vault cash and the amount applied to satisfy current reserve requirements. After the introduction of CRR, currency and vault cash figures are measured over the computation periods ending on Mondays.

13. Unadjusted total reserves (line 11) less unadjusted required reserves (line 14).

1.21 MONEY STOCK, LIQUID ASSETS, AND DEBT MEASURES¹

Billions of dollars, averages of daily figures

Item ²	1986 Dec.	1987 Dec.	1988 Dec.	1989 Dec.	1990			
					Aug.	Sept. ^r	Oct. ^r	Nov.
Seasonally adjusted								
1 M1	724.7	750.4	787.5	794.8	815.9 ^r	822.1	820.0	822.6
2 M2	2,814.2	2,913.2	3,072.4	3,221.6	3,305.3	3,319.8	3,320.2	3,316.4
3 M3	3,494.5	3,678.7	3,918.3	4,044.3	4,093.4 ^r	4,096.1	4,091.6	4,085.8
4 L	4,135.4	4,338.9	4,676.1	4,881.2	4,933.6 ^r	4,960.2	4,954.0	n.a.
5 Debt	7,636.2	8,345.1	9,107.6	9,790.4 ^r	10,256.6 ^r	10,313.6	10,357.8	n.a.
<i>M1 components</i>								
6 Currency ³	180.6	196.7	211.8	221.9	238.4	241.5	244.0	244.8
7 Travelers checks ⁴	6.5	7.0	7.5	7.4	8.0	8.3	8.4	8.4
8 Demand deposits ⁵	302.1	287.0	287.0	279.7	277.9	279.7	276.8	277.2
9 Other checkable deposits ⁶	235.5	259.7	281.3	285.7	291.6	292.6	290.9	292.2
<i>Nontransactions components</i>								
10 In M2 ⁷	2,089.6	2,162.8	2,284.9	2,426.8	2,489.5	2,497.7	2,500.2	2,493.8
11 In M3 only ⁸	680.3	765.5	845.9	822.6	788.1 ^r	776.3	771.4	769.4
<i>Time and Savings accounts</i>								
<i>Commercial banks</i>								
12 Savings deposits	155.8	178.3	192.0	188.5	195.8	196.6	197.9	197.8
13 Money market deposit accounts	377.7	356.4	350.2	351.5	374.6	376.0	376.4	376.9
14 Small time deposits ^{9b, 11}	366.3	388.1	447.5	528.6	571.2	575.1	584.9	586.6
15 Large time deposits ^{10b, 11}	289.8	326.9	368.2	401.5	396.3 ^r	391.7	389.2	388.9
<i>Thrift institutions</i>								
16 Savings deposits	214.3	236.6	235.9	220.5	220.5	219.3	216.8	215.9
17 Money market deposit accounts	193.3	167.4	150.1	132.2	131.0	131.2	130.1	130.2
18 Small time deposits ^{9b}	489.9	529.7	583.5	613.7	580.2	576.5	567.7	564.9
19 Large time deposits ^{10b}	150.0	161.9	172.9	156.8	127.8 ^r	125.0	121.1	117.1
<i>Money market mutual funds</i>								
20 General purpose and broker-dealer	208.7	222.0	240.9	312.4	335.9	341.9	344.7	343.3
21 Institution-only	83.8	89.0	87.1	102.3	114.0	116.1	119.8	120.1
<i>Debt components</i>								
22 Federal debt	1,806.1	1,957.9	2,114.2	2,268.1 ^r	2,438.9 ^r	2,461.5	2,474.3	n.a.
23 Nonfederal debt	5,830.1	6,387.2	6,993.4	7,522.3 ^r	7,817.8 ^r	7,852.1	7,883.5	n.a.
Not seasonally adjusted								
24 M1	740.5	766.4	804.5	812.1	813.7	818.1	816.7	825.1
25 M2	2,826.5	2,925.6	3,085.2	3,234.5	3,305.4	3,312.3	3,316.8	3,320.5
26 M3	3,508.8	3,692.7	3,932.5	4,058.3	4,093.6 ^r	4,092.2	4,090.9	4,095.6
27 L	4,151.4	4,355.2	4,692.9	4,898.9	4,928.1 ^r	4,954.8	4,953.7	n.a.
28 Debt	7,619.0	8,329.1	9,093.2	9,775.9 ^r	10,203.2 ^r	10,263.3	10,319.0	n.a.
<i>M1 components</i>								
29 Currency ³	183.0	199.3	214.8	225.3	239.2	240.8	242.6	245.6
30 Travelers checks ⁴	6.0	6.5	6.9	6.9	8.9	8.8	8.4	8.0
31 Demand deposits ⁵	314.0	298.6	298.9	291.6	276.5	277.9	277.6	280.0
32 Other checkable deposits ⁶	237.5	262.0	283.8	288.4	289.0	290.6	288.0	291.5
<i>Nontransactions components</i>								
33 In M2 ⁷	2,086.0	2,159.2	2,280.7	2,422.4	2,491.7	2,494.3	2,500.1	2,495.5
34 In M3 only ⁸	682.3	767.0	847.3	823.8	788.2 ^r	779.9	774.1	775.1
<i>Time and Savings accounts</i>								
<i>Commercial banks</i>								
35 Savings deposits	154.4	176.9	190.6	187.2	196.3	196.0	197.9	197.7
36 Money market deposit accounts	379.8	359.0	353.2	355.0	372.9	374.4	375.2	379.1
37 Small time deposits ^{9b, 11}	366.1	387.3	446.0	526.4	572.2	575.6	584.4	585.1
38 Large time deposits ^{10b, 11}	289.2	325.8	366.9	399.8	397.0 ^r	393.1	390.4	389.3
<i>Thrift institutions</i>								
39 Savings deposits	212.7	234.9	234.2	219.0	221.0	219.0	217.7	215.8
40 Money market deposit accounts	192.9	167.5	150.6	132.8	131.2	131.2	130.3	130.7
41 Small time deposits ^{9b}	489.8	529.1	582.4	612.3	580.6	575.5	567.8	565.0
42 Large time deposits ^{10b}	150.7	162.9	174.2	158.3	127.2 ^r	125.2	122.3	118.8
<i>Money market mutual funds</i>								
43 General purpose and broker-dealer	208.0	221.5	240.5	312.2	334.9	340.9	342.9	344.3
44 Institution-only	84.4	89.6	87.6	102.9	113.2	113.2	117.0	121.3
<i>Repurchase agreements and Eurodollars</i>								
45 Overnight	82.3	83.2	83.3	77.4	82.7	81.6	83.9	77.8
46 Term	164.3	197.1	227.7	178.0	166.7 ^r	163.8	160.9	162.3
<i>Debt components</i>								
47 Federal debt	1,803.9	1,955.6	2,111.8	2,265.9 ^r	2,422.4 ^r	2,444.5	2,459.3	n.a.
48 Nonfederal debt	5,815.1	6,373.5	6,981.4	7,509.9 ^r	7,780.8 ^r	7,818.8	7,859.7	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 Money and Reserves Projection Section, Division of Monetary Affairs, 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 depository institutions 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 all depository 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. Data are derived from 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, term Eurodollars of U.S. residents, and 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 funds.

9. 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.

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

11. 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	1987	1988	1989	1990					
				Apr.	May	June	July	Aug.	Sept.
DEBITS TO	Seasonally adjusted								
Demand deposits ³									
1 All insured banks	217,116.2	226,888.4	272,793.1	274,403.6	273,186.2	301,578.2	301,589.9	309,441.0	287,546.5
2 Major New York City banks	104,496.3	107,547.3	121,894.2	124,988.2	123,314.6	131,042.7	130,590.7	133,491.9	131,920.3
3 Other banks	112,619.8	119,341.2	150,898.9	149,415.4	149,871.6	170,535.5	170,999.2	175,949.1	155,626.2
4 ATS-NOW accounts ⁵	2,402.7	2,757.7	3,501.8	3,993.3	4,165.6	4,004.2	4,163.7	4,478.9	3,763.3
5 Savings deposits ⁵	526.5	579.2	636.6	583.1	601.1	566.6	608.8	592.0 ⁷	543.7
DEPOSIT TURNOVER									
Demand deposits ³									
6 All insured banks	612.1	641.2	781.0	780.8	791.9	866.2	865.5	888.6	826.2
7 Major New York City banks	2,670.6	2,903.5	3,401.6	3,551.5	3,590.9	3,742.8	3,838.3	3,777.5	3,827.6
8 Other banks	357.0	376.8	481.5	472.5	482.5	544.6	543.8	562.3	496.3
9 ATS-NOW accounts ⁵	13.8	14.7	18.3	19.7	20.5	19.5	20.5	21.9	18.3
10 Savings deposits ⁵	3.1	3.1	3.5	3.0	3.2	2.9	3.1	3.1	2.8
DEBITS TO	Not seasonally adjusted								
Demand deposits ³									
11 All insured banks	217,125.1	227,010.7	271,957.3	276,077.5	282,747.7	302,181.4	302,826.4	321,168.8	263,881.4
12 Major New York City banks	104,518.8	107,565.0	122,241.8	125,750.6	125,532.4	130,332.7	130,100.1	137,460.3	121,343.4
13 Other banks	112,606.2	119,445.7	149,715.5	150,326.9	157,215.3	171,848.6	172,726.3	183,708.4	142,538.0
14 ATS-NOW accounts ⁵	2,404.8	2,754.7	3,496.5	4,285.8	4,066.2	4,098.2	4,108.9	4,274.0	3,868.9
15 MMDA ⁶	1,954.2	2,430.1	2,790.6	2,848.4	3,016.4	2,992.1	3,033.8	3,171.1	2,786.5
16 Savings deposits ⁵	526.8	578.0	635.8	646.8	592.6	567.8	640.3	598.1	538.5
DEPOSIT TURNOVER									
Demand deposits ³									
17 All insured banks	612.3	641.7	779.0	784.4	834.7	866.5	864.8	938.3	760.6
18 Major New York City banks	2,674.9	2,901.4	3,415.4	3,564.6	3,796.3	3,797.6	3,777.5	4,109.2	3,607.3
19 Other banks	356.9	377.1	477.8	474.7	514.3	546.6	547.1	594.8	454.9
20 ATS-NOW accounts ⁵	13.8	14.7	18.3	20.5	20.3	20.1	20.4	21.1	19.0
21 MMDA ⁶	5.3	6.9	8.3	7.9	8.4	8.2	8.3	8.6	7.5
22 Savings deposits ⁵	3.1	3.1	3.5	3.4	3.1	2.9	3.3	3.1	2.8

1. Historical tables containing revised data for earlier periods may be obtained from the Monetary and Reserves Projections 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.

1.23 LOANS AND SECURITIES All Commercial Banks¹

Billions of dollars; averages of Wednesday figures

Category	1989	1990										
	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
Seasonally adjusted												
1 Total loans and securities ²	2,588.8	2,594.4	2,614.3	2,635.6	2,646.7	2,653.8	2,669.4	2,684.7	2,707.8	2,708.5	2,710.9	2,714.2
2 U.S. government securities	396.1	404.7	414.5	422.3	427.3	430.6	438.5	440.6	441.3	447.1	451.6	452.0
3 Other securities	180.8	180.4	180.5	180.1	180.0	178.3	177.9	177.8	179.2	179.4	176.9	175.2
4 Total loans and leases	2,011.9	2,009.3	2,019.4	2,033.2	2,039.4	2,045.0	2,053.0	2,066.4	2,087.3	2,082.0	2,082.5	2,087.0
5 Commercial and industrial	641.6	637.9	638.8	644.4	649.0	648.6	651.6	651.7	653.1	651.6	649.5	652.4
6 Bankers acceptances held ³	7.4	7.3	7.6	7.6	7.5	7.6	7.9	7.6	7.3	7.7	7.6	7.9
7 Other commercial and industrial	634.2	630.6	631.2	636.8	641.5	641.0	643.7	644.2	645.7	643.9	641.9	644.5
8 U.S. addressees ⁴	628.8	623.1	625.4	630.6	635.5	636.4	638.8	641.6	643.2	641.1	638.8	640.1
9 Non-U.S. addressees ⁴	5.4	7.6	5.8	6.2	6.0	4.5	4.9	2.6	2.5	2.8	3.1	4.4
10 Real estate	761.1	765.9	774.7	781.8	786.9	794.6	800.1	808.0	811.9	814.7	820.7	824.1
11 Individual	375.8	378.3	379.5	379.9	378.8	379.8	378.4	378.3	380.1	381.1	381.2	380.3
12 Security	38.8	39.3	40.0	37.1	36.1	34.8	35.3	38.8	46.0	43.1	41.4	39.9
13 Nonbank financial institutions	33.0	32.5	32.9	33.8	33.9	33.9	34.4	34.8	35.7	36.1	36.1	35.5
14 Agricultural	30.7	30.9	30.8	30.6	30.4	30.0	29.5	29.3	29.2	29.1	29.2	29.5
15 State and political subdivisions	40.1	38.6	38.9	38.4	38.2	37.9	37.4	36.5 ^r	35.9 ^r	35.2 ^r	34.6 ^r	34.4
16 Foreign banks	8.9	8.1	7.8	8.4	8.8	8.7	7.4	7.0	8.0	7.9	8.9	8.2
17 Foreign official institutions	3.6	3.2	3.1	3.0	3.2	3.2	3.2	3.2	3.2	3.2	3.1	3.1
18 Lease financing receivables	31.8	32.1	32.1	32.4	32.4	32.7	32.4	32.8	32.9	32.9	33.3	33.0
19 All other loans	46.5	42.5	40.7	43.3	41.8	40.7	43.3	46.0 ^r	51.4 ^r	47.1 ^r	44.5 ^r	46.6
Not seasonally adjusted												
20 Total loans and securities ²	2,596.8	2,600.1	2,616.7	2,629.9	2,647.0	2,653.4	2,669.5	2,678.9	2,701.4	2,707.1	2,711.0	2,716.0
21 U.S. government securities	397.2	406.4	419.0	423.8	427.2	429.6	435.6	438.1	442.1	446.1	448.6	452.1
22 Other securities	181.8	180.9	180.3	179.7	179.4	177.7	177.2	176.4	179.3	179.6	177.7	176.2
23 Total loans and leases	2,017.9	2,012.8	2,017.3	2,026.4	2,040.4	2,046.1	2,056.7	2,064.4	2,080.0	2,081.4	2,084.7	2,087.7
24 Commercial and industrial	641.6	636.4	639.5	646.0	653.3	652.7	654.0	652.1	650.6	647.7	647.1	649.6
25 Bankers acceptances held ³	7.5	7.4	7.7	7.4	7.3	7.5	7.8	7.3	7.4	7.8	7.8	8.0
26 Other commercial and industrial	634.0	629.1	631.8	638.6	645.9	645.2	646.2	644.8	643.1	639.9	639.3	641.7
27 U.S. addressees ⁴	628.8	624.1	627.0	633.9	641.3	640.6	641.8	640.3	638.7	635.3	634.6 ^r	636.7
28 Non-U.S. addressees ⁴	5.2	4.9	4.8	4.7	4.6	4.6	4.4	4.5	4.6	4.6	4.7 ^r	5.0
29 Real estate	761.9	766.0	772.1	779.1	784.9	793.5	800.0	808.7	813.6	816.9	822.1	826.0
30 Individual	380.3	381.8	378.7	376.6	376.0	377.3	376.7	376.7	380.3	383.0	382.3	381.7
31 Security	37.9	37.8	39.5	38.1	38.5	35.3	37.4	38.8	45.3	42.1	40.5	38.6
32 Nonbank financial institutions	34.1	33.2	32.5	33.0	33.7	33.9	34.7	34.9 ^r	35.5	35.6	35.7	35.8
33 Agricultural	30.6	30.4	29.9	29.5	29.5	29.7	29.8	30.0	30.0	30.0	30.0	29.8
34 State and political subdivisions	39.7	39.5	39.3	38.6	38.2	37.8	37.2	36.2	35.7 ^r	35.2 ^r	34.6 ^r	34.2
35 Foreign banks	8.7	8.2	7.8	8.4	8.4	8.7	7.6	7.1	7.9	8.1	9.2	8.3
36 Foreign official institutions	3.6	3.2	3.1	3.0	3.2	3.2	3.2	3.2	3.2	3.2	3.1	3.1
37 Lease financing receivables	31.9	32.5	32.3	32.4	32.5	32.7	32.3	32.5	32.7	32.8	33.2	33.0
38 All other loans	47.7	43.9	42.7	42.2	42.3	41.4	43.8	44.0 ^r	45.3 ^r	46.7 ^r	47.0 ^r	47.5

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	1989	1990										
	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
<i>Seasonally adjusted</i>												
1 Total nondeposit funds ²	257.3	258.1	267.6	271.4	267.8	269.6	271.2	282.4	283.4	281.5	290.8	292.8
2 Net balances due to related foreign offices ³	7.4	10.9	14.7	17.4	16.7	24.6	14.9	16.9	16.9	19.4	28.4	28.6
3 Borrowings from other than commercial banks in United States ⁴	249.9	247.2	252.9	254.0	251.1	245.0	256.2	265.5	266.6	262.1	262.4	264.2
4 Domestically chartered banks	200.4	196.9	201.4	198.4	192.9	187.8	197.8	203.4	202.8	198.6	197.1	196.1
5 Foreign-related banks	49.4	50.4	51.5	55.6	58.2	57.3	58.5	62.0	63.8	63.5	65.3	68.2
<i>Not seasonally adjusted</i>												
6 Total nondeposit funds ²	250.7	254.6	270.8	277.2	270.6	278.2	276.1	277.9	282.5	277.7	285.8	290.7
7 Net balances due to related foreign offices ³	9.7	10.5	14.3	16.2	14.4	26.4	15.6	14.9	17.1	20.1	27.9	29.5
8 Domestically chartered banks	-19.2	-14.5	-11.1	-11.5	-10.6	-1.3	-6.1	-5.9	-3.5	-4.3	-1.0	.7
9 Foreign-related banks	28.9	25.0	25.4	27.7	25.0	27.7	21.7	20.8	20.5	24.4	28.9	28.8
10 Borrowings from other than commercial banks in United States ⁴	241.0	244.1	256.4	261.0	256.2	251.7	260.5	263.0	265.5	257.6	257.9	261.2
11 Domestically chartered banks	194.0	192.9	203.3	204.3	197.0	193.6	199.5	200.5	202.3	195.5	194.1	196.2
12 Federal funds and security RP borrowings ⁵	191.5	190.3	199.6	199.8	193.3	190.2	196.4	197.6	198.7	191.5	190.8	193.2
13 Other ⁶	2.5	2.7	3.7	4.5	3.7	3.4	3.2	2.9	3.6	4.0	3.3	2.9
14 Foreign-related banks ⁶	47.0	51.2	53.1	56.8	59.2	58.2	61.0	62.5	63.2	62.1	63.8	65.0
MEMO												
15 Gross large time deposits ⁷	464.3	462.7	460.6	457.3	455.1	454.7	452.7	454.0	450.7	445.5	441.5	439.5
16 Not seasonally adjusted	462.7	460.4	460.3	460.2	455.1	455.2	452.2	451.8	451.4	446.9	442.7	439.9
U.S. Treasury demand balances at commercial banks ⁸												
17 Seasonally adjusted	21.1	20.2	17.8	19.2	21.2	18.6	20.4	14.9	33.2	28.2	21.9	26.9
18 Not seasonally adjusted	19.6	23.2	22.0	16.7	20.0	25.2	20.9	15.2	23.5	31.0	20.9	19.3

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 federal funds, RPs, and other borrowing from nonbanks and net balances due to related foreign offices.

3. Reflects net positions of U.S. chartered banks, Edge Act corporations, and U.S. branches and agencies of foreign banks with related foreign offices plus net positions with own IBFs.

4. Other borrowings are borrowings through 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 foreign banks, term federal funds, loan RPs, and sales of participations in pooled loans.

5. Based on daily average data reported weekly by approximately 120 large banks and quarterly or annual data reported by other banks.

6. Figures are partly daily averages and partly averages of Wednesday data.

7. Time deposits in denominations of \$100,000 or more. Estimated averages of daily data.

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

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

Billions of dollars

Account	1990										
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct. ²	Nov.
ALL COMMERCIAL BANKING INSTITUTIONS²											
1 Loans and securities	2,796.0	2,809.2	2,821.2	2,838.3	2,845.9	2,870.9	2,876.4	2,895.8	2,885.6	2,924.3	2,918.6
2 Investment securities	563.9	571.2	576.8	582.5	585.9	587.7	587.5	595.8	600.4	602.8	601.0
3 U.S. government securities	389.8	398.0	405.9	412.6	416.9	419.9	420.1	427.1	432.2	436.2	435.7
4 Other	174.1	173.2	170.8	169.9	169.0	167.8	167.4	168.2	166.2	166.6	165.3
5 Trading account assets	31.8	30.2	26.0	23.9	21.4	23.7	27.2	29.2	21.3	27.3	24.8
6 Total loans	2,200.4	2,207.8	2,218.5	2,231.9	2,238.7	2,259.6	2,261.6	2,270.7	2,263.9	2,294.2	2,292.8
7 Interbank loans	187.4	187.5	191.6	190.6	192.8	202.7	199.9	198.4	188.8	205.0	204.7
8 Loans excluding interbank	2,013.0	2,020.3	2,026.9	2,041.3	2,045.9	2,056.9	2,061.7	2,072.4	2,075.1	2,089.1	2,088.2
9 Commercial and industrial	636.4	642.4	646.2	653.3	650.9	654.1	648.7	646.3	646.7	649.0	649.8
10 Real estate	767.6	774.0	781.6	786.7	796.7	801.3	810.2	813.3	817.4	823.7	825.9
11 Individual	381.7	378.6	375.5	377.5	377.3	378.5	377.7	382.2	383.9	382.3	382.5
12 All other	227.3	225.3	223.6	223.8	220.9	222.9	225.0	230.6	227.1	234.1	230.0
13 Total cash assets	218.9	224.9	212.9	211.6	239.9	222.9	214.1	211.0	217.6	224.2	220.1
14 Reserves with Federal Reserve Banks	24.6	29.5	32.0	31.6	27.8	32.0	30.1	30.3	33.9	29.9	33.2
15 Cash in vault	28.0	27.8	27.7	28.5	29.9	28.9	28.7	30.2	29.2	29.3	32.7
16 Cash items in process of collection	89.9	91.6	80.0	80.0	100.6	86.1	79.5	77.4	80.9	85.4	78.4
17 Demand balances at U.S. depository institutions	29.6	30.8	27.4	26.3	32.0	27.6	27.4	27.5	27.2	28.6	28.6
18 Other cash assets	46.8	45.2	45.8	45.2	49.7	48.3	48.4	45.6	46.4	50.9	47.2
19 Other assets	218.1	212.9	209.1	206.0	199.5	211.1	207.1	216.3	216.9	223.8	220.5
20 Total assets/total liabilities and capital	3,233.0	3,247.0	3,243.2	3,255.9	3,285.4	3,304.9	3,297.5	3,323.1	3,320.1	3,372.4	3,359.2
21 Deposits	2,247.1	2,262.4	2,251.3	2,257.3	2,293.1	2,280.6	2,289.7	2,295.2	2,298.1	2,327.9	2,316.2
22 Transaction deposits	612.2	616.6	594.3	601.0	618.4	599.6	591.5	590.5	596.3	613.2	599.1
23 Savings deposits	540.8	546.3	551.8	548.7	554.4	556.3	561.3	565.7	563.5	570.1	572.8
24 Time deposits	1,094.2	1,099.5	1,105.3	1,107.5	1,120.3	1,124.7	1,136.8	1,139.0	1,138.3	1,144.6	1,144.3
25 Borrowings	552.8	542.2	545.4	564.7	548.2	578.7	564.4	576.2	564.7	586.2	566.0
26 Other liabilities	221.8	229.3	230.8	218.0	227.8	227.2	224.3	231.7	236.8	238.2	257.3
27 Residual (assets less liabilities)	211.4	213.2	215.7	215.8	216.2	218.4	219.1	220.0	220.5	220.0	219.6
MEMO											
28 U.S. government securities (including trading account)	414.7	421.2	423.8	427.8	430.0	433.8	438.9	444.3	442.9	452.4	450.0
29 Other securities (including trading account)	180.9	180.2	179.0	178.6	177.2	177.6	175.9	180.8	178.9	177.7	175.8
DOMESTICALLY CHARTERED COMMERCIAL BANKS³											
30 Loans and securities	2,557.9	2,566.3	2,570.5	2,581.8	2,585.1	2,602.9	2,610.3	2,627.6	2,616.0	2,649.6	2,636.8
31 Investment securities	536.2	543.1	547.2	551.5	557.5	557.3	556.8	565.5	568.7	569.7	568.6
32 U.S. government securities	376.6	384.4	391.2	397.6	404.0	405.5	405.5	413.0	416.9	419.6	420.2
33 Other	159.6	158.7	156.0	154.0	153.5	151.9	151.4	152.5	151.8	150.0	148.4
34 Trading account assets	31.8	30.2	26.0	23.9	21.4	23.7	27.2	29.2	21.3	27.3	24.8
35 Total loans	1,989.9	1,993.0	1,997.3	2,006.4	2,006.2	2,021.9	2,026.3	2,032.9	2,026.0	2,052.6	2,043.4
36 Interbank loans	150.0	148.5	148.3	149.1	144.4	153.6	151.6	142.4	142.4	160.6	154.6
37 Loans excluding interbank	1,839.9	1,844.6	1,849.0	1,857.3	1,861.7	1,868.3	1,874.7	1,881.6	1,883.6	1,892.0	1,888.8
38 Commercial and industrial	513.8	518.3	519.4	523.4	520.4	519.2	516.9	513.4	513.3	514.1	511.6
39 Real estate	735.9	741.1	747.8	751.8	761.2	765.3	773.5	776.1	780.2	785.8	787.6
40 Individual	381.7	378.6	375.5	377.5	377.3	378.5	377.7	382.2	383.9	382.3	382.5
41 All other	208.5	206.5	206.3	204.6	202.8	205.3	206.7	209.9	206.1	209.8	207.1
42 Total cash assets	195.7	199.9	187.3	186.8	210.7	194.8	186.5	184.2	190.4	192.1	190.7
43 Reserves with Federal Reserve Banks	22.7	27.5	29.8	29.8	26.6	30.8	28.8	28.1	32.2	28.5	31.4
44 Cash in vault	28.0	27.8	27.7	28.5	29.8	28.8	28.7	30.2	29.2	29.3	32.7
45 Cash items in process of collection	88.5	90.2	78.5	78.7	99.2	84.1	78.1	75.8	78.9	83.7	76.5
46 Demand balances at U.S. depository institutions	27.6	28.7	25.6	24.6	30.0	25.9	25.6	25.1	25.2	26.7	26.2
47 Other cash assets	28.9	25.7	25.7	25.2	25.1	25.2	25.3	25.0	25.0	23.9	23.9
48 Other assets	143.6	140.2	136.4	133.8	136.3	141.8	138.4	144.3	149.1	151.7	153.0
49 Total assets/liabilities and capital	2,897.2	2,906.5	2,894.2	2,902.4	2,932.0	2,939.6	2,935.3	2,956.1	2,955.5	2,993.4	2,980.6
50 Deposits	2,164.5	2,179.9	2,169.4	2,174.6	2,210.6	2,197.8	2,207.7	2,213.3	2,218.1	2,249.6	2,239.6
51 Transaction deposits	601.9	606.3	584.5	591.2	608.3	589.0	581.1	579.9	585.1	602.3	588.5
52 Savings deposits	537.9	543.4	548.8	545.7	551.4	553.3	558.3	562.7	560.4	567.0	569.5
53 Time deposits	1,024.7	1,030.2	1,036.1	1,037.6	1,050.9	1,055.4	1,068.2	1,070.7	1,072.5	1,080.3	1,081.6
54 Borrowings	405.3	394.2	393.1	405.4	391.7	409.9	395.6	403.5	395.0	399.6	393.3
55 Other liabilities	119.9	123.1	119.9	110.5	117.3	117.2	116.8	123.2	125.8	128.0	132.0
56 Residual (assets less liabilities)	207.5	209.3	211.8	212.0	212.3	214.6	215.3	216.1	216.7	216.2	215.8
MEMO											
57 Real estate loans, revolving	51.1	51.4	52.0	53.1	54.0	55.0	56.1	57.4	58.1	60.4	60.9
58 Real estate loans, other	684.8	689.7	695.8	698.7	707.2	710.3	717.4	718.8	722.1	725.4	726.7

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	1990								
	Oct. 3	Oct. 10	Oct. 17	Oct. 24	Oct. 31 ¹	Nov. 7	Nov. 14	Nov. 21	Nov. 28
1 Cash and balances due from depository institutions	109,008	120,151	103,111	97,192 ²	106,680	98,474	124,953	106,130	107,613
2 Total loans, leases, and securities, net	1,311,358 ³	1,305,240	1,309,663	1,301,088 ³	1,316,233	1,305,927	1,311,348	1,304,787	1,299,204
3 U.S. Treasury and government agency	183,410 ⁴	184,346 ⁴	184,952 ⁴	182,603 ⁴	184,040	184,961	183,743	183,668	180,844
4 Trading account	17,595	18,494	18,718	16,108	16,141	16,783	15,538	16,186	14,279
5 Investment account	165,815 ⁴	165,853 ⁴	166,234 ⁴	166,495 ⁴	167,899	168,178	168,205	167,482	166,565
6 Mortgage-backed securities ²	81,588 ⁴	81,428 ⁴	81,807 ⁴	82,126 ⁴	82,075	82,124	82,013	82,192	81,576
All other maturing in									
7 One year or less	15,612	15,603	15,243	15,250	15,149	15,159	15,020	15,254	15,271
8 Over one through five years	41,030	41,105	41,623	41,484	41,599	41,685	41,855	41,420	41,281
9 Over five years	27,584 ⁴	27,716 ⁴	27,561 ⁴	27,635 ⁴	29,076	29,210	29,317	28,615	28,438
10 Other securities	61,667 ⁴	61,372 ⁴	60,996 ⁴	60,949 ⁴	61,046	60,533	60,421	60,108	60,107
11 Trading account	1,055	1,140	1,079	1,166	1,376	1,364	1,406	1,406	1,529
12 Investment account	60,612 ⁴	60,232 ⁴	59,917 ⁴	59,783 ⁴	59,670	59,170	59,015	58,702	58,578
13 States and political subdivisions, by maturity	31,881	31,800	31,751	31,675	31,480	31,170	30,958	30,648	30,464
14 One year or less	3,811	3,784	3,773	3,795	3,792	3,797	3,752	3,646	3,649
15 Over one year	28,070	28,016	27,979	27,880	27,689	27,373	27,206	27,002	26,816
16 Other bonds, corporate stocks, and securities	28,730 ⁴	28,432 ⁴	28,165 ⁴	28,108 ⁴	28,189	28,000	28,057	28,054	28,113
17 Other trading account assets	10,185	9,998	9,905	9,043	9,340	9,410	9,178	8,368	8,729
18 Federal funds sold ³	77,845	73,147	74,692	70,955	80,832	74,018	77,276	72,837	71,300
19 To commercial banks	55,811	51,168	52,350	47,901	58,287	50,220	55,293	50,154	48,111
20 To nonbank brokers and dealers in securities	16,997	17,504	18,136	18,164	17,947	18,586	17,663	18,131	19,054
21 To others	5,037	4,476	4,207	4,890	4,599	5,212	4,320	4,552	4,134
22 Other loans and leases, gross	1,016,988 ⁴	1,015,627	1,018,761	1,017,252 ⁴	1,021,008	1,017,118	1,020,866	1,019,986	1,018,332
23 Other loans, gross	989,580 ⁴	988,208	991,332	989,851 ⁴	993,614	989,776	993,458	992,632	991,005
24 Commercial and industrial	318,505 ⁴	316,951 ⁴	317,782 ⁴	318,187 ⁴	319,538	319,682	318,953	318,888	317,473
25 Bankers acceptances and commercial paper	1,598	1,671	1,646	1,606	1,574	1,520	1,488	1,338	1,384
26 All other	316,907 ⁴	315,280 ⁴	316,136 ⁴	316,581 ⁴	317,964	318,162	317,464	317,549	316,089
27 U.S. addressees	315,376 ⁴	313,890 ⁴	314,730 ⁴	314,938 ⁴	316,406	316,700	315,821	316,090	314,669
28 Non-U.S. addressees	1,531 ⁴	1,391 ⁴	1,406	1,643 ⁴	1,558	1,462	1,643	1,460	1,421
29 Real estate loans	381,372 ⁴	381,856 ⁴	382,690 ⁴	382,274 ⁴	382,756	383,308	384,187	384,923	383,925
30 Revolving, home equity	32,122	32,885	32,854	32,559	32,695	32,676	32,803	32,864	32,939
31 All other	349,250 ⁴	349,572 ⁴	349,836 ⁴	349,716 ⁴	350,060	350,632	351,384	352,059	350,986
32 To individuals for personal expenditures	173,700 ⁴	173,438 ⁴	173,514 ⁴	173,662 ⁴	173,631	172,654	172,754	172,993	173,364
33 To depository and financial institutions	48,312 ⁴	49,820 ⁴	50,987 ⁴	50,590 ⁴	51,743	50,644	51,623	51,320	51,260
34 Commercial banks in the United States	20,907 ⁴	21,667 ⁴	23,286 ⁴	23,678 ⁴	23,097	22,576	22,947	23,636	23,744
35 Banks in foreign countries	3,698	4,374	4,336	3,847	4,555	3,993	4,378	4,159	4,208
36 Nonbank depository and other financial institutions	23,707	23,779	23,365	23,065	24,090	24,076	24,298	23,524	23,308
37 For purchasing and carrying securities	14,540	13,944	14,008	13,898	14,407	12,958	14,020	13,062	14,020
38 To finance agricultural production	6,137	6,140 ⁴	6,166	6,166	6,127	6,065	6,046	5,930	5,858
39 To states and political subdivisions	21,823 ⁴	21,781 ⁴	21,797 ⁴	21,647 ⁴	21,743	21,611	21,676	21,555	21,415
40 To foreign governments and official institutions	1,400	1,483	1,490	1,357	1,310	1,352	1,431	1,492	1,402
41 All other	23,790 ⁴	22,793 ⁴	22,912 ⁴	22,069 ⁴	22,359	21,501	22,768	22,470	22,288
42 Lease financing receivables	27,408	27,419	27,429	27,400	27,394	27,342	27,408	27,354	27,326
43 Less: Unearned income	4,350	4,329	4,310	4,302	4,249	4,232	4,224	4,214	4,196
44 Loan and lease reserve ⁴	34,386	34,922	35,333	35,410	35,785	35,881	35,910	35,965	35,911
45 Other loans and leases, net	978,251 ⁴	976,376	979,118	977,539 ⁴	980,974	977,005	980,731	979,807	978,224
46 All other assets	143,003 ⁴	140,773	137,608 ⁴	135,742 ⁴	140,046	139,382	139,846	141,796	143,368
47 Total assets	1,563,369	1,566,165	1,550,381 ⁴	1,534,023 ⁴	1,562,959	1,543,784	1,576,148	1,552,714	1,550,185
48 Demand deposits	225,330 ⁴	233,486 ⁴	221,772 ⁴	208,206 ⁴	224,812	213,880	234,321	221,678	217,214
49 Individuals, partnerships, and corporations	179,819 ⁴	185,454 ⁴	178,278 ⁴	168,271 ⁴	179,827	173,796	188,752	178,123	173,928
50 States and political subdivisions	6,068	6,392	6,003	6,045	6,844	5,825	5,757	7,201	6,427
51 U.S. government	1,898	1,394	1,382	1,469	2,117	1,427	1,593	2,070	1,038
52 Depository institutions in the United States	21,827 ⁴	24,637 ⁴	21,875	18,538 ⁴	20,547	18,678	23,771	19,568	19,915
53 Banks in foreign countries	6,187	6,405	5,763	5,218	6,069	5,668	6,024	5,769	5,335
54 Foreign governments and official institutions	8,773	770	662	565	662	538	590	638	638
55 Certified and officers' checks	8,773	8,534	7,722	8,004	8,842	7,839	7,886	8,356	9,934
56 Transaction balances other than demand deposits	81,621	80,466	79,176	77,582	79,396	80,723	79,712	79,698	78,354
57 Nontransaction balances	755,127 ⁴	755,424 ⁴	755,012 ⁴	754,187 ⁴	755,116	756,352	756,440	754,987	753,989
58 Individuals, partnerships, and corporations	719,084 ⁴	719,050 ⁴	718,661 ⁴	717,852 ⁴	718,860	720,373	720,510	718,959	717,988
59 States and political subdivisions	28,217	28,597	28,447	28,507	28,352	28,476	28,471	28,642	28,675
60 U.S. government	1,020	1,006	1,011	1,015	1,018	1,009	1,003	1,014	1,019
61 Depository institutions in the United States	6,013	5,966	6,087	6,010	6,086	6,056	6,007	5,925	5,862
62 Foreign governments, official institutions, and banks	794	805	807	799	799	439	450	447	445
63 Liabilities for borrowed money	297,385	291,914	289,362	289,006 ⁴	295,929	287,438	300,180	288,497	290,571
64 Borrowings from Federal Reserve Banks	120	0	0	0	179	0	227	0	0
65 Treasury tax and loan notes	8,065 ⁴	5,195 ⁴	11,878	23,855 ⁴	23,601	9,345	9,558	13,132	16,243
66 All other liabilities for borrowed money ⁴	289,200 ⁴	286,718 ⁴	277,485	265,151 ⁴	272,150	278,093	290,395	275,366	274,328
67 Other liabilities and subordinated notes and debentures	99,044 ⁴	99,970 ⁴	100,891 ⁴	100,721 ⁴	103,011	100,993	100,736	103,750	103,434
68 Total liabilities	1,458,506	1,461,260	1,446,214 ⁴	1,429,703 ⁴	1,458,265	1,439,386	1,471,389	1,448,610	1,445,562
69 Residual (total assets minus total liabilities) ⁶	104,863	104,904	104,167	104,319	104,695	104,397	104,759	104,104	104,623
MEMO									
70 Total loans and leases (gross) and investments adjusted ⁷	1,273,377 ⁴	1,271,657 ⁴	1,273,670 ⁴	1,269,222 ⁴	1,274,883	1,273,245	1,273,243	1,271,176	1,267,456
71 Total loans and leases (gross) adjusted ⁷	1,018,115 ⁴	1,015,940 ⁴	1,017,818 ⁴	1,016,628 ⁴	1,020,457	1,019,901	1,019,901	1,019,033	1,017,776
72 Time deposits in amounts of \$100,000 or more	207,296 ⁴	206,618 ⁴	208,035 ⁴	208,432	208,544	208,196	207,538	206,728	206,049
73 U.S. Treasury securities maturing in one year or less	13,784	14,217	14,357	14,855	15,483	15,421	15,376	15,224	15,104
74 Loans sold outright to affiliates—total ⁸	284	286	286	288	280	277	281	278	263
75 Commercial and industrial	139	140	141	142	138	136	150	152	140
76 Other	145	146	146	146	142	140	131	125	123
77 Nontransaction savings deposits (including MMDAs)	289,384	290,426	289,107	287,918 ⁴	288,629	290,268	291,347	290,208	289,582

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	1990								
	Oct. 3	Oct. 10	Oct. 17	Oct. 24	Oct. 31	Nov. 7	Nov. 14	Nov. 21	Nov. 28
1 Cash balances due from depository institutions	23,707	28,792	21,257	20,882	21,704	22,020	26,393	20,970	23,816
2 Total loans, leases, and securities, net ²	223,394	217,602	218,316	213,658	220,234	214,241	217,372	214,147	213,274
<i>Securities</i>									
3 U.S. Treasury and government agency ³	0	0	0	0	0	0	0	0	0
4 Trading account ³	0	0	0	0	0	0	0	0	0
5 Investment account	23,519	23,480	23,658	23,485	24,195	24,249	24,189	23,299	22,785
6 Mortgage-backed securities ⁴	11,916	11,866	12,035	11,685	11,850	11,841	11,968	11,789	11,425
All other maturing in									
7 One year or less	2,137	2,151	2,148	2,374	2,338	2,361	2,297	2,319	2,335
8 Over one through five years	4,779	4,778	4,795	4,823	5,017	5,076	4,923	4,196	4,034
9 Over five years	4,687	4,686	4,680	4,603	4,990	4,971	5,000	4,995	4,990
10 Other securities ⁵	0	0	0	0	0	0	0	0	0
11 Trading account ³	0	0	0	0	0	0	0	0	0
12 Investment account	13,095	13,049	12,987	12,853	12,781	12,569	12,438	12,234	12,160
13 States and political subdivisions, by maturity	6,097	6,067	6,030	5,916	5,859	5,632	5,528	5,307	5,254
14 One year or less	613	620	618	614	616	607	606	592	597
15 Over one year	5,483	5,447	5,411	5,302	5,242	5,025	4,922	4,715	4,658
16 Other bonds, corporate stocks, and securities	6,998	6,982	6,957	6,936	6,922	6,936	6,911	6,927	6,905
17 Other trading account assets ⁶	0	0	0	0	0	0	0	0	0
<i>Loans and leases</i>									
18 Federal funds sold ⁵	24,177	18,621	19,262	15,640	19,082	16,102	17,323	16,022	15,229
19 To commercial banks	16,194	11,227	12,161	9,218	13,450	9,289	11,743	9,403	9,273
20 To nonbank brokers and dealers in securities	6,168	5,908	6,094	5,481	5,136	5,792	4,970	5,912	5,306
21 To others	1,815	1,486	1,006	942	496	1,021	609	706	650
22 Other loans and leases, gross	177,926	178,388	178,362	177,614	180,168	177,349	179,504	178,682	179,167
23 Other loans, gross	172,188	172,633	172,618	171,863	174,436	171,628	173,760	172,930	173,429
24 Commercial and industrial	57,068	56,716	56,837	57,291	58,210	57,715	58,052	57,837	57,158
25 Bankers acceptances and commercial paper	148	141	161	164	153	145	138	141	142
26 All other	56,920	56,575	56,676	57,126	58,056	57,571	57,914	57,696	57,016
27 U.S. addressees	56,209	55,971	56,045	56,475	57,430	56,961	57,169	57,103	56,474
28 Non-U.S. addressees	711	604	630	651	626	609	745	594	542
29 Real estate loans	62,354	62,465	62,613	62,522	62,369	62,498	62,626	62,912	62,696
30 Revolving, home equity	4,329	4,334	4,344	4,356	4,364	4,359	4,363	4,371	4,372
31 All other	58,024	58,130	58,270	58,166	58,005	58,139	58,263	58,541	58,325
32 To individuals for personal expenditures	19,878	20,004	19,940	20,016	19,969	19,956	20,013	20,011	19,886
33 To depository and financial institutions	17,340	18,848	18,554	17,595	18,572	17,566	17,917	17,756	18,228
34 Commercial banks in the United States	6,340	6,927	6,929	6,523	6,438	5,818	5,741	5,960	6,596
35 Banks in foreign countries	2,884	3,563	3,462	2,966	3,642	3,098	3,323	3,261	3,347
36 Nonbank depository and other financial institutions	8,116	8,358	8,163	8,106	8,492	8,649	8,852	8,535	8,285
37 For purchasing and carrying securities	4,737	4,380	4,413	4,440	5,284	4,327	4,952	4,112	4,951
38 To finance agricultural production	164	150	164	160	153	169	168	172	172
39 To states and political subdivisions	4,398	4,395	4,311	4,293	4,343	4,318	4,337	4,331	4,328
40 To foreign governments and official institutions	314	402	406	275	199	232	308	367	276
41 All other	5,936	5,272	5,379	5,271	5,336	4,845	5,386	5,433	5,734
42 Lease financing receivables	5,738	5,754	5,744	5,751	5,732	5,722	5,744	5,752	5,738
43 LESS: Unearned income	1,844	1,833	1,834	1,831	1,810	1,810	1,809	1,810	1,809
44 Loan and lease reserve	13,478	14,102	14,119	14,104	14,183	14,217	14,273	14,281	14,258
45 Other loans and leases, net ⁶	162,604	162,452	162,409	161,679	164,176	161,322	163,422	162,592	163,100
46 All other assets ⁷	60,862	61,171	58,652 ⁸	54,255 ⁸	56,300	56,490	56,951	57,408	59,626
47 Total assets	307,963	307,566	298,225 ⁸	288,796 ⁸	298,238	292,751	300,716	292,525	296,716
<i>Deposits</i>									
48 Demand deposits	46,530	49,726	46,493	43,428	45,437	43,309	47,383	44,282	46,534
49 Individuals, partnerships, and corporations	32,124	35,093	32,725	30,746	31,968	31,030	34,376	31,332	32,590
50 States and political subdivisions	868	582	594	577	641	632	536	626	777
51 U.S. government	198	122	153	183	294	121	179	235	102
52 Depository institutions in the United States	4,853	5,193	5,379	4,632	4,482	3,729	4,392	3,692	4,009
53 Banks in foreign countries	4,832	5,053	4,522	3,955	4,442	4,442	4,839	4,628	4,119
54 Foreign governments and official institutions	598	542	619	538	419	510	390	454	494
55 Certified and officers' checks	3,058	3,140	2,501	2,797	2,882	2,846	2,670	3,315	4,443
56 Transaction balances other than demand deposits (ATS, NOW, Super NOW, telephone transfers)	8,646	8,648	8,431	8,278	8,406	8,589	8,528	8,598	8,376
57 Nontransaction balances	113,013	112,888	113,086	112,095	112,559	112,428	113,004	112,350	112,076
58 Individuals, partnerships, and corporations	105,366	105,156	105,355	104,268	104,752	104,926	105,448	104,749	104,444
59 States and political subdivisions	5,391	5,485	5,522	5,630	5,631	5,695	5,753	5,916	5,980
60 U.S. government	128	124	122	119	119	117	112	112	118
61 Depository institutions in the United States	1,612	1,586	1,548	1,546	1,527	1,526	1,523	1,404	1,362
62 Foreign governments, official institutions, and banks	516	537	537	532	530	164	167	170	170
63 Liabilities for borrowed money	72,747	70,874	63,691	58,722	62,290	63,075	66,637	59,714	61,164
64 Borrowings from Federal Reserve Banks	0	0	0	0	0	0	0	0	0
65 Treasury tax-and-loan notes	2,262	911	2,534	5,486	5,010	1,979	2,074	2,489	3,158
66 All other liabilities for borrowed money ⁸	70,486	69,963	61,156	53,236	57,279	61,096	64,563	57,224	58,006
67 Other liabilities and subordinated notes and debentures	41,425	40,210	41,546 ⁹	41,332 ⁹	44,093	40,220	40,048	42,603	43,764
68 Total liabilities	282,362	282,346	273,247 ⁹	263,855 ⁹	272,785	267,623	275,601	267,548	271,914
69 Residual (total assets minus total liabilities) ⁹	25,601	25,219	24,978	24,941	25,452	25,128	25,115	24,977	24,802
MEMO									
70 Total loans and leases (gross) and investments adjusted ^{2,10}	216,182	215,384	215,179	213,852	216,338	215,162	215,969	214,874	213,472
71 Total loans and leases (gross) adjusted ¹⁰	179,569	178,855	178,534	177,514	179,362	178,344	179,342	179,341	178,527
72 Time deposits in amounts of \$100,000 or more	35,699	35,626	36,222	35,328	35,893	35,415	35,244	34,950	34,817
73 U.S. Treasury securities maturing in one year or less	1,746	1,764	1,846	1,862	1,791	2,051	2,235	2,386	2,191

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	1990								
	Oct. 3	Oct. 10	Oct. 17 ^r	Oct. 24	Oct. 31	Nov. 7	Nov. 14	Nov. 21	Nov. 28
1 Cash and due from depository institutions . . .	14,691	15,098	15,072	14,164	17,374	16,515	17,455	14,711	15,292
2 Total loans and securities . . .	159,203	162,092 ^r	160,433	161,954	163,673	162,167	167,122	164,016	167,729
3 U.S. Treasury and government agency securities . . .	10,740	10,869	10,961	11,061	11,296	11,752	12,068	11,157	11,161
4 Other securities . . .	7,415	7,372	7,332	7,235	7,480	7,599	7,626	7,618	7,639
5 Federal funds sold . . .	8,628	10,405 ^r	8,125	8,425	7,600	4,304	9,174	6,078	8,905
6 To commercial banks in the United States . .	7,589	8,155	5,505	5,331	4,334	2,267	6,449	4,471	6,418
7 To others . . .	1,039	2,250 ^r	2,620	3,094	3,266	2,037	2,725	1,607	2,487
8 Other loans, gross . . .	132,420	133,446 ^r	134,015	135,233	137,297	138,512	138,254	139,163	140,024
9 Commercial and industrial . . .	76,316 ^r	76,374 ^r	76,270	76,920	77,665	77,877	78,198	78,940	79,544
10 Bankers acceptances and commercial paper . . .	2,577 ^r	2,558 ^r	2,426	2,840	2,579	2,682	2,694	2,895	3,020
11 All other . . .	73,739 ^r	73,816 ^r	73,844	74,080	75,086	75,195	75,504	76,045	76,524
12 U.S. addressees . . .	72,355 ^r	72,424 ^r	72,477	72,658	73,666	73,660	73,939	74,509	74,860
13 Non-U.S. addressees . . .	1,384	1,392	1,367	1,422	1,420	1,535	1,565	1,536	1,664
14 Loans secured by real estate . . .	24,974	25,135	25,332	25,307	25,492	25,700	25,585	25,769	26,003
15 To financial institutions . . .	26,279 ^r	26,987 ^r	28,222	29,354	30,376	30,787	30,539	30,277	30,274
16 Commercial banks in the United States . .	18,616 ^r	19,588 ^r	20,386	21,356	22,374	23,195	23,424	23,343	23,293
17 Banks in foreign countries . . .	2,358	2,179	2,609	2,728	2,730	2,416	1,828	1,769	1,697
18 Nonbank financial institutions . . .	5,305	5,220	5,227	5,270	5,272	5,176	5,287	5,165	5,284
19 To foreign governments and official institutions . . .	201	207	194	194	199	204	213	216	207
20 For purchasing and carrying securities . . .	3,144 ^r	3,287 ^r	2,360	1,893	1,561	1,582	1,371	1,581	1,609
21 All other . . .	1,506	1,456	1,637	1,565	2,004	2,362	2,348	2,380	2,387
22 Other assets (claims on nonrelated parties) .	30,708	31,430	31,344	31,960	32,200	33,593	33,227	33,917	33,742
23 Net due from related institutions . . .	10,165	9,989	11,004	11,010	12,980	13,286	12,766	12,985	10,456
24 Total assets . . .	214,767	218,611	217,852	219,091	227,228	225,563	230,570	225,629	227,221
25 Deposits or credit balances due to other than directly related institutions . . .	47,134 ^r	46,240 ^r	46,005	45,559	45,527	45,359	45,048	44,904	44,701
26 Transaction accounts and credit balances ⁴ .	4,260 ^r	4,429	4,297	4,128	4,054	3,913	3,999	4,313	4,405
27 Individuals, partnerships, and corporations . . .	2,868 ^r	2,932	2,863	2,648	2,734	2,685	2,690	2,987	2,929
28 Other . . .	1,392 ^r	1,497	1,434	1,480	1,320	1,228	1,309	1,326	1,476
29 Nontransaction accounts . . .	42,874	41,811 ^r	41,708	41,431	41,473	41,446	41,049	40,591	40,296
30 Individuals, partnerships, and corporations . . .	33,549	32,962	32,861	32,145	32,040	31,902	31,566	31,195	30,961
31 Other . . .	9,325	8,849 ^r	8,847	9,286	9,433	9,544	9,483	9,396	9,335
32 Borrowings from other than directly related institutions . . .	104,904	108,607 ^r	108,372	113,640	118,298	116,939	117,215	116,206	110,249
33 Federal funds purchased ⁵ . . .	53,347	52,620 ^r	50,847	53,611	55,695	52,248	52,394	44,106	44,281
34 From commercial banks in the United States . . .	27,516	25,505	25,013	24,515	29,047	25,489	23,535	22,070	21,228
35 From others . . .	25,831	27,115 ^r	25,834	29,096	26,648	26,759	28,859	22,036	23,053
36 Other liabilities for borrowed money . . .	51,557	55,987	57,525	60,029	62,603	64,691	64,821	72,100	65,968
37 To commercial banks in the United States . . .	28,063	29,388	31,014	32,794	35,334	36,065	35,830	38,703	38,432
38 To others . . .	23,494	26,599	26,511	27,235	27,269	28,626	28,991	33,397	27,536
39 Other liabilities to nonrelated parties . . .	30,737 ^r	31,747	31,932	31,926	32,964	33,096	33,056	33,463	33,598
40 Net due to related institutions . . .	31,992	32,017	31,542	27,965	30,438	30,166	35,250	31,057	38,672
41 Total liabilities . . .	214,767	218,611	217,852	219,091	227,228	225,563	230,570	225,629	227,221
MEMO									
42 Total loans (gross) and securities adjusted ⁷ .	132,998 ^r	134,349 ^r	134,542	135,267	136,965	136,705	137,249	136,202	138,018
43 Total loans (gross) adjusted ⁷ . . .	114,843 ^r	116,108 ^r	116,249	116,971	118,189	117,354	117,555	117,427	119,218

1. Effective Jan. 4, 1989, the reporting panel includes a new group of large U.S. branches and agencies of foreign banks. Earlier data included 65 U.S. branches and agencies of foreign banks that included 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. Effective Jan. 4, 1989, loans secured by real estate are being reported as a

separate component of Other loans, gross. Formerly, these loans were included in "All other", line 21.

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

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

6. Includes securities sold under agreements to repurchase.

7. 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									
	1985 Dec.	1986 Dec.	1987 Dec.	1988 Dec.	1989			1990		
					June	Sept.	Dec.	Mar.	June	Sept.
1 All holders—Individuals, partnerships, and corporations.....	321.0	363.6	343.5	354.7	329.3	337.3	352.2	328.7	334.3	<div>↑ n.a. ↓</div>
2 Financial business	32.3	41.4	36.3	38.6	33.0	33.7	33.8	34.1	34.9	
3 Nonfinancial business	178.5	202.0	191.9	201.2	185.9	190.4	202.5	183.3	186.5	
4 Consumer	85.5	91.1	90.0	88.3	86.6	87.9	90.3	86.6	86.4	
5 Foreign.....	3.5	3.3	3.4	3.7	2.9	2.9	3.1	3.0	3.1	
6 Other	21.2	25.8	21.9	22.8	21.0	22.4	22.5	21.7	23.5	
	Weekly reporting banks									
	1985 Dec.	1986 Dec.	1987 Dec.	1988 Dec.	1989			1990		
					June	Sept.	Dec.	Mar.	June	Sept.
7 All holders—Individuals, partnerships, and corporations.....	168.6	195.1	183.8	198.3	182.2	186.6	196.7	183.7	186.3	185.1
8 Financial business	25.9	32.5	28.6	30.5	25.4	26.3	27.6	25.6	25.0	27.0
9 Nonfinancial business	94.5	106.4	100.0	108.7	99.8	101.6	108.8	100.1	101.7	100.0
10 Consumer	33.2	37.5	39.1	42.6	42.4	43.0	44.1	42.4	43.3	43.1
11 Foreign.....	3.1	3.3	3.3	3.6	2.9	2.8	3.0	2.8	2.9	2.8
12 Other	12.0	15.4	12.7	12.9	11.7	12.9	13.2	12.8	13.3	12.3

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.

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.

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.

3. Beginning March 1988, 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 1987 based on the new weekly reporting panel are: financial business, 29.4; nonfinancial business, 105.1; consumer, 41.1; foreign, 3.4; other, 13.1.

1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

Instrument	1985 Dec.	1986 Dec.	1987 Dec.	1988 Dec.	1989 Dec.	1990					
						May	June	July	Aug.	Sept.	Oct.
	Commercial paper (seasonally adjusted unless noted otherwise)										
1 All issuers	298,779	329,991	358,056	457,297	529,055	538,686	537,023	545,849	546,691	559,593 ⁷	557,731
Financial companies ¹											
Dealer-placed paper ²											
2 Total	78,443	101,072	102,844	160,094	187,084	186,155	191,463	199,466	199,099	205,093	203,987
3 Bank-related (not seasonally adjusted) ³	1,602	2,265	1,428	1,248	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Directly placed paper ⁴											
4 Total	135,320	151,820	173,980	194,537	212,210	209,203	202,101	202,829	202,217	204,065	204,273
5 Bank-related (not seasonally adjusted) ³	44,778	40,860	43,173	43,155	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
6 Nonfinancial companies ⁵	85,016	77,099	81,232	102,666	129,761	143,328	143,459	143,554	145,375	150,435 ⁷	149,471
	Bankers dollar acceptances (not seasonally adjusted) ⁶										
7 Total	68,413	64,974	70,565	66,631	62,972	54,766	53,750	52,006	52,324	50,469	52,093
Holder											
8 Accepting banks	11,197	13,423	10,943	9,086	9,433	9,000	9,972	9,628	9,944	9,366	9,189
9 Own bills	9,471	11,707	9,464	8,022	8,510	7,632	8,639	8,395	7,895	7,944	7,868
10 Bills bought	1,726	1,716	1,479	1,064	924	1,368	1,332	1,233	2,049	1,421	1,321
Federal Reserve Banks											
11 Own account	0	0	0	0	0	0	0	0	0	0	0
12 Foreign correspondents	937	1,317	965	1,493	1,066	1,291	1,507	1,571	1,560	1,333	1,145
13 Others	56,279	50,234	58,658	56,052	52,473	44,475	42,271	40,806	40,821	39,770	41,760
Basis											
14 Imports into United States	15,147	14,670	16,483	14,984	15,651	13,993	14,801	13,691	13,188	12,723	12,408
15 Exports from United States	13,204	12,960	15,227	14,410	13,683	12,727	12,511	12,186	12,221	11,889	13,238
16 All other	40,062	37,344	38,855	37,237	33,638	28,046	26,438	26,129	26,915	25,856	26,447

1. 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.

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

3. Beginning January 1989, bank-related series have been discontinued.

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

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

6. 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 panel is revised every January and currently has about 100 respondents. The current 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

Date of change	Rate	Period	Average rate	Period	Average rate	Period	Average rate
1988—Feb. 2	8.50	1988—Jan.	8.75	1989—Jan.	10.50	1990—Jan.	10.11
May 11	9.00	Feb.	8.51	Feb.	10.93	Feb.	10.00
July 14	9.50	Mar.	8.50	Mar.	11.50	Mar.	10.00
Aug. 11	10.00	Apr.	8.50	Apr.	11.50	Apr.	10.00
Nov. 28	10.50	May	8.84	May	11.50	May	10.00
1989—Feb. 10	11.00	June	9.00	June	11.07	June	10.00
24	11.50	July	9.29	July	10.98	July	10.00
June 5	11.00	Aug.	9.84	Aug.	10.50	Aug.	10.00
July 31	10.50	Sept.	10.00	Sept.	10.50	Sept.	10.00
1990—Jan. 8	10.00	Oct.	10.00	Oct.	10.50	Oct.	10.00
1988	9.32	Nov.	10.05	Nov.	10.50	Nov.	10.00
1989	10.87	Dec.	10.50	Dec.	10.50	Dec.	10.00
1990	10.01						

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

1.35 INTEREST RATES Money and Capital Markets

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

Instrument	1987	1988	1989	1990				1990, week ending				
				Aug.	Sept.	Oct.	Nov.	Nov. 2	Nov. 9	Nov. 16	Nov. 23	Nov. 30
MONEY MARKET RATES												
1 Federal funds ^{1,2,3}	6.66	7.57	9.21	8.13	8.20	8.11	7.81	8.17	7.97	7.94	7.80	7.56
2 Discount window borrowing ^{2,11}	5.66	6.20	6.93	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Commercial paper ^{3,4,5}												
3 1-month	6.74	7.58	9.11	7.99	8.09	8.04	7.84	7.85	7.89	7.87	7.79	7.81
4 3-month	6.82	7.66	8.99	7.88	7.96	7.98	7.91	7.84	7.87	7.88	7.85	8.06
5 6-month	6.85	7.68	8.80	7.77	7.83	7.81	7.74	7.71	7.72	7.70	7.68	7.83
Finance paper, directly placed ^{3,4,6}												
6 1-month	6.61	7.44	8.99	7.88	7.98	7.92	7.64	7.73	7.78	7.73	7.49	7.49
7 3-month	6.54	7.38	8.72	7.69	7.74	7.80	7.75	7.70	7.79	7.73	7.71	7.77
8 6-month	6.37	7.14	8.16	7.46	7.50	7.50	7.42	7.44	7.47	7.41	7.37	7.38
Bankers acceptances ^{3,4,7}												
9 3-month	6.75	7.56	8.87	7.75	7.83	7.85	7.82	7.71	7.78	7.74	7.80	7.99
10 6-month	6.78	7.60	8.67	7.64	7.70	7.67	7.58	7.58	7.58	7.48	7.51	7.72
Certificates of deposit, secondary market ^{3,8}												
11 1-month	6.75	7.59	9.11	7.98	8.08	8.03	7.92	7.89	7.93	7.86	7.83	8.04
12 3-month	6.87	7.73	9.09	7.97	8.06	8.06	8.03	7.95	7.98	7.95	7.97	8.23
13 6-month	7.01	7.91	9.08	7.99	8.06	8.05	7.95	7.94	7.95	7.87	7.87	8.08
14 Eurodollar deposits, 3-month ^{3,9}	7.07	7.85	9.16	7.99	8.07	8.06	8.04	7.95	7.95	7.98	7.99	8.14
U.S. Treasury bills												
Secondary market ^{3,4}												
15 3-month	5.78	6.67	8.11	7.45	7.36	7.17	7.06	7.11	7.08	7.07	7.07	7.04
16 6-month	6.03	6.91	8.03	7.38	7.32	7.16	7.03	7.08	7.05	7.03	7.03	7.00
17 1-year	6.33	7.13	7.92	7.26	7.24	7.06	6.85	6.93	6.88	6.84	6.82	6.83
Auction average ^{3,4,12}												
18 3-month	5.82	6.68	8.12	7.44	7.38	7.19	7.07	7.12	7.07	7.05	7.08	7.02
19 6-month	6.03	6.92	8.04	7.36	7.33	7.20	7.04	7.13	7.05	7.02	7.05	6.96
20 1-year	6.33	7.17	7.91	7.37	7.25	7.01	6.81	n.a.	n.a.	n.a.	6.81	n.a.
CAPITAL MARKET RATES												
U.S. Treasury notes and bonds												
Constant maturities ³												
21 1-year	6.77	7.65	8.53	7.78	7.76	7.55	7.31	7.41	7.35	7.30	7.29	7.30
22 2-year	7.42	8.10	8.57	8.06	8.08	7.88	7.60	7.75	7.65	7.59	7.58	7.54
23 3-year	7.68	8.26	8.55	8.22	8.27	8.07	7.74	7.95	7.81	7.70	7.69	7.68
24 5-year	7.94	8.47	8.50	8.44	8.51	8.33	8.02	8.22	8.13	8.00	7.96	7.93
25 7-year	8.23	8.71	8.52	8.64	8.79	8.59	8.28	8.49	8.39	8.24	8.19	8.20
26 10-year	8.39	8.85	8.49	8.75	8.89	8.72	8.39	8.64	8.53	8.35	8.30	8.29
27 30-year	8.59	8.96	8.45	8.86	9.03	8.86	8.54	8.77	8.67	8.51	8.47	8.44
Composite ¹⁴												
28 Over 10 years (long-term)	8.64	8.98	8.58	8.97	9.11	8.93	8.60	8.84	8.73	8.56	8.53	8.50
State and local notes and bonds												
Moody's series ¹⁵												
29 Aaa	7.14	7.36	7.00	6.99	7.18	7.23	6.75	7.00	6.38	6.80	6.80	6.78
30 Baa	8.17	7.83	7.40	7.21	7.48	7.43	7.22	7.30	7.15	7.23	7.23	7.20
31 Bond Buyer series ¹⁶	7.63	7.68	7.23	7.32	7.43	7.49	7.18	7.29	7.24	7.15	7.13	7.08
Corporate bonds												
Seasoned issues ¹⁷												
32 All industries	9.91	10.18	9.66	9.84	10.02	10.03	9.85	10.00	9.95	9.85	9.78	9.76
33 Aaa	9.38	9.71	9.26	9.41	9.56	9.53	9.30	9.47	9.38	9.30	9.25	9.20
34 Aa	9.68	9.94	9.46	9.63	9.77	9.77	9.59	9.71	9.67	9.58	9.53	9.52
35 A	9.99	10.24	9.74	9.89	10.09	10.06	9.88	10.05	9.97	9.88	9.80	9.78
36 Baa	10.58	10.83	10.18	10.41	10.64	10.74	10.62	10.76	10.75	10.64	10.52	10.53
37 A-rated, recently offered utility bonds ¹⁸	9.96	10.20	9.79	10.29	10.28	10.23	10.07	10.11	10.15	10.03	10.03	10.03
MEMO: Dividend/price ratio ¹⁹												
38 Preferred stocks	8.37	9.23	9.05	8.97	9.05	9.10	8.88	8.96	8.90	8.80	8.90	8.92
39 Common stocks	3.08	3.64	3.45	3.65	3.85	4.01	3.91	4.03	4.02	3.84	3.90	3.87

1. The daily effective federal funds rate is a weighted average of rates on trades through N.Y. brokers.

2. Weekly figures are averages of 7 calendar days ending on Wednesday of the current week; monthly figures include each calendar day in the month.

3. Annualized using a 360-day year or bank interest.

4. Quoted on a discount basis.

5. An average of offering rates on commercial paper placed by several leading dealers for firms whose bond rating is AA or the equivalent.

6. An average of offering rates on paper directly placed by finance companies.

7. Representative closing yields for acceptances of the highest rated money center banks.

8. An average of dealer offering rates on nationally traded certificates of deposit.

9. Bid rates for Eurodollar deposits at 11 a.m. London time.

10. One of several base rates used by banks to price short-term business loans.

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

12. Auction date for daily data; weekly and monthly averages computed on an issue-date basis.

13. Yields on actively traded issues adjusted to constant maturities. Source: U.S. Treasury.

14. Unweighted average of rates on all outstanding bonds neither due nor callable in less than 10 years, including one very low yielding "flower" bond.

15. General obligation based on Thursday figures; Moody's Investors Service.

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

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

18. 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.

19. 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	1987	1988	1989	1990								
				Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
Prices and trading (averages of daily figures)												
<i>Common stock prices</i>												
1 New York Stock Exchange (Dec. 31, 1965 = 50)	161.78	149.97	180.13	186.26	185.61	191.35	196.68	196.61	181.45	173.22	168.05	172.21
2 Industrial	195.31	180.83	228.04	226.14	226.86	234.85	242.42	245.86	226.73	216.81	208.58	212.81
3 Transportation	140.52	134.09	174.90	175.08	173.54	173.53	177.37	173.18	147.41	136.95	131.99	132.96
4 Utility	74.29	72.22	94.33	92.99	91.92	93.29	93.65	89.85	85.81	83.30	87.27	89.69
5 Finance	146.48	127.41	162.01	143.14	138.57	142.94	147.93	143.11	128.14	118.59	108.01	113.76
6 Standard & Poor's Corporation (1941-43 = 10) ¹	287.00	265.88	323.05	338.47	338.18	350.25	360.39	360.03	330.75	315.41	307.12	315.29
7 American Stock Exchange (Aug. 31, 1973 = 50) ²	316.78	295.08	356.67	360.77	353.32	353.82	361.62	359.09	333.49	318.53	296.67	294.88
<i>Volume of trading (thousands of shares)</i>												
8 New York Stock Exchange	188,922	161,386	165,568	149,240	140,062	163,486	153,634	160,490	174,446	142,054	159,590	149,916
9 American Stock Exchange	13,832	9,955	13,124	15,133	13,961	14,005	12,421	12,529	15,881	11,668	11,294	10,368
Customer financing (end-of-period balances, in millions of dollars)												
10 Margin credit at broker-dealers ³	31,990	32,740	34,320	30,760	31,060	31,600	31,720	32,130	30,350	29,640	28,650	27,820
<i>Free credit balances at brokers⁴</i>												
11 Margin-account ⁵	4,750	5,660	7,040	6,525	6,465	6,215	6,490	6,385	7,140	7,285	7,245	7,300
12 Cash-account	15,640	16,595	18,505	16,510	15,375	15,470	15,625	17,035	16,745	16,185	15,820	17,025
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	1987	1988	1989	1990								
			Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
SAIF-insured institutions												
1 Assets	1,250,855	1,350,500	1,249,055	1,236,517	1,225,087	1,223,350	1,210,351	1,197,828	1,174,632	1,162,605	↑	↑
2 Mortgages	721,593	764,513	733,729	727,559	721,450	717,687	715,416	708,538	691,244	689,700	↑	↑
3 Mortgage-backed securities	201,828	214,587	170,532	169,414	167,260	167,683	166,167	165,725	159,172	157,113	↑	↑
4 Contra-assets to mortgage assets ¹	42,344	37,950	25,457	24,162	22,729	23,073	21,991	21,977	20,344	23,390	↑	↑
5 Commercial loans	23,163	33,889	32,150	31,911	31,770	31,069	30,931	30,352	28,753	28,482	↑	↑
6 Consumer loans	57,902	61,922	58,685	57,321	56,821	56,805	56,639	55,658	55,171	54,655	↑	↑
7 Contra-assets to non-mortgage loans ²	3,467	3,056	3,592	2,251	2,279	2,476	2,229	1,766	1,976	1,966	↑	↑
8 Cash and investment securities	169,717	186,986	166,053	160,519	157,314	162,313	153,346	152,393	155,688	149,368	n.a.	n.a.
9 Other	122,462	129,610	116,955	116,206	115,480	113,341	112,071	108,904	106,924	108,643	↑	↑
10 Liabilities and net worth	1,250,855	1,350,500	1,249,055	1,236,517	1,225,087	1,223,350	1,210,351	1,197,828	1,174,632	1,162,605	↑	↑
11 Savings capital	932,616	971,700	945,656	933,835	926,439	929,910	916,069	902,642	890,497	884,963	↑	↑
12 Borrowed money	249,917	299,400	252,230	252,942	248,135	246,875	246,646	241,983	230,169	222,441	↑	↑
13 FHLBB	116,363	134,168	124,577	121,732	120,633	117,489	115,620	114,047	109,733	106,127	↑	↑
14 Other	133,554	165,232	127,653	131,210	127,502	129,386	131,026	127,936	120,436	116,314	↑	↑
15 Other	21,941	24,216	27,556	26,987	28,096	25,997	27,352	28,767	25,166	26,746	↑	↑
16 Net worth	n.a.	n.a.	23,612	22,754	22,417	20,568	20,296	24,361	28,805	28,455	↑	↑
SAIF-insured federal savings banks												
17 Assets	284,270	425,966	498,522	583,063	581,983	595,644	593,345	570,795	583,392	587,521	↑	↑
18 Mortgages	161,926	230,734	283,844	331,503	330,366	332,995	333,300	317,985	323,516	327,330	↑	↑
19 Mortgage-backed securities	45,826	64,957	70,499	76,765	77,016	80,059	81,030	77,781	78,001	78,033	↑	↑
20 Contra-assets to mortgage assets ¹	9,100	13,140	13,548	12,309	11,615	11,844	11,590	10,798	10,200	13,849	↑	↑
21 Commercial loans	6,504	16,731	18,143	20,310	20,244	20,366	20,324	19,713	19,683	19,815	↑	↑
22 Consumer loans	17,696	24,222	28,212	20,310	20,244	20,365	20,324	32,407	32,745	33,308	↑	↑
23 Contra-assets to non-mortgage loans ²	678	889	1,193	949	986	1,001	908	707	970	999	↑	↑
24 Finance leases plus interest	591	880	1,101	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
25 Cash and investment	35,347	61,029	64,538	70,742	70,054	76,158	72,618	70,999	75,081	71,795	↑	↑
26 Other	24,069	35,412	39,981	45,444	46,238	46,371	46,180	44,840	47,723	45,996	↑	↑
27 Liabilities and net worth	284,270	425,966	498,522	583,063	581,983	595,644	593,345	570,795	583,392	587,521	↑	↑
28 Savings capital	203,196	298,197	360,547	418,555	419,246	433,000	429,469	413,009	427,379	432,387	↑	↑
29 Borrowed money	60,716	99,286	108,448	126,398	124,171	126,253	126,240	123,415	121,721	119,998	↑	↑
30 FHLBB	29,617	46,265	57,032	63,516	63,026	63,550	63,120	61,057	60,666	61,442	↑	↑
31 Other	31,099	53,021	51,416	62,882	61,145	62,703	63,120	62,358	61,055	58,556	↑	↑
32 Other	5,324	8,075	9,041	9,770	10,347	9,435	9,982	10,307	8,889	9,508	↑	↑
33 Net worth	15,034	20,218	22,716	25,986	25,723	24,169	23,505	21,138	21,944	22,373	↑	↑

1.37—Continued

Account	1987	1988	1989	1990								
			Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
	Credit unions ⁴											
34 Total assets/liabilities and capital.....	↑	174,593	183,688	183,301	186,119	192,718	193,208	195,020	195,302	194,523	↑	↑
35 Federal.....		114,566	120,666	120,489	122,885	126,690	127,250	128,648	128,142	127,564		
36 State.....		60,027	63,022	62,812	63,234	66,028	65,958	66,372	67,160	66,959		
37 Loans outstanding.....	n.a.	113,191	122,608	122,332	121,968	121,660	122,616	123,205	123,968	124,343	n.a.	n.a.
38 Federal.....		73,766	80,272	80,041	79,715	79,407	80,205	80,550	81,063	81,063		
39 State.....		39,425	42,336	42,291	42,253	42,253	42,411	42,655	42,905	43,280		
40 Savings.....		159,010	167,371	166,629	168,609	175,942	175,745	176,701	178,127	176,360		
41 Federal.....		104,431	109,653	109,818	111,246	115,714	115,554	116,402	116,717	115,305		
42 State.....	↓	54,579	57,718	56,811	57,363	60,228	60,191	60,299	61,408	61,056	↓	↓
	Life insurance companies ⁵											
43 Assets.....	1,044,459	1,166,870	1,299,756	↑	↑	↑	↑	↑	↑	↑	↑	↑
Securities												
44 Government.....	84,426	84,051	77,297									
45 United States ⁶	57,078	58,564	52,517									
46 State and local.....	10,681	9,136	9,028									
47 Foreign.....	16,667	16,351	15,752									
48 Business.....	569,199	660,416	764,521	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
49 Bonds.....	472,684	556,043	638,907									
50 Stocks.....	96,515	104,373	125,614									
51 Mortgages.....	203,545	232,863	254,215									
52 Real estate.....	34,172	37,371	39,908									
53 Policy loans.....	53,626	54,236	57,439									
54 Other assets.....	89,586	93,358	106,376	↓	↓	↓	↓	↓	↓	↓	↓	↓

1. Contra-assets are credit-balance accounts that must be subtracted from the corresponding gross asset categories to yield net asset levels. Contra-assets to mortgage loans, contracts, and pass-through securities include loans in process, unearned discounts and deferred loan fees, valuation allowances for mortgages "held for sale," and specific reserves and other valuation allowances.

2. Contra-assets are credit-balance accounts that must be subtracted from the corresponding gross asset categories to yield net asset levels. Contra-assets to nonmortgage loans include loans in process, unearned discounts and deferred loan fees, and specific reserves and valuation allowances.

3. Holding of stock in Federal Home Loan Bank and Finance leases plus interest are included in "Other" (line 9).

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

5. Data are no longer available on a monthly basis for life insurance companies.

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

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

NOTE. SAIF-insured institutions: Estimates by the OTS for all institutions insured by the SAIF and based on the OTS Thrift Financial Report.

SAIF-insured federal savings banks: Estimates by the OTS for federal savings banks insured by the SAIF and based on the OTS Thrift Financial Report.

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."

As of June 1989 Savings bank data are no longer available.

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Fiscal year 1988	Fiscal year 1989	Fiscal year 1990	Calendar year					
				1990					
				June	July	Aug.	Sept.	Oct.	Nov.
<i>U.S. budget</i> ¹									
1 Receipts, total	908,166	990,701	1,031,463	110,614	72,357	78,486	102,874	78,711	72,819
2 On-budget	666,675	727,035	749,809	83,717	50,446	56,284	78,542	58,751	47,843
3 Off-budget	241,491	263,666	281,654	26,897	21,911	22,202	24,332	19,960	24,976
4 Outlays, total	1,063,318	1,144,020	1,251,850	121,719	98,280	131,206	82,026	110,173	120,869
5 On-budget	860,627	933,109	1,026,785	105,759	79,833	89,717	80,613	91,261	99,421
6 Off-budget	202,691	210,911	225,065	15,960	18,447	41,489	1,413	18,912	21,448
7 Surplus, or deficit (-), total	-155,152	-153,319	-220,387	-11,105	-25,924	-52,719	20,848	-31,462	-48,050
8 On-budget	-193,952	-206,074	-276,976	-22,042	-29,388	-33,432	-2,071	-32,510	-51,578
9 Off-budget	38,800	52,755	56,589	10,937	3,464	-19,287	22,919	1,048	3,528
Source of financing (total)									
10 Borrowing from the public	166,139	141,806	264,453	23,520	24,230	47,329	-2,595	32,265	46,776
11 Operating cash (decrease, or increase (-))	-7,962	3,425	818	-20,916	9,862	2,433	17,832	4,720	12,533
12 Other ²	-3,025	8,088	-44,884	8,501	-8,168	2,957	-421	-5,523	-11,259
MEMO									
13 Treasury operating balance (level, end of period)	44,398	40,973	40,155	34,618	24,756	22,323	40,155	35,435	22,902
14 Federal Reserve Banks	13,023	13,452	7,638	5,470	6,369	4,453	7,638	7,607	5,495
15 Tax and loan accounts	31,375	27,521	32,517	29,148	18,387	17,869	32,517	27,828	17,406

1. 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.

2. 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 1989	Fiscal year 1990	Calendar year						
			1988	1989		1990	1990		
			H2	H1	H2	H1	Sept.	Oct.	Nov.
RECEIPTS									
1 All sources	990,701	1,031,462	449,330	527,574	470,329	548,977	102,874	78,711	72,819
2 Individual income taxes, net	445,690	466,884	200,300	233,572	218,706	243,087	46,664	40,691	27,156
3 Withheld	361,386	390,480	179,600	174,230	193,296	190,219	30,806	37,777	27,505
4 Presidential Election Campaign Fund	32	32	4	28	3	30		0	0
5 Nonwithheld	154,839	149,189	29,880	121,563	33,303	117,675	17,420	3,863	1,606
6 Refunds	70,567	72,817	9,186	62,251	7,898	64,838	1,562	950	1,956
Corporation income taxes									
7 Gross receipts	117,015	110,017	56,409	61,585	52,269	58,830	18,868	3,691	2,132
8 Refunds	13,723	16,510	7,250	7,259	6,842	8,326	1,524	2,077	837
9 Social insurance taxes and contributions, net	359,416	380,047	157,603	200,127	162,574	210,476	31,010	26,598	33,723
10 Employment taxes and contributions ²	332,859	353,891	144,983	184,569	152,407	195,269	30,480	25,144	31,209
11 Self-employment taxes and contributions ³	18,504	21,795	3,032	16,371	1,947	19,017	2,638	0	0
12 Unemployment insurance	22,011	21,635	10,359	13,279	7,909	12,929	186	1,082	2,098
13 Other net receipts ⁴	4,546	4,522	2,262	2,277	2,260	2,278	344	373	416
14 Excise taxes	34,386	35,345	19,299	16,814	16,799	18,153	2,774	3,011	2,953
15 Customs deposits	16,334	16,707	8,107	7,918	8,667	8,096	1,273	1,528	1,354
16 Estate and gift taxes	8,745	11,500	4,054	4,583	4,451	6,442	875	1,065	845
17 Miscellaneous receipts ⁵	22,839	27,470	10,809	10,235	13,704	12,222	2,934	4,203	5,494
OUTLAYS									
18 All types	1,144,020	1,251,850	554,089	565,425	587,448	640,982	82,026	110,173	120,869
19 National defense	303,559	299,335	150,496	148,098	149,613	152,733	21,497	24,990	29,868
20 International affairs	9,574	13,760	2,627	6,567	5,971	6,770	1,957	779	4,994
21 General science, space, and technology	12,838	14,420	5,852	6,238	7,091	6,974	1,132	1,616	1,231
22 Energy	3,702	2,470	1,966	2,221	1,449	1,216	-357	505	269
23 Natural resources and environment	16,182	17,009	9,072	7,022	9,183	7,343	1,517	1,409	3,103
24 Agriculture	16,948	11,998	6,911	9,619	4,132	7,450	67	1,651	1,903
25 Commerce and housing credit	29,091	67,495	19,836	4,129	22,295	38,672	12,018	8,590	4,276
26 Transportation	27,608	29,495	14,922	12,953	14,982	13,754	2,608	2,780	2,494
27 Community and regional development	5,361	8,466	2,690	1,833	4,879	3,987	519	912	1,325
28 Education, training, employment, and social services	36,694	37,479	16,162	18,083	18,663	19,537	2,730	3,660	3,120
29 Health	48,390	58,101	23,360	4,129	22,295	38,672	12,018	8,590	4,276
30 Social security and medicare	317,506	346,383	149,017	162,195	162,322	175,997	8,623	28,339	29,973
31 Income security	136,031	148,299	64,978	70,937	67,950	78,475	10,206	12,819	13,758
32 Veterans benefits and services	30,066	29,112	15,797	14,891	14,864	15,217	1,208	2,899	4,033
33 Administration of justice	9,422	10,076	4,361	4,801	4,963	4,983	717	983	1,050
34 General government	9,124	10,822	5,137	3,858	4,760	4,916	1,406	1,227	1,875
35 General-purpose fiscal assistance	n.a.	n.a.	0	0	n.a.	n.a.	n.a.	n.a.	n.a.
36 Net interest ⁶	169,317	183,790	78,317	86,009	87,927	91,155	15,697	14,744	15,138
37 Undistributed offsetting receipts ⁷	-37,212	-36,615	-18,771	-18,131	-18,935	-17,688	-4,320	-3,222	-2,775

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 1990*.

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars

Item	1988		1989				1990		
	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30
1 Federal debt outstanding	2,614.6	2,707.3	2,763.6	2,824.0	2,881.1	2,975.5	3,081.9	3,175.5	3,266.1
2 Public debt securities	2,602.2	2,684.4	2,740.9	2,799.9	2,857.4	2,953.0	3,052.0	3,143.8	3,233.3
3 Held by public	2,051.7	2,095.2	2,133.4	2,142.1	2,180.7	2,245.2	2,329.3	2,368.8	n.a.
4 Held by agencies	550.4	589.2	607.5	657.8	676.7	707.8	722.7	775.0	n.a.
5 Agency securities	12.4	22.9	22.7	24.0	23.7	22.5	29.9	31.7	n.a.
6 Held by public	12.2	22.6	22.3	23.6	23.5	22.4	29.8	31.6	n.a.
7 Held by agencies .....	.2	.3	.4	.5	.1	.1	.2	.2	n.a.
8 Debt subject to statutory limit	2,586.9	2,669.1	2,725.6	2,784.6	2,829.8	2,921.7	2,988.9	3,077.0	3,161.2
9 Public debt securities	2,586.7	2,668.9	2,725.5	2,784.3	2,829.5	2,921.4	2,988.6	3,076.6	3,160.9
10 Other debt ¹ .....	.1	.2	.2	.2	.3	.3	.3	.4	.4
11 MEMO: Statutory debt limit	2,800.0	2,800.0	2,800.0	2,800.0	2,870.0	3,122.7	3,122.7	3,122.7	3,195.0

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	1986	1987	1988	1989	1989	1990		
					Q4	Q1	Q2	Q3
1 Total gross public debt	2,214.8	2,431.7	2,684.4	2,953.0	2,953.0	3,052.0	3,143.8	3,233.3
By type								
2 Interest-bearing debt	2,212.0	2,428.9	2,663.1	2,931.8	2,931.8	3,029.5	3,121.5	3,210.9
3 Marketable	1,619.0	1,724.7	1,821.3	1,945.4	1,945.4	1,995.3	2,028.0	2,092.8
4 Bills	426.7	389.5	414.0	430.6	430.6	453.1	453.5	482.5
5 Notes	927.5	1,037.9	1,083.6	1,151.5	1,151.5	1,169.4	1,192.7	1,218.1
6 Bonds	249.8	282.5	308.9	348.2	348.2	357.9	366.8	377.2
7 Nonmarketable ¹	593.1	704.2	841.8	986.4	986.4	1,034.2	1,093.5	1,118.2
8 State and local government series	110.5	139.3	151.5	163.3	163.3	163.5	164.3	161.3
9 Foreign issues ²	4.7	4.0	6.6	6.8	6.8	37.1	36.4	36.0
10 Government	4.7	4.0	6.6	6.8	6.8	37.1	36.4	36.0
11 Public .....	.0	.0	.0	.0	.0	.0	.0	.0
12 Savings bonds and notes	90.6	99.2	107.6	115.7	115.7	118.0	120.1	122.2
13 Government account series ³	386.9	461.3	575.6	695.6	695.6	705.1	758.7	779.4
14 Non-interest-bearing debt	2.8	2.8	21.3	21.2	21.2	22.4	22.3	22.4
By holder ⁴								
15 U.S. government agencies and trust funds	403.1	477.6	589.2	707.8	707.8	722.7	775.0	↑
16 Federal Reserve Banks	211.3	222.6	238.4	228.4	228.4	219.3	231.4	↑
17 Private investors	1,602.0	1,731.4	1,858.5	2,015.8	2,015.8	2,115.1	2,135.5	↑
18 Commercial banks	203.5	201.5	193.8	180.6	180.6	182.0	n.a.	↑
19 Money market funds	28.0	14.6	11.8	14.4	14.4	31.3	n.a.	↑
20 Insurance companies	105.6	104.9	107.3	107.9	107.9	108.0	n.a.	↑
21 Other companies	68.8	84.6	87.1	93.8	93.8	95.0	n.a.	↑
22 State and local Treasuries	262.8	284.6	313.6	337.1	337.1	338.0	n.a.	↑
Individuals								↑
23 Savings bonds	92.3	101.1	109.6	117.7	117.7	119.9	121.6	↑
24 Other securities	70.4	71.3	79.2	93.8	93.8	95.0	n.a.	↑
25 Foreign and international ⁵	263.4	299.7	362.2	393.4	393.4	386.9	392.7	↑
26 Other miscellaneous investors ⁶	506.6	569.1	593.9	674.3	674.3	754.9	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 and the Treasury Bulletin.

1.42 U.S. GOVERNMENT SECURITIES DEALERS Transactions¹

Millions of dollars, daily averages

Item	1990			1990								
	Aug.	Sept.	Oct.	Oct. 3	Oct. 10	Oct. 17	Oct. 24	Oct. 31	Nov. 7	Nov. 14	Nov. 21	Nov. 28
IMMEDIATE TRANSACTIONS²												
<i>By type of security</i>												
U.S. government securities												
1 Bills	30,568 ^r	31,495 ^r	31,726 ^r	32,983 ^r	25,797 ^r	27,777	31,295	41,282	31,851	32,271	33,320	33,378
Coupon securities												
2 Maturing in less than 3.5 years	32,863 ^r	29,379 ^r	29,841 ^r	33,909	30,186	27,030	23,708	36,001	41,958	34,487	28,980	31,293
3 Maturing in 3.5 to 7.5 years	24,493 ^r	22,872 ^r	25,903 ^r	28,914	32,493 ^r	24,794	22,529	21,988	22,988	26,240	24,388	25,151
4 Maturing in 7.5 to 15 years	13,735 ^r	9,707 ^r	11,386	11,437	12,709	10,986	11,436	10,381	20,174	20,286	12,856	9,189
5 Maturing in 15 years or more	15,468 ^r	10,850	13,365	13,472	15,301	14,882	12,318	10,897	15,097	20,234	15,643	10,697
Federal agency securities												
Debt												
6 Maturing in less than 3.5 years	4,015	4,535	4,397	5,630	4,365	3,856	3,843	4,784	4,677	4,498	4,598	3,915
7 Maturing in 3.5 to 7.5 years	560	449	534	492	651	422	605	481	789	765	471	461
8 Maturing in 7.5 years or more	789	531	836	733	879	1,751	413	364	660	819	717	283
Mortgage-backed												
9 Pass-throughs	6,992	9,146	9,005	11,595	9,897	7,206	7,805	9,557	10,145	7,323	7,194	9,209
10 All others	1,415	1,149	1,247	1,313	1,189	1,215	955	1,590	1,171	1,512	1,648	1,482
<i>By type of counterparty</i>												
Primary dealers and brokers												
11 U.S. government securities	73,122 ^r	66,107 ^r	71,015	75,446	73,747	67,902	65,864	73,890	80,247	81,064	71,264	66,297
Federal agency												
12 Debt securities	1,685	1,773	2,007	2,339	2,207	2,373	1,543	1,705	2,027	2,062	1,885	1,519
13 Mortgage backed securities	3,884	5,081	4,834	6,854	4,566	3,112	4,655	5,792	5,550	3,946	4,409	5,921
Customers												
14 U.S. government securities	44,005 ^r	38,197 ^r	41,206 ^r	45,269 ^r	42,739 ^r	37,568	35,421	46,658	51,821	52,453	43,923	43,410
Federal agency												
15 Debt securities	3,679	3,742	3,760	4,517	3,688	3,656	3,318	3,923	4,099	4,020	3,901	3,139
16 Mortgage-backed securities	4,523	5,214	5,418	6,054	6,520	5,309	4,106	5,356	5,766	4,889	4,433	4,770
FUTURE AND FORWARD TRANSACTIONS⁴												
<i>By type of deliverable security</i>												
U.S. government securities												
17 Bills	4,595	4,237 ^r	3,694 ^r	4,451	2,736	3,969	2,792	4,826	4,187	4,632	5,142	6,801
Coupon securities												
18 Maturing in less than 3.5 years	1,696	1,198	1,306	1,545	1,232	1,464	1,385	1,003	2,048	1,651	1,467	1,126
19 Maturing in 3.5 to 7.5 years	691	463	523	839	697	360	501	345	629	646	625	1,169
20 Maturing in 7.5 to 15 years	1,381	925	873	1,231	873	912	795	698	1,171	2,031	917	1,137
21 Maturing in 15 years or more	10,284	7,731	8,957	9,571	9,516	9,604	9,438	6,902	10,420	12,866	10,013	7,724
Federal agency securities												
Debt												
22 Maturing in less than 3.5 years	47	31	81	29	143	88	79	45	24	47	110	6
23 Maturing in 3.5 to 7.5 years	58	113	53	38	37	28	148	11	22	93	24	100
24 Maturing in 7.5 years or more	21	45	96 ^r	150	191 ^r	54	21	87	26	72	27	17
Mortgage-backed												
25 Pass-throughs	8,519	7,607	8,427 ^r	7,351	10,948	9,089	6,966	7,350	7,717	13,008	9,531	6,793
26 All others	1,462	999	721	1,786	274	354	1,051	567	1,541	1,270	604	1,142
OPTION TRANSACTIONS⁶												
<i>By type of underlying securities</i>												
U.S. government securities												
27 Bills	11	3	60	30	19	108	68	63	21	25	55	177
Coupon securities												
28 Maturing in less than 3.5 years	693	956	715	1,124	679	704	433	798	600	774	673	634
29 Maturing in 3.5 to 7.5 years	297	309	223	306	216	257	133	234	183	345	174	279
30 Maturing in 7.5 to 15 years	315	190	182	179	243	274	140	72	225	304	91	212
31 Maturing in 15 years or more	2,880	1,918	2,152	2,142	1,880	2,612	2,704	1,417	2,206	2,410	2,067	2,956
Federal agency securities												
Debt												
32 Maturing in less than 3.5 years	2	3	6	1	20	1	0	5	14	7	0	0
33 Maturing in 3.5 to 7.5 years	0	0	0	0	0	0	0	0	0	0	0	0
34 Maturing in 7.5 years or more	7	6	0	0	0	0	0	0	0	3	0	0
Mortgage-backed												
35 Pass-throughs	524	383	482	268	927	370	371	390	289	653	354	178
36 All others	0	7	1	3	0	0	2	2	0	0	0	0

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. Immediate, forward, and future transactions are reported at principal value, which does not include accrued interest; option transactions are reported at the face value of the underlying securities.

Dealers report cumulative transactions for each week ending Wednesday.

2. Transactions for immediate delivery include purchases or sales of securities (other than mortgage-backed agency securities) for which delivery is scheduled in five business days or less and "when-issued" securities that settle on the issue date of offering. Transactions for immediate delivery of mortgage-backed securities include purchases and sales for which delivery is scheduled in thirty days or less.

Stripped securities are reported at market value by maturity of coupon or corpus.

3. Includes securities such as CMOs, REMICs, IOs, and POs.

4. Futures transactions are standardized agreements arranged on an exchange. Forward transactions are agreements made in the over-the-counter market that specify delayed delivery. All futures transactions are included regardless of time to delivery. Forward contracts for U.S. government securities and federal agency debt securities are included when the time to delivery is more than five days. Forward contracts for mortgage-backed securities are included when the time to delivery is more than thirty days.

5. Options transactions are purchases or sales of put and call options, whether arranged on an organized exchange or in the over-the-counter market and include options on futures contracts on U.S. government and federal agency securities.

1.43 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing¹

Millions of dollars

Item	1990			1990								
	Aug.	Sept.	Oct.	Oct. 3	Oct. 10	Oct. 17	Oct. 24	Oct. 31	Nov. 7	Nov. 14	Nov. 21	Nov. 28
Positions ²												
NET IMMEDIATE ³												
By type of security												
U.S. government securities												
1 Bills	6,815	3,664	3,258	-499	2,025	3,775	2,556	6,284	7,055	13,564	11,531	12,165
Coupon securities												
2 Maturing in less than 3.5 years	5,395	-352	-2,016	-1,071	-495	-3,553	-3,097	-1,326	4,103	2,471	2,349	6,978
3 Maturing in 3.5 to 7.5 years	-2,645	-5,090	-5,885	-5,570	-6,369	-5,172	-5,884	-6,250	-7,004	-8,212	-6,707	-4,482
4 Maturing in 7.5 to 15 years	-5,740	-7,271	-7,044	-7,591	-6,629	-7,396	-6,662	-7,253	-5,500	-5,479	-7,103	-8,381
5 Maturing in 15 years or more	-12,241	-14,195	-15,377	-14,173	-15,057	-15,085	-15,399	-16,483	-14,403	-8,074	-10,259	-9,951
Federal agency securities												
Debt												
6 Maturing in less than 3.5 years	4,136	4,047	4,169	4,269	4,672	4,185	4,464	3,314	5,015	4,240	4,222	4,318
7 Maturing in 3.5 to 7.5 years	1,422	1,797	1,737	1,698	1,780	1,845	1,827	1,512	1,702	1,532	1,608	1,627
8 Maturing in 7.5 years or more	2,396	2,128	4,115	2,593	2,612	4,961	4,898	4,640	5,145	4,673	4,494	4,376
Mortgage-backed												
9 Pass-throughs	16,696	16,330	17,886	13,311	17,770	22,122	19,287	14,324	20,915	22,783	21,498	19,486
10 All others ⁴	0	0	0	0	0	0	0	0	0	0	0	0
Other money market instruments												
11 Certificates of deposit	3,129	2,953	2,559	3,210	2,889	2,568	2,171	2,327	2,066	2,265	1,985	1,674
12 Commercial paper	7,489	7,307	6,423	7,590	7,484	6,093	4,769	6,845	6,352	6,436	5,774	5,641
13 Bankers' acceptances	1,193	954	1,214	873	1,122	1,017	1,195	1,668	1,609	1,584	1,460	1,048
FUTURE AND FORWARD ⁵												
By type of deliverable security												
U.S. government securities												
14 Bills	-15,495	-11,881	-17,120	-12,607	-13,769	-18,581	-18,855	-19,207	-15,303	-14,015	-5,726	-7,454
Coupon securities												
15 Maturing in less than 3.5 years	-616	-573	-685	-1,124	-935	-170	-705	-742	-2,104	-1,818	-1,491	-1,336
16 Maturing in 3.5 to 7.5 years	-1,728	-1,403	-1,541	-1,984	-1,671	-1,696	-1,559	-1,050	-258	-816	-821	-1,232
17 Maturing in 7.5 to 15 years	327	143	-982	-913	-981	-1,067	-1,096	-814	-1,948	-2,101	-1,782	-1,160
18 Maturing in 15 years or more	-2,405	90	-2,256	-1,103	-751	-2,323	-3,342	-3,103	-3,999	-7,468	-5,326	-4,677
Federal agency securities												
Debt												
19 Maturing in less than 3.5 years	167	132	166	141	109	123	264	180	77	99	42	37
20 Maturing in 3.5 to 7.5 years	71	76	96	58	79	115	176	29	86	24	48	38
21 Maturing in 7.5 years or more	-52	100	118	256	163	22	71	156	2	42	-78	-78
Mortgage-backed												
22 Pass-throughs	-7,823	-7,683 ⁷	-8,186 ⁷	-4,044 ⁷	-8,024	-11,615	-8,961	-5,919	-10,863	-13,126	-11,766	-9,589
23 All others ⁴	0	0	0	0	0	0	0	0	0	0	0	0
Other money market instruments												
24 Certificates of deposit	47,770	56,474	86,147	70,761	79,981	86,674	92,928	91,599	104,748	92,247	84,906	68,405
25 Commercial paper	-3	0	0	0	0	0	0	0	0	0	0	0
26 Bankers' acceptances	0	0	0	0	0	0	0	0	0	0	0	0
Financing ⁶												
Reverse repurchase agreements												
27 Overnight and continuing	157,064	159,515	175,353	175,098	169,662	166,622	177,104	188,134	167,660	186,630	155,006	171,250
28 Term	229,319	219,855	226,083	213,308	222,431	225,827	230,502	231,045	243,113	227,169	222,034	207,174
Reverse repurchase agreements												
29 Overnight and continuing	234,871	235,588	248,211	239,083	243,629	246,194	256,061	250,874	246,770	266,824	179,908	244,198
30 Term	189,882 ⁷	174,627 ⁷	183,745 ⁷	170,528	178,474	181,163	191,173	189,835	206,851	200,587	239,695	181,378
Securities borrowed												
31 Overnight and continuing	45,914	50,783	50,122	50,103	51,733	49,279	48,948	50,536	48,173	46,334	47,273	48,897
32 Term	13,686	18,003	19,182	18,270	18,440	18,916	19,965	19,798	21,814	22,141	22,257	21,987
Securities lent												
33 Overnight and continuing	18,951	22,156	20,897	22,899	22,640	20,840	19,962	19,286	18,468	18,584	19,204	18,950
34 Term	446 ⁷	1,046 ⁷	621 ⁷	356	475	659	765	697	5,411	465	691	1,430
Collateralized loans												
35 Overnight and continuing	5,058	4,870	4,421	4,694	4,757	4,206	3,954	4,652	3,849	5,036	3,916	4,832
36 Term	691	863	1,101	665	553	1,169	1,820	1,048	1,153	1,075	1,302	821
MEMO: Matched book ⁷												
Reverse repurchases												
37 Overnight and continuing	100,242	102,856	110,533	111,606	109,117	105,657	112,100	114,796	100,814	115,686	96,976	109,101
38 Term	184,789	178,083	179,414	171,794	177,459	177,937	184,982	180,545	194,837	184,261	173,933	165,374
Repurchases												
39 Overnight and continuing	131,250	137,034	141,338	139,980	140,387	138,181	142,267	145,099	129,508	141,554	99,732	132,446
40 Term	148,876	137,764	142,489	132,135	140,675	139,076	147,304	147,338	159,324	154,490	163,100	140,003

1. Data for positions and financing are obtained from reports submitted to the Federal Reserve Bank of New York by the U.S. government securities dealers on its published list of primary dealers. Data for positions and financing are averages of close-of-business Wednesday data.

2. Securities positions are reported at market value.

3. Net immediate positions include securities purchased or sold (other than mortgage-backed agency securities) that have been delivered or are scheduled to be delivered in five business days or less and "when-issued" securities settle on the issue date of offering. Net immediate positions of mortgage-backed securities include securities purchased or sold that have been delivered or are scheduled to be delivered in thirty days or less.

4. Includes securities such as CMOs, REMICs, IOs, and POs.

5. Futures positions are standardized contracts arranged on an exchange. Forward positions reflect agreements made in the over-the-counter market that specify delayed delivery. All futures positions are included regardless of time to

delivery. Forward contracts for U.S. government securities and for federal agency debt securities are included when the time to delivery is more than five business days. Forward contracts for mortgage-backed securities are included when the time to delivery is more than thirty days.

6. Overnight financing refers to agreements made on one business day that mature on the next business day; continuing contracts are agreements that remain in effect for more than one business day but have no specific maturity and can be terminated without a requirement for advance notice by either party; term agreements have a fixed maturity of more than one business day.

7. Matched-book data reflect financial intermediation activity in which the borrowing and lending transactions are matched. Matched-book data are included in the financing breakdowns listed above. The reverse repurchase and repurchase numbers are not always equal due to the "matching" of securities of different values or types of collateralization.

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1986	1987	1988	1989	1990				
					June	July	Aug.	Sept.	Oct.
1 Federal and federally sponsored agencies	307,361	341,386	381,498	411,805	422,261	420,529	421,554	421,308	n.a.
2 Federal agencies	36,958	37,981	35,668	35,664	42,015	41,978	42,323	42,420 ^r	42,685
3 Defense Department ¹	33	13	8	7	7	7	7	7	7
4 Export-Import Bank ^{2,3}	14,211	11,978	11,033	10,985	11,150	11,150	11,150	11,346	11,346
5 Federal Housing Administration ⁴	138	183	150	328	394	281	316	357	382
6 Government National Mortgage Association participation certificates ⁵	2,165	1,615	0	0	0	0	0	0	0
7 Postal Service ⁶	3,104	6,103	6,142	6,445	6,148	6,148	6,948	6,948	6,948
8 Tennessee Valley Authority	17,222	18,089	18,335	17,899	24,316	24,392	23,902	23,762 ^r	24,002
9 United States Railway Association ⁶	85	0	0	0	0	0	0	0	0
10 Federally sponsored agencies ⁷	270,553	303,405	345,830	375,407	380,245	378,551	379,231	378,388	n.a.
11 Federal Home Loan Banks	88,758	115,727	135,836	136,087	123,021	119,692	118,380	116,336	117,120
12 Federal Home Loan Mortgage Corporation	13,589	17,645	22,797	26,148	31,049	27,716	27,589	27,985	n.a.
13 Federal National Mortgage Association	93,563	97,057	105,459	116,064	117,964	118,356	119,248	118,826	119,775
14 Farm Credit Banks ⁸	62,478	55,275	53,127	54,864	53,451	53,175	54,015	54,382	56,788
15 Student Loan Marketing Association ⁹	12,171	16,503	22,073	28,705	32,392	32,218	32,605	33,376	n.a.
16 Financing Corporation ¹⁰	0	1,200	5,850	8,170	8,170	8,170	8,170	8,170	n.a.
17 Farm Credit Financial Assistance Corporation ¹¹	0	0	690	847	1,172	1,172	1,172	1,261	n.a.
18 Resolution Funding Corporation ¹²	0	0	0	4,522	13,026	18,052	18,052	18,052	23,055
MEMO									
19 Federal Financing Bank debt¹³	157,510	152,417	142,850	134,873	157,685	162,443	166,017	173,318	180,538
<i>Lending to federal and federally sponsored agencies</i>									
20 Export-Import Bank ³	14,205	11,972	11,027	10,979	11,144	11,144	11,144	11,340	11,340
21 Postal Service ⁶	2,854	5,853	5,892	6,195	5,898	5,898	6,698	6,698	6,698
22 Student Loan Marketing Association	4,970	4,940	4,910	4,880	4,880	4,880	4,880	4,880	4,880
23 Tennessee Valley Authority	15,797	16,709	16,955	16,519	14,936	15,012	14,522	14,382 ^r	14,622
24 United States Railway Association ⁶	85	0	0	0	0	0	0	0	0
<i>Other Lending¹⁴</i>									
25 Farmers Home Administration	65,374	59,674	58,496	53,311	51,901	52,171	52,211	52,049	52,324
26 Rural Electrification Administration	21,680	21,191	19,246	19,265	19,168	19,066	19,043	19,042	18,966
27 Other	32,545	32,078	26,324	23,724	49,758	54,272	57,519	64,927 ^r	71,708

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. Excludes borrowing by the Farm Credit Financial Assistance Corporation, shown in line 17.

9. Before late 1981, the Association obtained financing through the Federal Financing Bank (FFB). Borrowing excludes that obtained from the FFB, which is shown on line 21.

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

11. The Farm Credit Financial Assistance Corporation (established in January 1988 to provide assistance to the Farm Credit System) undertook its first borrowing in July 1988.

12. The Resolution Funding Corporation, established by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, undertook its first borrowing in October 1989.

13. 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.

14. 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.

A34 Domestic Financial Statistics □ February 1991

1.45 NEW SECURITY ISSUES Tax-Exempt State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1987	1988	1989	1990							
				Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
1 All issues, new and refunding¹	102,407	114,522	113,646	8,582	12,032	13,625	8,731	10,035	13,930	8,521	9,961
<i>Type of issue</i>											
2 General obligation	30,589	30,312	35,774	3,386	3,166	4,426	2,847	3,358	3,763	3,435	3,024
3 Revenue	71,818	84,210	77,873	5,196	8,866	9,199	5,884	6,677	10,167	5,086	6,937
<i>Type of issuer</i>											
4 State	10,102	8,830	11,819	1,387	1,003	1,090	1,442	1,610	2,317	1,470	1,337
5 Special district and statutory authority ²	65,460	74,409	71,022	4,366	7,485	8,556	5,670	6,692	8,188	4,521	5,879
6 Municipalities, counties, and townships	26,845	31,193	30,805	2,243	3,544	3,977	1,742	2,195	3,425	2,530	2,745
7 Issues for new capital, total	56,789	79,665	84,062	7,744	10,486	10,974	7,442	9,346	12,713	8,043	9,098
<i>Use of proceeds</i>											
8 Education	9,524	15,021	15,133	1,054	1,694	2,612	2,212	1,389	1,472	1,614	1,009
9 Transportation	3,677	6,825	6,870	1,215	1,375	1,592	789	931	920	1,043	727
10 Utilities and conservation	7,912	8,496	11,427	991	1,232	2,159	719	1,015	687	731	1,301
11 Social welfare	11,106	19,027	16,703	2,664	2,628	2,199	2,012	3,508	3,995	1,343	1,992
12 Industrial aid	7,474	5,624	5,036	232	681	693	434	495	674	386	540
13 Other purposes	18,020	24,672	28,894	2,426	2,155	4,366	2,688	3,161	4,965	2,926	4,392

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

SOURCES: Investment Dealer's Digest beginning April 1990. 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	1987	1988	1989	1990							
				Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
1 All issues¹	392,261	410,713	376,171	21,199	15,346	25,204	28,900	19,975	13,750²	14,535²	19,262
2 Bonds²	325,753	352,912	318,300	17,405	13,590	22,853	26,027	17,728	12,942²	14,109²	18,300
<i>Type of offering</i>											
3 Public, domestic	209,377	202,034	180,913	15,498	12,669	19,703	22,816	14,423	11,746 ²	12,200 ²	16,600
4 Private placement, domestic ³	92,070	127,700	114,629	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
5 Sold abroad	24,306	23,178	22,758	1,907	921	3,150	3,211	3,305	1,196	1,909 ²	1,700
<i>Industry group</i>											
6 Manufacturing	60,657	70,575	76,345	3,396	3,612	2,580	3,812	1,838	861 ²	2,246 ²	2,804
7 Commercial and miscellaneous	49,773	62,089	49,307	263	683	1,171	2,999	1,728	223	117	446
8 Transportation	11,974	10,075	10,105	386	194	927	1,001	270	500	533	187
9 Public utility	22,991	19,528	17,059	317	435	1,004	2,561	703	835	1,000	831
10 Communication	7,340	5,952	8,503	704	500	326	411	137	35	268	242
11 Real estate and financial	173,018	184,692	156,983	12,340	8,167	16,845	15,243	13,052	10,488 ²	9,945 ²	13,790
12 Stocks²	66,508	57,802	57,870	3,794	1,756	2,351	2,873	2,247	808	426	962
<i>Type</i>											
13 Preferred	10,123	6,544	6,194	1,028	193	665	310	350	145	100	550
14 Common	43,225	35,911	26,030	2,767	1,564	1,686	2,563	1,897	663	326 ²	412
15 Private placement ³	13,157	15,346	25,647	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<i>Industry group</i>											
16 Manufacturing	13,880	7,608	9,308	521	253	86	265	348	125	0	60
17 Commercial and miscellaneous	12,888	8,449	7,446	552	666	706	748	507	251	172	194
18 Transportation	2,439	1,535	1,929	0	0	22	21	0	71	0	7
19 Public utility	4,322	1,898	3,090	533	219	471	0	173	139	39	297
20 Communication	1,458	515	1,904	0	0	380	29	0	0	0	0
21 Real estate and financial	31,521	37,798	34,028	2,188	619	686	1,799	862	218	215	400

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. Before 1987, annual totals include underwritten issues only.

SOURCES: IDD Information Services, Inc., the Board of Governors of the Federal Reserve System, and before 1989, the U.S. Securities and Exchange Commission.

1.47 OPEN-END INVESTMENT COMPANIES Net Sales and Asset Position

Millions of dollars

Item	1988	1989	1990							
			Mar.	Apr.	May	June	July	Aug.	Sept. ¹	Oct.
INVESTMENT COMPANIES ¹										
1 Sales of own shares ²	271,237	306,445	28,817	29,788	27,431	28,301	29,444	29,227	23,387	27,511
2 Redemptions of own shares ³	267,451	272,165	23,777	27,306	23,337	23,340	22,933	24,837	21,053	23,112
3 Net sales	3,786	34,280	5,040	2,482	4,094	4,961	6,511	4,390	2,334	4,399
4 Assets ⁴	472,297	553,871	549,638	542,061	574,302	582,190	586,526	554,722	535,787	538,283
5 Cash position ⁵	45,090	44,780	50,454	55,213	52,741	49,861	48,944	51,103	51,128	51,832
6 Other	427,207	509,091	499,184	486,848	521,560	532,329	537,582	503,619	484,659	486,451

1. Data on sales and redemptions exclude money market mutual funds but include limited maturity municipal bond funds. Data on asset positions exclude both money market mutual funds and limited maturity municipal bond 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	1987	1988	1989	1988	1989					1990		
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3 ¹	
1 Corporate profits with inventory valuation and capital consumption adjustment	308.3	337.6	311.6	349.6	327.3	321.4	306.7	290.9	296.8	306.6	300.7	
2 Profits before tax	275.3	316.7	307.7	331.1	335.1	314.6	291.4	289.8	296.9	299.3	318.5	
3 Profits tax liability	126.9	136.2	135.1	142.1	148.3	140.8	127.8	123.5	129.9	133.1	139.1	
4 Profits after tax	148.4	180.5	172.6	189.1	186.7	173.8	163.6	166.3	167.1	166.1	179.4	
5 Dividends	98.2	110.0	123.5	115.3	119.1	122.1	125.0	127.7	130.3	133.0	135.1	
6 Undistributed profits	50.2	70.5	49.1	73.8	67.6	51.7	38.6	38.6	36.8	33.2	44.3	
7 Inventory valuation	-19.4	-27.0	-21.7	-22.5	-43.0	-23.1	-6.1	-14.5	-11.4	-5	-19.8	
8 Capital consumption adjustment	52.4	47.8	25.5	40.9	35.2	29.9	21.4	15.6	11.3	7.7	2.0	

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

1.50 TOTAL NONFARM BUSINESS EXPENDITURES on New Plant and Equipment ▲

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

Industry	1989	1990	1991	1989			1990				1991
				Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
1 Total nonfarm business	507.40	533.91	546.67	502.05	514.95	519.58	532.45	535.49	534.86	532.84	557.92
Manufacturing											
2 Durable goods industries	82.56	83.70	83.01	82.44	83.60	83.41	86.35	84.34	82.67	81.42	82.79
3 Nondurable goods industries	101.24	108.60	110.57	98.47	102.40	108.47	105.02	110.82	111.81	106.74	108.28
Nonmanufacturing											
4 Mining	9.21	9.81	9.38	9.24	9.24	9.38	9.58	9.84	9.98	9.84	10.24
5 Transportation											
6 Railroad	6.26	6.30	6.62	5.81	6.36	6.80	6.45	6.66	5.60	6.48	6.22
7 Air	6.73	9.02	10.82	6.84	8.89	5.75	9.35	9.36	10.05	7.31	11.03
8 Other	5.85	6.14	6.35	5.78	5.78	5.69	6.33	5.84	5.76	6.63	6.51
Public utilities											
9 Electric	44.81	43.99	45.72	46.37	44.44	44.66	43.37	42.62	43.63	46.34	47.33
10 Gas and other	21.47	22.97	22.16	21.72	20.75	21.15	22.34	21.65	23.85	24.05	24.43
11 Commercial and other	229.28	243.39	252.04	225.39	233.50	234.25	243.66	244.37	241.51	244.02	261.08

▲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	1985	1986	1987	1989				1990		
				Q1	Q2	Q3	Q4	Q1	Q2	Q3
ASSETS										
Accounts receivable, gross ²										
1 Consumer	111.9	134.7	141.1	139.1	143.9	146.3	140.8	137.9	138.6	140.9
2 Business	157.5	173.4	207.4	243.3	250.9	246.8	256.0	262.9	274.8	275.4
3 Real estate	28.0	32.6	39.5	45.1	47.1	48.7	48.9	52.1	55.4	57.7
4 Total	297.4	340.6	388.1	427.5	441.9	441.8	445.8	452.8	468.8	474.0
Less:										
5 Reserves for unearned income	39.2	41.5	45.3	51.0	52.2	52.9	52.0	51.9	54.3	55.1
6 Reserves for losses	4.9	5.8	6.8	7.4	7.5	7.7	7.7	7.9	8.2	8.6
7 Accounts receivable, net	253.3	293.3	336.0	369.2	382.2	381.3	386.1	393.0	406.3	410.3
8 All other	45.3	58.6	58.3	75.1	81.4	85.2	91.6	92.5	95.5	102.8
9 Total assets	298.6	351.9	394.2	444.3	463.6	466.4	477.6	485.5	501.9	513.1
LIABILITIES										
10 Bank loans	18.0	18.6	16.4	11.3	12.1	12.2	14.5	13.9	15.8	15.6
11 Commercial paper	99.2	117.8	128.4	147.8	149.0	147.2	149.5	152.9	152.4	148.6
Debt										
12 Other short-term	12.7	17.5	28.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
13 Long-term	94.4	117.5	137.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
14 Due to parent	n.a.	n.a.	n.a.	56.9	59.8	60.3	63.8	70.5	72.8	82.0
15 Not elsewhere classified	n.a.	n.a.	n.a.	133.6	140.5	145.1	147.8	145.7	153.0	156.6
16 All other liabilities	41.5	44.1	52.8	58.1	63.5	61.8	62.6	61.7	66.1	68.7
17 Capital, surplus, and undivided profits	32.8	36.4	31.5	36.6	38.8	39.8	39.4	40.7	41.8	41.6
18 Total liabilities and capital	298.6	351.9	394.2	444.3	463.6	466.4	477.6	485.5	501.9	513.1

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

2. Excludes pools of securitized assets.

1.52 DOMESTIC FINANCE COMPANIES Business Credit Outstanding and Net Change¹

Millions of dollars, seasonally adjusted

Type	1987	1988	1989	1990					
				May	June	July	Aug.	Sept.	Oct.
1 Total	205,992	234,578	258,504	266,859	273,786	277,616	283,043	285,654	287,921
Retail financing of installment sales									
2 Automotive	36,139	36,957	39,139	39,245	39,716	38,931	38,610	38,470	39,150
3 Equipment	25,075	28,199	29,674	30,635	30,491	30,623	30,707	30,607	30,487
4 Pools of securitized assets ²	n.a.	n.a.	698	622	642	800	987	946	902
Wholesale									
5 Automotive	30,070	32,357	33,074	29,896	31,815	33,158	34,429	37,082	35,258
6 Equipment	5,578	5,954	6,896	9,429	9,495	9,929	9,812	9,791	10,698
7 All other	8,329	9,312	9,918	9,892	10,043	9,722	9,707	9,597	9,477
8 Pools of securitized assets ²	n.a.	n.a.	0	0	0	0	650	863	679
Leasing									
9 Automotive	22,097	24,875	27,074	28,878	29,575	30,210	30,942	30,453	31,303
10 Equipment	43,493	57,658	68,112	72,715	74,916	76,316	78,714	79,158	80,833
11 Pools of securitized assets ²	n.a.	n.a.	1,247	1,597	1,547	1,760	1,703	1,655	1,724
12 Loans on commercial accounts receivable and factored commercial accounts receivable	18,170	18,103	19,081	18,700	19,869	20,077	19,974	20,538	20,740
13 All other business credit	17,042	21,162	23,590	25,250	25,677	26,089	26,809	26,495	26,670
Net change (during period)									
14 Total	33,866	22,434	22,580	4,480	6,927	3,830	5,427	2,611	2,267
Retail financing of installment sales									
15 Automotive	9,925	819	2,182	-305	471	-785	-321	-141	680
16 Equipment	2,056	1,386	1,475	520	-144	132	84	-100	-120
17 Pools of securitized assets ²	n.a.	n.a.	-26	-40	20	158	187	-41	-44
Wholesale									
18 Automotive	7,158	2,288	716	224	1,919	1,343	1,271	2,653	-1,823
19 Equipment	250	377	940	57	67	434	-118	-21	907
20 All other	1,293	983	605	-69	151	-321	-16	-110	-120
21 Pools of securitized assets ²	n.a.	n.a.	0	0	0	0	650	213	-184
Leasing									
22 Automotive	2,174	2,777	2,201	351	696	636	731	-488	850
23 Equipment	5,271	9,752	9,187	3,243	2,201	1,400	2,398	444	1,675
24 Pools of securitized assets ²	n.a.	n.a.	526	-49	-50	213	-57	-48	69
25 Loans on commercial accounts receivable and factored commercial accounts receivable	2,245	-65	979	-16	1,169	208	-103	564	202
26 All other business credit	3,498	4,119	3,796	565	427	412	721	-314	175

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

2. Data on pools of securitized assets are not seasonally adjusted.

1.53 MORTGAGE MARKETS

Millions of dollars; exceptions noted.

Item	1987	1988	1989	1990						
				May	June	July	Aug.	Sept.	Oct.	Nov.
	Terms and yields in primary and secondary markets									
PRIMARY MARKETS										
Conventional mortgages on new homes										
Terms ¹										
1 Purchase price (thousands of dollars).....	137.0	150.0	159.6	162.1	149.8	163.5	161.5	156.6	146.1	151.5
2 Amount of loan (thousands of dollars).....	100.5	110.5	117.0	119.7	111.8	120.9	118.3	114.8	105.1	111.2
3 Loan/price ratio (percent).....	75.2	75.5	74.5	75.0	76.4	75.3	74.5	74.7	73.5	75.0
4 Maturity (years).....	27.8	28.0	28.1	28.1	26.9	28.0	27.2	27.2	26.9	27.1
5 Fees and charges (percent of loan amount) ²	2.26	2.19	2.06	2.41	1.96	1.93	2.07	1.78	1.80	1.68
6 Contract rate (percent per year).....	8.94	8.81	9.76	9.87	9.80	9.75	9.75	9.60	9.68	9.61
Yield (percent per year)										
7 OTS series ³	9.31	9.18	10.11	10.28	10.13	10.08	10.11	9.90	9.98	9.90
8 HUD series ⁴	10.17	10.30	10.21	10.19	10.12	9.94	10.12	10.18	10.11	9.86
SECONDARY MARKETS										
Yield (percent per year)										
9 FHA mortgages (HUD series) ⁵	10.16	10.49	10.24	10.23	10.18	10.11	10.28	10.24	10.23	9.81
10 GNMA securities ⁶	9.44	9.83	9.71	9.77	9.54	9.48	9.63	9.65	9.66	9.46
	Activity in secondary markets									
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
Mortgage holdings (end of period)										
11 Total.....	95,030	101,329	104,974	112,791	112,855	113,378	113,507	113,718	114,216	115,085
12 FHA/VA-insured.....	21,660	19,762	19,640	20,723	20,830	21,059	21,101	21,364	21,495	21,530
13 Conventional.....	73,370	81,567	85,335	92,068	92,025	92,319	92,406	92,354	92,721	93,555
Mortgage transactions (during period)										
14 Purchases.....	20,531	23,110	22,518	1,630	1,802	2,304	2,134	2,123	2,077	2,078
Mortgage commitments ⁷										
15 Issued (during period) ⁸	n.a.	n.a.	n.a.	1,960	2,089	2,215	2,302	2,073	1,849	2,426
16 To sell (during period) ⁹	n.a.	n.a.	n.a.	534	853	874	761	644	92	0
FEDERAL HOME LOAN MORTGAGE CORPORATION										
Mortgage holdings (end of period) ⁹										
17 Total.....	12,802	15,105	20,105	19,874	19,979	20,127	20,564	20,508	n.a.	n.a.
18 FHA/VA.....	686	620	590	556	550	546	541	536	n.a.	n.a.
19 Conventional.....	12,116	14,485	19,516	19,319	19,429	19,581	20,023	17,810	n.a.	n.a.
Mortgage transactions (during period)										
20 Purchases.....	76,845	44,077	78,588	6,064	5,856	4,527	5,417	5,798	n.a.	n.a.
21 Sales.....	75,082	39,780	73,446	5,792	5,546	4,248	4,808	5,707	5,734 ⁷	5,280
Mortgage commitments ¹⁰										
22 Contracted (during period).....	71,467	66,026	88,519	8,502	11,183	5,851	5,646	6,643	n.a.	n.a.

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. Does not include standby commitments issued, but includes standby commitments converted.

9. Includes participation as well as whole loans.

10. 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	1987	1988	1989	1989			1990	
				Q2	Q3	Q4	Q1	Q2
1 All holders.....	2,971,019	3,264,348	3,540,084	3,402,082	3,473,550	3,540,084	3,601,132	3,657,741
2 1- to 4-family.....	1,958,400	2,186,292	2,404,311	2,287,645	2,347,566	2,404,311	2,450,291	2,492,784
3 Multifamily.....	272,500	289,128	305,582	299,449	302,374	305,582	310,273	314,360
4 Commercial.....	651,323	702,113	744,856	728,212	737,299	744,856	755,857	765,489
5 Farm.....	88,797	86,816	85,336	86,777	86,311	85,336	84,710	85,109
6 Selected financial institutions.....	1,657,937	1,826,668	1,919,243	1,891,210	1,913,914	1,919,243	1,924,635	1,924,617
7 Commercial banks ²	592,449	669,237	763,533	715,262	742,096	763,533	783,100	803,660
8 1- to 4-family.....	275,613	317,585	368,567	338,799	355,084	368,567	376,616	388,018
9 Multifamily.....	32,756	33,158	37,990	36,022	37,201	37,990	39,202	40,271
10 Commercial.....	269,648	302,989	340,285	324,083	333,272	340,285	350,473	358,367
11 Farm.....	14,432	15,505	16,691	16,358	16,539	16,691	16,809	17,003
12 Savings institutions ³	860,467	924,606	910,254	938,714	932,373	910,254	892,022	867,640
13 1- to 4-family.....	602,408	671,722	669,220	687,000	683,148	669,220	658,440	639,985
14 Multifamily.....	106,359	110,775	106,014	110,067	108,447	106,014	103,860	101,112
15 Commercial.....	150,943	141,433	134,370	140,977	140,096	134,370	129,103	125,944
16 Farm.....	757	676	650	670	682	650	619	599
17 Life insurance companies.....	205,021	232,825	245,456	237,234	239,445	245,456	249,513	253,317
18 1- to 4-family.....	12,676	15,299	13,827	12,814	13,290	13,827	14,173	14,479
19 Multifamily.....	21,644	23,583	27,195	25,232	26,372	27,195	28,182	29,155
20 Commercial.....	160,874	184,273	194,871	189,623	190,152	194,871	197,621	200,139
21 Farm.....	9,828	9,671	9,563	9,565	9,632	9,563	9,537	9,544
22 Finance companies ⁴	29,716	37,846	45,476	41,824	43,157	45,476	45,808	47,104
23 Federal and related agencies.....	192,721	200,570	209,472	202,056	205,809	209,472	216,059	230,511
24 Government National Mortgage Association.....	444	26	23	24	24	23	22	21
25 1- to 4-family.....	25	26	23	24	24	23	22	21
26 Multifamily.....	419	0	0	0	0	0	0	0
27 Farmers Home Administration ⁵	43,051	42,018	41,176	40,711	41,117	41,176	41,125	41,027
28 1- to 4-family.....	18,169	18,347	18,422	18,391	18,405	18,422	18,419	18,433
29 Multifamily.....	8,044	8,513	9,054	8,778	8,916	9,054	9,199	9,351
30 Commercial.....	6,603	5,343	4,443	3,885	4,366	4,443	4,510	4,418
31 Farm.....	10,235	9,815	9,257	9,657	9,430	9,257	8,997	8,826
32 Federal Housing and Veterans Administration.....	5,574	5,973	6,087	6,424	6,023	6,087	6,355	6,792
33 1- to 4-family.....	2,557	2,672	2,850	2,827	2,900	2,850	2,977	3,041
34 Multifamily.....	3,017	3,301	3,237	3,597	3,123	3,211	3,291	3,243
35 Federal National Mortgage Association.....	96,649	103,013	110,721	103,309	107,052	110,721	112,353	114,592
36 1- to 4-family.....	89,666	95,833	102,295	95,714	99,168	102,295	103,300	105,026
37 Multifamily.....	6,983	7,180	8,426	7,595	7,884	8,426	9,053	9,566
38 Federal Land Banks.....	34,131	32,115	29,640	31,467	30,943	29,640	29,325	30,517
39 1- to 4-family.....	2,008	1,890	1,210	1,851	1,821	1,210	1,197	1,957
40 Farm.....	32,123	30,225	28,430	29,616	29,122	28,430	28,128	28,559
41 Federal Home Loan Mortgage Corporation.....	12,872	17,425	21,851	20,121	20,650	21,851	19,823	20,126
42 1- to 4-family.....	11,430	15,077	18,248	17,382	17,659	18,248	16,772	16,918
43 Multifamily.....	1,442	2,348	3,603	2,739	2,992	3,603	3,051	3,208
44 Mortgage pools or trusts ⁶	718,297	810,887	943,932	864,885	899,435	943,932	981,265	1,011,982
45 Government National Mortgage Association.....	317,555	340,527	369,867	353,759	361,291	369,867	378,292	384,289
46 1- to 4-family.....	309,806	331,257	358,142	342,545	349,838	358,142	366,300	372,051
47 Multifamily.....	7,749	9,270	11,725	11,214	11,453	11,725	11,992	12,237
48 Federal Home Loan Mortgage Corporation.....	212,634	226,406	272,870	245,242	257,938	272,870	281,736	291,863
49 1- to 4-family.....	205,977	219,988	266,060	238,446	251,232	266,060	274,084	283,822
50 Multifamily.....	6,657	6,418	6,810	6,796	6,706	6,810	7,652	8,041
51 Federal National Mortgage Association.....	139,960	178,250	228,232	196,501	208,894	228,232	246,391	259,664
52 1- to 4-family.....	137,988	172,331	219,577	188,774	200,302	219,577	237,916	250,663
53 Multifamily.....	1,972	5,919	8,655	7,727	8,592	8,655	8,475	9,002
54 Farmers Home Administration ⁵	245	104	80	85	82	80	75	71
55 1- to 4-family.....	121	26	21	23	20	21	20	18
56 Multifamily.....	0	0	0	0	0	0	0	0
57 Commercial.....	63	38	26	26	26	26	25	23
58 Farm.....	61	40	33	36	35	33	31	30
59 Individuals and others ⁷	402,064	426,223	467,438	443,931	454,392	467,438	479,172	490,631
60 1- to 4-family.....	242,053	258,639	292,967	273,757	283,445	292,967	301,573	310,747
61 Multifamily.....	75,458	78,663	82,899	79,681	80,689	82,899	84,873	86,468
62 Commercial.....	63,192	68,037	70,861	69,387	70,861	72,136	72,136	72,868
63 Farm.....	21,361	20,884	20,711	20,875	20,871	20,711	20,589	20,548

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 (credit balance accounts that must be subtracted from the corresponding gross asset categories to yield net asset levels).

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

5. Farmers Home Administration-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. Includes private pools which are not shown as a separate line item.

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.

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

Millions of dollars, amounts outstanding, end of period

Holder, and type of credit	1988	1989	1990									
			Feb.	Mar.	Apr.	May	June	July	Aug.	Sept. ¹	Oct.	
	Seasonally adjusted											
1 Total	664,701	716,624	717,869	720,445	720,835	724,485	724,601	729,329	732,385	735,222	736,687	
2 Automobile	284,556	290,770	289,629	290,932	288,936	288,931	287,168	286,791	285,283	285,261	284,477	
3 Revolving	174,057	197,110	199,927	202,263	203,965	207,153	208,362	212,138	214,492	216,804	218,362	
4 Mobile home	25,201	22,343	22,633	22,708	22,702	22,815	22,733	22,795	22,976	22,672	22,484	
5 Other	180,887	206,401	205,680	204,543	205,232	205,585	206,338	207,605	209,635	210,484	211,364	
	Not seasonally adjusted											
6 Total	674,719	727,561	717,062	713,138	715,801	720,045	722,953	727,196	734,511	737,260	737,345	
By major holder												
7 Commercial banks	324,792	343,865	339,418	334,645	337,576	339,328	335,998	339,124	342,987	344,941	344,887	
8 Finance companies	146,212	140,832	139,115	137,857	138,174	138,384	138,642	138,796	139,496	140,890	141,329	
9 Credit unions	88,340	90,875	90,127	89,556	89,689	89,913	90,137	90,631	91,306	91,311	91,488	
10 Retailers	48,302	42,638	37,904	37,302	37,207	37,347	37,382	36,804	37,231	36,682	36,047	
11 Savings institutions	63,399	57,228	54,771	54,095	53,606	53,301	52,902	52,503	52,399	51,358	50,787	
12 Gasoline companies	3,674	3,935	3,803	3,792	3,928	4,024	4,192	4,396	4,722	4,723	4,718	
13 Pools of securitized assets ²	n.a.	48,188	51,924	55,891	55,621	57,748	63,700	64,942	66,370	67,355	68,089	
By major type of credit ³												
14 Automobile	284,328	290,421	288,036	286,539	286,220	287,140	287,254	287,479 ^r	288,221	289,255	287,805	
15 Commercial banks	123,392	126,613	127,149	126,289	126,483	127,056	126,988	126,986	128,079	128,937	128,167	
16 Finance companies	97,245	82,721	80,227	79,523	79,295	78,927	78,273	77,716	77,205	78,116	78,033	
17 Pools of securitized assets ²	n.a.	18,191	18,931	19,563	19,406	20,151	21,043	21,692	21,562	21,239	20,785	
18 Revolving	183,909	208,188	200,147	199,937	201,783	204,854	206,820	209,582	213,119	214,853	216,266	
19 Commercial banks	123,020	130,956	124,821	122,024	124,039	125,433	122,116	124,569	125,967	126,995	127,927	
20 Retailers	43,697	37,967	33,378	32,794	32,721	32,857	32,884	32,325	32,735	32,212	31,601	
21 Gasoline companies	3,674	3,935	3,803	3,792	3,928	4,024	4,192	4,396	4,722	4,723	4,718	
22 Pools of securitized assets ²	n.a.	22,977	26,204	29,542	29,403	30,913	36,076	36,786	38,194	39,606	40,798	
23 Mobile home	25,143	22,283	22,726	22,426	22,484	22,610	22,644	22,873 ^r	23,033	22,815	22,713	
24 Commercial banks	9,025	9,155	9,162	9,142	9,231	9,295	9,296	9,443	9,541	9,396	9,356	
25 Finance companies	7,191	4,716	5,410	5,178	5,168	5,224	5,266	5,328	5,358	5,423	5,400	
26 Other	181,339	206,669	206,153	204,236	205,314	205,441	206,235	207,252 ^r	210,138	210,337	210,561	
27 Commercial banks	69,355	77,141	78,286	77,190	77,823	77,544	77,598	78,126	79,400	79,613	79,437	
28 Finance companies	41,776	53,395	53,478	53,156	53,711	54,233	55,103	55,752	56,933	57,351	57,896	
29 Retailers	4,605	4,671	4,526	4,508	4,486	4,490	4,498	4,479	4,496	4,470	4,446	
30 Pools of securitized assets ²	n.a.	7,020	6,789	6,786	6,812	6,684	6,581	6,464	6,614	6,510	6,506	

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. Outstanding balances of pools upon which securities have been issued; these balances are no longer carried on the balance sheets of the loan originator.

3. Totals include estimates for certain holders for which only consumer credit totals are available.

1.56 TERMS OF CONSUMER INSTALLMENT CREDIT¹

Percent unless noted otherwise

Item	1987	1988	1989	1990						
				Apr.	May	June	July	Aug.	Sept.	Oct.
INTEREST RATES										
Commercial banks ²										
1 48-month new car ³	10.45	10.85	12.07	n.a.	11.82	n.a.	n.a.	11.89	n.a.	n.a.
2 24-month personal	14.22	14.68	15.44	n.a.	15.41	n.a.	n.a.	15.46	n.a.	n.a.
3 120-month mobile home ³	13.38	13.54	14.11	n.a.	14.09	n.a.	n.a.	14.09	n.a.	n.a.
4 Credit card	17.92	17.78	18.02	n.a.	18.14	n.a.	n.a.	18.18	n.a.	n.a.
Auto finance companies										
5 New car	10.73	12.60	12.62	12.21	12.23	12.58	12.68	12.62	12.34	12.57
6 Used car	14.60	15.11	16.18	16.02	16.03	16.00	15.96	15.98	16.03	16.12
OTHER TERMS ⁴										
Maturity (months)										
7 New car	53.5	56.2	54.2	54.2	54.5	54.8	54.9	54.8	54.3	54.6
8 Used car	45.2	46.7	46.6	46.5	46.1	46.2	46.2	46.2	46.1	46.1
Loan-to-value ratio										
9 New car	93	94	91	87	87	87	86	86	85	85
10 Used car	98	98	97	96	96	95	96	96	95	95
Amount financed (dollars)										
11 New car	11,203	11,663	12,001	12,089	12,064	12,108	12,125	11,939	11,837	11,917
12 Used car	7,420	7,824	7,954	8,105	8,169	8,296	8,401	8,415	8,403	8,423

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; quarterly data are at seasonally adjusted annual rates.

Transaction category, sector	1985	1986	1987	1988	1989	1989				1990		
						Q1	Q2	Q3	Q4	Q1'	Q2'	Q3
Nonfinancial sectors												
1 Total net borrowing by domestic nonfinancial sectors	848.1	836.9	687.0	760.8	678.2'	746.9'	666.8'	678.8'	620.2'	762.1	624.6	708.6
By sector and instrument												
2 U.S. government	223.6	215.0	144.9	157.5	151.6'	147.3	100.1	173.9'	185.0	247.6	228.7	286.7
3 Treasury securities	223.7	214.7	143.4	140.0	150.0	148.5	95.0	166.8	189.6	218.1	223.4	288.0
4 Agency issues and mortgages	-1	.4	1.5	17.4	1.6'	-1.2	5.1	7.1'	-4.6	29.6	5.4	-1.3
5 Private domestic nonfinancial sectors	624.5	621.9	542.1	603.3	526.6'	599.6'	566.7'	504.9	435.2'	514.5	395.8	422.0
6 Debt capital instruments	451.2	465.8	453.2	459.2	379.8'	412.8	390.1	369.2	347.0'	366.2	331.4	294.0
7 Tax-exempt obligations	135.4	22.7	49.3	49.8	30.4	39.7	28.7	34.1	19.1	13.0	21.9	25.9
8 Corporate bonds	73.5	126.8	79.4	102.9	73.7'	58.2	86.5	62.7	87.4'	44.6	66.9	38.1
9 Mortgages	242.2	316.3	324.5	306.5	275.7	314.9	275.0	272.4	240.5	308.6	242.7	230.0
10 Home mortgages	156.8	218.7	234.9	231.0	218.0	225.5	211.3	221.0	214.3	237.3	225.4	207.9
11 Multifamily residential	29.8	33.5	24.4	16.7	16.4	23.1	21.4	11.8	9.5	21.9	-4.3	.0
12 Commercial	62.2	73.6	71.6	60.8	42.7	68.6	41.5	40.9	19.9	50.7	24.6	23.0
13 Farm	-6.6	-9.5	-6.4	-2.1	-1.5	-2.3	.9	-1.3	-3.2	-1.4	-3.0	-9
14 Other debt instruments	173.3	156.1	88.9	144.1	146.8'	186.8'	176.5'	135.6'	88.2'	148.3	64.4	128.0
15 Consumer credit	82.5	58.0	33.5	50.2	39.1	38.2	36.9	37.1	44.1	14.6	9.8	27.7
16 Bank loans n.e.c.	40.6	66.9	10.0	39.8	39.9	55.9	45.1	50.8	7.7	19.6	6.5	10.5
17 Open market paper	14.6	-9.3	2.3	11.9	20.4	32.3	39.5	16.9	-6.9	69.7	-6.0	17.5
18 Other	35.6	40.5	43.2	42.2	47.4'	60.4'	55.0'	30.9	43.3'	44.4	54.1	72.2
19 By borrowing sector	624.5	621.9	542.1	603.3	526.6'	599.6'	566.7'	504.9	435.2'	514.5	395.8	422.0
20 State and local governments	90.9	36.2	48.8	45.6	29.6	40.1	33.3	28.6	16.5	9.0	14.9	20.5
21 Households	284.5	293.0	302.2	314.9	285.0'	293.4'	264.0'	290.8	291.8'	300.0	270.2	283.4
22 Nonfinancial business	249.1	292.7	191.0	242.8	211.9	266.1'	269.4	185.4	126.9'	205.4	110.7	118.1
23 Farm	-14.5	-16.3	-10.6	-7.5	1.6	4.7	-5.0	-2.1	8.9	4.3	-6.1	3.9
24 Nonfarm noncorporate	129.3	99.2	77.9	65.7	50.8	71.0	56.9	40.2	35.0	38.4	25.5	24.3
25 Corporate	134.3	209.7	123.7	184.6	159.5	190.3	217.4	147.3	83.1'	162.8	91.3	89.9
26 Foreign net borrowing in United States	1.2	9.7	4.5	6.3	10.9	3.2	-6.9	30.4	16.9	-3.5	41.1	26.3
27 Bonds	3.8	3.1	7.4	6.9	5.3	2.5	11.5	8.1	-1.0	28.3	27.0	1.6
28 Bank loans n.e.c.	-2.8	-1.0	-3.6	-1.8	-1	3.2	-3.2	3.7	-4.3	-6.7	-2.1	2.7
29 Open market paper	6.2	11.5	2.1	8.7	13.3	16.9	-6.6	20.7	22.2	-16.5	23.0	27.3
30 U.S. government loans	-6.0	-3.9	-1.4	-7.5	-7.5	-19.4	-8.7	-2.1	.1	-8.6	-6.9	-5.3
31 Total domestic plus foreign	849.3	846.6	691.5	767.1	689.1'	750.1'	659.9'	709.2'	637.1'	758.6	665.7	734.9
Financial sectors												
32 Total net borrowing by financial sectors	201.3	285.1	300.2	247.6	205.5	356.6	154.1	123.9	187.3	198.5	172.5	214.3
By instrument												
33 U.S. government related	101.5	154.1	171.8	119.8	151.0	194.0	128.8	124.8	156.4	176.2	183.7	167.4
34 Sponsored credit agency securities	20.6	15.2	30.2	44.9	25.2	70.0	22.5	13.2	-4.7	14.5	17.3	17.9
35 Mortgage pool securities	79.9	139.2	142.3	74.9	125.8	124.0	106.3	111.6	161.1	161.7	166.4	149.4
36 Loans from U.S. government	1.1	-4	-8	.0	.0	.0	.0	.0	.0	.0	.0	.0
37 Private financial sectors	99.7	131.0	128.4	127.8	54.5	162.6	25.3	-9	30.9	22.3	-11.2	46.9
38 Corporate bonds	50.9	82.9	78.9	51.7	36.8	52.3	28.5	26.7	39.6	37.7	64.1	39.5
39 Mortgages	.1	.1	.4	.3	.0	.0	.0	.3	.4	.7	.8	-1.4
40 Bank loans n.e.c.	2.6	4.0	-3.2	1.4	1.8	1.0	-1	2.0	4.2	-2.2	-7	1.7
41 Open market paper	32.0	24.2	27.9	54.8	26.9	50.1	10.1	11.0	36.3	9.4	-44.7	37.3
42 Loans from Federal Home Loan Banks	14.2	19.8	24.4	19.7	-11.0	58.9	-13.1	-41.0	-48.8	-21.8	-30.7	-30.3
By sector												
43 Total	201.3	285.1	300.2	247.6	205.5	356.6	154.1	123.9	187.3	198.5	172.5	214.3
44 Sponsored credit agencies	21.7	14.9	29.5	44.9	25.2	70.0	22.5	13.2	-4.7	14.5	17.3	17.9
45 Mortgage pools	79.9	139.2	142.3	74.9	125.8	124.0	106.3	111.6	161.1	161.7	166.4	149.4
46 Private financial sectors	99.7	131.0	128.4	127.8	54.5	162.6	25.3	-9	30.9	22.3	-11.2	46.9
47 Commercial banks	-4.9	-3.6	6.2	-3.0	-1.4	-11.1	2.5	3.5	-7	-4.9	-7.9	-14.4
48 Bank affiliates	16.6	15.2	14.3	5.2	6.2	9.4	2.9	16.5	-3.9	-12.8	-32.6	-22.7
49 Savings and loan associations	17.3	20.9	19.6	19.9	-14.1	60.8	-16.3	-44.7	-56.2	-15.8	-52.7	-38.0
50 Mutual savings banks	1.5	4.2	8.1	1.9	-1.4	-4.1	.0	-2.3	.7	-8.3	5.9	1.2
51 Finance companies	57.7	54.7	40.8	67.7	46.3	68.8	40.4	23.5	52.6	29.8	27.8	87.1
52 REITs	-1	.8	.3	3.5	-1.9	-1.8	-2.8	-3.1	.1	-5	-2.0	-1.5
53 SCO Issuers	11.5	39.0	39.1	32.5	20.8	40.6	-1.4	5.7	38.2	34.7	50.3	35.3

A42 Domestic Financial Statistics □ February 1991

1.57—Continued

Transaction category, sector		1985	1986	1987	1988	1989	1989				1990		
							Q1	Q2	Q3	Q4	Q1'	Q2'	Q3
		All sectors											
54	Total net borrowing	1,050.6	1,131.7	991.7	1,014.7	894.5'	1,106.7'	814.0'	833.0'	824.4'	957.1	838.2	949.2
55	U.S. government securities	324.2	369.5	317.5	277.2	302.6'	341.3	228.9	298.7'	341.4	423.8	412.5	454.0
56	State and local obligations	135.4	22.7	49.3	49.8	30.4	39.7	28.7	34.1	19.1	13.0	21.9	25.9
57	Corporate and foreign bonds	128.2	212.8	165.7	161.5	115.8'	113.0	126.5	97.6	125.9'	110.5	158.0	79.2
58	Mortgages	242.2	316.4	324.9	306.7	275.7	315.2	275.0	272.7	240.1	307.9	243.5	228.7
59	Consumer credit	82.5	58.0	33.5	50.2	39.1	38.2	36.9	37.1	44.1	14.6	9.8	27.7
60	Bank loans n.e.c.	40.3	69.9	3.2	39.4	41.5	60.2	41.9	56.5	7.5	10.6	3.7	15.0
61	Open market paper	52.8	26.4	32.3	75.4	60.6	99.3	42.9	48.5	51.6	62.7	-27.7	82.1
62	Other loans	45.0	56.1	65.5	54.4	28.9'	99.9'	33.2'	-12.2	-5.4'	14.0	16.5	36.6
63	MEMO: U.S. government, cash balance	14.4	.0	-7.9	10.4	-5.9	-14.3	20.7	-22.7	-7.3	21.5	-40.5	18.8
Totals net of changes in U.S. government cash balances													
64	Net borrowing by domestic nonfinancial	833.7	836.9	694.9	750.4	684.1'	761.2'	646.1'	701.6'	627.6'	740.6	665.1	689.8
65	Net borrowing by U.S. government	209.3	215.0	152.8	147.1	157.5'	161.6	79.4	196.7'	192.4	226.2	269.2	267.9
		External corporate equity funds raised in United States											
66	Total net share issues	17.2	86.8	10.9	-124.2	-63.7'	-165.8'	-43.0'	-61.0'	14.9'	-4.8	50.5	-11.9
67	Mutual funds	84.4	159.0	73.9	1.1	41.3	1.0	34.0	57.9	72.4	53.1	76.5	51.7
68	All other	-67.2	-72.2	-63.0	-125.3	-105.1'	-166.8'	-77.0'	-118.9'	-57.6'	-57.9	-26.0	-63.7
69	Nonfinancial corporations	-84.5	-85.0	-75.5	-129.5	-124.2	-172.3	-98.7	-146.3	-79.3	-69.0	-48.0	-74.0
70	Financial corporations	13.6	11.6	14.6	3.3	2.4'	1.0'	4.3'	-.1'	4.5'	9.9	.3	8.4
71	Foreign shares purchased in United States	3.7	1.2	-2.1	.9	16.7	4.5	17.4	27.5	17.2	1.2	21.7	2.0

1.58 DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

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

Transaction category, or sector	1985	1986	1987	1988	1989 ^a	1989				1990		
						Q1	Q2 ^b	Q3 ^c	Q4 ^d	Q1 ^e	Q2 ^f	Q3 ^g
1 Total funds advanced in credit markets to domestic nonfinancial sectors	848.1	836.9	687.0	760.8	678.2	746.9^h	666.8	678.8	620.2	762.1	624.6	708.6
By public agencies and foreign												
2 Total net advances	202.0	280.2	248.8	210.7	187.6	312.8	15.5	218.3	203.8	233.7	313.3	283.0
3 U.S. government securities	45.9	69.4	70.1	85.2	30.7	83.1	-103.3	115.7	27.1	16.9	93.5	97.3
4 Residential mortgages	94.6	136.3	139.1	86.3	137.9	126.0	119.7	127.7	178.3	182.1	210.6	181.7
5 FHLB advances to thrifts	14.2	19.8	24.4	19.7	-11.0	58.9	-13.1	-41.0	-48.8	-21.8	-30.7	-30.3
6 Other loans and securities	47.3	54.7	15.1	19.4	30.0	44.8	12.1	15.8	47.1	56.5	39.8	34.2
Total advanced, by sector												
7 U.S. government	17.8	9.7	-7.9	-9.4	-2.4	-2	-6.0	-9.3	5.7	33.6	42.7	30.9
8 Sponsored credit agencies	103.5	153.3	169.3	112.0	125.3	188.2	28.0	126.4	158.4	184.0	165.8	150.5
9 Monetary authorities	18.4	19.4	24.7	10.5	-7.3	8.1	-1.6	-31.2	-4.6	-6.7	39.7	23.7
10 Foreign	62.3	97.8	62.7	97.6	72.1	116.7	-4.9	132.4	44.2	22.8	65.0	77.9
Agency and foreign borrowing not in line 1												
11 Sponsored credit agencies and mortgage pools	101.5	154.1	171.8	119.8	151.0	194.0	128.8	124.8	156.4	176.2	183.7	167.4
12 Foreign	1.2	9.7	4.5	6.3	10.9	3.2	-6.9	30.4	16.9	-3.5	41.1	26.3
Private domestic funds advanced												
13 Total net advances	748.8	720.5	614.5	676.2	652.5	631.3 ⁱ	773.3	615.7	589.7	701.1	536.1	619.3
14 U.S. government securities	278.2	300.1	247.4	192.1	271.9	258.2	332.2	183.0	314.3	406.9	318.9	356.7
15 State and local obligations	135.4	22.7	49.3	49.8	30.4	39.7	28.7	34.1	19.1	13.0	21.9	25.9
16 Corporate and foreign bonds	40.6	89.7	66.9	91.3	66.1	36.8	91.1	65.6	70.6	56.8	71.4	35.5
17 Residential mortgages	91.8	115.9	120.2	161.3	96.5	122.6	113.0	105.1	45.5	77.2	10.5	26.2
18 Other mortgages and loans	216.9	212.0	155.2	201.4	176.6	232.9 ^j	195.2	186.9	91.5	125.4	82.7	144.7
19 Less: Federal Home Loan Bank advances	14.2	19.8	24.4	19.7	-11.0	58.9	-13.1	-41.0	-48.8	-21.8	-30.7	-30.3
Private financial intermediation												
20 Credit market funds advanced by private financial institutions	578.0	730.0	528.4	562.3	511.1	474.1 ^k	600.9	345.9	623.4	326.9	241.7	418.6
21 Commercial banking	188.4	198.1	135.4	156.3	177.3	180.4	160.9	183.7	184.3	187.9	125.8	106.3
22 Savings institutions	87.9	107.6	136.8	120.4	-90.9	16.5 ^l	-42.3	-135.8	-201.9	-56.4	-215.8	-158.9
23 Insurance and pension funds	150.1	160.1	179.7	198.7	177.9	182.1 ^m	188.1	136.1	205.1	138.0	201.9	176.8
24 Other finance	151.6	264.2	76.6	86.9	246.8	95.1	294.2	161.9	436.0	57.3	129.8	294.4
25 Sources of funds	578.0	730.0	528.4	562.3	511.1	474.1 ⁿ	600.9	345.9	623.4	326.9	241.7	418.6
26 Private domestic deposits and RPs	212.1	277.1	162.8	229.2	225.2	140.9 ^o	267.4	284.4	208.0	117.0	18.3	78.4
27 Credit market borrowing	99.7	131.0	128.4	127.8	54.5	162.6	25.3	-9	30.9	22.3	-11.2	46.9
28 Other sources	266.1	321.8	237.1	205.3	231.4	170.6 ^p	308.2	62.3	384.6	187.6	234.6	293.3
29 Foreign funds	19.7	12.9	43.7	9.3	-9.9	-14.1 ^q	-35.4	60.4	-20.6	45.3	11.6	125.6
30 Treasury balances	10.3	1.7	-5.8	7.3	-3.4	-12.6	13.9	-19.9	5.0	11.9	-15.4	16.2
31 Insurance and pension reserves	131.7	119.9	135.4	177.6	140.5	162.3 ^r	123.2	82.6	193.9	120.3	179.5	142.0
32 Other, net	104.4	187.3	63.9	11.0	104.2	35.1 ^s	206.4	-30.8	206.3	10.0	58.9	9.5
Private domestic nonfinancial investors												
33 Direct lending in credit markets	270.5	121.5	214.6	241.7	195.9	319.7 ^t	197.7	268.9	-2.8	396.5	283.3	247.6
34 U.S. government securities	157.8	27.0	86.0	129.0	134.3	199.8 ^u	136.2	196.8	4.3	281.2	185.7	244.2
35 State and local obligations	37.7	-19.9	61.8	53.5	28.4	56.7	5.1	39.0	12.8	9	9.2	12.2
36 Corporate and foreign bonds	3.8	52.9	23.3	-9.4	7	-16.5 ^v	9.4	-4.7	14.6	28.4	14.1	-19.1
37 Open market paper	51.6	9.9	15.8	36.4	5.4	47.3 ^w	17.8	21.4	-64.6	43.3	43.2	-29.8
38 Other	19.6	51.7	27.6	32.2	27.1	32.5 ^x	29.2	16.4	30.1	42.7	31.1	40.1
39 Deposits and currency	222.8	297.5	179.3	232.8	241.3	182.2 ^y	290.6	261.8	230.6	141.6	41.2	117.3
40 Currency	12.4	14.4	19.0	14.7	11.7	17.8	12.8	6.0	10.1	25.9	22.9	32.0
41 Checkable deposits	41.4	96.4	-9	12.9	1.5	-33.0 ^z	-41.7	14.7	65.8	-10.9	-4.1	13.1
42 Small time and savings accounts	138.5	120.6	76.0	122.4	100.5	30.7 ^{aa}	99.0	163.1	109.1	112.0	9.4	38.3
43 Money market fund shares	7.2	43.2	28.9	20.2	85.2	39.4	119.2	116.7	65.6	72.8	5.8	120.9
44 Large time deposits	7.4	-3.2	37.2	40.8	23.1	68.5	61.1	-23.8	-13.4	-22.2	-7.4	-78.2
45 Security RPs	17.7	20.2	21.6	32.9	14.9	35.4 ^{ab}	29.8	13.7	-19.2	-34.8	14.6	-15.7
46 Deposits in foreign countries	-1.7	5.9	-2.5	-11.2	4.4	23.5	10.4	-28.6	12.4	-1.3	0	7.0
47 Total of credit market instruments, deposits, and currency	493.3	419.0	393.9	474.5	437.2	502.0^{ac}	488.3	530.7	227.7	538.1	324.4	364.9
48 Public holdings as percent of total	23.8	33.1	36.0	27.5	27.2	41.7	2.3	30.8	32.0	30.8	47.1	38.5
49 Private financial intermediation (in percent)	77.2	101.3	86.0	83.2	78.3	75.1 ^{ad}	77.7	56.2	105.7	46.6	45.1	67.6
50 Total foreign funds	82.0	110.7	106.4	106.9	62.2	102.6 ^{ae}	-40.3	162.8	23.6	68.1	76.6	203.5
MEMO: Corporate equities not included above												
51 Total net issues	17.2	86.8	10.9	-124.2	-63.7	-165.8^{af}	-43.0	-61.0	14.9	-4.8	50.5	-11.9
52 Mutual fund shares	84.4	159.0	73.9	1.1	41.3	1.0	34.0	57.9	72.4	53.1	76.5	51.7
53 Other equities	-67.2	-72.2	-63.0	-125.3	-105.1	-166.8 ^{ag}	-77.0	-118.9	-57.6	-57.9	-26.0	-63.7
54 Acquisitions by financial institutions	46.9	50.9	32.0	-2.9	17.2	-2	-14.1	6.1	76.9	63.4	114.7	41.8
55 Other net purchases	-29.7	35.9	-21.2	-121.4	-80.9	-165.6 ^{ah}	-28.9	-67.1	-62.1	-68.2	-64.2	-53.7

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.

1.59 SUMMARY OF CREDIT MARKET DEBT OUTSTANDING

Billions of dollars; period-end levels.

Transaction category, sector	1985	1986	1987	1988	1989				1990		
					Q1	Q2	Q3	Q4	Q1'	Q2'	Q3
Nonfinancial sectors											
1 Total credit market debt owed by domestic nonfinancial sectors	6,804.5	7,646.3	8,343.9	9,096.0	9,267.7	9,438.7'	9,605.1'	9,805.2'	9,975.7	10,136.3	10,309.4
By sector and instrument											
2 U.S. government	1,600.4	1,815.4	1,960.3	2,117.8	2,155.7	2,165.7	2,206.1'	2,269.4'	2,360.9	2,401.7	2,470.2
3 Treasury securities	1,597.1	1,811.7	1,955.2	2,095.2	2,133.4	2,142.1	2,180.7	2,245.2	2,329.3	2,368.8	2,437.6
4 Agency issues and mortgages	3.3	3.6	5.2	22.6	22.3	23.6	25.4'	24.2'	31.6	32.9	32.6
5 Private domestic nonfinancial sectors	5,204.1	5,831.0	6,383.6	6,978.2	7,112.0'	7,273.0'	7,399.0'	7,535.8'	7,614.8	7,734.6	7,839.2
6 Debt capital instruments	3,485.2	3,962.7	4,427.9	4,886.4	4,989.1	5,091.4	5,189.9	5,283.3'	5,355.5	5,443.2	5,523.0
7 Tax-exempt obligations	655.5	679.1	728.4	790.8	798.6	804.9	816.4	821.2	822.4	826.7	836.3
8 Corporate bonds	542.6	669.4	748.8	851.7	866.3'	887.9	903.5	925.4'	936.5	953.3	962.8
9 Mortgages	2,287.1	2,614.2	2,950.7	3,243.8	3,324.2	3,398.6	3,470.0	3,536.6	3,596.6	3,663.3	3,724.0
10 Home mortgages	1,490.2	1,720.8	1,943.1	2,173.9	2,229.0	2,287.6	2,347.6	2,404.3	2,450.0	2,512.8	2,569.3
11 Multifamily residential	213.0	246.2	270.0	286.7	293.1	298.3	301.2	304.4	307.8	306.5	306.6
12 Commercial	478.1	551.4	648.7	696.4	716.2	725.9	734.9	742.6	754.1	759.4	763.9
13 Farm	105.9	95.8	88.9	86.8	86.0	86.8	86.3	85.3	84.7	84.5	84.2
14 Other debt instruments	1,718.9	1,868.2	1,955.7	2,091.9	2,122.9'	2,181.6'	2,209.1'	2,252.6'	2,259.3	2,291.4	2,316.2
15 Consumer credit	601.8	659.8	693.2	743.5	741.7	756.7	771.0	790.6	774.3	783.3	794.4
16 Bank loans n.e.c.	602.3	666.0	673.3	713.1	725.6	740.3	750.7	763.0	756.3	761.8	762.6
17 Open market paper	72.2	62.9	73.8	85.7	96.1	110.1	113.3	107.1	126.0	128.7	131.8
18 Other	442.6	479.6	515.3	549.6	559.4	574.5'	574.1'	591.9'	602.6	617.6	627.4
19 By borrowing sector	5,204.1	5,831.0	6,383.6	6,978.2	7,112.0'	7,273.0'	7,399.0'	7,535.8'	7,614.8	7,734.6	7,839.2
20 State and local governments	473.9	510.1	558.9	604.5	612.4	619.9	629.9	634.1	634.3	636.8	645.1
21 Households	2,296.0	2,596.1	2,879.1	3,191.5	3,257.9	3,330.7'	3,411.4'	3,501.8'	3,544.5	3,619.8	3,698.1
22 Nonfinancial business	2,434.2	2,724.8	2,945.6	3,182.2	3,241.7'	3,322.5	3,357.6	3,400.0'	3,436.1	3,478.0	3,496.1
23 Farm	173.4	156.6	145.5	137.6	136.7	139.5	139.2	139.2	138.2	140.7	141.8
24 Nonfarm noncorporate	898.3	997.6	1,075.4	1,145.1	1,163.9	1,177.6	1,183.0	1,195.9	1,206.5	1,212.4	1,213.9
25 Corporate	1,362.4	1,570.6	1,724.6	1,899.5	1,941.0	2,005.3	2,035.5'	2,064.8	2,091.4	2,124.8	2,140.4
26 Foreign credit market debt held in United States	236.7	238.3	244.6	253.9	254.0	252.2	257.7	261.5'	260.4	271.7	277.3
27 Bonds	71.8	74.9	82.3	89.2	90.4	92.1	94.2	94.5	102.1	107.5	108.0
28 Bank loans n.e.c.	27.9	26.9	23.3	21.5	21.6	21.5	22.6	21.4	19.0	19.3	20.0
29 Open market paper	33.9	37.4	41.2	49.9	54.4	52.7	57.5	63.0	59.3	65.1	71.5
30 U.S. government loans	103.0	99.1	97.7	93.2	87.5	85.8	83.4	82.6'	80.0	79.8	77.8
31 Total domestic plus foreign	7,041.1	7,884.7	8,588.5	9,349.9	9,521.7	9,690.8'	9,862.8'	10,066.8'	10,236.1	10,408.0	10,586.6
Financial sectors											
32 Total credit market debt owed by financial sectors	1,213.2	1,529.8	1,836.8	2,084.4	2,191.3	2,234.1	2,263.8	2,322.4	2,356.3	2,403.4	2,455.2
By instrument											
33 U.S. government related	632.7	810.3	978.6	1,098.4	1,140.8	1,169.5	1,203.6	1,249.3	1,286.1	1,328.0	1,372.9
34 Sponsored credit agency securities	257.8	273.0	303.2	348.1	364.3	369.0	370.4	373.3	376.0	378.9	381.1
35 Mortgage pool securities	368.9	531.6	670.4	745.3	771.5	795.6	828.2	871.0	905.2	944.2	986.8
36 Loans from U.S. government	6.1	5.7	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
37 Private financial sectors	580.5	719.5	858.2	986.1	1,050.5	1,064.6	1,060.2	1,073.0	1,070.2	1,075.3	1,082.3
38 Corporate bonds	204.5	287.4	366.3	418.0	458.6	466.1	472.7	482.7	491.7	508.2	518.0
39 Mortgages	2.7	2.7	3.1	3.4	3.5	3.5	3.5	3.4	3.2	3.5	3.1
40 Bank loans n.e.c.	32.1	36.1	32.8	34.2	32.2	33.8	34.1	36.0	33.2	34.8	34.9
41 Open market paper	252.4	284.6	322.9	377.7	392.5	399.4	398.8	409.1	409.1	402.5	408.5
42 Loans from Federal Home Loan Banks	88.8	108.6	133.1	152.8	163.8	161.9	151.1	141.8	132.9	126.3	117.9
43 Total, by sector	1,213.2	1,529.8	1,836.8	2,084.4	2,191.3	2,234.1	2,263.8	2,322.4	2,356.3	2,403.4	2,455.2
44 Sponsored credit agencies	263.9	278.7	308.2	353.1	369.3	374.0	375.4	378.3	381.0	383.8	386.1
45 Mortgage pools	368.9	531.6	670.4	745.3	771.5	795.6	828.2	871.0	905.2	944.2	986.8
46 Private financial sectors	580.5	719.5	858.2	986.1	1,050.5	1,064.6	1,060.2	1,073.0	1,070.2	1,075.3	1,082.3
47 Commercial banks	79.2	75.6	81.8	78.8	73.3	75.7	77.0	77.4	73.4	73.3	70.2
48 Bank affiliates	106.2	116.8	131.1	136.2	140.0	141.2	144.0	142.5	140.8	133.0	126.0
49 Savings and loan associations	98.9	119.8	139.4	159.3	170.1	167.9	155.7	145.2	137.1	125.8	114.8
50 Mutual savings banks	4.4	8.6	16.7	18.6	17.8	17.7	17.5	17.2	15.4	16.6	17.4
51 Finance companies	261.2	328.1	378.8	446.1	464.3	478.0	481.2	496.2	500.3	511.1	529.9
52 REITs	5.6	6.5	7.3	11.4	11.1	10.6	10.0	10.1	10.1	9.8	9.5
53 SCO issuers	25.0	64.0	103.1	135.7	173.8	173.5	174.9	184.4	193.1	205.7	214.5
All sectors											
54 Total credit market debt	8,254.4	9,414.4	10,425.3	11,434.3	11,713.0'	11,925.0'	12,126.6'	12,389.1'	12,592.4	12,811.4	13,041.8
55 U.S. government securities	2,227.0	2,620.0	2,933.9	3,211.1	3,291.5	3,330.3	3,404.7'	3,513.7'	3,642.0	3,724.8	3,838.1
56 State and local obligations	655.5	679.1	728.4	790.8	798.6	804.9	816.4	821.2	822.4	826.7	836.3
57 Corporate and foreign bonds	818.9	1,031.7	1,197.4	1,358.9	1,415.2	1,446.1	1,470.5	1,502.6	1,530.3	1,569.0	1,588.8
58 Mortgages	2,289.8	2,617.0	2,953.8	3,247.2	3,327.7	3,402.1	3,473.6	3,540.1	3,599.9	3,666.7	3,727.1
59 Consumer credit	601.8	659.8	693.2	743.5	741.7	756.7	771.0	790.6	774.3	783.3	794.4
60 Bank loans n.e.c.	662.4	729.0	729.5	768.9	779.5	795.6	807.4	820.3	808.6	815.9	817.6
61 Open market paper	358.5	384.9	437.9	513.4	543.0	562.2	569.6	579.2	594.5	596.3	611.7
62 Other loans	640.5	693.1	751.1	800.5	815.7	827.1'	813.5'	821.4'	820.5	828.7	828.0

1.60 SUMMARY OF CREDIT MARKET CLAIMS, BY HOLDER

Billions of dollars, except as noted; period-end levels.

Transaction category, or sector	1985	1986	1987	1988	1989				1990		
					Q1'	Q2'	Q3'	Q4'	Q1'	Q2'	Q3'
1 Total funds advanced in credit markets to domestic nonfinancial sectors	6,804.5	7,646.3	8,343.9	9,096.0	9,267.7	9,438.7	9,605.1	9,805.2	9,975.7	10,136.3	10,309.4
<i>By public agencies and foreign</i>											
2 Total held	1,474.0	1,779.4	2,006.6	2,199.7	2,256.0	2,263.5	2,317.4	2,379.3	2,419.9	2,503.1	2,574.2
3 U.S. government securities	435.4	509.8	570.9	651.5	665.0	642.7	668.6	682.1	679.2	706.1	727.4
4 Residential mortgages	518.2	678.5	814.1	900.4	927.2	954.4	991.1	1,038.4	1,077.7	1,127.6	1,178.2
5 FHLB advances to thrifts	88.8	108.6	133.1	152.8	163.8	161.9	151.1	141.8	132.9	126.3	117.9
6 Other loans and securities	431.6	482.4	488.6	495.1	500.0	504.5	506.6	517.0	530.2	543.1	550.7
7 Total held, by type of lender	1,474.0	1,779.4	2,006.6	2,199.7	2,256.0	2,263.5	2,317.4	2,379.3	2,419.9	2,503.1	2,574.2
8 U.S. government	248.6	255.3	240.0	217.6	212.9	211.5	207.8	207.1	216.2	228.1	235.3
9 Sponsored credit agencies and mortgage pools	659.8	835.9	1,001.0	1,113.0	1,151.1	1,157.8	1,193.5	1,238.2	1,274.0	1,315.0	1,356.8
10 Monetary authority	186.0	205.5	230.0	240.6	235.4	238.4	227.6	233.3	224.4	237.8	240.8
11 Foreign	379.5	482.8	535.5	628.5	656.6	655.7	688.5	700.6	705.2	722.1	741.4
Agency and foreign debt not in line 1											
12 Sponsored credit agencies and mortgage pools	632.7	810.3	978.6	1,098.4	1,140.8	1,169.5	1,203.6	1,249.3	1,286.1	1,328.0	1,372.9
13 Foreign	236.7	238.3	244.6	253.9	254.0	252.2	257.7	261.5	260.4	271.7	277.3
<i>Private domestic holdings</i>											
14 Total private holdings	6,199.9	6,915.6	7,560.4	8,248.5	8,406.5	8,596.9	8,749.0	8,936.8	9,102.3	9,233.0	9,385.3
15 U.S. government securities	1,791.6	2,110.1	2,363.0	2,559.7	2,626.5	2,687.6	2,736.1	2,831.6	2,962.8	3,018.6	3,110.6
16 State and local obligations	655.5	679.1	728.4	790.8	798.6	804.9	816.4	821.2	822.4	826.7	836.3
17 Corporate and foreign bonds	517.3	606.6	674.3	765.6	776.5	797.7	814.5	831.6	847.5	863.3	872.6
18 Residential mortgages	1,185.1	1,288.5	1,399.0	1,560.2	1,594.9	1,631.5	1,657.7	1,670.4	1,680.1	1,691.8	1,697.7
19 Other mortgages and loans	2,139.3	2,339.8	2,528.7	2,724.9	2,773.7	2,837.0	2,875.3	2,923.8	2,922.4	2,958.9	2,986.0
20 Less: Federal Home Loan Bank advances	88.8	108.6	133.1	152.8	163.8	161.9	151.1	141.8	132.9	126.3	117.9
<i>Private financial intermediation</i>											
21 Credit market claims held by private financial institutions	5,289.4	6,018.0	6,564.5	7,128.6	7,269.9	7,424.6	7,507.8	7,662.7	7,747.2	7,813.2	7,913.6
22 Commercial banking	1,989.5	2,187.6	2,323.0	2,479.3	2,501.4	2,549.0	2,599.6	2,656.6	2,680.4	2,720.7	2,751.6
23 Savings institutions	1,191.2	1,297.9	1,445.5	1,567.7	1,570.6	1,561.0	1,530.3	1,480.7	1,461.5	1,408.4	1,372.7
24 Insurance and pension funds	1,365.3	1,525.4	1,705.1	1,903.8	1,954.4	1,999.0	2,031.6	2,081.6	2,121.7	2,169.1	2,211.5
25 Other finance	743.4	1,007.1	1,091.0	1,177.9	1,243.5	1,315.6	1,346.2	1,443.8	1,483.6	1,515.0	1,577.8
26 Sources of funds	5,289.4	6,018.0	6,564.5	7,128.6	7,269.9	7,424.6	7,507.8	7,662.7	7,747.2	7,813.2	7,913.6
27 Private domestic deposits and RPs	2,926.1	3,199.0	3,354.2	3,599.1	3,627.7	3,679.1	3,742.5	3,824.3	3,847.5	3,833.5	3,845.2
28 Credit market debt	580.5	719.5	858.2	986.1	1,050.5	1,064.6	1,060.2	1,073.0	1,070.2	1,075.3	1,082.3
29 Other sources	1,782.9	2,099.5	2,352.1	2,543.5	2,591.7	2,680.9	2,705.1	2,765.5	2,829.5	2,904.4	2,986.1
30 Foreign funds	5.6	18.6	62.3	71.5	59.3	49.4	55.0	61.6	63.4	66.3	95.4
31 Treasury balances	25.8	27.5	21.6	29.0	13.5	34.4	30.3	25.6	16.7	32.1	36.6
32 Insurance and pension reserves	1,289.3	1,398.5	1,527.8	1,692.5	1,737.3	1,770.0	1,785.7	1,826.0	1,860.8	1,907.8	1,941.7
33 Other, net	462.1	655.0	740.3	750.5	781.5	827.2	834.0	852.3	888.6	898.2	912.4
<i>Private domestic nonfinancial investors</i>											
34 Credit market claims	1,491.0	1,617.0	1,854.1	2,106.0	2,187.1	2,236.9	2,301.5	2,347.1	2,425.3	2,495.1	2,554.0
35 U.S. government securities	803.3	848.7	936.7	1,072.2	1,100.0	1,122.9	1,171.3	1,206.4	1,264.1	1,296.9	1,357.4
36 Tax-exempt obligations	231.5	212.6	274.4	340.9	348.8	353.8	363.3	369.3	362.8	368.1	371.3
37 Corporate and foreign bonds	37.1	90.5	114.0	100.4	126.4	128.2	131.1	130.5	154.1	157.6	156.9
38 Open market paper	135.2	145.1	178.5	218.0	225.8	236.7	239.3	228.7	229.6	247.7	237.6
39 Other	283.8	320.1	350.4	374.4	386.0	395.3	396.8	412.1	414.7	424.8	430.8
40 Deposits and currency	3,116.8	3,410.1	3,583.9	3,832.3	3,864.2	3,926.2	3,979.0	4,073.6	4,095.8	4,092.6	4,108.9
41 Currency	171.9	186.3	205.4	220.1	220.7	226.4	224.0	231.8	234.4	242.7	247.2
42 Checkable deposits	420.3	516.6	515.4	527.2	494.2	495.0	486.1	528.7	501.3	510.7	500.2
43 Small time and savings accounts	1,831.9	1,948.3	2,017.1	2,156.2	2,168.9	2,189.3	2,224.4	2,256.7	2,289.8	2,288.1	2,292.3
44 Money market fund shares	225.6	268.9	297.8	318.0	342.7	362.1	391.0	403.3	436.7	426.3	456.7
45 Large time deposits	339.9	336.7	373.9	414.7	430.8	435.7	440.0	437.8	431.5	417.9	409.0
46 Security RPs	108.3	128.5	150.1	182.9	191.1	196.9	200.9	197.9	188.3	190.5	186.9
47 Deposits in foreign countries	18.8	24.8	24.3	13.1	15.8	20.7	12.1	17.6	13.9	16.4	16.6
48 Total of credit market instruments, deposits, and currency	4,607.8	5,027.2	5,438.0	5,938.2	6,051.2	6,163.0	6,280.5	6,420.7	6,521.1	6,587.7	6,663.0
49 Public holdings as percent of total	20.9	22.6	23.4	23.5	23.7	23.4	23.5	23.6	23.6	24.0	24.3
50 Private financial intermediation (in percent)	85.3	87.0	86.8	86.4	86.5	86.4	85.8	85.7	85.1	84.6	84.3
51 Total foreign funds	385.1	501.3	597.8	700.1	715.9	705.1	743.5	762.3	768.6	788.4	836.7
MEMO: Corporate equities not included above											
52 Total market value	2,823.9	3,360.6	3,325.0	3,619.8	3,730.5	4,069.7	4,395.4	4,378.9	4,170.2	4,336.2	3,769.7
53 Mutual fund shares	240.2	413.5	460.1	478.3	486.3	514.8	543.9	555.1	550.3	587.9	547.3
54 Other equities	2,583.7	2,947.1	2,864.9	3,141.6	3,244.2	3,555.0	3,851.5	3,823.8	3,620.0	3,748.3	3,222.4
55 Holdings by financial institutions	800.3	974.6	1,039.5	1,176.1	1,237.2	1,343.0	1,478.5	1,492.3	1,440.4	1,558.3	1,334.2
56 Other holdings	2,023.6	2,385.9	2,285.5	2,443.7	2,493.3	2,726.8	2,917.0	2,886.6	2,729.8	2,778.0	2,435.4

NOTES BY LINE NUMBER.

1. Line 1 of table 1.59.
2. Sum of lines 3–6 or 8–11.
6. Includes farm and commercial mortgages.
12. Credit market debt of federally sponsored agencies, and net issues of federally related mortgage pool securities.
14. Line 1 less line 2 plus line 12 and 13. Also line 21 less line 28 plus line 34.
- Also sum of lines 29 and 48 less lines 41 and 47.
19. Includes farm and commercial mortgages.
27. Line 40 less lines 41 and 47.
28. Excludes equity issues and investment company shares. Includes line 20.
30. Foreign deposits at commercial banks plus bank borrowings from foreign affiliates, less claims on foreign affiliates and deposits by banking in foreign banks.
31. Demand deposits and note balances at commercial banks.

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

33. Mainly retained earnings and net miscellaneous liabilities.

34. Line 14 less line 21 plus line 28.

- 35–39. Lines 15–19 less amounts acquired by private finance plus amounts borrowed by private finance. Line 39 includes mortgages.

41. Mainly an offset to line 10.

48. Lines 34 plus 40, or line 14 less line 29 plus 41 and 47.

49. Line 2/line 1 and 13.

50. Line 21/line 14.

51. Sum of lines 11 and 30.

- 52–54. 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, Stop 95, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

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

Measure	1987	1988	1989	1990								
				Mar.	Apr.	May	June	July	Aug.	Sept. ^r	Oct.	Nov.
1 Industrial production (1987 = 100) ¹	100.0	105.4	108.1	108.9	108.8	109.4	110.1	110.4	110.5 ^r	110.4	109.4 ^r	107.5
Market groupings												
2 Products, total (1987 = 100)	100.0	105.3	108.6	110.1	109.8	110.5	110.9	110.9	110.9	111.1	110.1	108.4
3 Final, total (1987 = 100)	100.0	105.6	109.1	110.7	110.4	111.2	111.7	111.7	111.9 ^r	112.3	111.4	109.4
4 Consumer goods (1987 = 100)	100.0	104.0	106.7	107.5	107.2	107.4	107.8	107.5	107.8	108.1	107.0 ^r	104.9
5 Equipment (1987 = 100)	100.0	107.6	112.3	114.9	114.7	116.2	116.8	117.2	117.2 ^r	117.8	117.0 ^r	115.3
6 Intermediate (1987 = 100)	100.0	104.4	106.8	108.2	108.0	108.3	108.3	108.4	107.9 ^r	107.1	106.3	105.2
7 Materials (1987 = 100)	100.0	105.6	107.4	107.1	107.3	107.7	108.8	109.6	109.7 ^r	109.3	108.2 ^r	106.2
Industry groupings												
8 Manufacturing (1987 = 100)	100.0	105.8	108.9	109.8	109.5	110.3	110.8	111.1	111.1	111.0	110.1 ^r	108.2
Capacity utilization (percent) ²												
9 Manufacturing	81.4	83.9	83.9	82.9	82.5	82.8	83.0	83.0	82.8 ^r	82.5	81.6 ^r	80.0
10 Construction contracts (1982 = 100) ³	164.8	166.4	169.1 ^r	157.0	147.0	155.0	153.0	148.0	146.0	166.0	167.0	166.0
11 Nonagricultural employment, total ⁴	123.9	128.0	131.7	133.5	133.6	134.1	134.4	134.3	134.1	134.1	133.9 ^r	133.6
12 Goods-producing, total	101.5	103.7	105.3	103.8	103.4	103.5	103.4	103.1	102.8	102.4	101.8 ^r	100.7
13 Manufacturing, total	96.6	98.6	99.6	97.6	97.5	97.4	97.3	97.2	96.9	96.6	96.3	95.2
14 Manufacturing, production- worker	91.7	93.7	94.6	92.4	92.3	92.1	92.0	92.0	91.7	91.2	90.9 ^r	89.8
15 Service-producing	133.3	138.2	142.7	146.0	146.2	147.0	147.4	147.3	147.3	147.4	147.4	147.3
16 Personal income, total	234.3	253.2	272.7	285.8	286.4	287.5	288.7	290.1	290.8 ^r	292.2	292.2	293.0
17 Wages and salary disbursements	226.4	244.6	258.9	268.6	269.9	271.2	272.8	274.4	274.5 ^r	276.4	274.9	274.5
18 Manufacturing	183.8	196.5	203.1	204.6	203.9	205.8	206.8	206.9	206.7	207.0	206.0	202.6
19 Disposable personal income ⁵	231.6	252.2	270.1	283.9	283.6	284.4	285.8	286.9 ^r	287.6 ^r	288.7	288.7	289.5
20 Retail sales ⁶	213.6	228.0	240.6	248.7	246.3	246.1	248.9	250.1	250.2	252.4	252.9 ^r	252.5
Prices ⁷												
21 Consumer (1982-84 = 100)	113.6	118.3	124.0	128.7	128.9	129.2	129.9	130.4	131.6	132.7	133.5	133.8
22 Producer finished goods (1982 = 100) ...	105.4	108.0	113.6	117.2	117.2	117.7	117.8	118.2 ^r	119.2	120.3	122.3	122.9

1. A major revision of the industrial production index and the capacity utilization rates was released in April 1990. See "Industrial Production: 1989 Developments and Historical Revision" in the *Federal Reserve Bulletin*, vol. 76 (April 1990), pp. 187-204.

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 latest month are preliminary and the prior three months have been revised. See "Recent Developments in Industrial Capacity and Utilization," *Federal Reserve Bulletin*, vol. 76 (June 1990), pp. 411-35.

2.11 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

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

Category	1987	1988	1989	1990							
				Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
HOUSEHOLD SURVEY DATA											
1 Noninstitutional population ¹	185,010	186,837	188,601	189,844	189,983	190,122	190,275	190,411	190,568	190,717	190,854
2 Labor force (including Armed Forces) ¹	122,122	123,893	126,077	127,061	127,159	126,981	126,906	126,810	127,134	126,976	126,773
3 Civilian labor force.....	119,865	121,669	123,869	124,886	125,004	124,836	124,767	124,660	124,967	124,784	124,616
Employment											
4 Nonagricultural industries ²	109,232	111,800	114,142	114,983	115,045	115,041	114,867	114,521	114,717	114,545	114,071
5 Agriculture	3,208	3,169	3,199	3,133	3,305	3,348	3,085	3,137	3,181	3,167	3,190
Unemployment											
6 Number	7,425	6,701	6,528	6,770	6,653	6,447	6,814	7,003	7,069	7,073	7,355
7 Rate (percent of civilian labor force)	6.2	5.5	5.3	5.4	5.3	5.2	5.5	5.6	5.7	5.7	5.9
8 Not in labor force.....	62,888	62,944	62,524	62,783	62,824	63,141	63,369	63,601	63,434	63,741	64,081
ESTABLISHMENT SURVEY DATA											
9 Nonagricultural payroll employment ³	102,200	105,584	108,573	110,177	110,617	110,829	110,740	110,613	110,612'	110,434'	110,167
10 Manufacturing	19,024	19,403	19,611	19,190	19,167	19,148	19,131	19,084	19,019'	18,949'	18,749
11 Mining	717	721	722	734	738	744	745	735	736	735	742
12 Contract construction	4,967	5,125	5,302	5,256	5,286	5,270	5,229	5,194	5,176'	5,095'	5,033
13 Transportation and public utilities	5,372	5,548	5,703	5,809	5,833	5,846	5,841	5,846	5,870'	5,874'	5,870
14 Trade	24,327	25,139	25,807	26,141	26,164	26,205	26,225	26,222	26,214'	26,137'	26,057
15 Finance	6,547	6,676	6,814	6,823	6,838	6,844	6,842	6,852	6,851'	6,847'	6,836
16 Service	24,236	25,600	26,889	27,969	28,094	28,225	28,287	28,387	28,440'	28,463'	28,543
17 Government.....	17,010	17,372	17,726	18,255	18,497	18,547	18,440	18,293	18,306'	18,334'	18,337

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	1989	1990				1989	1990				1989	1990			
	Q4	Q1	Q2	Q3 ^r	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3 ^r			
	Output (1987 = 100)				Capacity (percent of 1987 output)				Utilization rate (percent)						
1 Total industry	108.1	108.3	109.4	110.4	129.5	130.3	131.2	132.1	83.5	83.1	83.4	83.6			
2 Manufacturing	108.7	109.2	110.2	111.1	131.1	132.1	133.2	134.2	82.9	82.6	82.8	82.7			
3 Primary processing	106.1	106.4	106.3	107.5	123.4	124.2	124.9	125.7	85.9	85.7	85.1	85.6			
4 Advanced processing	109.9	110.5	112.1	112.7	134.7	135.8	137.0	138.2	81.6	81.4	81.8	81.5			
5 Durable	110.0	110.4	112.4	113.5	135.2	136.2	137.2	138.3	81.3	81.0	81.9	82.1			
6 Lumber and products	104.8	105.1	102.3	101.3	122.3	123.2	124.1	125.0	85.7	85.3	82.5	81.1			
7 Primary metals	105.3	106.1	107.4	112.0	126.9	127.2	127.3	127.4	83.0	83.4	84.3	87.9			
8 Iron and steel	104.5	107.1	107.5	114.2	131.5	131.9	132.0	132.1	79.5	81.2	81.4	86.4			
9 Nonferrous	106.4	104.6	107.1	108.9	120.2	120.4	120.6	120.9	88.5	86.9	88.8	90.1			
10 Nonelectrical machinery	121.9	124.4	126.7	128.6	150.1	151.6	153.2	154.9	81.2	82.1	82.7	83.0			
11 Electrical machinery	110.1	111.1	112.2	112.4	136.0	137.4	138.8	140.2	81.0	80.9	80.8	80.2			
12 Motor vehicles and parts	99.1	91.5	102.6	103.7	132.0	132.5	133.5	134.5	75.1	69.0	76.9	77.2			
13 Aerospace and miscellaneous transportation equipment	106.7	111.6	113.6	114.5	132.5	133.4	134.3	135.2	80.6	83.6	84.6	84.7			
14 Nondurable	107.1	107.7	107.5	107.9	125.9	126.9	128.0	129.0	85.0	84.8	84.0	83.6			
15 Textile mill products	100.3	101.1	102.4	101.1	115.5	116.0	116.6	117.1	86.9	87.2	87.9	86.4			
16 Paper and products	104.2	103.9	104.5	107.2	113.3	113.9	114.7	115.5	92.0	91.2	91.1	92.9			
17 Chemicals and products	108.9	109.9	109.9	110.6	132.1	133.4	134.7	135.9	82.5	82.4	81.6	81.3			
18 Plastics materials	106.2	111.7	116.3	117.2	123.7	126.1	128.4	130.6	85.8	88.6	90.6	89.7			
19 Petroleum products	106.8	109.9	106.0	110.0	121.0	121.1	121.1	121.1	88.3	90.8	87.5	90.9			
20 Mining	100.6	101.3	102.5	103.4	116.1	115.7	115.2	114.8	86.7	87.6	88.9	90.0			
21 Utilities	110.6	105.7	107.8	110.6	125.7	126.0	126.4	126.7	88.0	83.9	85.3	87.3			
22 Electric	111.8	108.4	111.0	112.8	120.8	121.1	121.6	122.1	92.6	89.5	91.3	92.4			
	Previous cycle ²		Latest cycle ¹		1989	1990									
	High	Low	High	Low	Nov.	Apr.	May	June	July	Aug. ^r	Sept. ^r	Oct. ^r	Nov. ^p		
	Capacity utilization rate (percent)														
23 Total industry	89.2	72.6	87.3	71.8	83.5	83.1	83.4	83.7	83.8	83.6	83.3	82.4	80.9		
24 Manufacturing	88.9	70.8	87.3	70.0	83.0	82.5	82.8	83.0	83.0	82.8	82.5	81.6	80.0		
25 Primary processing	92.2	68.9	89.7	66.8	86.1	85.0	84.9	85.5	86.0	85.9	84.7	83.8	82.4		
26 Advanced processing	87.5	72.0	86.3	71.4	81.7	81.5	82.0	81.9	81.7	81.4	81.5	80.7	78.9		
27 Durable	88.8	68.5	86.9	65.0	81.4	81.2	82.1	82.4	82.2	82.1	81.9	80.8	78.6		
28 Lumber and products	90.1	62.2	87.6	60.9	85.7	83.4	81.9	82.0	83.1	80.4	79.7	78.7	75.2		
29 Primary metals	100.6	66.2	102.4	46.8	82.6	83.6	83.4	86.0	86.6	89.9	87.1	84.6	84.0		
30 Iron and steel	105.8	66.6	110.4	38.3	79.1	80.8	79.9	83.6	83.7	89.6	86.0	83.4	83.2		
31 Nonferrous	92.9	61.3	90.5	62.2	88.0	87.9	88.8	89.8	90.9	90.5	88.9	86.6	85.1		
32 Nonelectrical machinery	96.4	74.5	92.1	64.9	81.9	82.3	82.8	82.9	83.1	83.1	82.7	82.0	81.2		
33 Electrical machinery	87.8	63.8	89.4	71.1	81.0	80.5	81.0	81.0	80.3	80.3	80.0	78.7	78.1		
34 Motor vehicles and parts	93.4	51.1	93.0	44.5	75.0	71.9	77.9	80.7	76.6	75.1	79.8	76.9	63.1		
35 Aerospace and miscellaneous transportation equipment	77.0	66.6	81.1	66.9	80.2	84.6	84.5	84.5	85.4	84.4	84.3	83.6	82.9		
36 Nondurable	87.9	71.8	87.0	76.9	85.2	84.2	83.9	83.8	84.0	83.7	83.2	82.6	81.9		
37 Textile mill products	92.0	60.4	91.7	73.8	86.0	86.7	88.1	88.8	88.0	85.7	85.3	83.9	82.5		
38 Paper and products	96.9	69.0	94.2	82.0	91.9	92.0	90.7	90.6	93.5	92.2	92.9	91.4	91.7		
39 Chemicals and products	87.9	69.9	85.1	70.1	83.1	82.2	81.1	81.6	81.5	81.7	80.8	80.3	80.0		
40 Plastics materials	102.0	50.6	90.9	63.4	88.0	90.8	90.9	90.0	90.5	89.7	88.9	87.8	87.3		
41 Petroleum products	96.7	81.1	89.5	68.2	90.3	88.2	86.4	87.9	91.3	91.0	90.3	89.7	87.8		
42 Mining	94.4	88.4	96.6	80.6	87.1	89.2	88.7	88.8	90.5	89.2	90.4	89.6	89.6		
43 Utilities	95.6	82.5	88.3	76.2	86.2	84.5	84.7	86.8	86.6	87.9	87.4	85.9	82.7		
44 Electric	99.0	82.7	88.3	78.7	90.7	90.3	90.7	92.9	91.9	93.0	92.3	90.7	87.7		

1. These data also appear in the Board's G.17 (419) release. For address, see inside front cover. For a detailed description of the series, see "Recent Developments in Industrial Capacity and Utilization," *Federal Reserve Bulletin*, vol. 76 (June 1990), pages 411-35.

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	1987 pro- por- tion	1989 avg.	1989		1990										
			Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug. ²	Sept. ²	Oct. ²	Nov. ²
Index (1987 = 100)															
MAJOR MARKET															
1 Total index.....	100.0	108.1	108.1	108.6	107.5	108.5	108.9	108.8	109.4	110.1	110.4	110.5	110.4	109.4	107.5
2 Products.....	60.8	108.6	108.9	109.7	108.4	109.4	110.1	109.8	110.5	110.9	110.9	110.9	111.1	110.1	108.4
3 Final products.....	46.0	109.1	109.4	110.3	108.5	109.7	110.7	110.4	111.2	111.7	111.7	111.9	112.3	111.4	109.4
4 Consumer goods.....	26.0	106.7	107.4	108.3	106.0	107.0	107.5	107.2	107.4	107.8	107.5	107.8	108.1	107.0	104.9
5 Durable consumer goods.....	5.6	107.9	105.7	106.8	99.4	106.2	110.8	107.3	109.3	112.1	108.3	107.4	110.0	106.6	99.6
6 Automotive products.....	2.5	106.9	102.4	104.5	85.2	99.3	109.3	102.4	107.0	112.2	106.7	104.6	111.7	106.9	92.7
7 Autos and trucks.....	1.5	105.7	98.4	100.1	66.3	92.7	107.7	95.8	105.6	112.9	104.8	101.5	113.0	107.2	84.2
8 Autos, consumer.....	.9	101.2	92.8	92.6	62.1	86.9	100.5	87.7	96.8	103.8	98.0	97.2	111.5	104.3	80.7
9 Trucks, consumer.....	.6	113.3	108.0	112.6	73.3	102.3	120.0	109.3	120.4	128.3	116.1	108.8	115.4	112.2	90.2
10 Auto parts and allied goods.....	1.0	108.7	108.2	111.2	113.6	109.4	111.6	112.2	108.9	111.2	109.5	109.3	109.9	106.5	105.3
11 Other.....	3.1	108.7	108.4	108.6	110.6	111.6	112.0	111.2	111.1	112.0	109.5	109.6	108.7	106.3	105.1
12 Appliances, A/C, and TV.....	.8	106.7	102.0	101.0	108.4	107.8	108.1	104.4	103.6	107.5	100.2	101.9	100.6	94.6	95.1
13 Carpeting and furniture.....	.9	101.5	100.4	102.0	103.7	104.7	105.9	107.5	107.6	107.8	106.0	104.9	104.5	103.9	100.8
14 Miscellaneous home goods.....	1.4	114.5	117.1	117.1	116.2	118.2	118.0	117.3	117.5	117.2	116.9	116.8	115.9	114.5	113.5
15 Nondurable consumer goods.....	20.4	106.4	107.8	108.7	107.8	107.2	106.6	107.1	106.9	106.6	107.3	107.9	107.6	107.1	106.3
16 Foods and tobacco.....	9.1	104.2	105.8	106.4	105.5	106.2	105.8	105.6	105.2	104.4	105.1	105.7	105.1	105.4	104.8
17 Clothing.....	2.6	101.6	100.1	99.4	100.6	99.6	97.0	96.0	96.4	95.7	95.6	94.6	94.2	92.9	92.3
18 Chemical products.....	3.5	109.4	111.3	110.3	112.7	112.0	111.0	113.5	113.0	112.8	112.4	114.3	113.6	113.3	113.5
19 Paper products.....	2.5	114.3	118.1	116.9	116.2	117.6	116.4	118.1	118.6	118.3	120.3	119.3	121.0	119.9	120.5
20 Energy.....	2.7	106.7	108.0	115.2	107.9	101.5	103.1	104.1	104.1	105.3	106.7	109.0	108.1	106.3	102.2
21 Fuels.....	.7	102.8	103.0	100.5	105.1	106.6	101.8	101.6	98.2	102.6	104.6	106.0	105.6	103.8	100.6
22 Residential utilities.....	2.0	108.1	109.8	120.7	109.0	99.6	103.6	105.0	106.3	106.3	107.5	110.0	109.0	107.2	102.8
23 Equipment, total.....	20.0	112.3	112.0	112.9	111.8	113.3	114.9	114.7	116.2	116.8	117.2	117.2	117.8	117.0	115.3
24 Business equipment.....	13.9	119.1	118.7	119.9	118.0	120.1	122.2	121.6	123.5	124.4	125.0	125.4	126.5	125.4	123.0
25 Information processing and related.....	5.6	121.7	123.5	124.0	124.0	124.7	126.0	126.4	126.8	126.2	125.7	.....	.....	.....	.....
26 Office and computing.....	1.9	137.2	141.0	142.7	142.7	144.3	147.2	149.3	148.9	150.6	152.7	152.2	154.5	153.9	152.8
27 Industrial.....	4.0	113.8	113.4	112.8	113.5	113.4	113.9	114.2	115.5	115.3	116.0	.....	.....	.....	.....
28 Transit.....	2.5	123.8	117.0	123.4	111.4	122.7	130.6	126.2	132.5	137.4	135.5	135.4	140.5	137.6	125.9
29 Autos and trucks.....	1.2	103.9	98.0	97.6	69.6	91.7	104.5	95.2	105.7	112.3	103.6	.....	.....	.....	.....
30 Other.....	1.9	116.5	117.8	118.5	118.7	117.4	117.8	117.6	119.6	118.5	117.6	.....	.....	.....	.....
31 Defense and space equipment.....	5.4	97.4	96.7	96.6	97.5	97.6	97.5	97.3	97.6	97.6	97.8	97.7	97.3	97.1	96.6
32 Oil and gas well drilling.....	.6	93.7	99.9	100.3	98.3	100.1	106.0	114.3	118.6	119.5	116.2	106.9	107.4	107.1	109.7
33 Manufactured homes.....	.2	92.3	89.4	91.6	91.6	94.3	92.9	89.7	91.3	92.8	90.0	93.4	91.8	89.0	.....
34 Intermediate products, total.....	14.7	106.8	107.3	107.9	108.0	108.4	108.2	108.0	108.3	108.3	108.4	107.9	107.1	106.3	105.2
35 Construction supplies.....	6.0	106.1	107.0	107.4	107.9	108.2	107.3	106.4	105.5	106.0	106.7	105.3	103.5	102.5	100.8
36 Business supplies.....	8.7	107.3	107.5	108.2	108.0	108.5	108.9	109.1	110.2	109.8	109.5	109.7	109.5	109.0	108.3
37 Materials, total.....	39.2	107.4	107.0	106.9	106.2	107.1	107.1	107.3	107.7	108.8	109.6	109.7	109.3	108.2	106.2
38 Durable goods materials.....	19.4	111.6	110.8	110.4	109.4	110.8	110.9	110.9	112.5	113.8	114.0	114.9	113.9	112.6	109.6
39 Durable consumer parts.....	4.2	109.0	105.7	102.5	96.5	102.8	104.5	103.2	108.5	108.5	108.1	110.4	108.7	106.2	97.0
40 Equipment parts.....	7.3	114.7	115.3	115.8	116.5	117.6	117.6	117.4	118.1	119.1	119.2	119.4	119.7	118.8	118.0
41 Other.....	7.9	110.2	109.4	109.5	109.7	108.7	108.1	108.9	109.6	111.8	112.4	113.1	111.3	110.1	108.6
42 Basic metal materials.....	2.8	112.1	108.6	109.3	108.5	109.9	107.5	110.2	109.2	113.6	115.5	116.3	115.4	113.0	112.9
43 Nondurable goods materials.....	9.0	105.3	104.9	104.3	105.4	105.8	105.2	106.1	105.2	106.1	107.8	106.8	106.7	105.9	105.6
44 Textile materials.....	1.2	99.8	96.1	95.8	94.6	96.2	94.9	95.6	97.4	99.4	100.2	97.8	96.9	95.2	93.7
45 Pulp and paper materials.....	1.9	103.8	104.6	103.7	105.0	105.3	103.0	106.0	104.5	104.8	109.0	106.9	109.4	108.2	108.8
46 Chemical materials.....	3.8	106.4	105.8	103.8	105.8	107.3	107.5	107.4	105.4	107.3	108.5	108.0	106.6	105.9	105.7
47 Other.....	2.1	107.6	108.4	110.4	110.9	108.8	108.7	109.8	109.8	108.8	109.9	109.3	110.0	109.8	109.2
48 Energy materials.....	10.9	101.4	101.9	102.7	101.2	101.7	102.0	101.8	101.1	102.1	103.3	103.0	103.2	102.3	100.6
49 Primary energy.....	7.2	99.9	100.5	99.0	101.1	102.1	101.2	100.3	100.1	101.2	103.3	102.1	100.3	100.4	99.0
50 Converted fuel materials.....	3.7	104.3	104.5	110.0	101.4	100.9	103.4	104.6	102.9	103.9	103.4	104.9	108.8	106.1	103.7
SPECIAL AGGREGATES															
51 Total excluding autos and trucks.....	97.3	108.2	108.4	108.9	108.6	108.9	109.0	109.2	109.5	110.0	110.6	110.7	110.3	109.4	108.2
52 Total excluding motor vehicles and parts.....	95.3	108.3	108.6	109.1	109.0	109.2	109.2	109.5	109.7	110.2	110.8	110.9	110.5	109.6	108.6
53 Total excluding office and computing machines.....	97.5	107.4	107.3	107.7	106.6	107.6	108.0	107.8	108.4	109.1	109.3	109.4	109.2	108.3	106.4
54 Consumer goods excluding autos and trucks.....	24.5	106.8	107.9	108.8	108.4	107.8	107.5	107.9	107.6	107.5	107.6	108.2	107.8	107.0	106.2
55 Consumer goods excluding energy.....	23.3	106.7	107.3	107.5	105.8	107.6	108.0	107.5	107.9	108.3	107.8	.....	.....	.....	.....
56 Business equipment excluding autos and trucks.....	12.7	120.6	120.7	122.1	122.8	122.9	124.0	124.2	125.3	125.6	127.2	127.8	128.0	127.3	126.8
57 Business equipment excluding office and computing equipment.....	12.0	116.2	115.0	116.2	114.0	116.2	118.2	117.2	119.4	120.2	120.5	121.1	121.9	120.8	118.2
58 Materials excluding energy.....	28.4	109.6	108.9	108.4	108.1	109.2	109.1	109.4	110.2	111.4	112.1	112.3	111.6	110.4	108.4

2.13—Continued

Groups	SIC code	1987 proportion	1989 avg.	1989		1990											
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	
Index (1987 = 100)																	
MAJOR INDUSTRY																	
1 Total index		100.0	108.1	108.1	108.6	107.5	108.5	108.9	108.8	109.4	110.1	110.4	110.5	110.4	109.4	107.5	
2 Manufacturing		84.4	108.9	108.9	108.8	108.1	109.6	109.8	109.5	110.3	110.8	111.1	111.1	111.0	110.1	108.2	
3 Primary processing		26.7	106.4	106.2	105.3	106.2	106.9	106.0	105.9	106.1	107.0	107.9	108.0	106.7	105.7	104.3	
4 Advanced processing		57.7	110.1	110.1	110.4	109.0	110.9	111.7	111.3	112.4	112.6	112.5	112.5	112.9	112.1	110.0	
5 Durable		47.3	110.9	110.1	110.4	108.6	110.7	111.9	111.1	112.6	113.4	113.4	113.5	113.6	112.3	109.5	
6 Lumber and products	24	2.0	103.0	104.8	106.4	106.0	104.3	105.0	103.3	101.7	102.0	103.6	100.5	99.9	98.8	94.7	
7 Furniture and fixtures	25	1.4	105.3	104.4	105.1	105.1	104.8	105.9	107.6	108.0	108.7	108.0	106.7	105.5	103.5	101.4	
8 Clay, glass, and stone products	32	2.5	108.0	108.2	108.6	110.0	108.0	107.7	105.1	106.4	106.1	106.0	106.6	104.0	103.7	103.3	
9 Primary metals	33	3.3	109.2	104.8	102.6	105.0	107.9	105.4	106.4	106.2	109.5	110.3	114.6	111.1	107.9	107.1	
10 Iron and steel	331.2	1.9	109.3	104.1	100.3	104.6	110.6	106.1	106.7	105.5	110.3	110.6	118.3	113.6	110.2	110.0	
11 Raw steel .....		.1	108.5	100.6	97.6	109.9	109.0	105.9	104.9	107.6	111.8	113.9	118.5	111.6	112.8	114.6
12 Nonferrous	333-6.9	1.4	109.0	105.8	105.8	105.6	104.0	104.3	105.9	107.1	108.3	109.8	109.4	107.5	104.8	103.0	
13 Fabricated metal products	34	5.4	107.2	106.9	106.3	105.1	105.6	105.5	105.0	107.1	106.7	107.7	107.9	106.5	105.6	103.1	
14 Nonelectrical machinery	35	8.6	121.8	122.9	123.8	123.7	124.2	125.2	125.7	126.9	127.5	128.3	128.8	128.7	127.9	127.1	
15 Office and computing machines	357	2.5	137.2	141.0	142.7	142.7	144.3	147.3	149.3	149.0	150.6	152.7	152.2	154.5	153.8	152.8	
16 Electrical machinery	36	8.6	109.5	110.1	110.1	110.1	111.0	112.3	111.3	112.4	112.8	112.2	112.5	112.5	111.1	110.5	
17 Transportation equipment	37	9.8	107.2	102.8	104.4	94.7	103.5	107.9	105.1	109.0	111.0	109.3	107.9	111.0	108.9	99.8	
18 Motor vehicles and parts	371	4.7	104.9	99.0	98.7	76.8	94.1	103.5	95.8	104.0	108.0	102.7	101.0	107.5	103.9	85.5	
19 Autos and light trucks		2.3	105.0	97.6	99.0	65.7	91.8	106.7	94.6	104.3	111.6	103.8					
20 Aerospace and miscellaneous transportation equipment	372-6.9	5.1	109.3	106.3	109.6	111.0	111.9	111.9	113.4	113.5	113.8	115.2	114.1	114.2	113.5	112.8	
21 Instruments	38	3.3	116.4	115.6	114.8	116.0	116.2	115.7	115.8	116.5	115.0	116.9	117.5	118.4	118.5	117.7	
22 Miscellaneous manufacturers	39	1.2	114.9	117.0	116.4	117.0	118.1	118.6	118.6	119.1	119.6	120.4	121.8	120.7	120.0	119.0	
23 Nondurable		37.2	106.4	107.3	106.7	107.5	108.3	107.2	107.5	107.4	107.6	108.1	108.1	107.6	107.2	106.6	
24 Foods	20	8.8	105.5	107.4	108.0	106.8	107.4	107.1	107.0	106.8	106.1	107.1	107.7	107.4	107.5	106.8	
25 Tobacco products	21	1.0	99.7	98.8	98.5	101.3	102.3	100.0	98.8	97.2	95.6	98.5	96.3	95.7	95.2	96.0	
26 Textile mill products	22	1.8	101.9	99.3	99.8	100.6	103.0	99.8	100.9	102.7	103.6	102.9	100.4	100.0	98.5	97.0	
27 Apparel products	23	2.4	104.3	103.7	102.6	102.4	102.1	99.8	98.7	99.2	99.3	99.2	98.8	97.6	96.8	95.9	
28 Paper and products	26	3.6	103.2	104.1	103.4	103.8	105.0	102.8	105.3	104.0	104.2	107.8	106.5	107.5	106.0	106.6	
29 Printing and publishing	27	6.4	108.5	109.6	109.6	110.7	112.1	111.4	112.0	112.8	112.0	111.4	110.9	111.2	111.0	110.3	
30 Chemicals and products	28	8.6	108.5	109.8	107.6	109.9	110.5	109.5	110.3	109.2	110.3	110.4	111.1	110.1	109.8	109.8	
31 Petroleum products	29	1.3	106.1	109.3	104.3	108.6	112.0	109.1	106.8	104.6	106.5	110.5	110.2	109.4	108.6	106.3	
32 Rubber and plastic products	30	3.0	108.9	109.1	110.1	110.7	109.1	109.8	109.0	110.9	112.8	110.9	112.0	110.5	110.5	108.0	
33 Leather and products	31	.3	103.7	99.4	103.0	104.3	102.9	103.3	102.6	103.5	102.0	102.5	99.6	98.3	94.7	91.8	
34 Mining		7.9	100.5	101.2	100.1	101.7	101.0	101.1	102.9	102.2	102.2	104.0	102.4	103.7	102.6	102.5	
35 Metal	10	.3	141.4	145.9	155.5	144.8	143.4	141.4	152.7	148.7	156.7	164.8	155.7	164.9	159.9	160.3	
36 Coal	11.12	1.2	105.7	108.1	103.5	114.1	111.9	112.9	114.2	110.0	113.5	118.5	110.2	116.8	114.7	110.8	
37 Oil and gas extraction	13	5.7	95.5	95.5	94.0	94.4	94.1	94.6	95.7	96.0	94.6	95.5	95.8	95.5	95.3	95.9	
38 Stone and earth minerals	14	.7	113.9	115.8	119.7	121.2	120.0	116.5	120.2	119.9	121.1	121.8	120.1	120.7	116.1	116.5	
39 Utilities		7.6	107.1	108.3	116.1	106.8	104.0	106.2	106.7	107.1	109.7	109.7	111.4	110.8	109.1	105.1	
40 Electric	491.3PT	6.0	108.1	109.5	116.3	108.3	107.1	109.7	109.7	110.3	113.1	112.1	113.6	112.8	111.0	107.0	
41 Gas	492.3PT	1.6	103.0	103.9	115.6	101.2	92.3	93.3	95.5	95.2	97.4	100.7	103.3	103.6	102.0	98.2	
SPECIAL AGGREGATES																	
42 Manufacturing excluding motor vehicles and parts		79.8	109.2	109.4	109.3	109.9	110.5	110.2	110.3	110.7	110.8	111.0					
43 Manufacturing excluding office and computing machines		82.0	108.1	107.9	107.7	107.1	108.6	108.7	108.3	109.1	109.5	109.5					
Gross value (billions of 1982 dollars, annual rates)																	
MAJOR MARKET																	
44 Products, total		1734.8	1,889.8	1,896.9	1,905.5	1,863.6	1,903.3	1,922.6	1,906.2	1,922.2	1,937.0	1,923.5	1,929.5	1,938.8	1,927.1	1,876.1	
45 Final		1350.9	1,480.1	1,482.8	1,492.5	1,447.9	1,488.3	1,507.5	1,493.9	1,506.0	1,523.4	1,508.7	1,516.3	1,528.1	1,513.0	1,468.2	
46 Consumer goods		833.4	884.6	889.0	898.6	864.3	888.6	893.4	883.9	885.9	893.8	886.0	885.9	893.4	883.0	854.9	
47 Equipment		517.5	595.5	593.8	594.0	583.6	599.8	614.1	610.0	620.1	629.6	622.7	630.4	634.7	630.0	613.4	
48 Intermediate		384.0	409.7	414.1	413.0	415.7	415.0	415.1	412.3	416.2	413.6	414.9	413.1	410.7	414.1	407.9	

1. These data also appear in the Board's G.17 (419) release. For requests see address inside front cover.

A major revision of the industrial production index and the capacity

utilization rates was released in April 1990. See "Industrial Production: 1989 Developments and Historical Revision," *Federal Reserve Bulletin*, vol. 76 (April 1990), pp. 187-204.

2.14 HOUSING AND CONSTRUCTION

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

Item	1987	1988	1989	1990									
				Jan.	Feb.	Mar.	Apr.	May	June	July	Aug. ^r	Sept. ^r	Oct.
Private residential real estate activity (thousands of units)													
NEW UNITS													
1 Permits authorized	1,535	1,456	1,339	1,739	1,297	1,232	1,108	1,065	1,108	1,082	1,050	992	920
2 1-family	1,024	994	932	985	974	912	813	802	796	780	762	737	708
3 2-or-more-family	511	462	407	754	323	320	295	263	312	302	288	255	212
4 Started	1,621	1,488	1,376	1,568	1,488	1,307	1,216	1,206	1,189	1,153	1,131	1,106	1,033
5 1-family	1,146	1,081	1,003	1,099	1,154	996	898	897	889	875	836	859	856
6 2-or-more-family	474	407	373	469	334	311	318	309	300	278	295	247	177
7 Under construction, end of period ¹ ..	987	919	850	892	900	887	876	857	849	833	815	792	773
8 1-family	591	570	535	571	575	567	559	546	540	529	517	504	501
9 2-or-more-family	397	350	315	321	325	320	317	311	309	304	298	288	272
10 Completed	1,669	1,530	1,423	1,443	1,351	1,378	1,295	1,363	1,295	1,300	1,314	1,324	1,256
11 1-family	1,123	1,085	1,026	1,031	1,041	1,037	942	1,008	946	981	954	974	908
12 2-or-more-family	546	445	396	412	310	341	353	355	349	319	360	350	348
13 Mobile homes shipped	233	218	198	195	200	193	189	191	191	184	195	181	188
Merchant builder activity in 1-family units													
14 Number sold	672	675	650	613	606	558	533	536	550	541 ^r	530	509	491
15 Number for sale, end of period ¹	366	367	362	365	366	363	363	360	354	351 ^r	345	339	334
Price (thousands of dollars) ²													
16 Median	104.7	113.3	120.4	125.0	126.9	119.4	130.0	125.0	125.0	118.7 ^r	118.5	112.9	121.8
17 Average	127.9	139.0	148.3	151.7	150.9	144.6	153.4	150.6	150.4	149.8 ^r	145.3	143.4	157.5
EXISTING UNITS (1-family)													
18 Number sold	3,530	3,594	3,439	3,520	3,400	3,400	3,330	3,300	3,330	3,330	3,500	3,170	3,050
Price of units sold (thousands of dollars) ²													
19 Median	85.6	89.2	93.0	96.3	95.2	96.3	95.6	95.6	97.5	98.3	97.1	94.4	92.9
20 Average	106.2	112.5	118.0	120.0	118.3	119.5	117.8	118.7	121.1	122.0	120.5	116.7	115.9
Value of new construction ³ (millions of dollars)													
CONSTRUCTION													
21 Total put in place	410,209	422,076	432,068	445,959	455,571	457,272	444,737	443,805	441,088	441,313	441,197	428,930	434,446
22 Private	319,641	327,102	333,514	338,078	343,118	347,366	338,780	333,992	329,556	333,207	325,434	319,574	316,644
23 Residential	194,656	198,101	196,551	200,149	203,013	206,868	200,234	196,055	189,462	188,545	185,768	181,199	179,539
24 Nonresidential, total	124,985	129,001	136,963	137,929	140,105	140,498	138,546	137,937	140,094	144,662	139,666	138,375	137,105
25 Buildings	13,707	14,931	18,506	19,680	21,072	21,086	21,039	20,847	20,405	23,680	20,315	19,990	20,663
26 Industrial	55,448	58,104	59,389	57,376	58,748	57,210	55,765	54,698	56,581	57,117	55,585	53,972	52,792
27 Other	15,464	17,278	17,848	17,706	16,964	17,646	18,227	18,379	19,272	19,762	19,864	20,275	20,250
28 Public utilities and other	40,366	38,688	41,220	43,167	43,321	44,556	43,515	44,013	43,836	44,103	43,902	44,138	43,400
29 Public	90,566	94,971	98,551	107,881	112,453	109,906	105,957	109,813	111,532	108,106	115,763	109,356	117,802
30 Military	4,327	3,579	3,520	3,838	3,886	5,099	5,057	5,459	5,868	5,066	5,047	5,105	4,757
31 Highway	26,958	30,140	29,502	31,901	37,018	32,374	29,714	30,658	30,311	28,775	31,865	31,140	32,833
32 Conservation and development	5,519	4,726	4,969	5,192	5,559	4,996	4,979	5,504	3,958	4,501	4,790	3,355	5,842
33 Other	53,762	56,526	60,560	66,950	65,990	67,437	66,207	68,192	71,395	69,764	74,061	69,756	74,370

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 previous 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 Nov. 1990
	1989 Nov.	1990 Nov.	1989	1990			1990					
			Dec.	Mar.	June	Sept.	July ^r	Aug. ^r	Sept.	Oct.	Nov.	
CONSUMER PRICES ² (1982-84=100)												
1 All items	4.7	6.3	4.9	8.5	3.5	7.9	.4	.8	.8	.6	.3	133.8
2 Food	5.6	5.6	5.5	11.4	2.1	3.7	.4	.3	.2	.4	.5	134.0
3 Energy items	4.8	19.0	3.9	14.8	-2.0	42.7	-7	4.3	5.6	4.5	.5	110.9
4 All items less food and energy	4.4	5.3	4.7	7.5	3.9	5.7	.6	.5	.3	.3	.3	138.2
5 Commodities	2.9	3.1	3.4	7.8	.7	2.9	.3	.0	.4	.2	.0	125.4
6 Services	5.1	6.2	5.7	7.2	5.5	7.2	.7	.8	.3	.3	.4	145.5
PRODUCER PRICES (1982=100)												
7 Finished goods	4.6	7.0	5.0	7.1	.3	11.7	.1	1.1	1.6	1.1	.5	122.9
8 Consumer foods	4.5	4.2	12.4	10.6	-3.8	.6	.3	.7	-9	.9	.8	125.1
9 Consumer energy	7.7	38.4	-5.3	24.7	-14.3	137.4	.0	9.0	13.8	8.0	.1	89.4
10 Other consumer goods	4.4	3.9	4.2	3.5	5.4	2.2	-2	.1	.6	.0	.6	130.8
11 Capital equipment	4.0	3.2	2.0	4.0	2.3	5.3	.3	.2	.8	-2	.2	124.7
12 Intermediate materials ³	2.9	5.6	-4	2.5	-4	13.4	-1	1.3	1.9	1.6	.2	118.2
13 Excluding energy	1.7	1.8	-1.0	1.0	.7	4.0	.2	.2	.6	.4	.2	122.2
Crude materials												
14 Foods	1.8	-1.2	19.2	9.1	-10.2	-7.9	.6	-9	-1.8	1.1	-1.7	108.6
15 Energy	22.3	35.5	13.2	.5	-39.2	296.0	.4	25.0	12.4	18.7	-10.3	104.2
16 Other	-1.0	.4	-15.3	4.0	13.2	8.7	.7	1.5	-1	-1.7	-2.3	134.8

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	1987	1988	1989	1989		1990		
				Q3	Q4	Q1	Q2	Q3'
GROSS NATIONAL PRODUCT								
1 Total	4,515.6	4,873.7	5,200.8	5,238.6	5,289.3	5,375.4	5,443.3	5,514.6
By source								
2 Personal consumption expenditures	3,009.4	3,238.2	3,450.1	3,484.3	3,518.5	3,588.1	3,622.7	3,693.4
3 Durable goods	423.4	457.5	474.6	487.1	471.2	492.1	478.4	482.3
4 Nondurable goods	1,001.3	1,060.0	1,130.0	1,137.3	1,148.8	1,174.7	1,179.0	1,205.0
5 Services	1,584.7	1,720.7	1,845.5	1,859.8	1,898.5	1,921.3	1,965.3	2,006.2
6 Gross private domestic investment	699.5	747.1	771.2	775.8	762.7	747.2	759.0	759.7
7 Fixed investment	671.2	720.8	742.9	746.9	737.7	758.9	745.6	750.7
8 Nonresidential	444.9	488.4	511.9	518.1	511.8	523.1	516.5	532.8
9 Structures	133.7	139.9	146.2	147.0	147.1	148.8	147.2	149.8
10 Producers' durable equipment	311.2	348.4	365.7	371.0	364.7	374.3	369.3	383.0
11 Residential structures	226.3	232.5	231.0	228.9	225.9	235.9	229.1	217.9
12 Change in business inventories	28.3	26.2	28.3	28.9	25.0	-11.8	13.4	9.0
13 Nonfarm	32.3	29.8	23.3	26.2	24.1	-17.0	13.0	6.8
14 Net exports of goods and services	-114.7	-74.1	-46.1	-49.3	-35.3	-30.0	-24.9	-41.3
15 Exports	449.6	552.0	626.2	623.7	642.8	661.3	659.7	672.7
16 Imports	564.3	626.1	672.3	673.0	678.1	691.3	684.6	714.1
17 Government purchases of goods and services	921.4	962.5	1,025.6	1,027.8	1,043.3	1,070.1	1,086.4	1,102.8
18 Federal	381.3	380.3	400.0	399.2	399.9	410.6	421.9	425.8
19 State and local	540.2	582.3	625.6	628.6	643.4	659.6	664.6	677.0
By major type of product								
20 Final sales, total	4,487.3	4,847.5	5,172.5	5,209.7	5,264.3	5,387.2	5,429.9	5,505.6
21 Goods	1,788.4	1,935.1	2,072.7	2,090.2	2,085.9	2,111.0	2,146.6	2,170.4
22 Durable	780.5	860.2	906.7	922.1	907.4	919.9	930.1	953.2
23 Nondurable	1,007.9	1,074.9	1,166.1	1,168.1	1,178.6	1,191.2	1,216.4	1,217.2
24 Services	2,292.4	2,488.6	2,671.2	2,693.3	2,747.5	2,791.3	2,834.2	2,889.6
25 Structures	434.9	450.0	456.9	455.0	455.9	473.0	462.5	454.6
26 Change in business inventories	28.3	26.2	28.3	28.9	25.0	-11.8	13.4	9.0
27 Durable goods	22.9	19.9	11.9	6.6	13.2	-21.6	.0	9.8
28 Nondurable goods	5.4	6.4	16.4	22.2	11.9	9.8	13.4	-8
MEMO								
29 Total GNP in 1982 dollars	3,845.3	4,016.9	4,117.7	4,129.7	4,133.2	4,150.6	4,155.1	4,170.0
NATIONAL INCOME								
30 Total	3,660.3	3,984.9	4,223.3	4,232.1	4,267.1	4,350.3	4,411.3	4,452.4
31 Compensation of employees	2,686.4	2,905.1	3,079.0	3,095.2	3,128.6	3,180.4	3,232.5	3,276.9
32 Wages and salaries	2,249.7	2,431.1	2,573.2	2,586.6	2,612.7	2,651.6	2,696.3	2,734.2
33 Government and government enterprises	419.4	446.6	476.6	479.9	486.7	497.1	505.7	511.3
34 Other	1,830.3	1,984.5	2,096.6	2,106.7	2,126.0	2,154.5	2,190.6	2,222.9
35 Supplement to wages and salaries	436.6	474.0	505.8	508.6	515.9	528.8	536.1	542.7
36 Employer contributions for social insurance	227.2	248.5	263.9	265.1	268.4	276.0	279.7	282.7
37 Other labor income	209.4	225.5	241.9	243.5	247.5	252.8	256.4	260.0
38 Proprietors' income ¹	323.4	354.2	379.3	368.1	381.7	404.0	401.7	397.9
39 Business and professional ¹	280.6	310.5	330.7	329.5	336.0	346.6	350.8	355.6
40 Farm ¹	42.8	43.7	48.6	38.7	45.7	57.4	51.0	42.4
41 Rental income of persons ²	13.7	16.3	8.2	5.8	4.1	5.5	4.3	8.4
42 Corporate profits ¹	308.3	337.6	311.6	306.7	290.9	296.8	306.6	300.7
43 Profits before tax	275.3	316.7	307.7	291.4	289.8	296.9	299.3	318.5
44 Inventory valuation adjustment	-19.4	-27.0	-21.7	-6.1	-14.5	-11.4	-.5	-19.8
45 Capital consumption adjustment	52.4	47.8	25.5	21.4	15.6	11.3	7.7	2.0
46 Net interest	328.6	371.8	445.1	456.2	461.7	463.6	466.2	468.3

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	1987	1988	1989	1989		1990		
				Q3	Q4	Q1	Q2	Q3 ¹
PERSONAL INCOME AND SAVING								
1 Total personal income	3,766.4	4,070.8	4,384.3	4,402.8	4,469.2	4,562.8	4,622.2	4,678.5
2 Wage and salary disbursements	2,249.7	2,431.1	2,573.2	2,586.6	2,612.7	2,651.6	2,696.3	2,734.2
3 Commodity-producing industries	649.9	696.4	720.6	722.3	721.4	724.6	731.1	735.3
4 Manufacturing	490.3	524.0	541.8	543.2	540.9	541.2	548.1	551.8
5 Distributive industries	531.8	572.0	604.7	607.1	614.6	627.0	637.3	642.7
6 Service industries	648.5	716.2	771.4	777.4	790.0	802.9	822.2	844.9
7 Government and government enterprises	419.4	446.6	476.6	479.9	486.7	497.1	505.7	511.3
8 Other labor income	209.4	225.5	241.9	243.5	247.5	252.8	256.4	260.0
9 Proprietors' income ¹	323.4	354.2	379.3	368.1	381.7	404.0	401.7	397.9
10 Business and professional ¹	280.6	310.5	330.7	329.5	336.0	346.6	350.8	355.6
11 Farm	42.8	43.7	48.6	38.7	45.7	57.4	51.0	42.4
12 Rental income of persons ²	13.7	16.3	8.2	5.8	4.1	5.5	4.3	8.4
13 Dividends	91.8	102.2	114.4	115.7	118.2	120.5	122.9	124.9
14 Personal interest income	501.3	547.9	643.2	655.2	664.9	670.5	678.0	685.3
15 Transfer payments	549.9	587.7	636.9	641.8	655.9	680.9	686.7	696.4
16 Old-age survivors, disability, and health insurance benefits	282.9	300.5	325.3	328.3	334.1	347.2	347.6	351.1
17 LESS: Personal contributions for social insurance	172.9	194.1	212.8	214.0	215.8	222.9	224.1	228.6
18 EQUALS: Personal income	3,766.4	4,070.8	4,384.3	4,402.8	4,469.2	4,562.8	4,622.2	4,678.5
19 LESS: Personal tax and nontax payments	571.6	591.6	658.8	659.5	669.6	675.1	696.5	709.5
20 EQUALS: Disposable personal income	3,194.7	3,479.2	3,725.5	3,743.4	3,799.6	3,887.7	3,925.7	3,969.1
21 LESS: Personal outlays	3,102.2	3,333.6	3,553.7	3,588.8	3,625.5	3,696.4	3,730.6	3,802.6
22 EQUALS: Personal saving	92.5	145.6	171.8	154.5	174.1	191.3	195.1	166.5
MEMO								
Per capita (1982 dollars)								
23 Gross national product	15,759.4	16,302.4	16,550.2	16,578.5	16,546.0	16,575.9	16,554.2	16,560.8
24 Personal consumption expenditures	10,310.7	10,578.3	10,678.5	10,739.9	10,688.2	10,692.1	10,672.5	10,710.1
25 Disposable personal income	10,946.0	11,368.0	11,531.0	11,538.0	11,541.0	11,586.0	11,564.0	11,511.0
26 Saving rate (percent)	2.9	4.2	4.6	4.1	4.6	4.9	5.0	4.2
GROSS SAVING								
27 Gross saving	555.5	656.1	691.5	692.4	674.8	664.8	679.3	665.9
28 Gross private saving	662.6	751.3	779.3	776.0	786.4	795.0	806.7	772.2
29 Personal saving	92.5	145.6	171.8	154.5	174.1	191.3	195.1	166.5
30 Undistributed corporate profits ¹	83.2	91.4	53.0	53.9	39.8	36.7	40.5	26.5
31 Corporate inventory valuation adjustment	-19.4	-27.0	-21.7	-6.1	-14.5	-11.4	-.5	-19.8
Capital consumption allowances								
32 Corporate	303.2	322.1	346.4	351.6	356.5	356.7	359.7	365.5
33 Noncorporate	183.8	192.2	208.0	215.9	216.0	210.3	211.4	213.8
34 Government surplus, or deficit (-), national income and product accounts	-107.1	-95.3	-87.8	-83.6	-111.6	-130.2	-127.3	-106.4
35 Federal	-158.2	-141.7	-134.3	-131.7	-150.1	-168.3	-166.0	-145.7
36 State and local	51.0	46.5	46.4	48.1	38.5	38.1	38.6	39.3
37 Gross investment	544.9	627.8	674.4	676.1	671.8	665.6	676.1	661.0
38 Gross private domestic	699.5	747.1	771.2	775.8	762.7	747.2	759.0	759.7
39 Net foreign	-154.6	-119.2	-96.8	-99.7	-90.9	-81.6	-82.9	-98.7
40 Statistical discrepancy	-10.6	-28.2	-17.0	-16.2	-3.0	.7	-3.2	-4.9

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	1987	1988	1989	1989		1990		
				Q3	Q4	Q1	Q2 ^a	Q3 ^a
1 Balance on current account	-162,315	-128,862	-110,035	-27,591	-26,692	-21,668	-22,485	-25,585
2 Not seasonally adjusted				-31,620	-27,926	-17,922	-20,987	-29,989
3 Merchandise trade balance	-159,500	-126,986	-114,864	-29,803	-28,746	-26,283	-23,102	-29,752
4 Merchandise exports	250,266	320,337	360,465	89,349	91,738	96,262	96,758	96,159
5 Merchandise imports	-409,766	-447,323	-475,329	-119,152	-120,484	-122,545	-119,860	-125,911
6 Military transactions, net	-3,530	-5,452	-6,319	-1,114	-1,776	-1,287	-1,382	-1,648
7 Investment income, net	5,326	1,610	913	17	561	1,995	-999	2,455
8 Other service transactions, net	3,326	16,971	26,783	6,839	7,900	7,292	7,364	7,465
9 Remittances, pensions, and other transfers	-4,299	-4,261	-3,758	-909	-889	-983	-865	-1,078
10 U.S. government grants	-10,276	-10,744	-10,963	-2,621	-3,742	-2,402	-3,501	-3,027
11 Change in U.S. government assets, other than official reserve assets, net (increase, -)	997	2,969	1,185	574	-47	-659	-808	-379
12 Change in U.S. official reserve assets (increase, -)	9,149	-3,912	-25,293	-5,996	-3,202	-3,177	371	1,739
13 Gold	0	0	0	0	0	0	0	0
14 Special drawing rights (SDRs)	-509	127	-535	-211	-204	-247	-216	363
15 Reserve position in International Monetary Fund	2,070	1,025	471	337	-23	234	493	8
16 Foreign currencies	7,588	-5,064	-25,229	-6,122	-2,975	-3,164	94	1,368
17 Change in U.S. private assets abroad (increase, -)	-73,092	-83,232	-102,953	-38,654	-45,496	36,713	-31,284	-27,811
18 Bank-reported claims	-42,119	-56,322	-50,684	-21,269	-32,658	52,353	-13,639	-7,603
19 Nonbank-reported claims	5,324	-2,847	1,391	1,877	47	1,202	-1,550	.....
20 U.S. purchase of foreign securities, net	-5,251	-7,846	-21,938	-9,623	-4,109	-7,496	-11,247	-913
21 U.S. direct investments abroad, net	-31,046	-16,217	-31,722	-9,639	-8,776	-9,346	-4,848	-19,295
22 Change in foreign official assets in United States (increase, +)	45,210	39,515	8,823	13,003	-7,016	-8,203	5,541	13,642
23 U.S. Treasury securities	43,238	41,741	333	12,771	-7,342	-5,897	2,442	12,008
24 Other U.S. government obligations	1,564	1,309	1,383	190	569	-521	346	134
25 Other U.S. government liabilities ⁴	-2,503	-710	332	-350	412	-381	1,089	234
26 Other U.S. liabilities reported by U.S. banks ⁵	3,918	-319	4,940	-251	-820	-1,278	1,918	1,539
27 Other foreign official assets	-1,007	-2,506	1,835	643	165	-126	-254	-273
28 Change in foreign private assets in United States (increase, +)	173,260	181,926	205,829	61,133	76,336	-24,786	19,954	38,829
29 U.S. bank-reported liabilities	89,026	70,235	61,199	27,845	36,674	-32,264	4,897	32,288
30 U.S. nonbank-reported liabilities	2,863	6,664	2,867	-2,175	1,732	290	1,317	.....
31 Foreign private purchases of U.S. Treasury securities, net	-7,643	20,239	29,951	12,618	5,671	-835	3,614	453
32 Foreign purchases of other U.S. securities, net	42,120	26,353	39,568	10,470	10,793	2,486	2,890	-1,543
33 Foreign direct investments in United States, net	46,894	58,435	72,244	12,375	21,466	5,537	7,236	7,631
34 Allocation of SDRs	0	0	0	0	0	0	0	0
35 Discrepancy	6,790	-8,404	22,443	-2,469	6,117	21,780	28,711	-435
36 Owing to seasonal adjustments				-4,953	3,560	2,804	-988	-5,303
37 Statistical discrepancy in recorded data before seasonal adjustment	6,790	-8,404	22,443	2,484	2,558	18,976	29,699	4,868
MEMO								
Changes in official assets								
38 U.S. official reserve assets (increase, -)	9,149	-3,912	-25,293	-5,996	-3,202	-3,177	371	1,739
39 Foreign official assets in United States (increase, +) excluding line 25	47,713	40,225	8,491	13,353	-7,428	-7,822	4,452	13,408
40 Change in Organization of Petroleum Exporting Countries official assets in United States (part of line 22 above)	-9,956	-2,996	10,713	4,532	-1,379	2,953	208	-1,251

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. Reporting banks include all kinds of depository institutions besides commercial banks, as well as some brokers and dealers.

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 seasonally adjusted.

Item	1987	1988	1989	1990						
				Apr.	May	June	July	Aug.	Sept. ^f	Oct. ^p
1 EXPORTS of domestic and foreign merchandise excluding grant-aid shipments, f.a.s. value.....	254,073	322,427	363,812	32,058	32,774	34,221	32,125	32,549	32,010	34,774
GENERAL IMPORTS including merchandise for immediate consumption plus entries into bonded warehouses										
2 Customs value.....	406,241	440,952	473,211	39,364	40,543	39,561	41,244	42,283	41,337	46,385
Trade balance										
3 Customs value	-152,169	-118,526	-109,399	-7,306	-7,770	-5,340	-9,119	-9,734	-9,326	-11,611

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; the previous month is revised to reflect late documents. 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	1987	1988	1989	1990						
				May	June	July	Aug.	Sept.	Oct.	Nov. ^p
1 Total	45,798	47,802	74,609	77,028	77,298	77,906	78,909	80,024	82,852	83,059
2 Gold stock, including Exchange Stabilization Fund ¹	11,078	11,057	11,059	11,065	11,065	11,064	11,065	11,063	11,060	11,059
3 Special drawing rights ^{2,3}	10,283	9,637	9,951	10,396	10,490	10,699	10,780	10,666	10,876	11,059
4 Reserve position in International Monetary Fund ²	11,349	9,745	9,048	8,764	8,449	8,686	8,890	8,881	9,066	8,871
5 Foreign currencies ⁴	13,088	17,363	44,551	46,803	47,294	47,457	48,174	49,414	51,850	52,070

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	1987	1988	1989	1990						
				May	June	July	Aug.	Sept.	Oct.	Nov. ^p
1 Deposits	244	347	589	309	368	279	337	360	297	264
<i>Assets held in custody</i>										
2 U.S. Treasury securities ²	195,126	232,547	224,911	253,691	255,651	256,585	261,051	261,321	266,749	272,399
3 Earmarked gold ³	13,919	13,636	13,456	13,460	13,433	13,422	13,412	13,419	13,415	13,389

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 at face value.

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	1987	1988	1989	1990						
				Apr.	May	June	July	Aug.	Sept.	Oct.
All foreign countries										
1 Total, all currencies	518,618	505,595	545,366	535,886	541,439	524,010	531,418	551,346 ¹	546,140	552,510
2 Claims on United States	138,034	169,111	198,835	177,104	182,224	179,258	174,583	178,236	182,555	177,539
3 Parent bank	105,845	129,856	157,092	133,573	140,751	138,384	133,682	137,558	140,865	135,536
4 Other banks in United States	16,416	14,918	17,042	17,965	15,647	15,166	15,239	14,500	14,157	13,145
5 Nonbanks	15,773	24,337	24,701	25,566	25,826	25,708	25,662	26,178	27,533	28,858
6 Claims on foreigners	342,520	299,728	300,575	307,470	306,058	293,627 ¹	304,674 ¹	313,831 ¹	311,254	319,318
7 Other branches of parent bank	122,155	107,179	113,810	118,835	116,640	108,464	115,353	121,705 ¹	123,359	129,570
8 Banks	108,859	96,932	90,703	90,812	90,422	85,780	85,911	88,768 ¹	83,162	81,883
9 Public borrowers	21,832	17,163	16,456	16,217	16,172	16,220 ¹	16,264 ¹	16,157 ¹	16,379	16,335
10 Nonbank foreigners	89,674	78,454	79,606	81,606	82,824	83,163	87,146	87,201	88,354	91,530
11 Other assets	38,064	36,756	45,956	51,312	53,157	51,125 ¹	52,161 ¹	59,279 ¹	52,331	55,653
12 Total payable in U.S. dollars	350,107	357,573	382,717	360,224	362,991 ¹	350,110 ¹	346,335 ¹	357,970 ¹	360,195	362,409
13 Claims on United States	132,023	163,456	191,184	169,996	173,887	171,551	166,294	169,714	173,978	168,956
14 Parent bank	103,251	126,929	152,294	129,162	135,211	133,167	128,066	131,994	135,068	129,850
15 Other banks in United States	14,657	14,167	16,386	17,209	14,818	14,575	14,375	13,513	13,416	12,441
16 Nonbanks	14,115	22,360	22,504	23,625	23,858	23,809	23,853	24,207	25,494	26,665
17 Claims on foreigners	202,488	177,685	169,690	168,419	167,493 ¹	158,452 ¹	157,910 ¹	163,152 ¹	163,799 ¹	168,345
18 Other branches of parent bank	88,284	80,736	82,949	84,930	83,381	76,410	79,241	82,564 ¹	84,738	90,462
19 Banks	63,707	54,884	48,396	43,814	44,449	42,918	38,815	40,733 ¹	39,419 ¹	37,267
20 Public borrowers	14,730	12,131	10,961	11,191	10,912	10,956	10,652	10,939 ¹	11,166	11,201
21 Nonbank foreigners	35,707	29,934	27,384	28,484	28,751 ¹	28,168 ¹	29,202 ¹	28,916 ¹	28,836	29,415
22 Other assets	15,656	16,432	21,843	21,809	21,611	20,107	22,131	25,104 ¹	22,418 ¹	25,108
United Kingdom										
23 Total, all currencies	158,695	156,835	161,947	173,127	177,947	167,885	175,254	184,933	178,484	184,660
24 Claims on United States	32,518	40,089	39,212	42,366	43,247	39,904	40,418	40,092	42,568	39,862
25 Parent bank	27,350	34,243	35,847	37,572	39,089	35,924	36,564	36,140	39,042	35,904
26 Other banks in United States	1,259	1,123	1,058	1,262	747	730	894	1,037	717	694
27 Nonbanks	3,909	4,723	2,307	3,532	3,411	3,250	2,960	2,915	2,809	3,264
28 Claims on foreigners	115,700	106,388	107,657	111,175	114,800	108,080	114,254	118,423	114,869	122,203
29 Other branches of parent bank	39,903	35,625	37,728	41,613	43,358	38,068	41,181	43,581	44,408	47,390
30 Banks	36,735	36,765	36,159	35,224	35,730	34,194	35,085	37,623	34,094	35,480
31 Public borrowers	4,752	4,019	3,293	3,980	3,943	3,740	3,619	3,757	3,639	3,521
32 Nonbank foreigners	34,310	29,979	30,477	30,358	31,769	32,078	34,369	33,462	32,728	35,812
33 Other assets	10,477	10,358	15,078	19,586	19,900	19,901	20,582	26,418	21,047	22,595
34 Total payable in U.S. dollars	100,574	103,503	103,427	107,483	110,186	100,887	103,047	107,192	107,117	110,231
35 Claims on United States	30,439	38,012	36,404	39,091	39,374	36,158	36,230	35,979	37,991	35,429
36 Parent bank	26,304	33,252	34,329	35,663	36,712	33,509	33,716	33,585	36,024	33,145
37 Other banks in United States	1,044	964	843	1,041	521	552	681	721	460	419
38 Nonbanks	3,091	3,796	1,232	2,387	2,141	2,097	1,833	1,673	1,507	1,865
39 Claims on foreigners	64,560	60,472	59,062	60,165	63,025	57,802	58,278	60,390	59,817 ¹	63,720
40 Other branches of parent bank	28,635	28,474	29,872	32,885	34,441	30,050	31,220	32,976	33,990	37,069
41 Banks	19,188	18,494	16,579	14,141	14,635	14,625	13,621	14,570	13,212 ¹	13,571
42 Public borrowers	3,313	2,840	2,371	3,131	3,114	2,942	2,839	2,896	2,866	2,790
43 Nonbank foreigners	13,424	10,664	10,240	10,008	10,835	10,185	10,598	9,948	9,749	10,290
44 Other assets	5,575	5,019	7,961	8,227	7,787	6,927	8,539	10,823	9,309 ¹	11,082
Bahamas and Caymans										
45 Total, all currencies	160,321	170,639	176,006	150,767	154,851	154,354	145,813	150,695	153,234	153,497
46 Claims on United States	85,318	105,320	124,205	102,184	105,617	107,244	99,918	103,521	106,574	106,977
47 Parent bank	60,048	73,409	87,882	63,084	69,807	72,115	64,748	68,507	70,145	70,845
48 Other banks in United States	14,277	13,145	15,071	15,902	14,079	13,603	13,412	12,625	12,539	11,605
49 Nonbanks	10,993	18,766	21,252	21,198	21,731	21,526	21,758	22,389	23,890	24,527
50 Claims on foreigners	70,162	58,393	44,168	41,467	42,147	39,812	38,393	39,595	39,573	38,062
51 Other branches of parent bank	21,277	17,954	11,309	13,306	12,917	11,906	11,785	12,031	11,638	12,152
52 Banks	33,751	28,268	22,611	18,499	19,947	18,492	16,761	17,543	18,076	15,994
53 Public borrowers	7,428	5,830	5,217	4,490	4,350	4,393	4,307	4,554	4,818	4,876
54 Nonbank foreigners	7,706	6,341	5,031	5,172	4,933	5,021	5,540	5,467	5,041	5,040
55 Other assets	4,841	6,926	7,633	7,116	7,087	7,298	7,502	7,579	7,087	8,458
56 Total payable in U.S. dollars	151,434	163,518	170,780	145,994	149,467	149,943	140,966	146,103	149,233	148,862

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	1987	1988	1989	1990						
				Apr.	May	June	July	Aug.	Sept.	Oct.
	All foreign countries									
57 Total, all currencies	518,618	505,595	545,366	535,886	541,439	524,010	531,418	551,346 ^a	546,140	552,510
58 Negotiable CDs	30,929	28,511	23,500	24,113	25,452	23,504	21,805	22,917	21,977	22,091
59 To United States	161,390	185,577	197,239	168,669	169,791	169,769	163,275	167,410	172,747	167,569
60 Parent bank	87,606	114,720	138,412	109,642	109,831	113,151	105,401	109,818	117,217	113,064
61 Other banks in United States	20,355	14,737	11,704	11,782	10,272	9,092	9,454	10,264	8,976	7,984
62 Nonbanks	53,429	56,120	47,123	47,245	49,688	47,526	48,420	47,328	46,554	46,521
63 To foreigners	304,803	270,923	296,850	313,446	315,058	299,951	314,503	321,365 ^a	317,339	327,139
64 Other branches of parent bank	124,601	111,267	119,591	120,405	120,722	113,653	119,476	124,393 ^a	125,517	131,173
65 Banks	87,274	72,842	76,452	77,875	78,681	73,896	78,190 ^a	79,485 ^a	75,353 ^a	75,687
66 Official institutions	19,564	15,183	16,750	20,683	19,710	17,637	19,468 ^a	17,801 ^a	17,475 ^a	18,436
67 Nonbank foreigners	73,364	71,631	84,057	94,483	95,945	94,765	97,369	99,686 ^a	98,994 ^a	101,843
68 Other liabilities	21,496	20,584	27,777	29,658	31,138	30,786	31,835	39,654 ^a	34,077	35,711
69 Total payable in U.S. dollars	361,438	367,483	396,613	368,626	369,505	358,681	355,782	365,928 ^a	364,940	363,931
70 Negotiable CDs	26,768	24,045	19,619	19,601	20,579	18,928	16,519	17,588	17,219	17,024
71 To United States	148,442	173,190	187,286	157,579	157,851	158,173	150,943	155,171	158,892	153,344
72 Parent bank	81,783	107,150	132,563	103,252	103,389	106,818	98,928	103,355	109,323	104,617
73 Other banks in United States	18,951	13,468	10,519	10,415	8,855	7,741	7,884	8,791	7,501	6,486
74 Nonbanks	47,708	52,572	44,204	43,912	45,607	43,614	44,131	43,025	42,068	42,241
75 To foreigners	177,711	160,766	176,460	178,035	177,888	168,642	174,616	177,484 ^a	175,860	178,969
76 Other branches of parent bank	90,469	84,021	87,636	84,090	84,415	78,646	81,332	84,157 ^a	83,438	89,763
77 Banks	35,065	28,493	30,537	29,207	28,265	27,434	28,045	28,945 ^a	26,576	23,564
78 Official institutions	12,409	8,224	9,873	11,909	11,480	9,066	10,613	9,710 ^a	9,346	9,689
79 Nonbank foreigners	39,768	40,028	48,414	52,829	53,728	53,496	54,626	54,672 ^a	54,500	55,953
80 Other liabilities	8,517	9,482	13,248	13,411	13,187	12,938	13,704	15,685 ^a	12,969	14,594
	United Kingdom									
81 Total, all currencies	158,695	156,835	161,947	173,127	177,947	167,885	175,254	184,933	178,484	184,660
82 Negotiable CDs	26,988	24,528	20,056	20,535	21,846	19,672	17,795	18,703	17,542	17,557
83 To United States	23,470	36,784	36,036	33,931	33,755	32,291	32,320	33,365	35,483	32,171
84 Parent bank	13,223	27,489	29,726	23,339	23,179	23,158	21,952	23,399	25,461	22,013
85 Other banks in United States	1,536	2,037	1,256	1,841	1,847	1,615	1,626	1,535	1,765	1,430
86 Nonbanks	8,711	6,898	5,054	8,751	8,729	7,518	8,742	8,431	8,257	8,728
87 To foreigners	98,689	86,026	92,307	103,362	106,138	99,279	107,533	109,372	106,496	114,959
88 Other branches of parent bank	33,078	26,812	27,397	28,581	29,193	26,506	28,944	28,967	30,487	32,357
89 Banks	34,290	30,609	29,780	31,026	31,580	28,575	32,420	34,647	30,113	33,870
90 Official institutions	11,015	7,873	8,551	10,829	11,409	10,263	11,314	9,902	9,578	10,788
91 Nonbank foreigners	20,306	20,732	26,579	32,926	33,956	33,935	34,855	35,856	36,318	37,944
92 Other liabilities	9,548	9,497	13,548	15,299	16,208	16,643	17,606	23,493	18,963	19,973
93 Total payable in U.S. dollars	102,550	105,907	108,178	109,708	110,595	101,530	104,372	108,532	107,216	108,064
94 Negotiable CDs	24,926	22,063	18,143	17,936	19,012	17,233	14,831	15,758	15,502	15,237
95 To United States	17,752	32,588	33,056	30,386	29,666	28,160	27,967	28,779	30,368	26,895
96 Parent bank	12,026	26,404	28,812	22,446	22,339	22,190	21,208	22,423	23,963	20,334
97 Other banks in United States	1,308	1,752	1,065	1,553	1,456	1,325	1,175	1,228	1,471	1,035
98 Nonbanks	4,418	4,432	3,179	6,387	5,871	4,645	5,584	5,128	4,934	5,526
99 To foreigners	55,919	47,083	50,517	54,371	55,163	49,672	54,591	55,252	54,679	57,639
100 Other branches of parent bank	22,334	18,561	18,384	18,799	18,589	16,199	17,408	17,347	18,560	20,797
101 Banks	15,580	13,407	12,244	11,233	11,007	9,911	11,251	13,042	11,116	10,465
102 Official institutions	7,530	4,348	5,454	6,703	7,264	5,305	6,515	5,463	5,324	5,751
103 Nonbank foreigners	10,475	10,767	14,435	17,636	18,303	18,257	19,417	19,400	19,679	20,626
104 Other liabilities	3,953	4,173	6,462	7,015	6,754	6,465	6,983	8,743	6,667	8,293
	Bahamas and Caymans									
105 Total, all currencies	160,321	170,639	176,006	150,767	154,851	154,354	145,813	150,695	153,234	153,497
106 Negotiable CDs	885	953	678	524	528	535	548	553	553	560
107 To United States	113,950	122,332	124,859	101,024	103,655	103,592	95,904	100,622	104,211	103,545
108 Parent bank	53,239	62,894	75,188	55,311	57,136	58,880	51,415	56,092	62,276	62,474
109 Other banks in United States	17,224	11,494	8,883	8,544	6,991	5,884	6,228	7,039	5,398	4,959
110 Nonbanks	43,487	47,944	40,788	37,169	39,528	38,728	38,261	37,491	36,537	36,112
111 To foreigners	43,815	45,161	47,382	46,741	48,410	47,613	47,010	46,922	46,237	46,867
112 Other branches of parent bank	19,185	23,686	23,414	22,446	25,535	24,184	24,560	24,965	24,781	25,864
113 Banks	10,769	8,336	8,823	8,617	8,154	8,969	8,120	7,469	7,519	6,794
114 Official institutions	1,504	1,074	1,097	1,247	962	960	999	943	731	703
115 Nonbank foreigners	12,357	12,065	14,048	14,431	13,759	13,500	13,331	13,545	13,206	13,506
116 Other liabilities	1,671	2,193	3,087	2,478	2,258	2,614	2,351	2,598	2,233	2,525
117 Total payable in U.S. dollars	152,927	162,950	171,250	146,259	149,707	149,680	140,377	145,670	148,589	147,749

3.15 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1988	1989	1990						
			Apr.	May	June	July	Aug.	Sept. ^r	Oct. ^p
1 Total ¹	304,132	312,457	307,820	308,397	309,541	312,309	321,418 ^r	323,848	327,724
<i>By type</i>									
2 Liabilities reported by banks in the United States ²	31,519	36,481	36,642	36,747	37,471	38,604	40,501 ^r	39,857	42,424
3 U.S. Treasury bills and certificates ³	103,722	76,985	69,454	72,322	71,804	72,690	72,803	72,472	72,457
U.S. Treasury bonds and notes									
4 Marketable	152,429	179,264	179,476	177,092	178,016	178,740	185,534	189,333	190,555
5 Nonmarketable ⁴	523	568	3,596	3,620	3,644	3,668	3,692	3,717	3,741
6 U.S. securities other than U.S. Treasury securities ⁵	15,939	19,159	18,652	18,616	18,606	18,607	18,888	18,469	18,547
<i>By area</i>									
7 Western Europe ¹	123,752	133,417	141,102	142,405	146,928	149,454	152,777	156,432	161,620
8 Canada	9,513	9,482	7,809	6,550	6,961	8,415	11,083	10,171	8,903
9 Latin America and Caribbean	10,030	8,740	9,066	9,147	10,200	9,972	11,190 ^r	11,421	11,203
10 Asia	151,887	153,338	142,899	141,490	136,325	135,705	137,008	136,383	137,063
11 Africa	1,403	1,030	895	1,074	946	917	1,697	1,383	1,230
12 Other countries ⁶	7,548	6,453	6,047	7,731	8,183	7,848	7,665	8,058	7,707

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; zero coupon bonds are included at current value.

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 data and on data reported to the Treasury Department by banks (including Federal Reserve Banks) and securities dealers in the United States and on the 1984 benchmark survey of foreign portfolio investment 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	1986	1987	1988	1989	1990		
				Dec.	Mar.	June	Sept.
1 Banks' own liabilities	29,702	55,438	74,980	67,805	63,105	68,086	69,485
2 Banks' own claims	26,180	51,271	68,983	65,127	60,999	66,652	67,804
3 Deposits	14,129	18,861	25,100	20,491	21,456	20,256	23,734
4 Other claims	12,052	32,410	43,884	44,636	39,543	46,396	44,070
5 Claims of banks' domestic customers ²	2,507	551	364	3,507	1,190	1,501	2,519

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 States¹
Payable in U.S. dollars

Millions of dollars, end of period

Holder and type of liability	1987	1988	1989	1990						
				Apr.	May	June	July	Aug. ^r	Sept. ^r	Oct. ^p
1 All foreigners	618,874	685,339	736,627	702,923	715,613	707,464	719,673	737,811	741,610	742,340
2 Banks' own liabilities	470,070	514,532	577,247	547,193	552,438	544,196	554,328	570,197	571,786	574,099
3 Demand deposits	22,383	21,863	22,080	21,096	20,578	20,365	19,723	20,708	22,259	20,699
4 Time deposits ²	148,374	152,164	168,735	148,984	151,063	151,525	154,590	156,678	158,913	158,635
5 Other ³	51,677	51,366	67,650	65,990	65,367	64,646	66,157	74,268	65,908	71,606
6 Own foreign offices ⁴	247,635	289,138	318,782	311,123	315,430	307,660	313,859	318,542	324,706	323,160
7 Banks' custody liabilities ⁵	148,804	170,807	159,380	155,730	163,175	163,267	165,344	167,614	169,823	168,241
8 U.S. Treasury bills and certificates ⁶	101,743	115,056	91,100	83,649	88,908	90,082	91,883	93,038	91,464	94,971
9 Other negotiable and readily transferable instruments ⁷	16,776	16,426	19,526	18,132	18,531	17,865	17,599	16,983	17,198	17,751
10 Other	30,285	39,325	48,754	53,948	55,737	55,320	55,862	57,593	61,162	55,519
11 Nonmonetary international and regional organizations ⁸	4,464	3,224	4,772	5,727	4,558	5,018	4,112	4,290	5,206	4,507
12 Banks' own liabilities	2,702	2,527	3,156	3,781	2,913	3,619	2,790	2,330	3,894	3,472
13 Demand deposits	124	71	96	52	28	29	46	244	142	438
14 Time deposits ²	1,538	1,183	927	2,025	773	1,416	1,038	1,303	1,165	885
15 Other ³	1,040	1,272	2,133	1,704	2,112	2,174	1,707	783	2,588	2,149
16 Banks' custody liabilities ⁵	1,761	698	1,616	1,947	1,645	1,399	1,322	1,959	1,311	1,034
17 U.S. Treasury bills and certificates ⁶	265	57	197	190	174	147	148	1,095	479	248
18 Other negotiable and readily transferable instruments ⁷	1,497	641	1,417	1,740	1,463	1,253	1,159	819	817	782
19 Other	0	0	2	17	8	0	15	45	15	5
20 Official institutions ⁹	120,667	135,241	113,466	106,096	109,069	109,275	111,294	113,304	112,328	114,881
21 Banks' own liabilities	28,703	27,109	31,092	33,864	33,395	33,378	34,858	36,465	35,892	37,637
22 Demand deposits	1,757	1,917	2,196	2,066	1,644	1,613	1,516	1,914	2,498	2,124
23 Time deposits ²	12,843	9,767	10,495	10,939	11,178	10,179	11,510	11,120	11,129	11,212
24 Other ³	14,103	15,425	18,401	20,859	20,572	21,586	21,831	23,431	22,265	24,301
25 Banks' custody liabilities ⁵	91,965	108,132	82,373	72,231	75,674	75,896	76,437	76,839	76,436	77,244
26 U.S. Treasury bills and certificates ⁶	88,829	103,722	76,985	69,454	72,322	71,804	72,690	72,803	72,472	72,457
27 Other negotiable and readily transferable instruments ⁷	2,990	4,130	5,028	2,605	3,158	3,650	3,596	3,685	3,676	4,361
28 Other	146	280	361	173	195	443	150	351	289	427
29 Banks ¹⁰	414,280	459,523	514,721	492,708	503,137	496,903	507,154	524,485	529,414	522,627
30 Banks' own liabilities	371,665	409,501	454,206	426,048	432,438	424,810	433,739	449,069	450,940	449,986
31 Unaffiliated foreign banks	124,030	120,362	135,425	114,925	117,009	117,151	119,881	130,527	126,234	126,826
32 Demand deposits	10,898	9,948	10,325	9,864	9,673	9,503	9,224	9,796	10,415	8,984
33 Time deposits ²	79,717	80,189	90,557	68,703	71,159	73,243	74,888	77,981	80,745	80,573
34 Other ³	33,415	30,226	34,543	36,357	36,177	34,405	35,770	42,750	35,074	37,268
35 Own foreign offices ⁴	247,635	289,138	318,782	311,123	315,430	307,660	313,859	318,542	324,706	323,160
36 Banks' custody liabilities ⁵	42,615	50,022	60,514	66,660	70,699	72,093	73,415	75,416	78,474	72,641
37 U.S. Treasury bills and certificates ⁶	9,134	7,602	9,367	9,374	11,578	13,502	13,964	13,855	13,009	13,646
38 Other negotiable and readily transferable instruments ⁷	5,392	5,725	5,124	5,437	5,616	5,757	5,760	5,366	6,187	5,921
39 Other	28,089	36,694	46,023	51,850	53,504	52,833	53,690	56,195	59,278	53,074
40 Other foreigners	79,463	87,351	103,669	98,391	98,848	96,268	97,112	95,732	94,662	100,325
41 Banks' own liabilities	67,000	75,396	88,793	83,500	83,692	82,389	82,941	82,333	81,060	83,004
42 Demand deposits	9,604	9,928	9,463	9,114	9,232	9,220	8,937	8,755	9,205	9,153
43 Time deposits ²	54,277	61,025	66,757	67,318	67,953	66,687	67,155	66,274	65,873	65,964
44 Other ³	3,119	4,443	12,573	7,069	6,506	6,481	6,849	7,304	5,981	7,888
45 Banks' custody liabilities ⁵	12,463	11,956	14,877	14,891	15,157	13,879	14,170	13,400	13,602	17,321
46 U.S. Treasury bills and certificates ⁶	3,515	3,675	4,551	4,632	4,834	4,630	5,081	5,285	5,504	8,621
47 Other negotiable and readily transferable instruments ⁷	6,898	5,929	7,958	8,350	8,293	7,205	7,083	7,113	6,518	6,687
48 Other	2,050	2,351	2,368	1,909	2,030	2,044	2,007	1,001	1,580	2,013
49 MEMO: Negotiable time certificates of deposit in custody for foreigners	7,314	6,425	7,203	7,183	7,282	6,429	5,909	5,713	6,346	5,696

1. Reporting banks include all kinds of depository institutions besides commercial banks, as well as some brokers and dealers.

2. Excludes negotiable time certificates of deposit, which are included in "Other negotiable and readily transferable instruments."

3. Includes borrowing under repurchase agreements.

4. 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.

5. Financial claims on residents of the United States, other than long-term securities, held by or through reporting banks.

6. Includes nonmarketable certificates of indebtedness and Treasury bills issued to official institutions of foreign countries.

7. Principally bankers acceptances, commercial paper, and negotiable time certificates of deposit.

8. 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.

9. Foreign central banks, foreign central governments, and the Bank for International Settlements.

10. Excludes central banks, which are included in "Official institutions."

3.17—Continued

Area and country	1987	1988	1989	1990						
				Apr.	May	June	July	Aug.	Sept.	Oct. ^P
1 Total	618,874	685,339	736,627	702,923	715,613	707,464	719,673	737,811 ¹	741,610 ¹	742,340
2 Foreign countries	614,411	682,115	731,855	697,195	711,055	702,446	715,560	733,521 ¹	736,404 ¹	737,834
3 Europe	234,641	231,912	237,453	229,675	236,551	234,112	235,872	245,188 ¹	244,127 ¹	243,693
4 Austria	920	1,155	1,233	1,549	1,373	1,531	1,498	1,544	1,436 ¹	1,401
5 Belgium-Luxembourg	9,347	10,022	10,611	10,128	9,507	10,047	10,564	11,537 ¹	12,126 ¹	12,207
6 Denmark	760	2,200	1,415	2,244	2,152	2,411	2,581	2,238	2,055	1,984
7 Finland	377	285	570	464	314	387	485	463 ¹	392	660
8 France	29,835	24,777	26,903	24,263	23,103	23,566	23,111	24,201 ¹	29,116 ¹	29,151
9 Germany	7,022	6,772	7,578	8,798	8,030	8,076	7,580	7,605 ¹	7,835 ¹	8,439
10 Greece	689	672	1,028	879	860	833	877	923 ¹	1,435 ¹	993
11 Italy	12,073	14,599	16,169	14,138	16,347	16,779	17,114	17,117	16,351	16,983
12 Netherlands	5,014	5,316	6,613	7,731	8,166	7,617	5,968	6,209 ¹	5,385 ¹	6,082
13 Norway	1,362	1,559	2,401	1,454	1,582	2,420	1,793	2,192	1,951	1,875
14 Portugal	801	903	2,407	2,354	2,359	3,082	3,073	2,934	2,992	2,970
15 Spain	2,621	5,494	4,364	4,230	4,535	4,391	4,922	4,447 ¹	4,343 ¹	5,312
16 Sweden	1,379	1,284	1,491	1,689	1,655	1,769	1,586	1,495	833	1,719
17 Switzerland	33,766	34,199	34,496	33,244	35,260	34,780	33,809	34,545 ¹	34,637 ¹	34,585
18 Turkey	703	1,012	1,818	1,459	1,641	1,596	1,654	1,897	1,634	1,452
19 United Kingdom	116,852	111,811	102,362	99,376	104,624	98,530	100,861	108,181 ¹	104,646 ¹	100,950
20 Yugoslavia	710	529	1,474	1,599	1,934	2,169	2,436	2,272	2,043	1,753
21 Other Western Europe ¹	9,798	8,598	13,563	12,239	11,423	12,360	14,367	14,057 ¹	13,165 ¹	13,649
22 U.S.S.R.	32	138	350	446	158	75	257	56	240 ¹	234
23 Other Eastern Europe ²	582	591	608	1,392	1,529	1,695	1,335	1,275 ¹	1,515 ¹	1,294
24 Canada	30,095	21,062	18,865	19,485	19,900	19,956	20,056	21,122	20,796	19,626
25 Latin America and Caribbean	220,372	271,146	310,948	309,109	315,674	312,782	316,603	320,004 ¹	325,425 ¹	328,180
26 Argentina	5,006	7,804	7,304	8,235	8,346	7,993	8,163	7,844 ¹	7,981	7,717
27 Bahamas	74,767	86,863	99,341	90,331	98,658	99,255	98,292	101,635 ¹	108,264	110,263
28 Bermuda	2,344	2,621	2,884	2,807	2,514	3,072	2,824	2,656 ¹	2,739	2,487
29 Brazil	4,005	5,314	6,334	6,729	6,088	6,110	6,083	6,329 ¹	6,058 ¹	5,895
30 British West Indies	81,494	113,840	138,263	143,264	142,129	137,069	142,702	141,998 ¹	140,089 ¹	140,794
31 Chile	2,210	2,936	3,212	3,418	3,517	3,449	3,540	3,491 ¹	3,135	3,170
32 Colombia	4,204	4,374	4,653	4,404	4,471	4,508	4,474	4,344	3,926 ¹	4,284
33 Cuba	12	10	10	9	10	11	15	11	10	49
34 Ecuador	1,082	1,379	1,391	1,334	1,367	1,368	1,349	1,348	1,348	1,314
35 Guatemala	1,082	1,195	1,312	1,451	1,473	1,473	1,523	1,496 ¹	1,517	1,485
36 Jamaica	160	269	209	224	215	224	221	213	217	219
37 Mexico	14,480	15,185	15,423	15,085	15,116	16,141	16,057	16,325 ¹	16,486	16,465
38 Netherlands Antilles	4,975	6,420	6,310	6,460	6,806	6,628	6,429 ¹	6,429 ¹	6,929	7,126
39 Panama	7,414	4,353	4,361	4,749	4,540	4,544	4,388	4,648 ¹	4,632	4,592
40 Peru	1,275	1,671	1,984	1,703	1,532	1,473	1,405	1,369	1,362	1,360
41 Uruguay	1,582	1,898	2,284	2,575	2,560	2,529	2,560	2,531	2,514	2,512
42 Venezuela	9,048	9,147	9,468	9,673	9,717	10,292	9,830	10,435 ¹	11,105 ¹	11,351
43 Other	5,234	5,868	6,206	6,659	6,614	6,645	6,803	6,901 ¹	7,113 ¹	7,094
44 Asia	121,288	147,838	156,201	131,027	129,147	126,265	134,138	137,766	137,064 ¹	137,019
45 China	1,162	1,895	1,773	1,844	1,785	1,871	1,890	2,319	2,105	2,163
46 Mainland	21,503	26,058	19,588	15,440	15,174	11,006	12,611	12,639	12,468 ¹	12,242
47 Taiwan	10,180	12,248	12,416	12,277	12,896	12,369	13,316	13,823	13,826	13,556
48 Hong Kong	582	699	780	1,013	1,148	966	909	806	1,035	953
49 India	1,404	1,180	1,281	1,560	1,192	1,520	1,377	1,130	1,398	1,261
50 Indonesia	1,292	1,461	1,243	1,311	1,227	1,202	1,122	1,125	939	921
51 Japan	54,322	74,015	81,184	65,581	62,101	62,367	66,293	68,664	69,105 ¹	67,923
52 Korea	1,637	2,541	3,215	2,120	2,049	2,121	2,157	2,316	2,566 ¹	2,442
53 Philippines	1,085	1,163	1,766	1,193	1,191	1,329	1,314	1,350	1,340	1,274
54 Thailand	1,345	1,236	2,093	1,595	1,973	2,125	2,745	2,233	1,626	1,448
55 Middle-East oil-exporting countries ³	13,988	12,083	13,370	11,626	13,049	13,076	14,039	14,928	14,047 ¹	16,405
56 Other	12,788	13,260	17,491	15,466	15,362	16,313	16,366	16,433	16,609	16,432
57 Africa	3,945	3,991	3,823	3,722	3,778	3,650	3,412	4,638 ¹	4,152 ¹	4,148
58 Egypt	1,151	911	686	595	646	592	583	1,505	970	1,099
59 Morocco	194	68	78	111	86	81	95	77	93	87
60 South Africa	202	437	205	236	241	318	239	332	393	234
61 Zaire	67	85	86	70	66	41	38	43	44	45
62 Oil-exporting countries ⁴	1,014	1,017	1,121	936	1,016	890	873	1,072	966	1,051
63 Other	1,316	1,474	1,648	1,775	1,722	1,728	1,584	1,609 ¹	1,687 ¹	1,631
64 Other countries	4,070	6,165	4,564	4,176	6,005	5,680	5,480	4,803	4,840	5,169
65 Australia	3,327	5,293	3,867	3,469	5,250	5,052	4,892	4,122	4,109	4,371
66 All other	744	872	697	707	755	628	588	681	732	797
67 Nonmonetary international and regional organizations	4,464	3,224	4,772	5,727	4,558	5,018	4,112	4,290 ¹	5,206 ¹	4,507
68 International ⁵	2,830	2,503	3,825	4,147	3,393	3,883	2,981	3,150	3,982 ¹	3,392
69 Latin American regional	1,272	589	684	1,123	912	920	812	569 ¹	668	627
70 Other regional ⁶	362	133	263	457	253	215	319	571	556	487

1. Includes the Bank for International Settlements and Eastern European countries that are not listed in line 23.

2. Comprises Bulgaria, Czechoslovakia, 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 States¹

Payable in U.S. Dollars

Millions of dollars, end of period

Area and country	1987	1988	1989	1990						
				Apr.	May	June	July	Aug.	Sept. ^f	Oct. ^g
1 Total	459,877	491,165	533,992	488,844	489,028	489,245	488,294	494,983 ^f	493,191	493,635
2 Foreign countries	456,472	489,094	530,553	484,452	484,443	485,050	484,019	491,339 ^f	487,996	490,228
3 Europe	102,348	116,928	119,024	105,154	103,615	102,394	102,363	106,453 ^f	105,483	103,699
4 Austria	793	483	415	592	420	337	399	287	373	262
5 Belgium-Luxembourg	9,397	8,515	6,478	6,330	6,765	5,611	6,744	6,672 ^f	5,617	5,122
6 Denmark	717	483	582	750	1,004	590	503	676	674	489
7 Finland	1,010	1,065	1,027	1,025	931	1,035	1,112	1,177	962	814
8 France	13,548	13,243	16,146	16,087	16,224	14,794	13,746	14,288	14,423	13,750
9 Germany	2,039	2,329	2,865	2,476	3,045	2,870	2,595	2,939	3,408	3,242
10 Greece	462	433	788	622	597	514	529	610	686	729
11 Italy	7,460	7,936	6,662	4,230	4,758	5,133	4,615	4,498 ^f	4,674	5,070
12 Netherlands	2,619	2,541	1,904	2,027	1,968	2,041	1,749	1,636 ^f	2,219	1,711
13 Norway	934	455	609	918	761	745	692	716	744	732
14 Portugal	477	261	376	381	407	540	543	427 ^f	412	452
15 Spain	1,853	1,823	1,930	1,726	1,897	2,084	2,125	2,100 ^f	2,312	2,373
16 Sweden	2,254	1,977	1,773	2,206	2,711	2,614	3,362	3,407 ^f	2,447	2,567
17 Switzerland	2,718	3,895	6,141	4,826	4,999	5,249	4,297	3,712 ^f	3,928	3,485
18 Turkey	1,680	1,233	1,071	1,120	1,138	1,230	1,186	1,434	1,371	1,371
19 United Kingdom	50,823	65,706	65,527	55,604	52,333	53,577	54,804	58,630 ^f	57,830	58,226
20 Yugoslavia	1,700	1,390	1,329	1,121	1,128	1,095	1,070	1,029	1,120	1,226
21 Other Western Europe ²	619	1,152	1,302	970	786	804	960	694 ^f	697	722
22 U.S.S.R.	389	1,255	1,179	1,322	945	754	565	624	940	889
23 Other Eastern Europe ³	852	754	921	820	800	777	765	897 ^f	640	466
24 Canada	25,368	18,889	15,450	15,234	16,355	16,492	16,391	15,431	15,455	16,172
25 Latin America and Caribbean	214,789	214,264	230,392	200,361	205,853	208,825	199,793	204,007 ^f	211,769	221,193
26 Argentina	11,996	11,826	9,270	8,025	7,689	7,600	7,166	7,111	7,204	7,028
27 Bahamas	64,587	66,954	77,921	63,937	70,508	66,913	67,041	67,865	71,529	71,900
28 Bermuda	471	483	1,315	443	774	1,830	1,988	2,443	3,736	3,691
29 Brazil	25,897	25,735	23,749	21,849	21,793	20,699	20,180	18,906	18,649	18,626
30 British West Indies	50,042	55,888	68,709	67,706	67,564	74,590	66,428	70,980 ^f	73,873	81,996
31 Chile	6,308	5,217	4,353	3,715	3,630	3,453	3,490	3,430	3,265	3,372
32 Colombia	2,740	2,944	2,784	2,649	2,624	2,596	2,541	2,700	2,563	2,544
33 Cuba	1	1	1	0	0	0	1	2	0	0
34 Ecuador	2,286	2,075	1,688	1,527	1,503	1,523	1,515	1,507	1,498	1,487
35 Guatemala ⁴	144	198	197	207	206	188	196	207 ^f	215	211
36 Jamaica ⁴	188	212	297	260	260	258	262	243 ^f	254	262
37 Mexico	29,532	24,637	23,376	14,734	14,529	14,665	14,689	14,953 ^f	15,366	15,359
38 Netherlands Antilles	980	1,306	1,921	1,759	1,630	1,722	1,873	1,632 ^f	1,821	3,310
39 Panama	4,744	2,521	1,740	1,733	1,643	1,598	1,491	1,491 ^f	1,555	1,463
40 Peru	1,329	1,013	771	721	679	683	661	644 ^f	649	667
41 Uruguay	963	910	928	886	876	842	843	834	796	793
42 Venezuela	10,843	10,733	9,647	8,405	8,251	8,136	8,064	7,642 ^f	7,274	7,102
43 Other Latin America and Caribbean	1,738	1,612	1,726	1,805	1,693	1,527	1,364	1,417 ^f	1,523	1,384
44 Asia	106,096	130,881	157,444	155,553	150,172	148,963	158,028	157,944	147,452	141,713
45 China	968	762	634	674	517	537	554	586	542	639
46 Taiwan	4,592	4,184	2,776	1,890	1,941	1,946	1,583	2,026	1,710	1,061
47 Hong Kong	8,218	10,143	11,128	8,965	9,563	9,271	9,434	9,473	9,026	8,028
48 India	510	560	621	588	579	802	852	628	867	506
49 Indonesia	580	674	651	560	599	801	814	836	826	892
50 Israel	1,363	1,136	813	746	738	777	738	785	698	688
51 Japan	68,658	90,149	111,270	117,560	108,245	107,671	114,663	114,973	106,388	101,907
52 Korea	5,148	5,213	5,323	5,011	5,186	5,128	5,515	5,614	5,679	5,362
53 Philippines	2,071	1,876	1,344	1,221	1,351	1,357	1,342	1,369	1,333	1,206
54 Thailand	496	848	1,140	1,073	1,202	1,279	1,242	1,245	1,279	1,444
55 Middle East oil-exporting countries ⁵	4,858	6,213	10,149	8,376	9,577	10,816	12,318	10,657	10,430	11,278
56 Other Asia	8,635	9,122	11,594	8,891	10,674	8,576	8,971	9,752	8,673	8,703
57 Africa	4,742	5,718	5,890	5,953	5,913	5,787	5,567	5,567 ^f	5,545	5,601
58 Egypt	521	507	502	491	488	469	421	449	430	411
59 Morocco	542	511	559	596	587	565	544	539	542	534
60 South Africa	1,507	1,681	1,628	1,632	1,639	1,573	1,560	1,571	1,594	1,576
61 Zaire	15	17	16	19	20	21	20	19	20	19
62 Oil-exporting countries ⁶	1,003	1,523	1,648	1,705	1,665	1,649	1,604	1,586	1,536	1,510
63 Other	1,153	1,479	1,537	1,509	1,515	1,511	1,418	1,403 ^f	1,424	1,551
64 Other countries	3,129	2,413	2,354	2,195	2,535	2,590	1,878	1,938	2,292	1,850
65 Australia	2,100	1,520	1,781	1,551	1,657	1,712	1,422	1,304	1,868	1,416
66 All other	1,029	894	573	644	878	878	456	634	424	433
67 Nonmonetary international and regional organizations ⁷	3,404	2,071	3,439	4,393	4,585	4,195	4,275	3,644 ^f	5,195	3,407

1. Reporting banks include all kinds of depository institutions besides commercial banks, as well as some brokers and dealers.

2. Includes the Bank for International Settlements. Beginning April 1978, also includes Eastern European countries not listed in line 23.

3. Beginning April 1978 comprises Bulgaria, Czechoslovakia, Hungary, Poland, and Romania.

4. Included in "Other Latin America and Caribbean" through March 1978.

5. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

6. Comprises Algeria, Gabon, Libya, and Nigeria.

7. 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	1987	1988	1989	1990						
				Apr.	May	June	July	Aug. ^r	Sept ^r	Oct. ^p
1 Total.....	497,635	538,689	592,401	.....	.....	548,135	.....	.....	555,030	.....
2 Banks' own claims on foreigners.....	459,877	491,165	533,992	488,844	489,028	489,245	488,294	494,983	493,191	493,635
3 Foreign public borrowers.....	64,605	62,658	60,073	51,355	50,804	49,139	47,570	46,742	48,145	45,706
4 Own foreign offices ²	224,727	257,436	295,980	274,354	275,178	280,016	275,275	273,978	278,826	280,568
5 Unaffiliated foreign banks.....	127,609	129,425	134,854	125,318	125,908	121,706	128,481	137,740	125,219	124,929
6 Deposits.....	60,687	65,898	78,184	72,633	72,566	68,309	73,114	79,619	71,820	71,136
7 Other.....	66,922	63,527	56,670	52,685	53,342	53,397	55,367	58,121	53,399	53,793
8 All other foreigners.....	42,936	41,646	43,084	37,818	37,138	38,384	36,969	36,523	41,001	42,432
9 Claims of banks' domestic customers ³ ...	37,758	47,524	58,409	.....	.....	58,890	.....	.....	61,839	.....
10 Deposits.....	3,692	8,289	12,834	.....	.....	15,499	.....	.....	14,707	.....
11 Negotiable and readily transferable instruments ⁴	26,696	25,700	30,983	.....	.....	27,451	.....	.....	29,961	.....
12 Outstanding collections and other claims.....	7,370	13,535	14,591	.....	.....	15,940	.....	.....	17,171	.....
13 MEMO: Customer liability on acceptances.....	23,107	19,596	12,753	.....	.....	12,930	.....	.....	12,812	.....
Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States ⁵	40,909	45,565	45,675	39,272	41,517	40,222	40,973 ^r	44,579	45,872	n.a.

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. Reporting banks include all kinds of depository institutions besides commercial banks, as well as some brokers and dealers.

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 States¹
Payable in U.S. Dollars
 Millions of dollars, end of period

Maturity; by borrower and area	1986	1987	1988	1989	1990		
				Dec.	Mar.	June	Sept. ^p
1 Total	232,295	235,130	233,184	237,648	213,670	208,862	213,754
<i>By borrower</i>							
2 Maturity of 1 year or less ²	160,555	163,997	172,634	177,896	160,087	159,150	166,558
3 Foreign public borrowers	24,842	25,889	26,562	23,483	22,725	20,371	21,484
4 All other foreigners	135,714	138,108	146,071	154,413	137,362	138,778	145,074
5 Maturity over 1 year ²	71,740	71,133	60,550	59,752	53,584	49,712	47,196
6 Foreign public borrowers	39,103	38,625	35,291	35,822	30,050	28,332	26,221
7 All other foreigners	32,637	32,507	25,259	23,931	23,533	21,380	20,974
<i>By area</i>							
8 Maturity of 1 year or less ²							
9 Europe	61,784	59,027	55,909	53,912	48,368	49,449	51,652
10 Canada	5,895	5,680	6,282	5,886	5,694	5,754	5,530
11 Latin America and Caribbean	56,271	56,535	57,991	52,989	46,719	44,336	43,983
12 Asia	29,457	35,919	46,224	57,766	51,744	51,182	56,259
13 Africa	2,882	2,833	3,337	3,225	3,165	2,991	2,951
14 All other ³	4,267	4,003	2,891	4,118	4,396	5,437	6,184
15 Maturity of over 1 year ²							
16 Europe	6,737	6,696	4,666	4,121	4,407	4,201	4,429
17 Canada	1,925	2,661	1,922	2,353	2,702	2,819	3,033
18 Latin America and Caribbean	56,719	53,817	47,547	45,818	37,668	33,623	31,276
19 Asia	4,043	3,830	3,613	4,142	5,479	5,866	5,646
20 Africa	1,539	1,747	2,301	2,633	2,764	2,739	2,546
21 All other ³	777	2,381	501	684	564	464	265

1. Reporting banks include all kinds of depository institutions besides commercial banks, as well as some brokers and dealers.

2. Remaining time to maturity.

3. 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	1986	1987	1988		1989				1990		
			Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.
1 Total	386.5	382.4	354.0	346.3	346.1	340.0	346.2	338.3	334.4	322.9	333.2 ⁷
2 G-10 countries and Switzerland	156.6	159.7	148.7	152.7	145.4	145.1	146.4	152.9	147.1	140.1	144.4 ⁷
3 Belgium-Luxembourg	8.4	10.0	9.5	9.0	8.6	7.8	6.9	6.3	6.6	6.2	6.5
4 France	13.6	13.7	10.3	10.5	11.2	10.8	11.1	11.7	10.5	10.3	11.1
5 Germany	11.6	12.6	9.2	10.3	10.2	10.6	10.4	10.5	11.2	11.2	11.2
6 Italy	9.0	7.5	5.6	6.8	5.2	6.1	6.8	7.4	6.0	5.5	4.5
7 Netherlands	4.6	4.1	2.9	2.7	2.8	2.8	2.4	3.1	3.1	2.7	3.8 ⁷
8 Sweden	2.4	2.1	1.9	1.8	2.3	1.8	2.0	2.0	2.1	2.3	2.4
9 Switzerland	5.8	5.6	5.2	5.4	5.1	5.4	6.1	7.1	6.3	6.4	5.6
10 United Kingdom	70.9	68.8	67.6	66.2	65.6	64.5	63.7	67.2	64.0	59.9	62.1
11 Canada	5.2	5.5	4.9	5.0	4.0	5.1	5.9	5.4	4.8	5.2	5.1
12 Japan	25.1	29.8	31.6	34.9	30.5	30.2	31.0	32.2	32.6	30.4	32.1
13 Other developed countries	26.1	26.4	23.0	21.0	21.1	21.2	21.0	20.7	23.1	22.6	23.0
14 Austria	1.7	1.9	1.6	1.5	1.4	1.7	1.5	1.5	1.5	1.5	1.6
15 Denmark	1.7	1.7	1.2	1.1	1.1	1.4	1.1	1.1	1.1	1.1	1.0
16 Finland	1.4	1.2	1.3	1.1	1.0	1.1	1.0	1.1	1.1	1.1	1.0
17 Greece	2.3	2.0	2.1	1.8	2.1	2.3	2.4	2.5	2.6	2.7	2.8
18 Norway	2.4	2.2	2.0	1.8	1.6	1.8	1.4	1.4	1.7	1.4	1.5
19 Portugal	1.9	1.6	1.4	1.4	1.4	1.6	1.4	1.4	1.4	1.4	1.6
20 Spain	5.8	8.0	6.3	6.2	6.6	6.2	6.9	7.1	8.3	7.9	8.5
21 Turkey	2.0	2.0	1.6	1.5	1.3	1.1	1.2	1.2	1.3	1.4	1.6
22 Other Western Europe	1.5	1.6	1.9	1.3	1.1	1.1	1.0	1.0	1.0	1.1	1.7
23 South Africa	3.0	2.9	2.7	2.4	2.2	2.1	2.1	2.0	2.0	1.9	1.9
24 Australia	3.4	2.4	1.8	1.8	2.4	1.9	2.1	1.6	2.1	1.9	2.0
25 OPEC countries ³	19.4	17.4	17.9	16.6	16.2	16.1	16.2	17.1	15.5	15.4	14.4
26 Ecuador	2.2	1.9	1.8	1.7	1.6	1.5	1.5	1.3	1.2	1.2	1.1
27 Venezuela	8.7	8.1	7.9	7.9	7.9	7.5	7.4	7.0	6.1	6.0	6.0
28 Indonesia	2.5	1.9	1.8	1.7	1.7	1.9	2.0	2.0	2.1	2.0	2.3
29 Middle East countries	4.3	3.6	4.6	3.4	3.3	3.4	3.5	5.0	4.3	4.4	3.3
30 African countries	1.8	1.9	1.9	1.9	1.7	1.6	1.9	1.7	1.8	1.8	1.7
31 Non-OPEC developing countries	99.6	97.8	87.2	85.3	85.9	83.4	81.2	77.5	68.8	66.5	66.4 ⁷
32 Latin America											
33 Argentina	9.5	9.5	9.3	9.0	8.5	7.9	7.6	6.3	5.5	5.1	4.9
34 Brazil	25.3	24.7	22.4	22.4	22.8	22.1	20.9	19.0	17.5	16.0	15.0
35 Chile	7.1	6.9	6.3	5.6	5.7	5.2	4.9	4.6	4.3	3.7	3.6
36 Colombia	2.1	2.0	2.1	2.1	1.9	1.7	1.6	1.8	1.8	1.7	1.8
37 Mexico	24.0	23.5	20.4	18.8	18.3	17.7	17.2	17.7	12.8	13.0	13.1
38 Peru	1.4	1.1	.8	.8	.7	.6	.6	.6	.5	.5	.5
39 Other Latin America	3.1	2.8	2.5	2.6	2.7	2.6	2.9	2.8	2.7	2.4	2.4
40 Asia											
41 China											
42 Mainland	.4	.3	.2	.3	.5	.3	.3	.3	.3	.2	.2
43 Taiwan	4.9	8.2	3.2	3.7	4.9	5.2	5.0	4.5	3.8	3.6	3.9
44 India	1.2	1.9	2.0	2.1	2.6	2.4	2.7	3.1	3.5	3.6	3.6
45 Israel	1.5	1.0	1.0	1.2	.9	.8	.7	.7	.6	.7	.6
46 Korea (South)	6.7	5.0	6.0	6.1	6.1	6.6	6.5	5.9	5.3	5.6	6.2
47 Malaysia	2.1	1.5	1.7	1.6	1.7	1.6	1.7	1.7	1.8	1.8	1.8
48 Philippines	5.4	5.2	4.7	4.5	4.4	4.4	4.0	4.1	3.7	3.9	3.9
49 Thailand	.9	.7	1.2	1.1	1.0	1.0	1.3	1.3	1.1	1.3	1.5
50 Other Asia	.7	.7	.8	.9	.8	.8	1.0	1.0	1.2	1.1	1.2
51 Africa											
52 Egypt	.7	.6	.5	.4	.5	.6	.5	.4	.4	.5	.4
53 Morocco	.9	.9	.8	.9	.9	.9	.8	.9	.9	.9	.9
54 Zaire	.1	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
55 Other Africa ⁴	1.6	1.3	1.2	1.1	1.1	1.1	1.0	1.0	.9	.9	.8
56 Eastern Europe	3.5	3.2	3.1	3.6	3.5	3.4	3.5	3.5	3.4	3.0	2.9
57 U.S.S.R.	.1	.3	.4	.7	.7	.6	.8	.7	.8	.4	.4
58 Yugoslavia	2.0	1.8	1.8	1.8	1.7	1.7	1.7	1.6	1.4	1.4	1.3
59 Other	1.4	1.1	1.0	1.1	1.1	1.1	1.1	1.3	1.3	1.2	1.2
60 Offshore banking centers	61.5	54.5	47.3	44.2	48.5	43.1	49.2	36.6	42.9	40.1	41.9 ⁷
61 Bahamas	22.4	17.3	12.9	11.0	15.8	11.0	11.4	5.5	9.3	8.5	8.9 ⁷
62 Bermuda	.6	.6	.9	.9	1.1	.7	1.3	1.7	.9	2.2	4.0
63 Cayman Islands and other British West Indies	12.3	13.5	11.9	12.9	12.0	10.8	15.3	8.9	10.9	8.5	9.0
64 Netherlands Antilles	1.8	1.2	1.2	1.0	.9	1.0	1.1	2.3	2.6	2.3	2.2
65 Panama ⁵	4.0	3.7	2.6	2.5	2.2	1.9	1.5	1.4	1.3	1.4	1.5
66 Lebanon	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1
67 Hong Kong	11.1	11.2	10.5	9.6	9.6	10.4	10.7	9.7	9.8	10.0	9.0
68 Singapore	9.2	7.0	7.0	6.1	6.8	7.3	7.8	7.0	8.0	7.0	7.2
69 Others ⁶	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
70 Miscellaneous and unallocated ⁷	19.8	23.2	26.7	22.6	25.0	27.4	28.5	29.8	33.2	35.1	40.0

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	1986	1987	1988	1989				1990	
				Mar.	June	Sept.	Dec.	Mar.	June
1 Total	25,587	28,302	32,938	38,513	38,460	36,523	38,429	38,518	39,872
2 Payable in dollars	21,749	22,785	27,320	32,706	33,372	31,685	33,585	34,229	35,072
3 Payable in foreign currencies	3,838	5,517	5,618	5,806	5,088	4,838	4,845	4,289	4,799
By type									
4 Financial liabilities	12,133	12,424	14,507	18,744	18,427	17,117	18,380	17,802	19,786
5 Payable in dollars	9,609	8,643	10,608	14,648	14,551	13,289	14,478	14,589	16,098
6 Payable in foreign currencies	2,524	3,781	3,900	4,096	3,875	3,829	3,902	3,213	3,688
7 Commercial liabilities	13,454	15,878	18,431	19,768	20,034	19,406	20,050	20,716	20,086
8 Trade payables	6,450	7,305	6,505	7,094	6,510	6,902	7,373	7,275	6,849
9 Advance receipts and other liabilities	7,004	8,573	11,926	12,674	13,524	12,503	12,676	13,440	13,237
10 Payable in dollars	12,140	14,142	16,712	18,058	18,821	18,397	19,107	19,639	18,975
11 Payable in foreign currencies	1,314	1,737	1,719	1,711	1,213	1,009	943	1,076	1,111
By area or country									
Financial liabilities									
12 Europe	7,917	8,320	9,962	13,854	12,575	11,197	11,622	10,925	12,026
13 Belgium-Luxembourg	270	213	289	320	357	308	340	333	347
14 France	661	382	359	224	257	242	258	217	156
15 Germany	368	551	699	561	618	590	523	482	601
16 Netherlands	542	866	880	874	835	853	946	865	934
17 Switzerland	646	558	1,033	954	938	799	541	529	667
18 United Kingdom	5,140	5,557	6,533	10,721	9,402	8,207	8,742	8,212	8,759
19 Canada	399	360	388	616	626	575	573	476	345
20 Latin America and Caribbean	1,944	1,189	839	677	1,262	1,367	1,268	1,814	2,508
21 Bahamas	614	318	184	189	165	186	157	237	249
22 Bermuda	4	0	0	0	7	7	17	0	0
23 Brazil	32	25	0	0	0	0	0	0	0
24 British West Indies	1,146	778	645	471	661	743	635	1,096	1,717
25 Mexico	22	13	1	15	17	4	6	5	4
26 Venezuela	0	0	0	0	0	0	0	0	0
27 Asia	1,805	2,451	3,312	3,591	3,863	3,878	4,814	4,483	4,848
28 Japan	1,398	2,042	2,563	2,825	3,100	3,130	3,963	3,445	3,846
29 Middle East oil-exporting countries ²	8	8	3	1	12	2	2	3	5
30 Africa	1	4	2	5	3	4	2	3	3
31 Oil-exporting countries ³	1	1	0	3	2	2	0	0	1
32 All other ⁴	67	100	4	2	97	97	100	102	55
Commercial liabilities									
33 Europe	4,446	5,516	7,305	7,834	7,778	8,319	8,883	9,133	8,304
34 Belgium-Luxembourg	101	132	158	122	114	137	178	233	295
35 France	352	426	455	552	535	806	871	881	928
36 Germany	715	909	1,699	1,373	1,190	1,183	1,362	1,143	959
37 Netherlands	424	423	587	667	688	548	699	688	606
38 Switzerland	385	559	417	446	447	531	621	583	607
39 United Kingdom	1,341	1,599	2,065	2,585	2,709	2,703	2,618	2,925	2,435
40 Canada	1,405	1,301	1,217	1,163	1,133	1,189	1,067	1,124	1,260
41 Latin America and Caribbean	924	864	1,090	1,253	1,673	1,086	1,187	1,304	1,277
42 Bahamas	32	18	49	35	34	27	41	37	22
43 Bermuda	156	168	286	426	388	305	308	516	412
44 Brazil	61	46	95	103	541	113	100	116	106
45 British West Indies	49	19	34	31	42	30	27	18	29
46 Mexico	217	189	217	250	235	220	304	241	285
47 Venezuela	216	162	114	114	131	107	154	85	119
48 Asia	5,080	6,565	6,915	7,318	7,045	7,086	7,038	6,885	6,970
49 Japan	2,042	2,578	3,094	3,059	2,708	2,674	2,772	2,624	3,088
50 Middle East oil-exporting countries ^{2,5}	1,679	1,964	1,385	1,520	1,482	1,442	1,401	1,393	1,125
51 Africa	619	574	576	700	762	648	844	753	885
52 Oil-exporting countries ³	197	135	202	272	263	255	307	263	277
53 All other ⁴	980	1,057	1,328	1,499	1,642	1,077	1,031	1,517	1,390

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	1986	1987	1988	1989				1990	
				Mar.	June	Sept.	Dec.	Mar.	June
1 Total	36,265	30,964	33,874	31,873	34,088	31,738	31,085	29,488	31,077 ²
2 Payable in dollars	33,867	28,502	31,494	29,514	31,871	29,513	28,706	27,334	28,772 ²
3 Payable in foreign currencies	2,399	2,462	2,381	2,359	2,217	2,225	2,379	2,154	2,304
By type									
4 Financial claims	26,273	20,363	21,739	19,734	21,617	18,827	17,388	16,286	17,521 ²
5 Deposits	19,916	14,894	15,642	14,594	16,500	12,143	10,435	10,458	9,898 ²
6 Payable in dollars	19,331	13,765	14,543	13,680	15,581	11,278	9,460	9,564	8,801 ²
7 Payable in foreign currencies	585	1,128	1,099	914	919	866	975	893	1,097
8 Other financial claims	6,357	5,470	6,097	5,140	5,117	6,684	6,953	5,828	7,623
9 Payable in dollars	5,005	4,656	5,320	4,202	4,380	5,822	6,199	5,140	6,929
10 Payable in foreign currencies	1,352	814	777	938	737	862	754	688	694
11 Commercial claims	9,992	10,600	12,136	12,139	12,471	12,912	13,697	13,202	13,556
12 Trade receivables	8,783	9,535	11,061	10,877	11,039	11,427	12,084	11,610	11,865
13 Advance payments and other claims	1,209	1,065	1,075	1,262	1,432	1,485	1,612	1,593	1,691
14 Payable in dollars	9,530	10,081	11,630	11,632	11,911	12,414	13,047	12,630	13,043
15 Payable in foreign currencies	462	519	505	507	560	498	650	573	513
By area or country									
Financial claims									
16 Europe	10,744	9,531	10,169	9,018	8,616	7,253	6,861	6,727	9,179
17 Belgium-Luxembourg	41	7	18	22	161	166	28	22	133 ²
18 France	138	332	203	193	176	166	153	199	141 ²
19 Germany	116	102	120	112	149	120	195	507	93 ²
20 Netherlands	151	350	348	384	297	292	303	315	332
21 Switzerland	185	65	218	241	68	111	95	123	137 ²
22 United Kingdom	9,855	8,467	8,929	7,769	7,468	6,169	5,850	5,358	8,136 ²
23 Canada	4,808	2,844	2,325	2,175	2,568	2,356	1,934	1,803	1,993
24 Latin America and Caribbean	9,291	7,012	8,139	7,504	9,319	8,315	7,428	6,903	5,431 ²
25 Bahamas	2,628	1,994	1,846	2,183	1,875	1,699	1,516	1,599	920
26 Bermuda	6	7	19	25	33	33	7	4	3
27 Brazil	86	63	47	49	78	70	224	79	84
28 British West Indies	6,078	4,433	5,742	4,826	6,923	6,125	5,268	4,806	4,027 ²
29 Mexico	174	172	151	117	114	105	94	152	153
30 Venezuela	21	19	21	25	31	36	20	21	20
31 Asia	1,317	879	844	895	995	801	831	763	815
32 Japan	999	605	574	571	525	440	439	416	473
33 Middle East oil-exporting countries ³	7	8	5	8	8	7	8	7	6
34 Africa	85	65	106	89	80	75	140	67	62
35 Oil-exporting countries ³	28	7	10	8	8	8	12	11	8
36 All other ⁴	28	33	155	52	40	27	195	23	41
Commercial claims									
37 Europe	3,725	4,180	5,170	5,094	5,290	5,423	6,160	6,025	6,118
38 Belgium-Luxembourg	133	178	189	214	205	220	241	219	207
39 France	431	650	670	786	770	824	948	957	902
40 Germany	444	562	667	689	675	688	689	690	661
41 Netherlands	164	133	212	164	413	396	478	450	475
42 Switzerland	217	185	344	264	231	222	305	270	235
43 United Kingdom	999	1,073	1,323	1,301	1,371	1,396	1,570	1,690	1,654
44 Canada	934	936	983	1,124	1,181	1,278	1,058	1,091	1,108
45 Latin America and Caribbean	1,857	1,930	2,239	2,118	2,100	2,131	2,161	2,046	2,199
46 Bahamas	28	19	36	34	13	10	57	22	17
47 Bermuda	193	170	230	234	238	270	323	242	283
48 Brazil	234	226	298	277	314	232	286	226	230
49 British West Indies	39	26	22	23	30	33	36	38	46
50 Mexico	412	368	461	485	438	508	508	524	593
51 Venezuela	237	283	227	213	229	188	146	187	220
52 Asia	2,755	2,915	2,979	3,113	3,143	3,299	3,513	3,249	3,380 ²
53 Japan	881	1,158	946	1,042	998	1,177	1,185	1,061	1,046
54 Middle East oil-exporting countries ³	563	450	446	437	430	406	508	432	424 ²
55 Africa	500	401	434	394	407	398	418	425	391 ²
56 Oil-exporting countries ³	139	144	122	95	111	87	107	89	98
57 All other ⁴	222	238	331	297	350	381	386	367	360

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	1988	1989	1990	1990						
			Jan. - Oct.	Apr.	May	June	July	Aug.	Sept. ^r	Oct. ^p
	U.S. corporate securities									
Stocks										
1 Foreign purchases	181,185	213,535	147,085	11,457	15,231	18,211	17,447	20,653	8,812	11,631
2 Foreign sales	183,185	203,537	160,375	12,356	17,717	18,584	16,080	21,950	11,318	15,430
3 Net purchases, or sales (-)	-2,000	9,998	-13,290	-899	-2,486	-372	1,367	-1,297	-2,506	-3,799
4 Foreign countries	-1,825	10,232	-13,356	-937	-2,543	-336	1,315	-1,334	-2,452	-3,756
5 Europe	-3,350	471	-7,587	-666	-1,048	-590	-12	-1,379	-1,160	-1,417
6 France	-281	-708	-1,055	-85	-189	32	-25	-175	-148	-160
7 Germany	218	-830	-212	6	-57	-66	-41	-119	2	-87
8 Netherlands	-535	167	-382	-25	-20	-83	-30	-107	-48	-61
9 Switzerland	-2,243	-3,274	-2,450	-221	-347	-198	-170	-253	-126	-211
10 United Kingdom	-954	3,729	-3,016	-99	-200	-114	252	-637	-718	-690
11 Canada	1,087	-845	395	-212	-101	88	174	330	210	156
12 Latin America and Caribbean	1,238	3,089	-1,348	-27	90	-14	-90	-234	-218	-357
13 Middle East ¹	-2,474	3,531	-1,766	116	-593	-85	-36	187	-437	-559
14 Other Asia	1,365	3,586	-2,676	-55	-904	243	1,056	-69	-712	-1,515
15 Japan	1,922	3,340	-2,328	-92	-750	212	851	22	-737	-1,133
16 Africa	188	131	-41	-2	0	-7	13	16	1	-31
17 Other countries	121	268	-334	-91	13	30	211	-186	-135	-35
18 Nonmonetary international and regional organizations	-176	-234	66	38	57	-37	52	37	-55	-43
BONDS ²										
19 Foreign purchases	86,381	120,540	97,458	8,355	8,467	12,572	10,923	11,846 ^r	7,484	8,741
20 Foreign sales	58,417	86,510	83,686	7,643	6,347	8,456	7,558	12,411 ^r	9,354	7,412
21 Net purchases, or sales (-)	27,964	34,031	13,772	712	2,120	4,116	3,365	-564 ^r	-1,870	1,329
22 Foreign countries	28,506	33,678	14,221	705	2,195	4,084	3,327	-534 ^r	-1,900	1,565
23 Europe	17,239	19,848	9,222	864	781	3,380	1,996	760 ^r	-819	708
24 France	143	372	311	-58	108	293	54	-40	-103	-74
25 Germany	1,344	-238	-200	-40	-39	82	33	172	3	-29
26 Netherlands	1,514	850	16	-2	33	37	37	-15 ^r	-71	35
27 Switzerland	505	-165	496	59	83	186	570	-346	0	-84
28 United Kingdom	13,084	18,459	8,432	1,013	495	2,761	1,145	776	-275	412
29 Canada	711	1,116	1,879	353	198	292	70	91	-87	127
30 Latin America and Caribbean	1,931	3,686	3,346	411	508	578	273	-103	-208	198
31 Middle East ¹	-178	-182	123	-2	251	-120	17	-178 ^r	-65	-4
32 Other Asia	8,900	9,063	-146	-993	440	11	999	-986	-692	588
33 Japan	7,686	6,331	-202	-1,044	331	-131	930	-632	-871	361
34 Africa	-8	56	90	48	8	2	-4	-1	5	2
35 Other countries	-89	91	-294	24	9	-59	-24	-118	-34	-53
36 Nonmonetary international and regional organizations	-542	353	-449	6	-76	32	39	-31	30	-237
Foreign securities										
37 Stocks, net purchases, or sales (-) ³	-1,959	-13,097	-7,348	-869	-2,422	-2,756	-1,117	-135 ^r	442	-190
38 Foreign purchases	75,356	109,789	105,091	8,368	9,785	11,027	11,376	12,374 ^r	7,526	9,392
39 Foreign sales ³	77,315	122,886	112,439	9,237	12,207	13,783	12,493	12,510 ^r	7,083	9,582
40 Bonds, net purchases, or sales (-)	-7,434	-6,049	-18,680	-1,830	-1,867	-2,030	-400	48 ^r	-599	-2,793
41 Foreign purchases	218,521	234,215	247,499	20,184	25,879	25,658	23,367	29,826 ^r	25,746	35,280
42 Foreign sales	225,955	240,264	266,179	22,015	27,746	27,688	23,767	29,778 ^r	26,346	38,073
43 Net purchases, or sales (-), of stocks and bonds	-9,393	-19,145	-26,028	-2,699	-4,289	-4,786	-1,517	-87 ^r	-157	-2,983
44 Foreign countries	-9,873	-19,178	-24,060	-2,849	-4,085	-4,333	-1,547	-531 ^r	-432	-2,179
45 Europe	-7,864	-17,811	-8,842	-666	-1,888	-3,646	-383	-1,297 ^r	-78	-750
46 Canada	-3,747	-4,180	-5,308	-1,797	-721	-219	-328	167 ^r	-4	-881
47 Latin America and Caribbean	1,384	426	-6,412	-171	252	418	-222	-64 ^r	-401	229
48 Asia	979	2,540	-2,935	-341	-1,403	-1,073	-201	606 ^r	-323	-696
49 Africa	-54	93	-96	-28	6	8	-83	-8	12	4
50 Other countries	-571	-246	-468	154	-331	180	-330	65 ^r	362	-85
51 Nonmonetary international and regional organizations	480	33	-1,968	150	-205	-453	30	444	275	-804

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 securities

sold abroad by U.S. corporations organized to finance direct investments abroad.

3. As a result of the merger of a U.S. and U.K. company in July 1989, the former stockholders of the U.S. company received \$5,453 million in shares of the new combined U.K. company. This transaction is not reflected in the data above.

3.25 MARKETABLE U.S. TREASURY BONDS AND NOTES Foreign Transactions

Millions of dollars

Country or area	1988	1989	1990	1990						
			Jan. - Oct.	Apr.	May	June	July	Aug.	Sept.	Oct. ^p
			Transactions, net purchases or sales (-) during period ¹							
1 Estimated total ²	48,832	54,269	7,896	3,224	-2,744	3,554	5,488	4,609	936 ^r	-583
2 Foreign countries ²	48,170	52,367	8,123	4,215	-3,154	3,249	5,331	3,968	1,293 ^r	-999
3 Europe ²	14,319	36,286	12,155	6,150	-3,787	2,587	3,643	-2,128	5,021 ^r	263
4 Belgium-Luxembourg	923	1,048	167	458	115	270	179	-395	-95	82
5 Germany ²	-5,268	7,904	3,498	633	306	-1,061	-1	1,424	633	581
6 Netherlands	-356	-1,141	610	749	-263	313	196	1,253	956	-454
7 Sweden	-323	693	150	264	-254	-34	133	-266	-33 ^r	163
8 Switzerland ²	-1,074	1,097	-87	422	-189	-19	-799	-128	548	617
9 United Kingdom	9,640	20,198	-806	2,271	-3,545	1,894	1,051	-3,776	1,599	-1,759
10 Other Western Europe	10,786	6,508	8,597	1,344	43	1,223	2,884	-251	1,407	1,033
11 Eastern Europe	-10	-21	17	6	0	0	0	11	0	0
12 Canada	3,761	701	-4,247	110	-1,752	367	1,418	1,177	-868	-637
13 Latin America and Caribbean	713	490	9,931	2,134	478	914	1,934	1,319	-1,953	4,676
14 Venezuela	-109	311	-100	-49	71	48	-1	0	-49	-1
15 Other Latin America and Caribbean	1,130	-297	2,933	-35	610	1,021	1,060	295	-1,157	591
16 Netherlands Antilles	-308	475	7,098	2,218	-204	-154	874	1,023	-747	4,086
17 Asia	27,603	13,335	-9,934	-3,880	2,026	-1,086	-1,672	3,304	-1,751	-5,071
18 Japan	21,750	1,719	-11,198	-6,111	2,234	-469	161	2,376	-2,092	-3,938
19 Africa	-13	116	327	-4	-8	52	17	57	151	83
20 All other	1,786	1,439	-108	-294	-110	416	-9	239	692	-313
21 Nonmonetary international and regional organizations	661	1,902	-227	-991	410	305	158	641	-357	416
22 International	1,106	1,473	219	-528	403	462	-25	444	-154	355
23 Latin America regional	-31	231	-94	74	25	-109	25	25	-75	-59
Memo										
24 Foreign countries ²	48,170	52,367	8,123	4,215	-3,154	3,249	5,331	3,968	1,293 ^r	-999
25 Official institutions	26,624	26,835	11,291	5,066	-2,384	924	724	6,794	3,799 ^r	1,221
26 Other foreign ²	21,546	25,532	-3,167	-851	-770	2,325	4,607	-2,826	-2,506 ^r	-2,220
Oil-exporting countries										
27 Middle East ³	1,963	8,148	-519	668	-188	-439	-2,095	-365	241	-1,247
28 Africa ⁴	1	-1	-0	0	0	0	0	0	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 Dec. 31, 1990		Country	Rate on Dec. 31, 1990		Country	Rate on Dec. 31, 1990	
	Percent	Month effective		Percent	Month effective		Percent	Month effective
Austria	6.5	Oct. 1989	France ¹	9.25	Nov. 1990	Norway	8.0	June 1983
Belgium	10.5	Nov. 1989	Germany, Fed. Rep. of ...	6.0	Oct. 1989	Switzerland	6.0	Oct. 1989
Canada	11.72	Dec. 1990	Italy	12.5	May 1990	United Kingdom ² .....	.....	.....
Denmark	10.5	Oct. 1989	Japan	6.0	Aug. 1990			
			Netherlands	7.25	Nov. 1989			

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	1988	1989	1990	1990						
				June	July	Aug.	Sept.	Oct.	Nov.	Dec. ^r
1 Eurodollars	7.85	9.16	8.16 ^r	8.23	8.09	7.99	8.07	8.06	8.04	7.87
2 United Kingdom	10.28	13.87	14.73	14.95	14.92	14.95	14.88	14.02	13.57	13.75
3 Canada	9.63	12.20	13.00 ^r	13.76	13.58	13.13	12.63	12.58	12.36	11.95
4 Germany	4.28	7.04	8.41 ^r	8.24	8.17	8.36	8.39	8.51	8.79	9.17
5 Switzerland	2.94	6.83	8.71	8.71	8.81	8.71	8.11	7.88	8.39	8.65
6 Netherlands	4.72	7.28	8.57	8.26	8.16	8.44	8.42	8.39	8.73	9.27
7 France	7.80	9.27	10.20	9.94	9.91	10.03	10.24	9.92	9.88	10.14
8 Italy	11.04	12.44	12.11 ^r	11.33	11.38	11.49	10.65	11.40	12.42	13.45
9 Belgium	6.69	8.65	9.70	9.63	9.30	9.30	9.04	8.89	9.03	9.81
10 Japan	4.43	5.39	7.75	7.41	7.68	8.02	8.37	8.26	8.35	8.27

NOTE. Rates are for 3-month interbank loans except for Canada, finance company paper; Belgium, 3-month Treasury bills; and Japan, CD rate.

3.28 FOREIGN EXCHANGE RATES¹

Currency units per dollar

Country/currency	1988	1989	1990	1990					
				July	Aug.	Sept.	Oct.	Nov.	Dec.
1 Australia/dollar ²	78.409	79.186	78.069	79.076	80.871	82.512	80.060	77.290	77.019
2 Austria/schilling	12.357	13.236	11.331	11.520	11.044	11.044	10.719	10.451	10.539
3 Belgium/franc	36.785	39.409	33.424	33.715	32.280	32.282	31.373	30.647	31.014
4 Canada/dollar	1.2306	1.1842	1.1668	1.1570	1.1448	1.1583	1.1600	1.1635	1.1603
5 China, P.R./yuan	3.7314	3.7673	4.7921	4.7339	4.7339	4.7342	4.7339	4.9714	5.2352
6 Denmark/krone	6.7412	7.3210	6.1899	6.2339	6.0033	5.9961	5.8117	5.6946	5.7735
7 Finland/markka	4.1933	4.2963	3.8300	3.8386	3.7051	3.7113	3.6187	3.5644	3.6341
8 France/franc	5.9595	6.3802	5.4467	5.4924	5.2680	5.2575	5.1032	5.0020	5.0895
9 Germany/deutsche mark	1.7570	1.8808	1.6166	1.6375	1.5702	1.5701	1.5238	1.4857	1.4982
10 Greece/drachma	142.00	162.60	158.59	160.59	154.82	154.93	153.17	152.27	156.08
11 Hong Kong/dollar	7.8072	7.8008	7.7899	7.7704	7.7707	7.7647	7.7722	7.7951	7.8034
12 India/rupee	13.900	16.213	17.492	17.412	17.347	17.860	18.074	18.098	18.127
13 Ireland/punt	152.49	141.80	165.76	163.75	170.86	170.91	176.04	180.18	177.77
14 Italy/lira	1,302.39	1,372.28	1,198.27	1,199.65	1,157.07	1,172.87	1,141.62	1,117.04	1,129.26
15 Japan/yen	128.17	138.07	145.00	149.04	147.46	138.44	129.59	129.22	133.89
16 Malaysia/ringgit	2.6190	2.7079	2.7057	2.7051	2.6956	2.6959	2.6995	2.6949	2.7030
17 Netherlands/guilder	1.9778	2.1219	1.8215	1.8452	1.7692	1.7699	1.7180	1.6761	1.6904
18 New Zealand/dollar ²	65.560	59.354	59.619	59.147	61.294	62.077	61.129	61.120	59.574
19 Norway/krone	6.5243	6.9131	6.2541	6.2925	6.0810	6.0735	5.8241	5.7996	5.8717
20 Portugal/escudo	144.27	157.53	142.70	143.93	138.71	139.18	134.41	130.87	132.82
21 Singapore/dollar	2.0133	1.9511	1.8134	1.8193	1.7905	1.7671	1.7257	1.7100	1.7275
22 South Africa/rand.	2.2770	2.6214	2.5885	2.6253	2.5734	2.5712	2.5445	2.5247	2.5395
23 South Korea/won	734.52	674.29	710.64	718.75	718.26	717.87	717.76	717.03	718.58
24 Spain/peseta	116.53	118.44	101.96	100.41	96.90	98.49	95.59	94.07	95.75
25 Sri Lanka/rupee	31.820	35.947	40.078	40.018	40.007	39.953	40.285	40.355	40.244
26 Sweden/krona	6.1370	6.4559	5.9231	5.9470	5.7754	5.7663	5.6411	5.5633	5.6338
27 Switzerland/franc	1.4643	1.6369	1.3901	1.3924	1.3076	1.3069	1.2818	1.2569	1.2814
28 Taiwan/dollar	28.636	26.407	26.918	27.163	27.291	27.302	27.288	27.245	27.162
29 Thailand/baht	25.312	25.725	25.609	25.706	25.579	25.376	25.130	25.078	25.208
30 United Kingdom/pound ²	178.13	163.82	178.41	180.98	190.13	187.94	194.56	196.42	192.19
MEMO									
31 United States/dollar ³	92.72	98.60	89.09	89.68	86.55	86.10	83.43	82.12	83.35

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 obliga-

tions 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	December 1990	A92

SPECIAL TABLES—Published Irregularly, with Latest BULLETIN Reference

Title and Date	Issue	Page
<i>Assets and liabilities of commercial banks</i>		
September 30, 1989	February 1990	A72
December 31, 1989	June 1990	A72
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June 30, 1990	February 1991	A72
<i>Terms of lending at commercial banks</i>		
November 1989	March 1990	A79
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<i>Assets and liabilities of U.S. branches and agencies of foreign banks</i>		
December 31, 1989	August 1990	A72
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<i>Pro forma balance sheet and income statements for priced service operations</i>		
June 30, 1989	February 1990	A78
September 30, 1989	March 1990	A88
March 31, 1990	September 1990	A82
June 30, 1990	October 1990	A72

Special tables follow.

4.20 DOMESTIC AND FOREIGN OFFICES, Insured Commercial Bank Assets and Liabilities^{1,2}
Consolidated Report of Condition, June 30, 1990

Millions of dollars

Item	Total	Banks with foreign offices			Banks with domestic offices only	
		Total	Foreign	Domestic	Over 100	Under 100
1 Total assets ⁶	3,343,383	1,916,755	442,696	1,530,236	1,049,743	376,885
2 Cash and balances due from depository institutions	314,780	222,912	105,141	117,771	66,951	24,917
3 Cash items in process of collection, unposted debits, and currency and coin	84,702	1,619	83,083	32,192	23,358	n.a.
4 Cash items in process of collection and unposted debits	n.a.	n.a.	70,373	23,358	8,834	n.a.
5 Currency and coin	n.a.	n.a.	12,710	19,932	2,156	n.a.
6 Balances due from depository institutions in the United States	n.a.	32,851	20,445	12,406	12,671	n.a.
7 Balances due from banks in foreign countries and foreign central banks	85,525	82,898	2,628	19,655	14,124	9,128
8 Balances due from Federal Reserve Banks	19,834	179	19,655	14,124	9,128	n.a.
9 MEMO Noninterest-bearing balances due from commercial banks in the United States (included in balances due from depository institutions in the United States)	n.a.	n.a.	8,064	14,124	9,128	n.a.
10 Total securities, loans and lease financing receivables, net	2,763,965	1,493,413	n.a.	n.a.	934,613	335,939
11 Total securities, book value	593,273	251,868	34,823	217,044	225,943	115,462
12 U.S. Treasury securities and U.S. government agency and corporation obligations	409,822	157,395	2,993	154,401	162,791	89,637
13 U.S. Treasury securities	n.a.	47,841	892	46,949	69,054	n.a.
14 U.S. government agency and corporation obligations	n.a.	109,553	2,101	107,452	93,737	n.a.
15 All holdings of U.S. government-issued or guaranteed certificates of participation in pools of residential mortgages	137,838	76,290	1,687	74,603	43,130	18,418
16 All other	n.a.	33,263	415	32,849	50,606	n.a.
17 Securities issued by states and political subdivisions in the United States	87,218	32,870	1,456	31,413	37,410	16,938
18 Other domestic debt securities	n.a.	28,064	1,756	26,308	21,563	n.a.
19 All holdings of private certificates of participation in pools of residential mortgages	3,714	1,936	157	1,779	1,319	459
20 All other domestic debt securities	53,538	26,129	1,600	24,529	20,243	7,166
21 Foreign debt securities	n.a.	29,681	27,782	1,899	409	n.a.
22 Equity securities	8,891	3,858	836	3,022	3,771	1,262
23 Marketable	4,270	1,060	257	804	2,270	939
24 Investments in mutual funds	1,941	164	13	151	896	881
25 Other	2,778	1,048	244	804	1,567	163
26 Less: Net unrealized loss	449	152	0	152	193	104
27 Other equity securities	4,621	2,798	579	2,219	1,500	323
28 Federal funds sold and securities purchased under agreements to resell	149,482	77,344	638	76,706	49,671	22,466
29 Federal funds sold	131,956	63,508	n.a.	68,451	46,209	22,239
30 Securities purchased under agreements to resell	17,526	13,836	n.a.	8,255	3,462	228
31 Total loans and lease financing receivables, gross	2,085,222	1,205,024	211,129	993,895	676,921	203,276
32 Less: Unearned income on loans	13,985	5,815	1,499	4,316	6,165	2,006
33 Total loans and leases (net of unearned income)	2,071,236	1,199,209	209,630	989,579	670,757	201,270
34 Less: Allowance for loan and lease losses	49,771	34,755	n.a.	n.a.	11,757	3,259
35 Less: Allocated transfer risk reserves	255	253	n.a.	n.a.	1	1
36 EQUALS: Total loans and leases, net	2,021,211	1,164,201	n.a.	n.a.	658,999	198,011
Total loans, gross, by category	800,808	400,928	25,427	375,501	298,950	100,930
37 Loans secured by real estate	800,808	400,928	25,427	375,501	298,950	100,930
38 Construction and land development	87,632	39,473	7,738	87,632	39,473	7,738
39 Farmland	2,163	5,288	9,679	2,163	5,288	9,679
40 1-4 family residential properties	170,435	149,891	55,409	170,435	149,891	55,409
41 Revolving, open-end loans, extended under lines of credit	29,512	22,681	3,046	29,512	22,681	3,046
42 All other loans	140,923	127,210	52,363	140,923	127,210	52,363
43 Multifamily (5 or more) residential properties	11,358	7,844	1,948	11,358	7,844	1,948
44 Nonfarm nonresidential properties	103,912	96,455	26,156	103,912	96,455	26,156
45 Loans to depository institutions	51,966	44,663	6,904	51,966	44,663	6,904
46 To commercial banks in the United States	n.a.	21,401	1,103	20,298	6,323	n.a.
47 To other depository institutions in the United States	n.a.	1,771	147	1,624	525	n.a.
48 To banks in foreign countries	n.a.	21,491	17,618	3,872	56	n.a.
49 Loans to finance agricultural production and other loans to farmers	32,217	5,834	318	5,517	8,150	18,233
50 Commercial and industrial loans	618,390	432,758	103,285	329,473	145,904	39,728
51 To U.S. addressees (domicile)	n.a.	350,442	23,351	327,092	145,558	n.a.
52 To non-U.S. addressees (domicile)	n.a.	82,316	79,935	2,381	346	n.a.
53 Acceptances of other banks	2,971	957	560	397	1,088	926
54 U.S. banks	n.a.	267	26	241	n.a.	n.a.
55 Foreign banks	n.a.	689	534	156	n.a.	n.a.
56 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	388,953	162,204	16,690	145,515	187,637	39,112
57 Credit cards and related plans	123,039	48,472	n.a.	n.a.	72,451	2,116
58 Other (includes single payment and installment)	265,914	113,732	n.a.	n.a.	115,186	36,995
59 Obligations (other than securities) of states and political subdivisions in the U.S. (includes nonrated industrial development obligations)	37,013	22,093	246	21,847	13,372	1,549
60 Taxable	1,092	626	88	538	408	59
61 Tax-exempt	35,921	21,467	158	21,309	12,964	1,490
62 All other loans	115,970	104,706	41,709	62,997	9,444	1,819
63 Loans to foreign governments and official institutions	n.a.	25,193	23,620	1,573	128	n.a.
64 Other loans	n.a.	79,514	18,089	61,425	9,316	n.a.
65 Loans for purchasing and carrying securities	n.a.	n.a.	14,602	1,466	n.a.	n.a.
66 All other loans	n.a.	n.a.	n.a.	46,823	7,850	n.a.
67 Lease financing receivables	36,934	30,880	4,025	26,855	5,473	581
68 Assets held in trading accounts	48,299	24,650	24,650	23,619	1,365	178
69 Premises and fixed assets (including capitalized leases)	49,356	26,769	n.a.	n.a.	16,188	6,399
70 Other real estate owned	16,208	8,627	n.a.	n.a.	5,339	2,243
71 Investments in unconsolidated subsidiaries and associated companies	2,812	2,381	n.a.	n.a.	376	55
72 Customers' liability on acceptances outstanding	23,802	23,399	n.a.	n.a.	388	14
73 Net due from own foreign offices, Edge and agreement subsidiaries, and IBFs	n.a.	n.a.	n.a.	33,309	n.a.	n.a.
74 Intangible assets	8,722	4,993	n.a.	n.a.	3,468	261
75 Other assets	113,897	85,962	n.a.	n.a.	21,055	6,879

4.20—Continued

Item	Total	Banks with foreign offices			Banks with domestic offices only	
		Total	Foreign	Domestic	Over 100	Under 100
76 Total liabilities, limited-life preferred stock, and equity capital	3,343,383	1,916,755	n.a.	n.a.	1,049,743	376,885
77 Total liabilities ⁷	3,128,309	1,813,706	442,487	1,427,396	971,899	342,704
78 Limited-life preferred stock	83	0	n.a.	n.a.	81	1
79 Total deposits	2,573,067	1,381,905	330,005	1,051,900	856,985	334,176
80 Individuals, partnerships, and corporations	↑	↑	↑	965,357	792,141	306,573
81 U.S. government	↑	↑	↑	2,577	1,652	579
82 States and political subdivisions in the United States	↑	↑	↑	37,843	44,631	22,691
83 Commercial banks in the United States	n.a.	n.a.	n.a.	22,708	9,111	1,218
84 Other depository institutions in the United States	↓	↓	↓	5,402	2,679	912
85 Banks in foreign countries	↓	↓	↓	6,337	161	n.a.
86 Foreign governments and official institutions	↓	↓	↓	1,085	272	n.a.
87 Certified and official checks	19,835	11,341	751	10,590	6,338	2,156
88 All other ⁸	n.a.	n.a.	110,904	n.a.	n.a.	48
89 Total transaction accounts	↑	↑	↑	318,952	222,788	85,788
90 Individuals, partnerships, and corporations	↑	↑	↑	268,854	195,541	75,918
91 U.S. government	↑	↑	↑	1,648	1,342	477
92 States and political subdivisions in the United States	↑	↑	↑	9,713	11,854	6,338
93 Commercial banks in the United States	n.a.	n.a.	n.a.	18,027	6,363	636
94 Other depository institutions in the United States	↓	↓	↓	3,589	1,204	244
95 Banks in foreign countries	↓	↓	↓	5,787	137	n.a.
96 Foreign governments and official institutions	↓	↓	↓	744	9	n.a.
97 Certified and official checks	↓	↓	↓	10,590	6,338	2,156
98 All other	↓	↓	↓	n.a.	n.a.	18
99 Demand deposits (included in total transaction accounts)	↑	↑	↑	240,481	136,991	44,872
100 Individuals, partnerships, and corporations	↑	↑	↑	193,000	116,421	39,399
101 U.S. government	↑	↑	↑	1,632	1,321	466
102 States and political subdivisions in the United States	↑	↑	↑	7,117	5,216	1,962
103 Commercial banks in the United States	↑	↑	↑	18,027	6,359	635
104 Other depository institutions in the United States	↑	↑	↑	3,589	1,189	236
105 Banks in foreign countries	↑	↑	↑	5,783	137	n.a.
106 Foreign governments and official institutions	↑	↑	↑	743	9	n.a.
107 Certified and official checks	↑	↑	↑	10,590	6,338	2,156
108 All other	↑	↑	↑	n.a.	n.a.	18
109 Total nontransaction accounts	↑	↑	↑	732,948	634,198	248,388
110 Individuals, partnerships, and corporations	n.a.	n.a.	n.a.	696,503	596,600	230,655
111 U.S. government	↑	↑	↑	929	310	102
112 States and political subdivisions in the United States	↑	↑	↑	28,130	32,777	16,352
113 Commercial banks in the United States	↑	↑	↑	4,681	2,749	582
114 U.S. branches and agencies of foreign banks	↑	↑	↑	424	232	n.a.
115 Other commercial banks in the United States	↑	↑	↑	4,257	2,517	n.a.
116 Other depository institutions in the United States	↑	↑	↑	1,813	1,475	668
117 Banks in foreign countries	↑	↑	↑	551	24	n.a.
118 Foreign branches of other U.S. banks	↑	↑	↑	9	20	n.a.
119 Other banks in foreign countries	↑	↑	↑	542	4	n.a.
120 Foreign governments and official institutions	↑	↑	↑	341	262	n.a.
121 All other	↑	↑	↑	n.a.	n.a.	29
122 Federal funds purchased and securities sold under agreements to repurchase	267,599	201,337	795	200,542	63,247	3,015
123 Federal funds purchased	167,508	134,803	n.a.	n.a.	31,368	1,337
124 Securities sold under agreements to repurchase	100,091	66,535	n.a.	n.a.	31,879	1,677
125 Demand notes issued to the U.S. Treasury	n.a.	n.a.	n.a.	23,139	4,929	528
126 Other borrowed money	121,698	92,037	35,822	56,215	28,829	833
127 Banks liability on acceptances executed and outstanding	23,905	23,502	5,426	18,077	388	14
128 Notes and debentures subordinated to deposits	19,593	17,555	n.a.	n.a.	1,917	121
129 Net due to own foreign offices, Edge and agreement subsidiaries, and IBFs	n.a.	n.a.	n.a.	22,869	n.a.	n.a.
130 All other liabilities	93,851	74,230	n.a.	n.a.	15,604	4,017
131 Total equity capital ⁹	214,991	103,049	n.a.	n.a.	77,763	34,179
MEMO						
132 Holdings of commercial paper included in total loans, gross	↑	1,040	681	359	1,263	n.a.
133 Total individual retirement accounts (IRA) and Keogh plan accounts	↑	↑	↑	53,823	50,397	18,155
134 Total brokered deposits	↑	↑	↑	51,185	18,901	1,090
135 Total brokered retail deposits	↑	↑	↑	18,757	13,147	998
136 Issued in denominations of \$100,000 or less	↑	↑	↑	4,696	3,485	872
137 Issued in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less	↑	↑	↑	n.a.	9,661	126
Savings deposits						
138 Money market deposit accounts (MMDAs)	↑	↑	↑	194,587	131,135	37,349
139 Other savings deposits (excluding MMDAs)	↑	↑	↑	86,147	79,338	29,085
140 Total time deposits of less than \$100,000	↑	↑	↑	237,782	293	141,066
141 Time certificates of deposit of \$100,000 or more	n.a.	n.a.	n.a.	182,521	125,342	39,471
142 Open-account time deposits of \$100,000 or more	↑	↑	↑	31,912	5,113	1,408
143 All NOW accounts (including Super NOW)	↑	↑	↑	77,364	83,713	39,485
144 Total time and savings deposits	↑	↑	↑	811,419	719,994	289,304
Quarterly averages						
145 Total loans	↑	↑	↑	962,968	661,974	197,012
146 Obligations (other than securities) of states and political subdivisions in the United States	↑	↑	↑	22,384	13,414	n.a.
147 Transaction accounts in domestic offices (NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts)	↑	↑	↑	79,193	48,886	40,686
Nontransaction accounts in domestic offices						
148 Money market deposit accounts (MMDAs)	↑	↑	↑	193,830	129,995	37,185
149 Other savings deposits	↑	↑	↑	83,484	77,993	28,593
150 Time certificates of deposit of \$100,000 or more	↑	↑	↑	184,293	125,989	39,140
151 All other time deposits	↑	↑	↑	262,763	288,361	141,023
152 Number of banks	12,480	235	↓	n.a.	2,647	9,598

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^{1,2,6}
Consolidated Report of Condition, June 30, 1990

Millions of dollars

Item	Total	Members			Non-members
		Total	National	State	
1 Total assets ⁶	2,579,980	2,029,334	1,634,297	395,037	550,646
2 Cash and balances due from depository institutions	184,722	150,998	121,387	29,611	33,725
3 Cash items in process of collection and unposted debits	93,731	83,559	68,657	14,902	10,172
4 Currency and coin	21,544	17,658	14,785	2,873	3,887
5 Balances due from depository institutions in the United States	32,338	20,285	16,100	4,185	12,053
6 Balances due from banks in foreign countries and foreign central banks	4,783	3,510	2,697	814	1,273
7 Balances due from Federal Reserve Banks	32,326	25,985	19,148	6,837	6,341
8 Total securities, loans and lease financing receivables, (net of unearned income)	2,229,701	1,737,521	1,406,655	330,866	492,180
9 Total securities, book value	442,988	332,408	258,933	73,475	110,580
10 U.S. Treasury securities	116,003	80,768	64,526	16,243	35,235
11 U.S. government agency and corporation obligations	201,189	159,266	126,096	33,171	41,922
12 All holdings of U.S. government-issued or guaranteed certificates of participation in pools of residential mortgages	117,734	100,288	79,789	20,498	17,446
13 All other	83,455	58,979	46,307	12,672	24,476
14 Securities issued by states and political subdivisions in the United States	68,824	52,532	39,761	12,771	16,291
15 Other domestic debt securities	47,871	34,417	25,012	9,405	13,454
16 All holdings of private certificates of participation in pools of residential mortgages	3,099	2,244	1,809	435	854
17 All other	44,773	32,172	23,203	8,970	12,600
18 Foreign debt securities	2,308	1,937	804	1,132	371
19 Equity securities	6,793	3,488	2,734	754	3,305
20 Marketable	3,074	729	568	162	2,344
21 Investments in mutual funds	1,047	510	430	80	537
22 Other	2,371	294	187	107	2,077
23 Less: Net unrealized loss	345	75	49	26	270
24 Other equity securities	3,719	2,759	2,166	592	961
25 Federal funds sold and securities purchased under agreements to resell ¹⁰	126,377	103,005	78,959	24,047	23,371
26 Federal funds sold	46,209	29,500	25,483	4,017	16,709
27 Securities purchased under agreements to resell	3,462	2,380	2,017	364	1,082
28 Total loans and lease financing receivables, gross	1,670,817	1,309,895	1,075,036	234,859	360,921
29 Less: Unearned income on loans	10,480	7,787	6,272	1,515	2,693
30 Total loans and leases (net of unearned income)	1,660,336	1,302,108	1,068,764	233,344	358,228
<i>Total loans, gross, by category</i>					
31 Loans secured by real estate	674,451	512,275	437,081	75,194	162,176
32 Construction and land development	127,105	101,408	84,885	16,523	25,697
33 Farmland	7,451	4,855	4,274	581	2,596
34 1-4 family residential properties	320,326	240,884	205,628	35,256	79,442
35 Revolving, open-end and extended under lines of credit	52,193	40,435	34,013	6,421	11,759
36 All other loans	268,132	200,449	171,615	28,834	67,683
37 Multifamily (5 or more) residential properties	19,201	14,888	13,075	1,813	4,313
38 Nonfarm nonresidential properties	200,367	150,240	129,218	21,022	50,128
39 Loans to commercial banks in the United States	26,621	21,946	15,453	6,493	4,675
40 Loans to other depository institutions in the United States	2,149	1,946	1,780	165	204
41 Loans to banks in foreign countries	3,928	3,753	1,833	1,921	175
42 Loans to finance agricultural production and other loans to farmers	13,666	10,186	9,246	940	3,480
43 Commercial and industrial loans	475,377	388,311	309,932	78,379	87,065
44 To U.S. addressees (domicile)	472,649	386,211	308,300	77,911	86,438
45 To non-U.S. addressees (domicile)	2,727	2,100	1,632	469	627
46 Acceptances of other banks ¹¹	1,484	799	674	125	685
47 Of U.S. banks	508	305	253	53	202
48 Of foreign banks	237	160	134	26	78
49 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	333,152	246,382	207,172	39,210	86,769
50 Credit cards and related plans	72,451	41,823	39,603	2,220	30,628
51 Other (includes single payment and installment)	115,186	70,782	59,676	11,107	44,404
52 Loans to foreign governments and official institutions	1,701	1,636	1,188	448	65
53 Obligations (other than securities) of states and political subdivisions in the United States	35,218	29,533	21,920	7,612	5,686
54 Taxable	945	759	548	211	186
55 Tax-exempt	34,273	28,774	21,372	7,402	5,499
56 Other loans	70,741	65,261	45,557	19,703	5,480
57 Loans for purchasing and carrying securities	16,068	15,143	9,266	5,877	925
58 All other loans	54,673	50,118	36,291	13,826	4,555
59 Lease financing receivables	32,328	27,867	23,199	4,668	4,461
60 Customers' liability on acceptances outstanding	18,024	16,847	13,002	3,845	1,176
61 Net due from own foreign offices, Edge and agreement subsidiaries, and IBFs	33,309	28,943	17,916	11,027	4,366
62 Remaining assets	147,533	123,967	93,252	30,715	23,566

4.21—Continued

Item	Total	Members			Non-members
		Total	National	State	
63 Total liabilities and equity capital	2,579,980	2,029,334	1,634,297	395,037	550,646
64 Total liabilities ⁴	2,399,295	1,891,717	1,525,064	366,653	507,578
65 Total deposits	1,908,885	1,477,853	1,211,322	266,531	431,032
66 Individuals, partnerships, and corporations	1,757,499	1,357,727	1,115,610	242,117	399,772
67 U.S. government	4,229	3,571	3,124	447	658
68 States and political subdivisions in the United States	82,475	61,442	51,526	9,916	21,033
69 Commercial banks in the United States	31,819	28,294	21,800	6,494	3,526
70 Other depository institutions in the United States	8,081	6,295	5,319	976	1,786
71 Banks in foreign countries	6,498	5,907	3,249	2,659	591
72 Foreign governments and official institutions	1,357	1,258	914	344	99
73 Certified and official checks	16,928	13,360	9,781	3,579	3,568
74 Total transaction accounts	541,740	433,346	348,480	84,866	108,394
75 Individuals, partnerships, and corporations	464,395	367,628	297,718	69,910	96,768
76 U.S. government	2,990	2,451	2,132	319	540
77 States and political subdivisions in the United States	21,567	17,040	14,319	2,721	4,528
78 Commercial banks in the United States	24,390	22,468	17,714	4,754	1,922
79 Other depository institutions in the United States	4,793	4,053	3,317	735	740
80 Banks in foreign countries	5,923	5,638	3,056	2,582	285
81 Foreign governments and official institutions	754	710	443	266	44
82 Certified and official checks	16,928	13,360	9,781	3,579	3,568
83 Demand deposits (included in total transaction accounts)	377,472	307,696	242,437	65,259	69,776
84 Individuals, partnerships, and corporations	309,422	248,785	197,359	51,427	60,636
85 U.S. government	2,953	2,419	2,101	318	534
86 States and political subdivisions in the United States	12,333	10,275	8,673	1,602	2,058
87 Commercial banks in the United States	24,386	22,465	17,714	4,751	1,921
88 Other depository institutions in the United States	4,778	4,045	3,310	735	733
89 Banks in foreign countries	5,919	5,637	3,056	2,581	282
90 Foreign governments and official institutions	752	709	443	266	43
91 Certified and official checks	16,928	13,360	9,781	3,579	3,568
92 Total nontransaction accounts	1,367,145	1,044,507	862,843	181,664	322,638
93 Individuals, partnerships, and corporations	1,293,104	990,099	817,892	172,207	303,004
94 U.S. government	1,239	1,120	992	128	118
95 States and political subdivisions in the United States	60,907	44,402	37,207	7,195	16,505
96 Commercial banks in the United States	7,430	5,826	4,086	1,740	1,604
97 U.S. branches and agencies of foreign banks	656	240	73	167	416
98 Other commercial banks in the United States	6,774	5,586	4,013	1,573	1,187
99 Other depository institutions in the United States	3,288	2,243	2,002	241	1,046
100 Banks in foreign countries	575	269	192	77	306
101 Foreign branches of other U.S. banks	29	19	9	10	10
102 Other banks in foreign countries	546	250	184	67	296
103 Foreign governments and official institutions	603	548	471	77	55
104 Federal funds purchased and securities sold under agreements to repurchase ¹²	263,789	224,332	168,245	56,086	39,458
105 Federal funds purchased	31,368	21,488	17,927	3,561	9,879
106 Securities sold under agreements to repurchase	31,879	16,319	14,001	2,317	15,561
107 Demand notes issued to the U.S. Treasury	28,067	25,586	18,149	7,437	2,481
108 Other borrowed money	85,043	64,642	53,030	11,612	20,401
109 Banks liability on acceptances executed and outstanding	18,465	17,289	13,419	3,870	1,176
110 Notes and debentures subordinated to deposits	1,917	1,405	1,344	60	513
111 Net due to own foreign offices, Edge and agreement subsidiaries, and IBFs	22,869	19,622	18,037	1,585	3,246
112 Remaining liabilities	93,127	80,611	59,554	21,057	12,516
113 Total equity capital ⁹	180,685	137,617	109,233	28,383	43,068
MEMO					
114 Holdings of commercial paper included in total loans, gross	1,621	718	623	95	904
115 Total individual retirement accounts (IRA) and Keogh plan accounts	104,220	80,998	67,185	13,813	23,222
116 Total brokered deposits	70,086	53,407	46,243	7,164	16,679
117 Total brokered retail deposits	31,904	21,761	18,285	3,476	10,143
118 Issued in denominations of \$100,000 or less	8,182	4,306	4,099	207	3,876
119 Issued in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less	23,722	17,455	14,186	3,269	6,267
Savings deposits					
120 Money market deposit accounts (MMDAs)	325,722	260,086	215,117	44,969	65,637
121 Other savings accounts	165,485	128,195	96,026	32,169	37,289
122 Total time deposits of less than \$100,000	531,052	395,783	336,046	59,737	135,269
123 Time certificates of deposit of \$100,000 or more	307,862	229,103	195,919	33,184	78,759
124 Open-account time deposits of \$100,000 or more	37,024	31,341	19,734	11,606	5,684
125 All NOW accounts (including Super NOW accounts)	161,077	123,570	104,115	19,455	37,506
126 Total time and savings deposits	1,531,413	1,170,157	968,886	201,271	361,256
Quarterly averages					
127 Total loans	1,624,942	1,275,589	1,047,980	227,609	349,353
128 Obligations (other than securities) of states and political subdivisions in the United States	35,798	30,191	22,187	8,004	5,607
129 Transaction accounts (NOW accounts, ATS accounts, and telephone preauthorized transfer accounts)	164,079	125,963	106,141	19,821	38,116
Nontransaction accounts					
130 Money market deposit accounts (MMDAs)	323,826	258,580	213,337	45,243	65,246
131 Other savings deposits	161,477	124,732	93,442	31,290	36,745
132 Time certificates of deposits of \$100,000 or more	310,282	231,004	196,746	34,257	79,278
133 All other time deposits	551,124	415,018	344,967	70,051	136,107
134 Number of banks	2,882	1,589	1,332	257	1,293

Footnotes appear at the end of table 4.22

4.22 DOMESTIC OFFICES, Insured Commercial Bank Assets and Liabilities^{1,2,6} Consolidated Report of Condition, June 30, 1990

Millions of dollars

Item	Total	Members			Non-members
		Total	National	State	
1 Total assets ⁶	2,956,864	2,178,639	1,752,964	425,674	778,226
2 Cash and balances due from depository institutions	209,639	161,250	129,607	31,643	48,389
3 Currency and coin	24,806	18,972	15,840	3,132	5,833
4 Noninterest-bearing balances due from commercial banks	31,317	17,575	13,822	3,754	13,742
5 Other	153,517	124,703	99,945	24,758	28,814
6 Total securities, loans, and lease financing receivables (net of unearned income)	2,568,899	1,871,495	1,512,990	358,505	697,404
7 Total securities, book value	558,449	377,166	295,533	81,634	181,283
8 U.S. Treasury securities and U.S. government agency and corporation obligations	406,829	274,799	219,060	55,739	132,030
9 Securities issued by states and political subdivisions in the United States	85,762	58,840	44,851	13,989	26,922
10 Other debt securities	57,803	39,452	28,411	11,040	18,352
11 All holdings of private certificates of participation in pools of residential mortgages	3,557	2,458	1,952	505	1,099
12 All other	54,249	36,994	26,459	10,535	17,255
13 Equity securities	8,055	4,075	3,210	865	3,980
14 Marketable	4,013	1,080	863	217	2,933
15 Investments in mutual funds	1,928	864	729	135	1,064
16 Other	2,534	328	214	113	2,206
17 Less: Net unrealized loss	449	112	80	32	337
18 Other equity securities	4,042	2,996	2,347	648	1,046
19 Federal funds sold and securities purchased under agreements to resell ¹⁰	148,843	112,857	86,769	26,088	35,986
20 Federal funds sold	68,448	39,244	33,231	6,013	29,204
21 Securities purchased under agreements to resell	3,690	2,488	2,079	409	1,202
22 Total loans and lease financing receivables, gross	1,874,093	1,390,089	1,137,604	252,485	484,004
23 Less: Unearned income on loans	12,486	8,617	6,915	1,702	3,869
24 Total loans and leases (net of unearned income)	1,861,607	1,381,472	1,130,689	250,783	480,134
<i>Total loans, gross, by category</i>					
25 Loans secured by real estate	775,381	551,792	467,894	83,899	223,588
26 Construction and land development	134,844	104,676	87,325	17,351	30,168
27 Farmland	17,130	8,001	6,813	1,188	9,129
28 1-4 family residential properties	375,735	262,870	222,728	40,142	112,864
29 Revolving, open-end loans, and extended under lines of credit	55,239	41,719	34,983	6,736	13,521
30 All other loans	320,495	221,152	187,746	33,406	99,343
31 Multifamily (5 or more) residential properties	21,149	15,590	13,626	1,964	5,559
32 Nonfarm nonresidential properties	226,523	160,655	137,401	23,254	65,868
33 Loans to depository institutions	33,098	27,801	19,188	8,613	5,297
34 Loans to finance agricultural production and other loans to farmers	31,899	16,446	14,268	2,179	15,453
35 Commercial and industrial loans	515,105	404,864	322,545	82,319	110,241
36 Acceptances of other banks	2,411	1,211	1,042	169	1,200
37 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	372,263	262,210	219,682	42,528	110,053
38 Credit cards and related plans	74,567	42,772	40,444	2,329	31,795
39 Other (includes single payment installment)	152,182	85,660	71,344	14,316	66,521
40 Obligations (other than securities) of states and political subdivisions in the United States	36,767	30,093	22,384	7,709	6,674
41 Taxable	1,004	782	568	213	222
42 Tax-exempt	35,763	29,312	21,815	7,496	6,451
43 All other loans	74,261	67,613	47,265	20,348	6,648
44 Lease financing receivables	32,909	28,059	23,336	4,723	4,850
45 Customers' liability on acceptances outstanding	18,038	16,859	13,012	3,847	1,179
46 Net due from own foreign offices, Edge and agreement subsidiaries, and IBFs	33,309	28,943	17,916	11,027	4,366
47 Remaining assets	160,288	129,034	97,356	31,678	31,253
48 Total liabilities and equity capital	2,956,864	2,178,639	1,752,964	425,674	778,226
49 Total liabilities ⁴	2,741,999	2,027,699	1,633,270	394,429	714,300
50 Total deposits	2,243,061	1,610,215	1,316,744	293,471	632,846
51 Individuals, partnerships, and corporations	2,064,072	1,479,443	1,212,547	266,896	584,629
52 U.S. government	4,807	3,792	3,300	492	1,015
53 States and political subdivisions in the United States	105,165	69,790	58,351	11,439	35,375
54 Commercial banks in the United States	33,037	29,087	22,292	6,795	3,950
55 Other depository institutions in the United States	8,993	6,617	5,571	1,046	2,376
56 Certified and official checks	19,085	14,300	10,503	3,797	4,785
57 All other	7,903	7,186	4,180	3,006	717
58 Total transaction accounts	627,528	468,579	376,891	91,688	158,949
59 Individuals, partnerships, and corporations	540,314	398,733	322,917	75,815	141,581
60 U.S. government	3,467	2,635	2,276	359	832
61 States and political subdivisions in the United States	27,906	19,363	16,235	3,128	8,543
62 Commercial banks in the United States	25,025	23,028	18,046	4,982	1,998
63 Other depository institutions in the United States	5,037	4,167	3,411	756	870
64 Certified and official checks	19,085	14,300	10,503	3,797	4,785
65 All other	6,695	6,354	3,503	2,851	341
66 Demand deposits (included in total transaction accounts)	422,344	326,659	257,554	69,105	95,685
67 Individuals, partnerships, and corporations	348,820	265,236	210,584	54,652	83,585
68 U.S. government	3,419	2,600	2,242	358	819
69 States and political subdivisions in the United States	14,295	10,989	9,275	1,714	3,306
70 Commercial banks in the United States	25,021	23,024	18,046	4,979	1,996
71 Other depository institutions in the United States	5,014	4,157	3,401	756	857
72 Certified and official checks	19,085	14,300	10,503	3,797	4,785
73 All other	6,690	6,353	3,503	2,850	337
74 Total nontransaction accounts	1,615,533	1,141,636	939,853	201,783	473,897
75 Individuals, partnerships, and corporations	1,523,758	1,080,710	889,629	191,081	443,048
76 U.S. government	1,340	1,158	1,024	134	183
77 States and political subdivisions in the United States	77,260	50,427	42,116	8,310	26,833
78 Commercial banks in the United States	8,012	6,059	4,246	1,813	1,952
79 Other depository institutions in the United States	3,956	2,450	2,160	290	1,506
80 All other	1,208	832	677	155	376

4.22—Continued

Item	Total	Members			Non-members
		Total	National	State	
81 Federal funds purchased and securities sold under agreements to repurchase ¹²	266,804	225,825	169,303	56,522	40,979
82 Federal funds purchased	32,705	22,158	18,321	3,837	10,547
83 Securities sold under agreements to repurchase	33,557	17,142	14,665	2,477	16,415
84 Demand notes issued to the U.S. Treasury	28,596	25,813	18,331	7,482	2,783
85 Other borrowed money	85,876	64,948	53,288	11,660	20,928
86 Banks liability on acceptances executed and outstanding	18,479	17,300	13,428	3,872	1,179
87 Notes and debentures subordinated to deposits	2,039	1,433	1,365	67	606
88 Net due to own foreign offices, Edge and agreement subsidiaries, and IBFs	22,869	19,622	18,037	1,585	3,246
89 Remaining liabilities	97,144	82,166	60,811	21,355	14,978
90 Total equity capital⁹	214,865	150,939	119,694	31,245	63,926
MEMO					
91 Assets held in trading accounts ¹³	25,161	23,822	15,497	8,325	1,340
92 U.S. Treasury securities	9,970	9,792	5,972	3,821	178
93 U.S. government agency corporation obligations	2,792	2,605	2,405	200	187
94 Securities issued by states and political subdivisions in the United States	1,101	1,082	785	297	19
95 Other bonds, notes, and debentures	267	244	31	213	23
96 Certificates of deposit	987	962	347	615	25
97 Commercial paper	47	46	46	0	1
98 Bankers acceptances	2,873	2,705	1,464	1,242	167
99 Other	6,167	6,043	4,123	1,921	124
100 Total individual retirement accounts (IRA) and Keogh plan accounts	122,376	87,945	72,756	15,188	34,431
101 Total brokered deposits	71,176	53,676	46,431	7,245	17,500
102 Total brokered retail deposits	32,902	22,005	18,462	3,543	10,897
103 Issued in denominations of \$100,000 or less	9,054	4,535	4,265	270	4,519
104 Issued in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less	23,848	17,470	14,197	3,273	6,379
Savings deposits					
105 Money market deposit accounts (MMDAs)	363,071	276,035	227,850	48,185	87,036
106 Other savings deposits	194,569	139,794	105,213	34,581	54,775
107 Total time deposits of less than \$100,000	672,118	448,675	377,987	70,688	223,444
108 Time certificates of deposit of \$100,000 or more	347,334	245,283	208,654	36,629	102,051
109 Open-account time deposits of \$100,000 or more	38,432	31,841	20,141	11,700	6,591
110 All NOW accounts (including Super NOW)	200,562	139,366	117,037	22,328	61,196
111 Total time and savings deposits	1,820,717	1,283,556	1,059,190	224,366	537,161
Quarterly averages					
112 Total loans	1,821,953	1,353,495	1,108,862	244,633	468,459
113 Transaction accounts (NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts)	204,765	142,130	119,362	22,768	62,635
Nontransaction accounts					
114 Money market deposit accounts (MMDAs)	361,011	274,462	226,004	48,458	86,549
115 Other savings deposits	190,070	136,139	102,487	33,652	53,931
116 Time certificates of deposit of \$100,000 or more	349,422	247,072	209,450	37,622	102,350
117 All other time deposits	692,148	467,798	386,842	80,956	224,350
118 Number of banks	12,480	5,075	4,059	1,016	7,405

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. Only the domestic portion of federal funds sold and securities purchased under agreements to resell are reported here, therefore, the components will not add to totals for this item.

11. "Acceptances of other banks" is not reported by domestic respondents less than \$300 million in total assets, therefore the components will not add to totals for this item.

12. Only the domestic portion of federal funds purchased and securities sold are reported here, therefore the components will not add to totals for this item.

13. 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, September 30, 1990¹

Millions of dollars

Item	All states ²		New York		California		Illinois	
	Total including IBF's	IBF's only ³	Total including IBF's	IBF's only ³	Total including IBF's	IBF's only ³	Total including IBF's	IBF's only ³
1 Total assets⁴	583,759	259,369	424,933	206,844	85,598	26,136	45,396	16,198
2 Claims on nonrelated parties	527,776	202,337	383,598	162,662	78,191	18,915	45,022	15,426
3 Cash and balances due from depository institutions	143,790	118,410	118,875	96,508	8,682	7,938	14,109	12,677
4 Cash items in process of collection and unposted debits	1,573	6	1,512	6	28	0	5	0
5 Currency and coin (U.S. and foreign)	23	n.a.	17	n.a.	1	n.a.	1	n.a.
6 Balances with depository institutions in United States	72,441	50,558	60,727	41,426	4,469	3,834	6,479	5,112
7 U.S. branches and agencies of other foreign banks (including their IBFs)	63,435	47,769	53,180	38,896	3,900	3,782	5,835	4,924
8 Other depository institutions in United States (including their IBFs)	9,006	2,788	7,547	2,530	569	52	644	188
9 Balances with banks in foreign countries and with foreign central banks	68,612	67,846	55,670	55,076	4,110	4,105	7,579	7,565
10 Foreign branches of U.S. banks	1,462	1,416	1,320	1,274	70	70	68	68
11 Other banks in foreign countries and foreign central banks	67,149	66,430	54,350	53,802	4,040	4,035	7,511	7,497
12 Balances with Federal Reserve Banks	1,141	n.a.	949	n.a.	74	n.a.	45	n.a.
13 Total securities and loans	311,961	71,903	206,789	55,925	60,331	9,726	27,207	2,309
14 Total securities, book value	46,266	14,148	40,688	12,313	3,626	1,200	1,371	564
15 U.S. Treasury	9,805	n.a.	9,492	n.a.	60	n.a.	192	n.a.
16 Obligations of U.S. government agencies and corporations	6,370	n.a.	6,110	n.a.	162	n.a.	21	n.a.
17 Other bonds, notes, debentures and corporate stock (including state and local securities)	30,090	14,148	25,086	12,313	3,404	1,200	1,158	564
18 Federal funds sold and securities purchased under agreements to resell	21,466	4,080	20,053	3,828	756	246	214	0
19 U.S. branches and agencies of other foreign banks	13,810	2,483	12,926	2,286	521	191	144	0
20 Commercial banks in United States	4,085	205	3,671	200	180	5	9	0
21 Other	3,571	1,392	3,456	1,342	55	50	61	0
22 Total loans, gross	265,868	57,791	166,223	43,645	56,744	8,530	25,843	1,745
23 Less: Unearned income on loans	173	36	121	33	38	3	7	0
24 Equals: Loans, net	265,696	57,755	166,102	43,612	56,705	8,527	25,836	1,745
<i>Total loans, gross, by category</i>								
25 Real estate loans	41,669	635	21,758	429	13,060	136	4,199	35
26 Loans to depository institutions	56,989	27,942	41,467	19,062	10,384	6,160	3,283	1,259
27 Commercial banks in United States (including IBFs)	36,895	10,137	26,604	6,167	7,490	3,353	2,569	569
28 U.S. branches and agencies of other foreign banks	31,674	9,399	22,297	5,544	7,042	3,258	2,124	549
29 Other commercial banks in United States	5,221	737	4,307	623	449	95	445	20
30 Other depository institutions in United States (including IBFs)	86	0	36	0	49	0	0	0
31 Banks in foreign countries	20,008	17,805	14,826	12,895	2,845	2,808	714	690
32 Foreign branches of U.S. banks	355	325	282	252	62	62	11	11
33 Other banks in foreign countries	19,653	17,480	14,544	12,643	2,783	2,746	703	680
34 Other financial institutions	7,793	1,013	5,591	826	996	148	711	27
35 Commercial and industrial loans	137,809	14,881	80,246	12,445	30,775	1,690	17,074	319
36 U.S. addressees (domicile)	118,364	257	65,428	148	28,049	98	16,597	10
37 Non-U.S. addressees (domicile)	19,445	14,624	14,818	12,297	2,726	1,592	477	309
38 Acceptances of other banks	1,904	20	1,257	20	366	0	219	0
39 U.S. banks	388	1	300	1	28	0	0	0
40 Foreign banks	1,516	19	956	19	338	0	218	0
41 Loans to foreign governments and official institutions (including foreign central banks)	14,312	12,955	11,628	10,549	477	396	116	104
42 Loans for purchasing or carrying securities (secured and unsecured)	2,800	11	2,193	10	600	0	0	0
43 All other loans	2,593	335	2,083	303	86	0	242	0
44 All other assets	50,560	7,945	37,881	6,401	8,421	1,004	3,493	440
45 Customers' liability on acceptances outstanding	26,236	n.a.	19,290	n.a.	5,733	n.a.	950	n.a.
46 U.S. addressees (domicile)	17,787	n.a.	11,812	n.a.	4,943	n.a.	948	n.a.
47 Non-U.S. addressees (domicile)	8,450	n.a.	7,477	n.a.	790	n.a.	1	n.a.
48 Other assets including other claims on nonrelated parties	24,323	7,945	18,591	6,401	2,688	1,004	2,543	440
49 Net due from related depository institutions ⁵	55,983	57,031	41,335	44,182	7,407	7,221	374	771
50 Net due from head office and other related depository institutions ⁵	55,983	n.a.	41,335	n.a.	7,407	n.a.	374	n.a.
51 Net due from establishing entity, head offices, and other related depository institutions ⁵	n.a.	57,031	n.a.	44,182	n.a.	7,221	n.a.	771
52 Total liabilities⁴	583,759	259,369	424,933	206,844	85,598	26,136	45,396	16,198
53 Liabilities to nonrelated parties	510,925	227,212	387,092	185,277	77,514	23,963	30,369	10,374

4.30—Continued

Millions of dollars

Item	All states ²		New York		California		Illinois	
	Total excluding IBF's	IBF's ³ only	Total excluding IBF's	IBF's ³ only	Total excluding IBF's	IBF's ³ only	Total excluding IBF's	IBF's ³ only
54 Total deposits and credit balances	73,636	173,075	60,626	154,294	4,077	10,081	3,208	1,742
55 Individuals, partnerships, and corporations	55,066	16,391	44,678	10,172	3,042	281	2,576	30
56 U.S. addressees (domicile)	41,211	364	36,639	364	1,107	0	1,603	0
57 Non-U.S. addressees (domicile)	13,855	16,027	8,039	9,809	1,935	281	973	30
58 Commercial banks in United States (including IBFs)	11,959	51,800	9,871	47,501	751	3,352	618	642
59 U.S. branches and agencies of other foreign banks	5,608	46,829	5,326	43,254	16	2,839	229	519
60 Other commercial banks in United States	6,351	4,971	4,545	4,247	735	513	389	123
61 Banks in foreign countries	2,209	94,680	2,072	87,105	17	5,936	2	1,049
62 Foreign branches of U.S. banks	398	6,379	398	5,853	0	420	0	92
63 Other banks in foreign countries	1,811	88,301	1,675	81,251	17	5,516	2	957
64 Foreign governments and official institutions (including foreign central banks)	1,184	10,125	888	9,437	222	513	3	21
65 All other deposits and credit balances	2,769	80	2,724	80	23	0	1	0
66 Certified and official checks	449	n.a.	393	n.a.	22	n.a.	7	n.a.
67 Transaction accounts and credit balances (excluding IBFs)	8,256	↑	7,088	↑	307	↑	228	↑
68 Individuals, partnerships, and corporations	5,411	↑	4,457	↑	261	↑	216	↑
69 U.S. addressees (domicile)	4,086	↑	3,532	↑	223	↑	212	↑
70 Non-U.S. addressees (domicile)	1,325	↑	925	↑	37	↑	5	↑
71 Commercial banks in United States (including IBFs)	277	↑	272	↑	1	↑	0	↑
72 U.S. branches and agencies of other foreign banks	81	↑	80	↑	0	↑	0	↑
73 Other commercial banks in United States	196	n.a.	191	n.a.	1	n.a.	0	n.a.
74 Banks in foreign countries	1,230	↑	1,135	↑	17	↑	2	↑
75 Foreign branches of U.S. banks	24	↑	24	↑	0	↑	0	↑
76 Other banks in foreign countries	1,206	↑	1,111	↑	17	↑	2	↑
77 Foreign governments and official institutions (including foreign central banks)	359	↑	321	↑	2	↑	1	↑
78 All other deposits and credit balances	531	↑	510	↑	4	↑	1	↑
79 Certified and official checks	449	↑	393	↑	22	↑	7	↑
80 Demand deposits (included in transaction accounts and credit balances)	7,409	↑	6,488	↑	228	↑	216	↑
81 Individuals, partnerships, and corporations	4,986	↑	4,264	↑	185	↑	205	↑
82 U.S. addressees (domicile)	3,873	↑	3,430	↑	160	↑	200	↑
83 Non-U.S. addressees (domicile)	1,113	↑	834	↑	25	↑	5	↑
84 Commercial banks in United States (including IBFs)	180	↑	175	↑	0	↑	0	↑
85 U.S. branches and agencies of other foreign banks	16	↑	15	↑	0	↑	0	↑
86 Other commercial banks in United States	165	n.a.	161	n.a.	0	n.a.	0	n.a.
87 Banks in foreign countries	1,012	↑	921	↑	16	↑	2	↑
88 Foreign branches of U.S. banks	24	↑	24	↑	0	↑	0	↑
89 Other banks in foreign countries	988	↑	897	↑	16	↑	2	↑
90 Foreign governments and official institutions (including foreign central banks)	299	↑	261	↑	2	↑	1	↑
91 All other deposits and credit balances	484	↑	473	↑	2	↑	1	↑
92 Certified and official checks	449	↑	393	↑	22	↑	7	↑
93 Non-transaction accounts (including MMDAs, excluding IBFs)	65,381	↑	53,538	↑	3,770	↑	2,980	↑
94 Individuals, partnerships, and corporations	49,656	↑	40,221	↑	2,781	↑	2,360	↑
95 U.S. addressees (domicile)	37,125	↑	33,106	↑	884	↑	1,392	↑
96 Non-U.S. addressees (domicile)	12,530	↑	7,114	↑	1,888	↑	968	↑
97 Commercial banks in United States (including IBFs)	11,682	↑	9,599	↑	750	↑	618	↑
98 U.S. branches and agencies of other foreign banks	5,527	↑	5,246	↑	16	↑	229	↑
99 Other commercial banks in United States	6,155	n.a.	4,353	n.a.	735	n.a.	388	n.a.
100 Banks in foreign countries	979	↑	938	↑	0	↑	0	↑
101 Foreign branches of U.S. banks	374	↑	374	↑	0	↑	0	↑
102 Other banks in foreign countries	606	↑	564	↑	0	↑	0	↑
103 Foreign governments and official institutions (including foreign central banks)	826	↑	568	↑	219	↑	1	↑
104 All other deposits and credit balances	2,237	↑	2,213	↑	19	↑	1	↑
105 IBF deposit liabilities	↑	173,075	↑	154,294	↑	10,081	↑	1,742
106 Individuals, partnerships, and corporations	↑	16,391	↑	10,172	↑	281	↑	30
107 U.S. addressees (domicile)	↑	364	↑	364	↑	0	↑	0
108 Non-U.S. addressees (domicile)	↑	16,027	↑	9,809	↑	281	↑	30
109 Commercial banks in United States (including IBFs)	↑	51,800	↑	47,501	↑	3,352	↑	642
110 U.S. branches and agencies of other foreign banks	↑	46,829	↑	43,254	↑	2,839	↑	519
111 Other commercial banks in United States	n.a.	4,971	n.a.	4,247	n.a.	513	n.a.	123
112 Banks in foreign countries	↑	94,680	↑	87,105	↑	5,936	↑	1,049
113 Foreign branches of U.S. banks	↑	6,379	↑	5,853	↑	420	↑	92
114 Other banks in foreign countries	↑	88,301	↑	81,251	↑	5,516	↑	957
115 Foreign governments and official institutions (including foreign central banks)	↑	10,125	↑	9,437	↑	513	↑	21
116 All other deposits and credit balances	↑	80	↑	80	↑	0	↑	0

For notes see end of table.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, September 30, 1990¹—Continued

Millions of dollars

Item	All states ²		New York		California		Illinois	
	Total including IBF's	IBF's only ³	Total including IBF's	IBF's only ³	Total including IBF's	IBF's only ³	Total including IBF's	IBF's only ³
117 Federal funds purchased and securities sold under agreements to repurchase	77,004	6,280	55,195	3,461	14,289	1,692	6,911	1,108
118 U.S. branches and agencies of other foreign banks	16,360	2,212	10,980	973	3,600	697	1,744	532
119 Other commercial banks in United States	28,228	379	17,668	240	6,550	84	3,593	55
120 Other	32,415	3,689	26,547	2,248	4,139	911	1,575	521
121 Other borrowed money	133,148	40,986	76,585	21,896	39,409	11,329	15,310	7,239
122 Owed to nonrelated commercial banks in United States (including IBFs)	71,797	15,023	36,653	4,846	25,481	6,704	8,318	3,118
123 Owed to U.S. offices of nonrelated U.S. banks	25,841	2,226	13,156	847	8,209	730	3,891	469
124 Owed to U.S. branches and agencies of nonrelated foreign banks	45,956	12,797	23,498	4,000	17,271	5,974	4,426	2,649
125 Owed to nonrelated banks in foreign countries	25,209	24,073	16,302	15,221	4,611	4,569	4,128	4,121
126 Owed to foreign branches of nonrelated U.S. banks	2,283	1,723	1,426	866	548	548	292	292
127 Owed to foreign offices of nonrelated foreign banks	22,926	22,351	14,876	14,356	4,063	4,020	3,836	3,829
128 Owed to others	36,142	1,889	23,630	1,829	9,317	56	2,865	0
129 All other liabilities	54,061	6,871	40,392	5,626	9,657	860	3,197	285
130 Branch or agency liability on acceptances executed and outstanding	31,497	n.a.	23,726	n.a.	6,327	n.a.	915	n.a.
131 Other liabilities to nonrelated parties	22,564	6,871	16,666	5,626	3,330	860	2,282	285
132 Net due to related depository institutions ⁵	72,835	32,157	37,841	21,567	8,084	2,173	15,027	5,823
133 Net due to head office and other related depository institutions ⁵	72,835	n.a.	37,841	n.a.	8,084	n.a.	15,027	n.a.
134 Net due to establishing entity, head office, and other related depository institutions ⁵	n.a.	32,157	n.a.	21,567	n.a.	2,173	n.a.	5,823
MEMO								
135 Non-interest bearing balances with commercial banks in United States	2,696	↑ 1	2,368	↑ 1	97	0	91	0
136 Holding of commercial paper included in total loans	1,156	↑	918	↑	176	↑	60	↑
137 Holding of own acceptances included in commercial and industrial loans	2,084	↑	1,510	↑	325	↑	76	↑
138 Commercial and industrial loans with remaining maturity of one year or less	72,527	↑	40,103	↑	17,584	↑	9,488	↑
139 Predetermined interest rates	40,731	n.a.	20,395	n.a.	11,259	n.a.	5,505	n.a.
140 Floating interest rates	31,796	↑	19,708	↑	6,325	↑	3,983	↑
141 Commercial and industrial loans with remaining maturity of more than one year	65,282	↑	40,143	↑	13,191	↑	7,586	↑
142 Predetermined interest rates	21,277	↑	12,546	↑	4,285	↑	3,454	↑
143 Floating interest rates	44,005	↑	27,597	↑	8,906	↑	4,133	↑

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	79,443	↑	68,348	↑	4,179	↑	2,903	↑
145 Time CDs in denominations of \$100,000 or more	43,732		36,584		2,471		1,203	
146 Other time deposits in denominations of \$100,000 or more	16,699	n.a.	14,067	n.a.	986	n.a.	1,526	n.a.
147 Time CDs in denominations of \$100,000 or more with remaining maturity of more than 12 months ..	19,013	↓	17,697	↓	723	↓	173	↓
	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	51,344	13,323	45,268	11,532	4,184	1,158	1,367	564
149 Immediately available funds with a maturity greater than one day included in other borrowed money	81,656	n.a.	45,771	n.a.	24,493	n.a.	10,168	n.a.
150 Number of reports filed ⁶	555	0	256	0	131	0	54	0

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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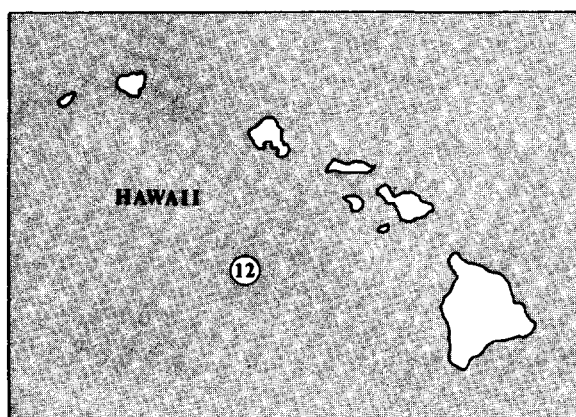
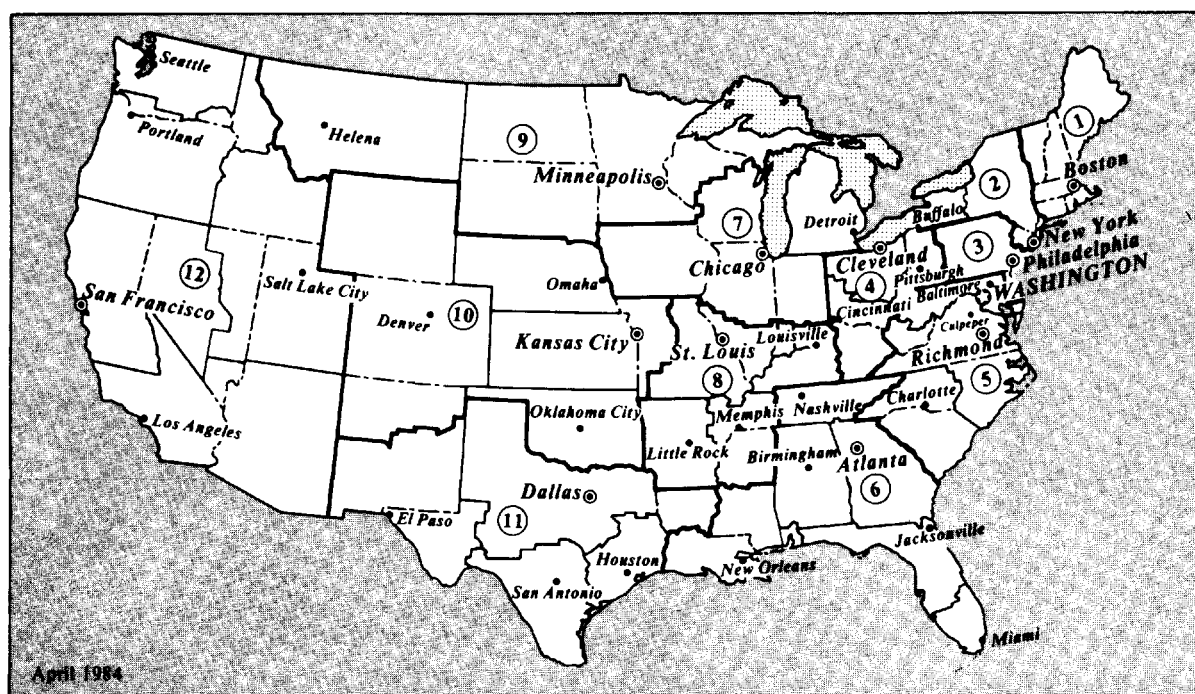
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BOSTON*	02106	Richard N. Cooper Richard L. Taylor	Richard F. Syron Robert W. Eisenmenger	
NEW YORK*	10045	Cyrus R. Vance Ellen V. Futter	E. Gerald Corrigan James H. Oltman	
Buffalo	14240	Mary Ann Lambertsen		James O. Aston
PHILADELPHIA	19105	Peter A. Benoliel Jane G. Pepper	Edward G. Boehne William H. Stone, Jr.	
CLEVELAND*	44101	John R. Miller A. William Reynolds	W. Lee Hoskins William H. Hendricks	
Cincinnati	45201	Kate Ireland		Charles A. Cerino ¹
Pittsburgh	15230	Robert P. Bozzone		Harold J. Swart ¹
RICHMOND*	23219	Anne Marie Whittemore Henry J. Faison	Robert P. Black Jimmie R. Monhollon	
Baltimore	21203	John R. Hardesty, Jr.		Ronald B. Duncan ¹
Charlotte	28230	Anne M. Allen		Albert D. Tinkelenberg ¹
<i>Culpeper Communications and Records Center 22701</i>				John G. Stoides ¹
ATLANTA	30303	Larry L. Prince Edwin A. Huston	Robert P. Forrestal Jack Gynn	
Birmingham	35283	Roy D. Terry		Donald E. Nelson
Jacksonville	32231	Hugh H. Brown		Fred R. Herr ¹
Miami	33152	Dorothy C. Weaver		James D. Hawkins ¹
Nashville	37203	Shirley A. Zeitlin		James T. Curry III
New Orleans	70161	James A. Hefner		Melvyn K. Purcell
				Robert J. Musso
CHICAGO*	60690	Charles S. McNeer Richard G. Cline	Silas Keehn Daniel M. Doyle	
Detroit	48231	Phyllis E. Peters		Roby L. Sloan ¹
ST. LOUIS	63166	H. Edwin Trusheim Robert H. Quenon	Thomas C. Melzer James R. Bowen	
Little Rock	72203	To be announced		Karl W. Ashman
Louisville	40232	To be announced		Howard Wells
Memphis	38101	Katherine H. Smythe		Ray Laurence
MINNEAPOLIS	55480	Delbert W. Johnson Gerald A. Rauenhorst	Gary H. Stern Thomas E. Gainor	
Helena	59601	James E. Jenks		John D. Johnson
KANSAS CITY	64198	Fred W. Lyons, Jr. Burton A. Dole, Jr.	Roger Guffey Henry R. Czerwinski	
Denver	80217	Barbara B. Grogan		Kent M. Scott
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Omaha	68102	Herman Cain		Harold L. Shewmaker
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Los Angeles	90051	Yvonne B. Burke		Thomas C. Warren ²
Portland	97208	William A. Hilliard		Angelo S. Carella ¹
Salt Lake City	84125	D.N. Rose		E. Ronald Liggett ¹
Seattle	98124	Bruce R. Kennedy		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.

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The Federal Reserve System

Boundaries of Federal Reserve Districts and Their Branch Territories



LEGEND

— Boundaries of Federal Reserve Districts

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★ Board of Governors of the Federal Reserve System

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• Federal Reserve Branch Cities

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H.3	Aggregate Reserves	Weekly/Thursday
H.4.1	Factors Affecting Reserve Balances	Weekly/Thursday
H.6	Money Stock	Weekly/Thursday
H.8	Assets and Liabilities of Insured Domestically Chartered and Foreign Related Banking Institutions	Weekly/Monday
H.10	Foreign Exchange Rates	Weekly/Monday
H.15	Selected Interest Rates	Weekly/Monday
G.5	Foreign Exchange Rates	Monthly/end of month
G.17	Industrial Production and Capacity Utilization	Monthly/midmonth
G.19	Consumer Installment Credit	Monthly/fifth business day
Z.7	Flow of Funds	Quarterly

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