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Federal Reserve BULLETIN

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Supervision of Large Complex Banking Organizations

Lisa M. DeFerrari and David E. Palmer, of the Board's Division of Banking Supervision and Regulation, prepared this article.

Over the past decade, the long-term trends of consolidation and innovation in the U.S. banking system have intensified. Today a large proportion of assets held by U.S. banking organizations is concentrated in a small number of companies, and U.S. banking organizations have integrated into their product mix activities that extend well beyond traditional deposit-taking and lending. As a result of these developments, there is a small number of banking organizations that are larger and engage in a wider array of financial activities than at any time in recent history.

Banking supervisors have responded to these changes by adapting their approaches to supervision so that they continue to be aligned with the way financial organizations structure and manage their business activities. These newer approaches—collectively referred to as risk-focused supervision—are designed to focus the greatest amount of supervisory attention on the business areas that represent the greatest risk to a banking organization's overall condition.

The Federal Reserve began to implement a structured, more formal program of risk-focused supervision in the early 1990s, and that program continues to evolve as the banking system itself continues to change. Since the mid-1990s, the Federal Reserve has devoted particular attention to developing and implementing a program for the supervision of the largest, most complex banking organizations, or LCBOs. Given the speed with which the risk profiles of these institutions can change, the LCBO supervision program incorporates both a more continuous supervision process than in the past and a greater emphasis on the evaluation of banking organizations' internal systems and controls for managing risk.

DEVELOPMENT OF THE PROGRAM FOR LCBOs

Trends in the Banking Industry

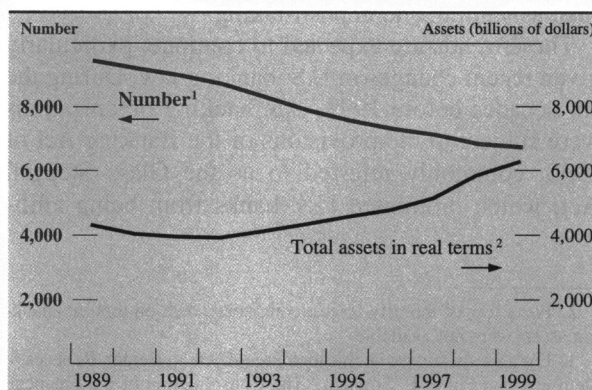
Since 1989, the U.S. banking industry has undergone both consolidation in assets and expansion in the

range of financial activities conducted, an extension of long-term trends. From 1989 to 1999, the number of independent banking organizations in the United States fell from 9,500 to 6,800.¹ Over the same period, total assets held by these banking organizations rose nearly 50 percent in real terms (chart 1). A related trend is that the banking system's assets have become even more concentrated than before in the largest banking organizations. Specifically, the share of total assets held by the fifty largest U.S. banking organizations rose from 55 percent in 1989 to 74 percent in 1999; the share held by the ten largest grew from 26 percent to 49 percent (chart 2).

Expansion in the range of financial activities of U.S. banking organizations is reflected in an increase both in the notional amount of derivatives contracts and in the size of nonbank subsidiaries. A small number of institutions are responsible for the largest portion of derivatives activity of U.S. banking organi-

1. Included are all bank holding companies and all independent banks (with no holding company). Notably, most of the consolidation in the banking system has occurred as the result of mergers and acquisitions, but bank failures at the beginning of the period also played a role. For more detail, see Stephen A. Rhoades, *Bank Mergers and Banking Structure in the United States, 1980-98*, Staff Studies 174 (Board of Governors of the Federal Reserve System, August 2000).

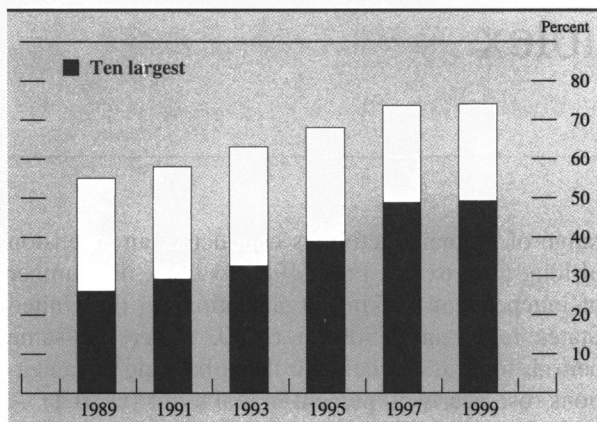
1. Number and total assets of U.S. banking organizations, 1989-99



1. Includes all bank holding companies and independent banks with no holding company.

2. Adjusted by the GDP deflator (base year = 1996).

2. Share of total banking assets held by the fifty largest U.S. banking organizations, selected years, 1989–99



zations, with the ten largest institutions accounting for nearly 95 percent of the total notional amount. Growth in the assets of nonbank subsidiaries of U.S. banking organizations over the past decade reflects in large part a significant expansion in the securities activities of the largest organizations. Total assets of nonbank subsidiaries held by the largest fifty banking organizations now represent nearly a quarter of their total consolidated assets, and the largest ten companies account for the greatest proportion of these nonbank assets.²

Many factors account for the increase in asset concentration at the largest U.S. banking organizations as well as the broadening of the range of their financial activities during the 1990s. These factors include increased competition in financial markets, improvements in information technology, the lifting of restrictions on interstate branching, some easing of regulatory restrictions on securities activities, the globalization of economic activity, and an effort by banking organizations to diversify revenue sources to mitigate cyclical effects on core banking activities, such as lending and deposit-taking.³

These trends are expected to continue, particularly given recent changes in U.S. banking law. During the six decades before 1999, U.S. banking organizations were subject to the provisions of the Banking Act of 1933, commonly referred to as the Glass–Steagall Act, which prohibited U.S. banks from being affili-

ated with firms engaged principally in corporate securities underwriting and dealing. Thus, the banking business and the securities business were effectively separated. Starting in the mid-1980s, this separation began to diminish as some U.S. bank holding companies established securities subsidiaries, subject to revenue and other limits to prevent violation of the Glass–Steagall Act.⁴ U.S. banking organizations, however, were still generally prohibited from engaging in insurance underwriting activities. The Gramm–Leach–Bliley Act of 1999 eliminated the separation of financial activities, allowing U.S. banking organizations with well-capitalized and well-managed bank subsidiaries to engage in both securities and insurance underwriting activities through separate subsidiaries. Banking organizations are now allowed to own securities and insurance companies and vice versa.

Supervisory Responses

Supervisory programs for state member banks and bank holding companies are implemented by individual Reserve Banks under policies and procedures issued by the Federal Reserve Board.⁵ Historically, the Reserve Banks generally used local supervisory staff for examinations and inspections, which, for the most part, were focused on legal entities, such as banks, Edge corporations, or bank holding companies. The examinations and inspections were conducted once a year in most cases, and, subsequently, a rating was issued for the entity examined. There was usually little supervisory activity focused on the examined entity during the remainder of the year unless a crisis arose or the examination revealed material problems that required continued attention by supervisors. Ratings were arrived at using an approach that placed a great deal of emphasis on the valuation of assets, particularly the loan portfolio, while also taking into consideration assessments of other factors, including capital, earnings, liquidity, and management.

4. For example, these so-called section 20 securities subsidiaries (referring to section 20 of the Glass–Steagall Act) were allowed to have only a certain percentage of their revenue stem from securities activities normally not allowed in a commercial bank—“bank-ineligible” activities—and were also limited outright from conducting other activities.

5. The type of charter that a U.S. bank holds determines its primary supervisor. For nationally chartered banks, the primary supervisor is the Office of the Comptroller of the Currency; for state-chartered banks that are members of the Federal Reserve System, it is the Federal Reserve and the respective state; and for state-chartered banks that are not members of the Federal Reserve, it is the Federal Deposit Insurance Corporation and the respective state. The Federal Reserve also supervises bank holding companies and Edge corporations.

2. For a few of the fifty largest companies, data on total nonbanking assets were not available.

3. For a useful survey on this topic, see Allen N. Berger, Rebecca S. Demsetz, and Philip E. Strahan, “The Consolidation of the Financial Services Industry: Causes, Consequences, and Implications for the Future,” *Journal of Banking and Finance*, vol. 23 (February 1999), pp. 135–94.

Key Milestones in Risk-Focused Supervision

As with most large-scale supervisory efforts, the development of risk-focused supervision and of the LCBO program has progressed in stages. The formal elements of the program's policy development include a number of supervision and regulation (SR) letters, published by the Division of Banking Supervision and Regulation at the Federal Reserve Board. In general, these SR letters provide a way for the Board to communicate supervisory policies to its supervisory personnel, to the banking industry, to other market participants, and to the general public.¹ The SR letters related to risk-focused supervision and the LCBO program include the following.

- *SR 95-22: Enhanced Framework for Supervising the U.S. Operations of Foreign Banking Organizations.* Details a risk-focused supervision program developed by the banking supervisory authorities that have supervisory and examination responsibilities for the U.S. operations of foreign banking organizations.

- *SR 95-51: Rating the Adequacy of Risk Management Processes and Internal Controls at State Member Banks and Bank Holding Companies.* Instructs examiners to shift more of their focus to risk-management processes and internal controls in recognition that new technologies, product innovation, and the size and speed of financial transactions have changed the nature of financial markets.

- *SR 96-14: Risk-Focused Safety and Soundness Examinations and Inspections.* Outlines the elements of risk-focused examinations and inspections, which focus particular attention on the most important risks facing an institution and evaluate lower-risk businesses less intensively.

- *SR 97-24: Risk-Focused Framework for Supervision of Large Complex Institutions.* Describes the framework of a risk-focused supervision program for institutions with more than \$1 billion in assets. The details of the framework, including examination and inspection procedures, are contained in an attachment, "Framework for the Risk-Focused Supervision of Large Complex Organizations."

1. The SR letters are available at www.federalreserve.gov/boarddocs/srletters. The first two digits of each letter indicate the year of issuance, the second, the sequence of its issuance that year.

- *SR 98-13: Enhancements to the Interagency Program for Supervising the U.S. Operations of Foreign Banking Organizations.* Describes improvements to the interagency risk-focused supervision program for the U.S. operations of foreign banking organizations.

- *SR 98-25: Sound Credit Risk Management and the Use of Internal Credit Risk Ratings at Large Banking Organizations.* Guides supervisors in their evaluation of credit-risk-management systems and offers examples of sound practices.

- *SR 99-15: Risk-Focused Supervision of Large Complex Banking Organizations.* Applies the risk-focused supervision framework to LCBOs and emphasizes the challenges inherent in evaluating their internal control and risk-management systems.

- *SR 99-18: Assessing Capital Adequacy in Relation to Risk at Large Complex Banking Organizations and Others with Complex Risk Profiles.* Directs supervisors to evaluate banking organizations' internal capital management processes to determine whether they meaningfully tie the identification, monitoring, and evaluation of risk to the determination of the institutions' capital needs.²

- *SR 00-13: Framework for Financial Holding Company Supervision.* Provides guidance concerning the purpose and scope of the Federal Reserve's supervision of financial holding companies, with particular emphasis on working with other relevant supervisors and regulators.

- *SR 00-14: Enhancements to the Interagency Program for Supervising the U.S. Operations of Foreign Banking Organizations.* Discusses additional steps that are being taken to further refine the interagency risk-focused supervision program for the U.S. operations of foreign banking organizations.

The LCBO program continues to develop and to be refined in response to changes in the industry. Senior management within the Federal Reserve System meet regularly to review the LCBO program and to strengthen it, where possible.

2. For more detail, see text note 11.

Changes in the environment in which banking organizations operate have had a very substantial impact on the way they are managed and, in turn, have necessitated changes in the way they are supervised. It became clear that the traditional process of examining banking organizations once a year—focusing mostly on their stock of assets at a fixed point—would no longer be an effective way to evaluate the condition of many banking organizations. The Federal Reserve responded to this situation in the 1990s by developing a program of risk-focused

supervision. Various aspects of risk-focused supervision have been communicated in a series of letters on policy guidance starting in 1995 (see box "Key Milestones in Risk-Focused Supervision"). The LCBO supervision program, which was formally established in 1999, is essentially an intensive application of risk-focused supervision to the largest, most complex banking organizations. These are the institutions in which change is most dramatic, with respect both to the impact of change and the speed with which changes in the organizations' risk profiles can

occur (see box “Criteria for Inclusion in the LCBO Program”). Generally, by paying special attention to LCBOs, supervisors aim to minimize significant adverse effects on the public, on financial markets and the financial system in the United States and abroad, and on taxpayers, who provide the ultimate resources behind the bank safety net.

Criteria for Inclusion in the LCBO Program

A number of measures are employed as guidelines for determining whether a particular banking organization should be included in the LCBO supervision program. These measures take into account the size of the organization, the extent of international operations, participation in large-value payment and settlement systems, and the extent of custody operations, fiduciary activities, and trading activities. For foreign organizations with a significant U.S. presence, these measures are assessed for U.S. operations as well as for the global organization. Measures that are considered include the following:

- Total assets
- Size of off-balance-sheet exposures
- Activity in derivatives markets
- Trading assets and trading revenue
- Foreign assets and foreign deposits
- Funding from market (non-deposit) sources
- Securities borrowed and securities lent
- Income from fiduciary activity
- Mutual fund sales and mutual fund fee income
- Revenue earned in mortgage markets
- Assets under management
- Activity in payment systems
- Involvement in securities settlements
- Geographic scope of operations
- Merchant banking activities and proprietary investments

No single factor qualifies or disqualifies an organization from being considered an LCBO. It is also important to note that the population of LCBOs is fluid and can change as a result of developments affecting a banking organization or changes in the industry as a whole. In particular, the number of LCBOs can change rather quickly as a result of mergers and acquisitions. Since the establishment of the LCBO program, the number of institutions that are considered LCBOs has been in the range of twenty-five to thirty companies. In addition, there are a number of banking organizations that do not meet enough of the criteria to be considered LCBOs but have sufficient size or complexity in some of their activities to be covered by the program to a certain extent.

Overview of the LCBO Program

The fundamental goals of the Federal Reserve’s supervisory process for LCBOs are to maintain an accurate and current assessment of each banking organization’s financial and managerial strength and to respond in a timely fashion to any emerging problem. There are a number of important elements that together define this program (see box “Comparison of Traditional Bank Examinations with Risk-Focused Supervision for LCBOs”):

- The program places strong emphasis on understanding and evaluating each institution’s internal risk-management processes and control infrastructures.
- Each LCBO is assigned a team of Federal Reserve supervisors, who conduct an ongoing supervisory program based on the risks that have been identified in the organization’s operations.
- Small teams with technical expertise on such issues as credit-risk modeling, payment systems, and information technology are available to supplement individual LCBO teams.
- The Federal Reserve’s assessment of the banking organization’s risk profile, as well as the corresponding plan for supervision of the institution, is updated quarterly, or more frequently as warranted, taking into account market developments.
- The program stresses the development of relationships with the management of the banking organization at various levels through regular and frequent communications.
- The banking organizations that are covered by the LCBO program are viewed not just individually but also as a group to identify common or emerging weaknesses that have the potential to become more serious or to become systemic problems.

Regardless of how their business lines are managed, most LCBOs operate through a variety of legal entities that fall under the jurisdiction of different licensing and supervisory authorities, requiring a high level of information sharing and coordination among relevant supervisory agencies. For example, because a number of U.S.-headquartered LCBOs have lead banks with national bank charters, the Federal Reserve and the Office of the Comptroller of the Currency, the supervisor for national banks, cooperate closely in the supervision of these banking organizations. This collaboration among supervisory agencies both facilitates understanding the risk profile of a banking organization as a whole and

Comparison of Traditional Bank Examinations with Risk-Focused Supervision for LCBOs

| Traditional Bank Examinations | Risk-Focused Supervision for LCBOs |
|---|---|
| Supervisory process is focused on a single point in time and is rarely continuous unless there is a crisis. | Supervisory process is continuous and is more tuned to market developments. |
| Examinations are generally staffed locally. | Institutions are assigned designated supervisory teams. The teams are supplemented with specialists, who may be drawn from across the Federal Reserve System. |
| Significant emphasis is placed on valuation of assets. | Focus is on risk-management processes and control systems. |
| Dialogue with management is mostly related to examination findings unless there is a crisis. | There is more frequent communication with senior management. |
| | Supervisory process includes more interaction with line management of business activities and risks. |
| | Program includes business line and functional reviews that incorporate identification of best practices. |

reduces the burden of the supervisory process on that organization.

BASIC FRAMEWORK FOR RISK-FOCUSED SUPERVISION

The basic framework for risk-focused supervision—the program that the Federal Reserve applies to all complex banking organizations with more than \$1 billion in assets (discussed in SR 97-24)—consists of four principal activities that are carried out in a continuous cycle.⁶ These are (1) gaining an understanding of the institution through a detailed risk assessment; (2) developing the supervisory plan; (3) executing the supervisory plan and reporting the results; and (4) determining and communicating the overall condition of the banking organization and addressing supervisory concerns.

Formulating the Risk Assessment

The process of understanding an institution and assessing its risks combines a “bottom-up” analysis of significant business lines—including reviews of sampled individual credits, exposures, and transactions—with a “top-down” look at the broad policies, procedures, and controls with which the banking organization identifies and manages risks

company-wide. Using both approaches, examiners evaluate six major types of risk—credit, market, liquidity, operational, legal, and reputational (see box “Major Risk Categories”). For significant business lines, examiners prepare an activity risk matrix by evaluating the inherent risk undertaken by the business line with respect to the six major risk categories and then evaluating whether that risk is low, moderate, or high. They then assess the strength of the organization’s systems for managing those risks, evaluating them as strong, acceptable, or weak. Risk-management systems include oversight by the board of directors and senior management; policies, procedures, and limits; internal risk review and management information systems; and internal control processes.

The institution-wide risk assessment is also prepared along the lines of the six major types of risk and includes a composite risk assessment. Examiners judge the level of each risk—high, moderate, or low—and the direction of risk—increasing, stable, or decreasing. In arriving at these assessments, examiners incorporate their evaluations of corporate-wide processes for identifying, measuring, monitoring, and controlling the six major types of risk, as well as their assessments of the risk profiles of significant business lines.

Developing the Supervisory Plan

The completion of the institution-wide risk assessment leads to the development of a comprehensive

6. The Federal Reserve has also developed a program for risk-focused supervision of community banks. That program is discussed in SR 97-25.

Major Risk Categories

Credit risk arises from the potential that a borrower or counterparty will fail to perform on an obligation.

Market risk is the risk to a financial institution's condition resulting from adverse movements in market rates or prices, such as interest rates, foreign exchange rates, or equity prices.

Liquidity risk is the potential that an institution will be unable to meet its obligations as they come due. It may occur because an institution cannot liquidate assets or obtain adequate funding (referred to as *funding liquidity risk*) or because it cannot easily unwind or offset specific exposures without significantly lowering market prices because of inadequate market depth or market disruptions (referred to as *market liquidity risk*).

Operational risk arises from the potential that inadequate information systems, operational problems, breaches in internal controls, fraud, or unforeseen crises will result in unexpected losses.

Legal risk arises from the potential that unenforceable contracts, lawsuits, or adverse judgments will disrupt or otherwise negatively affect the operations or condition of a banking organization.

Reputational risk is the potential that negative publicity regarding an institution's business practices, whether true or not, will cause a decline in the customer base, costly litigation, or revenue reductions.

supervisory plan for the banking organization. The supervisory plan outlines both the ongoing monitoring and examination activities that are to be carried out over the next twelve months and the resources required for these activities. The activities that make up the supervisory plan are a direct reflection of the areas of significant risk identified in the risk assessment. The risk assessment is updated whenever significant new information is obtained, and the supervisory plan, in turn, is updated to reflect any significant changes in an institution's risk assessment.

The supervisory plan is developed in close coordination with other relevant supervisors and also takes into account the findings of internal audits and independent reviews. The coordination inherent in the planning process is designed to utilize, to the extent feasible, work done by others to avoid duplication of effort and unnecessary regulatory burden on the institution.

Executing the Supervisory Plan

Executing the supervisory plan entails a combination of ongoing analysis and monitoring activities, pre-examination analysis, and examination activity, which generally includes some level of transaction testing.⁷ Ongoing analysis and monitoring activities may include the review of policies and procedures, of internally generated management information reports and regulatory filings, of audit findings, and of other documents. Given the wide range in size and complexity of the institutions covered under the basic risk-focused framework, examination work can vary from an annual examination that is focused on significant risk areas to a series of reviews targeted at functional areas or business lines that are conducted throughout the year. While carrying out their work, examiners refer to supervisory manuals as well as supplemental guidance. The results of these supervisory assessment activities are detailed in various written documents, including reports, letters to the management of the institution, and, in some cases, memoranda that discuss the findings of reviews conducted at a number of institutions.

Determining and Communicating the Condition of the Institution

The final step in the ongoing process of basic risk-focused supervision is making a judgment about the overall condition of the banking organization, communicating that condition to the company's management, and addressing any supervisory concerns that have been identified. An overall assessment of the institution's condition is prepared and sent to the institution at least annually. Management is requested to respond as to how it plans to address any areas of supervisory concern that have been brought to its attention in the assessment. Any necessary supervisory measures for remedial action are also prepared at this stage.

APPLICATION OF RISK-FOCUSED SUPERVISION TO LCBOs

Increased Emphasis on Internal Systems and Controls for Managing Risk

The size, complexity, and rapidly changing risk profiles of LCBOs make evaluation of their condition as

7. Transaction testing involves the review of individual transactions, such as loans, derivatives contracts, or investments, to assess the adequacy and consistency with which the institution's policies and procedures are applied.

of a fixed point in time extremely difficult and, at the same time, less meaningful than for smaller, less complex institutions. Therefore, for LCBOs, the supervisory process places even greater emphasis on evaluating the organizations' own systems for managing risk as well as on evaluating their internal control processes.

Nevertheless, transaction testing remains an important element in the assessment of these banking organizations' risk-management systems. Examiners also evaluate the sufficiency with which banking organizations stress test their portfolios in the process of managing risk.⁸ Over time, as supervisors become satisfied with individual banking organizations' systems for classifying and measuring risk, they are expected to provide bank management with suggestions for further improvements in the systems based on industry-wide best practices, consistent with minimum standards for safety and soundness.

The Gramm–Leach–Bliley Act (GLBA) authorized qualifying bank holding companies to operate as financial holding companies (FHCs) and to engage in a diverse range of financial activities. The Federal Reserve now acts as “umbrella” supervisor for FHCs. The approach used by the Federal Reserve under the LCBO program is fully consistent with the process prescribed by GLBA for supervising FHCs.⁹ Umbrella supervision under GLBA reflects the reality that the risks associated with financial activities generally cut across legal entities and business lines and that, in fact, most large and sophisticated financial services companies take a consolidated, or organization-wide, approach to managing their risks. The umbrella role requires the Federal Reserve to understand FHC's corporate-wide systems and controls for managing risk and to keep primary bank supervisors and other relevant supervisors advised of any evolving problems in these areas that may affect the entities they supervise and regulate.

Assignment of a Designated Team

One of the essential elements of the supervisory program for LCBOs is the assignment of a full-time team of Federal Reserve supervisors to each banking organization. This designated team is responsible for developing and maintaining the Federal Reserve's supervisory plan for the banking organization and for

coordinating all supervisory activity related to it. In its effort to accomplish this goal, the team must maintain a high level of knowledge about the banking organization and its strategies, organizational structure, risk-management systems, and control policies.

Each designated team is headed by a very senior examiner or Reserve Bank official—the “central point of contact,” or CPC, for the institution. The CPC serves as the Federal Reserve's primary day-to-day contact for a particular LCBO and coordinates the development and execution of the supervisory strategy for the institution.

The designated team generally comprises four to ten seasoned examiners and analysts. Team members typically have broad-based knowledge and experience in banking and skill sets that are particularly relevant to the risk profile and major activities of the banking organization. The work of the designated team is supplemented as necessary with specialists in technical areas such as modeling credit risk and market risk, payment systems, and information technology. Staffing for the designated team is directed by the Reserve Bank that has responsibility for leading the Federal Reserve's supervisory program for the banking organization. A team may include members from more than one Reserve Bank, and specialists may also be drawn from across the System.

Maintaining Information Flows

Complex banking organizations typically measure and manage consolidated risk by individual customer; by major line of business; by category of risk, such as credit risk or market risk; by industry and geographic sector; and within distinct legal entities. The supervisory team for an LCBO looks at how the institution measures, monitors, and controls risk in each of these areas. The team is able to maintain its ongoing understanding of these risks in part through the establishment of regular information flows from a variety of sources. Included are internal management information reports from the banking organization as well as internal and external audit reports, regulatory filings, publicly available information, and information from other supervisors. Also included in the process are regular discussions with the management of the banking organization as well as discussions with other supervisory authorities responsible for that banking organization. With respect to internal management information reports, some of the largest banking organizations are increasingly providing direct on-line access to this information for the supervisory team.

8. For example, the banking organization might conduct stress tests by revaluing portions of its portfolio based on a hypothetical increase in interest rates or a hypothetical change in exchange rates.

9. SR 00-13 *Framework for Financial Holding Company Supervision* provides guidance concerning the purpose and scope of the Federal Reserve's supervision of FHCs.

The information-gathering portion of the ongoing supervision process is supported by an appropriate degree of verification through examinations or targeted reviews of specific business lines. Such activities include testing of processes, procedures, and controls, as well as a degree of transaction testing and analysis that reflects the level of risk in the area being reviewed and whether concern exists about the institution's ability to manage risk in that area. Targeted reviews of business lines are generally conducted in the following types of circumstances:

- When the supervisory team determines that a business line has high inherent risk that is not well controlled or when little information is available to the team on the operational controls
- When the business line is new, has undergone significant expansion, or is significant in terms of revenue and capital contribution but has not been reviewed for an extended period
- When the business line has experienced significant operational problems.

The objective of targeting business lines for review is to assess the adequacy of controls on activities undertaken in these business lines and to assess more fully their risk to the corporation.

Coordinating with Other Supervisors

Before the development of risk-focused supervision, the style of communication among supervisors on matters pertaining to an individual institution primarily involved ad hoc contact. Such contact included exchange of examination reports, sharing of information related to specific problem situations, and coordination when special examination work was necessary to obtain additional information regarding a problem situation. The supervisors involved in this traditional pattern of communication included the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, state banking agencies, and foreign bank supervisors.

Several authorities are usually involved in supervising various parts of the operations of LCBOs, both within the United States and abroad. As these banking organizations have evolved, ongoing contact among the supervisors of the principal affiliates within a banking organization has become particularly important. This contact is necessary not only to avoid duplicative work by supervisors and excessive burden on the institution but also to provide the

respective parties with the benefit of the perspective of their counterparts.

Coordinating with Other Primary Supervisors

This need for the exchange of information is particularly important when the lead bank of an LCBO has a primary supervisor other than the Federal Reserve. The lead bank typically plays an integral role within these dynamic banking organizations. In addition, systemic risk is associated with the potential disruption of the operations of large banks. Thus, the Federal Reserve needs to know more about the activities within large insured depository institutions than can be derived from public information or from the reports of the primary bank supervisor, and it also needs to have more than ad hoc contact with the primary bank supervisor. Similarly, the primary bank supervisor needs information about the activities of a bank's parent company and its nonbank affiliates to be aware of, and address as necessary, threats to the soundness of the bank that may arise from elsewhere in the consolidated organization.

As noted earlier, the Federal Reserve cooperates routinely with primary bank supervisors in preparing supervisory plans for LCBOs. The Federal Reserve takes into account work that has been done by the primary supervisor in identifying those areas that it wants to focus on at a banking organization. In addition, there are times when examiners from both the Federal Reserve and the primary bank supervisor participate in an examination. For example, examiners from both the Federal Reserve and the OCC may participate in a review of an organization's internal audit process. Such an examination is normally under the lead of one of the agencies, and, ordinarily, only one report or memorandum is prepared.

Coordinating with Functional Regulators

Because many LCBOs have become financial holding companies, they are in a position to expand further the range of activities they engage in through nonbank subsidiaries. Therefore, functional regulators have been added to the mix of regulatory counterparts with which effective communication and cooperation needs to take place. Functional regulators include the Securities and Exchange Commission, the Commodities Futures Trading Commission, the National Association of Securities Dealers, and constituents from the National Association of Insurance Commissioners. In its role as the umbrella

supervisor of financial holding companies, the Federal Reserve must coordinate its activities with these functional regulators and work with them to understand the risk profiles of the individual regulated entities and their relation and importance to an FHC's overall risk profile.

Coordinating with Foreign Supervisors

In the international sphere, the Federal Reserve has been working with its counterparts in various countries around the world to strengthen communication and cooperation in the supervision of banking organizations that operate across borders. These efforts at collaboration have intensified in recent years and now take place in a variety of international settings, as well as on a bilateral basis between supervisors with respect to individual banking organizations (see box "Special Aspects of Supervising Large Foreign Banking Organizations"). One example of a multilateral effort is the Basel Committee on Banking Supervision, in which supervisors from member countries

meet to discuss important issues and formulate guidelines to improve and refine the process of banking supervision globally.

Portfolio Approach

Evaluating activities of banking organizations across institutions to identify trends and ensure consistency in supervisory treatment has long been a practice among supervisors.¹⁰ The LCBO program builds upon this practice by emphasizing comparative analysis of LCBOs with similar business lines, characteristics, and risk profiles. This portfolio approach to supervision serves to identify "outliers" among LCBOs with respect to risk profiles and risk-management techniques. By using this approach, supervisors are able not only to continue ensuring

10. An example is the Shared National Credit program, in which the bank supervisory agencies review large syndicated loans (more than \$20 million) annually to provide an efficient and consistent review and classification of any loan or loan commitment shared by three or more supervised institutions.

Special Aspects of Supervising Large Foreign Banking Organizations

Foreign banking organizations (FBOs) have a sizable presence in the United States, accounting for about 20 percent of the assets held by banking organizations located or operating in the United States.¹ Some of the largest FBOs are also among the largest participants in U.S. financial markets. Because of their size and complexity both on a global level and in terms of their U.S. operations, large FBOs account for approximately one-third of the banking organizations in the LCBO program.

U.S. bank supervisory agencies operate as "host country" supervisors for FBOs. As a result, although they have full access to information concerning the U.S. operations of FBOs, they do not have the same level of access to information on FBOs' consolidated operations and risk-management systems as the home country supervisors do. Therefore, U.S. supervisors focus particular attention on evaluating an FBO's consolidated financial condition, its capital adequacy, and its general ability to support its U.S. operations. In this regard, U.S. supervisors apply several specific criteria to assess an FBO's ability to support its U.S. operations, including measures related to financial and managerial soundness, to corporate governance, and to transparency.²

1. Total assets held by foreign banking organizations include total assets of U.S. bank holding companies or financial holding companies held by those foreign institutions, as well as total assets of branches, agencies, Edge corporations, direct nonbank subsidiaries, and commercial lending companies held by them.

2. The Federal Reserve, along with other banking agencies, has in place a program for the coordinated supervision of FBOs, which outlines how

For FBOs that are part of the LCBO supervision program, the program's risk assessments are prepared specifically for the U.S. operations. However, U.S. supervisors need to have a sufficient understanding of an FBO's global risk-management and internal control systems in order to evaluate the manner in which those systems are applied with respect to oversight and control of its U.S. operations. U.S. supervisors are often able to obtain much of this information from FBO management based in the United States. However, in many cases the centralized nature of banking organizations' management of certain business lines or control functions may necessitate discussions with corporate management at the FBO's headquarters.

A core element of the LCBO program as applied to FBOs is communication with home country supervisors. In periodic meetings and discussions, U.S. supervisors seek the views of the home country supervisors on developments in the home country financial system generally and with respect to individual FBOs. U.S. and home country supervisors share information, as appropriate, contained in risk assessments and supervisory plans and obtained in examinations of U.S. operations of FBOs. When follow-up supervisory action is necessary, U.S. and home country supervisors work together closely in the development and implementation of the supervisory action.

these measures should be evaluated. See SR 00-14 *Enhancements to the Interagency Program for Supervising the U.S. Operations of Foreign Banking Organizations* (available at www.federalreserve.gov/boarddocs/srletters).

consistency in the supervision of institutions with similar businesses and risk profiles but also to compare risk-management practices within the industry. In a broader sense, supervisors are given an improved framework for discerning industry trends, which can be particularly useful in informing policymakers.

In the development of the LCBO program, there have been a number of structured efforts to improve portfolio analysis of LCBOs. Two of the most important have been Coordinated Supervisory Exercises (CSEs) and the establishment of competency centers and knowledge centers. Through CSEs, supervisors develop comparative analyses of risk-management processes governing specific business activities or functional areas, deepen their understanding of inherent risk in specific business activities, develop examiner expertise, and identify gaps or weaknesses in existing Federal Reserve System policies and procedures. For each CSE, a team is formed that typically has members from several Reserve Banks as well as staff from the Federal Reserve Board. CSEs can take various forms but usually involve examination work at a number of LCBOs, which are selected based on their involvement in the business activity or control function being reviewed. Once the project is completed, participants in a CSE prepare a report on the results and findings and distribute it within the community of relevant supervisors. In addition, the aggregate findings are discussed with the banking organizations that were included in the CSE.

The establishment of competency centers and knowledge centers, which are housed at designated Reserve Banks, arose out of a need to develop and maintain Federal Reserve System expertise in specific technical areas in an efficient manner. At this time, competency centers have been established for two areas—venture capital activities and capital management processes.¹¹ One knowledge center has been established with respect to insurance activities. These centers assist examiners and other supervisory staff in keeping abreast of the most recent developments in their respective areas. In addition, competency centers maintain teams of specialists in their respective areas that are available to participate in examinations in other Federal Reserve Districts.

Market Discipline

The idea that financial markets can provide useful discipline to U.S. banking organizations is not new.

11. These processes include sophisticated techniques used to model the specific amount of capital necessary to support certain activities—often referred to as “economic” capital.

However, as non-core funding—that is, funding based on uninsured deposits—now represents a higher percentage of total funding than in the past, particularly for LCBOs, it is important that market participants play a greater role in the supervision of these banking organizations. The need for market discipline—and its prerequisite, public disclosure—is heightened because the unusual size and complexity of LCBOs requires either more burdensome and detailed supervision and regulation or incentives from other sources to ensure safe and sound banking operations. Discipline of LCBOs and other banking organizations by the market can complement supervision by reducing excessive risk-taking, by alleviating some of the moral hazard that exists with a federal safety net, and, it is hoped, by decreasing the level of supervision that would otherwise be necessary.¹²

Market discipline works through changes in access to funds and changes in risk premiums as banks take on or shed risk or engage in certain types of transactions. Market discipline can function directly, for example, if the cost of funding for a banking organization rises as its risk-taking increases; or indirectly, as market participants and bank supervisors observe prices of the company’s financial instruments (including equity shares and various types of debt) to assess whether the risk profile has increased and then take appropriate action. Two particular approaches to market discipline appear to be most promising, particularly for LCBOs: increased public disclosure and issuance of subordinated debt by the companies.¹³

More transparent balance sheets and the disclosure of additional information about a banking organization’s risks are beneficial to shareholders, debt holders, and the market in general. Expanding this type of disclosure is one strategy for improving market discipline. To be sure, most LCBOs already disclose a considerable volume of information to market participants, and, indeed, there is ample evidence that market discipline now plays a role in affecting their behavior. Nonetheless, the scale and clarity of disclo-

12. The term “moral hazard” applies to instances in which an economic agent’s risk-taking is affected by the fact that the agent faces zero or reduced costs from a negative outcome of a risky action but receives full gains from a positive one. For example, if creditors of a banking organization know that deposit insurance will protect them from losses if it fails, then they have few incentives to protect against a deterioration in its financial condition.

13. In 1999, a Federal Reserve task force sponsored the publication of staff studies on these two subjects: Federal Reserve System Study Group on Disclosure, *Improving Public Disclosure in Banking*, Staff Studies 173 (Board of Governors of the Federal Reserve System, March 2000); and Federal Reserve System Study Group on Subordinated Notes and Debentures, *Using Subordinated Debt as an Instrument of Market Discipline*, Staff Studies 172 (Board of Governors of the Federal Reserve System, December 1999).

tures is better at some institutions than at others and, on average, could be considerably improved.

One particularly useful element of increased public disclosure is the reduced tendency for market participants to be surprised by sudden adverse news. If information is released on a more consistent basis, the reporting of unfavorable news is less likely to result in large market movements, which might have systemic implications. Supervisors are engaged in a dialogue with the banking industry to identify those areas in which expanded public disclosure would be most useful. In that regard, a private-sector working group recently issued recommendations for more frequent public disclosure of financial information by banking and securities organizations. Among its recommendations, the group said that market risk information previously disclosed annually should be disclosed quarterly; that the content of market risk disclosures should be improved; and, that additional credit risk information on wholesale credit exposures should be made available quarterly. The group also noted that public disclosures should vary among institutions to reflect legitimate differences in internal management processes and that disclosure practices should change in step with innovations in firms' risk-management and measurement practices.¹⁴

The second strategy that may hold considerable promise for augmenting market discipline is to require banks to issue minimum amounts of subordinated debt to unrelated parties. Subordinated debt holders have an interest in discouraging excessive risk-taking because their claims are both long-term and junior to all depositors and to any senior debt holders. Subordinated debt holders share in very limited ways in potential gains made by a company but are exposed to considerable risk if it encounters financial difficulty. In this respect, their risk preferences can resemble those of banking supervisors. By raising a company's cost of funds, subordinated debt holders can send a direct signal that excessive risk-taking is not desired. However, as documented in a recent report to the Congress by the Treasury and

the Federal Reserve Board, a number of uncertainties need to be clarified before a mandatory subordinated debt policy would be judged desirable.¹⁵ These uncertainties include how best to interpret changes in debt spreads, whether changes in other regulatory policies, such as improvements in risk-based capital rules, will make mandatory subordinated debt unnecessary, and whether the bank or its holding company parent should issue the debt.

BENEFITS OF THE LCBO SUPERVISION PROGRAM

To date, there have been some recognizable benefits from the implementation of the LCBO program. First, supervisors are able to maintain on a more consistent basis a deeper understanding of the risk profiles, financial performance, and relative strength of the banking organizations in the program. Information exchanges—both with banking organizations and with other supervisors—are more frequent and open at all levels than in the past. As a result of ongoing monitoring and coordination efforts, the Federal Reserve becomes aware more quickly of emerging problems and is able to work with banking organizations and other supervisors, as appropriate, to take whatever steps may be necessary to address these issues. Having a more complete and continuous flow of information also helps supervisors to gauge earlier the effect of potentially adverse events on banking organizations and on the financial system in general.

An additional benefit of the program is the perspective that has been gained on risk-management practices across the industry. This perspective enables supervisors to provide recommendations to banking organizations with respect to strengthening of risk-management processes. These recommendations are based on a greater understanding of industry-wide best practices, consistent with minimum standards for safety and soundness, than was generally available to supervisors in the past. □

14. The Working Group on Public Disclosure, established in April 2000 by the Federal Reserve Board, was composed of representatives of eleven banking and securities firms. The working group's recommendations were announced in a joint press release by the Federal Reserve Board, the OCC, and the U.S. Securities and Exchange Commission, dated January 11, 2001, that is available on the Board's web site at www.federalreserve.gov/boarddocs/press/general/2001.

15. Under GLBA, the U.S. Treasury and the Federal Reserve Board were required to prepare a report to the Congress on the feasibility and desirability of a mandatory subordinated debt policy for certain depository institutions and their holding companies. This report, *The Feasibility and Desirability of Mandatory Subordinated Debt*, was submitted to the Congress in December 2000 and is available on the Board's web site at www.federalreserve.gov/boarddocs/RptCongress/.

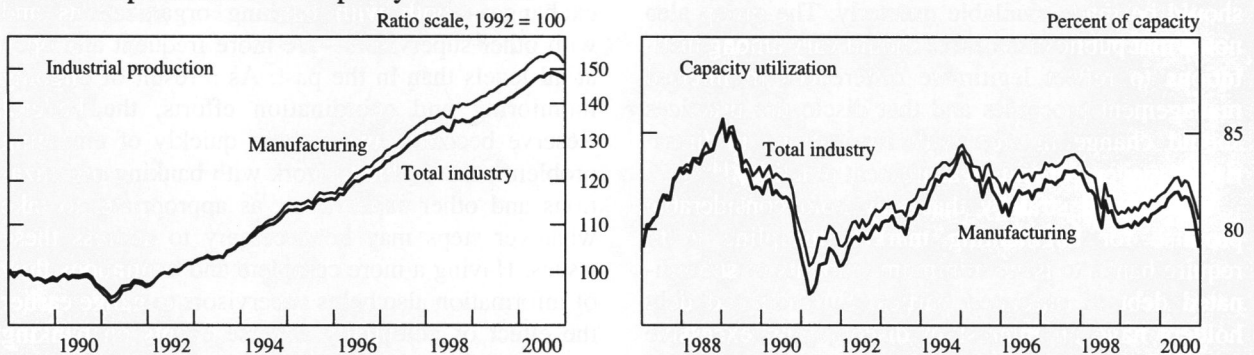
Industrial Production and Capacity Utilization for December 2000

Released for publication January 17

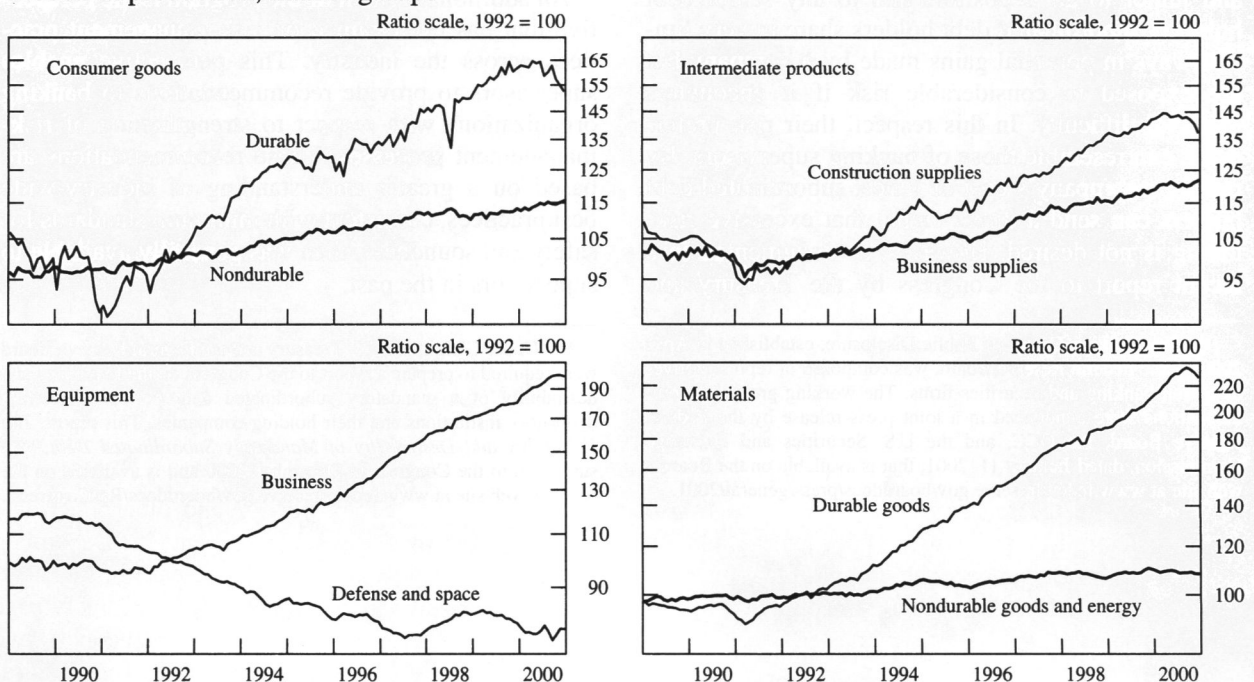
Industrial production fell 0.6 percent in December after two months of smaller losses. After having slowed in the third quarter, industrial output contracted at an annual rate of 1.1 percent in the fourth quarter, the first negative quarterly reading since 1991. Manufacturing output declined 1.1 percent in

December, with cutbacks in many industries. Output at utilities surged 6.5 percent in response to extremely cold weather, and production in mining edged up 0.3 percent. At 147.3 percent of its 1992 average, industrial production was 3.1 percent higher than in December 1999. The rate of capacity utilization for total industry fell to 80.6 percent in December, a level 1½ percentage points below its 1967–99 average.

Industrial production and capacity utilization



Industrial production, market groups



All series are seasonally adjusted. Latest series, December. Capacity is an index of potential industrial production.

Industrial production and capacity utilization, December 2000

| Category | Industrial production, index, 1992 = 100 | | | | | | | | |
|------------------------------------|--|-------------------|-------------------|-------------------|--------------------|-------------------|-------------------|-------------------|---|
| | 2000 | | | | Percent change | | | | Dec. 1999 to Dec. 2000 |
| | | | | | 2000 ¹ | | | | |
| | Sept. ^r | Oct. ^r | Nov. ^r | Dec. ^p | Sept. ^r | Oct. ^r | Nov. ^r | Dec. ^p | |
| Total | 149.0 | 148.5 | 148.1 | 147.3 | .2 | -.3 | -.3 | -.6 | 3.1 |
| Previous estimate | 149.1 | 148.9 | 148.6 | ... | .3 | -.1 | -.2 | ... | ... |
| Major market groups | | | | | | | | | |
| Products, total ² | 136.7 | 136.3 | 136.4 | 136.1 | .0 | -.3 | .1 | -.2 | 2.6 |
| Consumer goods | 123.8 | 122.7 | 122.8 | 122.9 | .0 | -.8 | .1 | .0 | .4 |
| Business equipment | 199.5 | 200.2 | 200.3 | 199.4 | .9 | .3 | .1 | -.4 | 10.5 |
| Construction supplies | 143.1 | 142.2 | 140.7 | 137.7 | .3 | -.7 | -1.1 | -2.1 | -3.1 |
| Materials | 171.3 | 170.8 | 169.3 | 167.6 | .5 | -.3 | -.9 | -1.0 | 4.1 |
| Major industry groups | | | | | | | | | |
| Manufacturing | 155.1 | 154.8 | 153.9 | 152.2 | .3 | -.2 | -.6 | -1.1 | 2.6 |
| Durable | 198.4 | 197.2 | 196.0 | 193.5 | .8 | -.6 | -.6 | -1.2 | 6.0 |
| Nondurable | 116.0 | 116.4 | 115.8 | 114.7 | -.3 | .3 | -.5 | -.9 | -1.6 |
| Mining | 100.4 | 100.4 | 100.3 | 100.6 | -.6 | .0 | -.1 | .3 | 1.9 |
| Utilities | 121.7 | 119.4 | 123.9 | 132.0 | -.3 | -1.9 | 3.8 | 6.5 | 12.4 |
| | Capacity utilization, percent | | | | | | | | MEMO Capacity, percent change, Dec. 1999 to Dec. 2000 |
| | Average, 1967-99 | Low, 1982 | High, 1988-89 | 1999 | 2000 | | | | |
| | | | | Dec. | Sept. ^r | Oct. ^r | Nov. ^r | Dec. ^p | |
| | | | | | | | | | |
| Total | 82.1 | 71.1 | 85.4 | 81.7 | 82.4 | 81.9 | 81.4 | 80.6 | 4.6 |
| Previous estimate | ... | ... | ... | ... | 82.5 | 82.1 | 81.6 | ... | ... |
| Manufacturing | 81.1 | 69.0 | 85.7 | 81.0 | 81.7 | 81.2 | 80.4 | 79.1 | 5.0 |
| Advanced processing | 80.5 | 70.4 | 84.2 | 79.8 | 81.6 | 81.0 | 80.4 | 79.6 | 6.7 |
| Primary processing | 82.5 | 66.2 | 88.9 | 85.0 | 83.0 | 82.6 | 81.5 | 79.2 | 1.6 |
| Mining | 87.4 | 80.3 | 88.0 | 84.5 | 86.4 | 86.5 | 86.5 | 86.9 | -.9 |
| Utilities | 87.5 | 75.9 | 92.6 | 90.0 | 91.0 | 89.0 | 92.1 | 97.9 | 3.3 |

NOTE. Data seasonally adjusted or calculated from seasonally adjusted monthly data.

1. Change from preceding month.

2. Contains components in addition to those shown.

r Revised.

p Preliminary.

MARKET GROUPS

The index for consumer goods was unchanged in December, with decreases in many categories offset by a surge in the output of consumer energy products. The production of durable consumer goods fell 1.5 percent and was pulled down for a third month by a drop in the production of automotive products. The output of other durable goods also fell for a third month and was down at an annual rate of 4.0 percent in the fourth quarter. The production of nondurable consumer goods other than energy products ticked down 0.1 percent in December.

The output of business equipment fell 0.4 percent in December but increased at an annual rate of 5.2 percent in the fourth quarter. The production of both industrial and transit equipment fell about 1½ percent in December. The output of transit equipment, particularly motor vehicles, dropped again and posted a substantial loss for the quarter. The output of computer and office equipment grew 0.6 percent in

December, but growth during the quarter was noticeably slower than earlier in the year. Production of other business equipment increased 1.4 percent in December, lifted by a rebound in farm machinery.

The production of construction supplies fell sharply in December and was down at an annual rate of 8.2 percent in the fourth quarter. The output of materials contracted 1.0 percent in December following a similar decline in November. The indexes for durable and nondurable materials were down sharply and were offset only partly by an increase in the output of energy materials. Among durable materials industries, the consumer parts group was hit by another decline in the production of original equipment parts for motor vehicles. The output of semiconductors, printed circuit boards, and other electronic components increased 2.5 percent in December. Nonetheless, the fourth-quarter increase in this category was at an annual rate of 24.0 percent, a pace significantly below the average over the past two years. The 1.6 percent drop in the index for nondura-

ble materials mainly reflected declines in the output of paper and chemicals.

INDUSTRY GROUPS

Manufacturing output dropped 1.1 percent in December, with a 1.2 percent decrease in the production of durable goods and a 0.9 percent decrease in nondurable goods. Among durable goods, the losses were widespread, with the largest declines in primary metals, fabricated metal products, and transportation equipment. The output of nondurables has declined, on balance, over the last six months, and losses in December were widespread. The petroleum products and paper and products industries suffered the largest drops.

The factory operating rate declined to 79.1 percent in December, 2½ percentage points below its September level and the lowest level since 1993. In recent months, capacity utilization has fallen significantly in the transportation equipment and primary metals industries. The operating rate at electric utilities surged to 97.8 percent in December, a level 8.2 percentage points above its 1967–99 average. The operating rate for mining was 86.9 percent, a reading at the high end of its range for the year.

REVISION OF INDUSTRIAL PRODUCTION AND CAPACITY UTILIZATION

On December 5, the Federal Reserve Board published revisions to the index of industrial production (IP), to the related measures of capacity and capacity utilization, and to the index of industrial use of electric power. The updated measures reflect both the incorporation of newly available, more comprehensive source data typical of annual revisions and, for some series, the introduction of improved compilation methods. The revision also included a refinement of the method used to aggregate the individual series in the production and capacity indexes. The new source data are for recent years, primarily 1997

through 1999, and the modified methods affect data from 1992 onward.

The updating of source data for IP included annual data from the following reports of the Bureau of the Census: the 1997 Census of Manufactures, the 1998 Annual Survey of Manufactures, and selected editions of its 1998 and 1999 Current Industrial Reports. Annual data from the U.S. Geological Survey regarding metallic and nonmetallic minerals (except fuels) for 1998 and 1999 also were introduced. The updating included revisions to the monthly indicator for each industry (either physical product data, production-worker hours, or electric power usage) and revised seasonal factors.

The revision to capacity and capacity utilization incorporated preliminary data from the 1999 Survey of Plant Capacity of the Bureau of the Census, which covers manufacturing, along with other new data on capacity from the U.S. Geological Survey, the Department of Energy, and other organizations. The statistics on the industrial use of electric power incorporated additional information received from utilities for the past few years as well as data from the 1997 Census of Manufactures and 1998 Annual Survey of Manufactures.

Aggregate IP indexes are built as annually weighted chain-type indexes, beginning with data for 1977. Previously, the weights changed at the middle of every year; with the revision, the weights change every month beginning with data for 1992.

The revision is available on the Board's web site (www.federalreserve.gov/releases/g17). The revised data are also available through the web site of the Department of Commerce. Further information on these revisions is available from the Board's Industrial Output Section (telephone 202-452-3197).

The G.17 statistical release will be redesigned beginning with the issue covering data for January 2001. Special aggregates will be added; although some detailed industry data will no longer be listed in the regular release, these series will continue to be available on the Federal Reserve Board's public web site, along with a template of the redesigned tables. □

Announcements

FEDERAL OPEN MARKET COMMITTEE DIRECTIVE

The Federal Open Market Committee at its meeting on December 19, 2000, decided to maintain the existing stance of monetary policy, keeping its target for the federal funds rate at 6½ percent.

The drag on demand and profits from rising energy costs, as well as eroding consumer confidence, reports of substantial shortfalls in sales and earnings, and stress in some segments of the financial markets, suggest that economic growth may be slowing further. While some inflation risks persist, they are diminished by the more moderate pace of economic activity and by the absence of any indication that longer-term inflation expectations have increased. The Committee will continue to monitor closely the evolving economic situation.

Against the background of its long-run goals of price stability and sustainable economic growth and of the information currently available, the Committee consequently believes that the risks are weighted mainly toward conditions that may generate economic weakness in the foreseeable future.

STATEMENT ON THE NOMINATION OF PAUL O'NEILL AS SECRETARY OF THE TREASURY

Federal Reserve Board Chairman Alan Greenspan issued the following statement on December 20, 2000:

In Paul O'Neill, the President-elect has attracted an exceptional and talented person. I look forward to again working closely with an old friend and colleague.

STATEMENT ON THE RESIGNATION OF ARTHUR LEVITT AS SEC CHAIRMAN

Federal Reserve Board Chairman Alan Greenspan issued the following statement on December 20, 2000:

Arthur Levitt has much to be proud of in his lengthy and careful stewardship of the Securities and Exchange Com-

mission. Our nation has benefited from his service and he will be missed by all of us who had the pleasure of working with him on a daily basis. I am, of course, hopeful that he will continue to agree to the occasional round of golf, and I wish him all good things as he ponders his next tough assignment.

APPOINTMENT OF NEW MEMBERS, PRESIDENT, AND VICE PRESIDENT TO THE THRIFT INSTITUTIONS ADVISORY COUNCIL

The Federal Reserve Board on December 22, 2000, announced the names of seven new members of its Thrift Institutions Advisory Council (TIAC) and designated a new president and vice president of the council for 2001.

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 savings and loan, savings bank, and credit union representatives. The council meets at least three times each year with the Board of Governors to discuss developments relating to thrift institutions, the housing industry, mortgage finance, and certain regulatory issues.

The new council president for 2001 is Thomas S. Johnson, Chairman and CEO, GreenPoint Bank, New York, New York. The new vice president is Mark H. Wright, President and CEO, USAA Federal Savings Bank, San Antonio, Texas.

The seven new members, named for two-year terms beginning January 1, are the following:

Ronald S. Eliason, President and CEO, Utah Community Federal Credit Union, Provo, Utah

D.R. Grimes, Vice President and CEO, NetBank, Alpharetta, Ga., and Charlotte, N.C.

Karen L. McCormick, President and CEO, First Federal Savings and Loan Association, Port Angeles, Wash.

James F. McKenna, President and CEO, North Shore Bank, FSB, Brookfield, Wis.

Charles C. Pearson, Jr., Co-Chairman and CEO, Waypoint Bank, Harrisburg, Pa.

Herbert M. Sandler, Chairman and CEO, World Savings Bank, FSB, Oakland, Calif.

Everett Stiles, President and CEO, Macon Bank, Franklin, N.C.

Other TIAC members whose terms continue through 2001 are the following:

Tom R. Dorety, President and CEO, Suncoast Schools Federal Credit Union, Tampa, Fla.

Cornelius D. Mahoney, Chairman, President, and CEO, Woronoco Savings Bank, Westfield, Mass.

Clarence Zugelter, President, CEO, and Chairman of the Board, First Federal Bank, F.S.B., Kansas City, Mo.

ADOPTION OF AN INTERAGENCY RULE ON DISCLOSURE AND REPORTING OF CRA-RELATED AGREEMENTS

The federal bank regulatory agencies on December 21, 2000, approved the issuance of final regulations implementing the CRA Sunshine Requirements of the Federal Deposit Insurance Act (FDIA), which were recently enacted by the Gramm–Leach–Bliley Act.

The FDIA establishes annual reporting and public disclosure requirements for certain written agreements that are entered into between insured depository institutions or their affiliates and nongovernmental entities or persons (NGEPs) and that are made pursuant to, or in connection with, the fulfillment of the Community Reinvestment Act of 1977 (CRA). The final rule, to be published in the *Federal Register* by the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision, identifies the types of agreements that are in fulfillment of the CRA and implements the requirements of the statute.

The FDIA exempts from coverage all agreements with NGEPs that have not had a communication concerning the CRA with the relevant banking organization or a banking agency. The final rule clarifies when NGEPs have had these types of communications and implements this exemption. The final rule also implements the exemptions included in the FDIA for certain types of loans and loan commitments.

Consistent with the statute, the agencies have implemented the disclosure and reporting requirements of the act in a manner that limits potential burden. For example, the final rule establishes simple disclosure and reporting procedures and allows NGEPs to use reports that they have prepared for other purposes—such as tax returns and financial statements—if these reports provide the information required by the FDIA.

The regulations, which are identical in all substantive respects, are effective April 1, 2001.

“FINDER” ROLE PERMISSIBLE ACTIVITY FOR FINANCIAL HOLDING COMPANIES

The Federal Reserve Board on December 19, 2000, after consulting with the Secretary of the Treasury, has determined by rule that acting as a “finder” is an activity that is incidental to a financial activity and therefore a permissible activity for a financial holding company.

The Board’s final rule provides that a finder may act through any means to bring together buyers and sellers of products and services for transactions that the parties themselves negotiate and consummate. Among other things, a finder may host an Internet marketplace consisting of links to the web sites of buyers and sellers. A finder also may operate a web site that allows buyers and sellers to post information concerning products and services and to enter into transactions among themselves.

The rule, approved by the Board on December 13, 2000, is effective thirty days after publication in the *Federal Register*.

INTERIM RULE ON DEFINITION OF FINANCIAL ACTIVITIES UNDER BANK HOLDING COMPANY ACT

The Federal Reserve Board on December 21, 2000, approved an interim rule defining three categories of activities listed in section 4(k)(5) of the Bank Holding Company Act as financial in nature or incidental to a financial activity.

The interim rule also establishes a mechanism through which financial holding companies or other interested parties may request that the Board find, by order, that particular specific activities fall within one of the three categories.

The categories in section 4(k)(5), added to the Bank Holding Company Act by the Gramm–Leach–Bliley Act, are the following:

- Lending, exchanging, transferring, investing for others, or safeguarding financial assets other than money or securities
- Providing any device or other instrumentality for transferring money or other financial assets
- Arranging, effecting, or facilitating financial transactions for the account of third parties.

The Board is soliciting comment on the mechanism set out in the interim rule for requesting a Board finding and on what activities, if any, should be found by rule to fall within one of the three categories.

The Board plans to issue a joint notice with the Secretary of the Treasury, who is promulgating a similar interim rule implementing section 5136A(b)(3) of the Revised Statutes, which parallels section 4(k)(5).

The interim rule will become effective on January 2, 2001, and will be published in the *Federal Register*.

FINAL RULE ON PROCEDURES TO QUALIFY AS A FINANCIAL HOLDING COMPANY AND PERMISSIBLE ACTIVITIES

The Federal Reserve Board on December 21, 2000, approved a final rule setting forth procedures for domestic bank holding companies and foreign banking organizations to qualify as financial holding companies.

The rule, effective thirty days after publication in the *Federal Register*, also lists financial activities permissible for financial holding companies under the Gramm–Leach–Bliley Act.

The final rule reflects public comment submitted on the interim rule in effect since March 11, 2000.

With respect to foreign banks, the final rule does the following:

- Removes the tier 1 leverage ratio from the numerical screening test in the definition of “well capitalized” and adds the leverage ratio to the list of factors the Board may take into account in determining whether a foreign bank’s capital is comparable to that required of a U.S. bank owned by a financial holding company
- Adopts specific standards with respect to consolidated home country supervision in order for a foreign bank to be treated as a financial holding company
- Clarifies the definition of “well managed” used in the assessment required of the overall operations of the foreign bank by its home country supervisor
- Revises the definition of “well managed” to require a foreign bank to have a satisfactory composite rating for its U.S. branch and agency operations, rather than requiring each office individually to have a satisfactory rating.

The Board believes that the standards and procedures for foreign banks represent a flexible approach that takes into account the statutory requirement for comparability of capital and management standards while ensuring that foreign banks operating in the United States are offered national treatment and equality of competitive opportunity.

INCREASE IN EXEMPTION THRESHOLD FOR DEPOSITORY INSTITUTIONS UNDER HMDA REPORTING REQUIREMENT

The Federal Reserve Board on December 20, 2000, announced that the exemption threshold for depository institutions that are required to report data under the Home Mortgage Disclosure Act (HMDA) is increased to \$31 million. Under the revision to the Board’s staff commentary to Regulation C (HMDA), depository institutions with assets totaling \$31 million or less as of December 31, 2000, are not required to collect HMDA data in 2001. An institution’s exemption from collecting data in 2001 does not affect its responsibility to report data it was required to collect in 2000.

The Board is required to adjust annually the asset-size exemption threshold for depository institutions based on the annual percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers. The adjustment reflects changes for the twelve-month period ending in November 2000.

PROPOSED REVISIONS TO REGULATION C

The Federal Reserve Board on December 14, 2000, published proposed revisions to its Regulation C, which implements the Home Mortgage Disclosure Act (HMDA). The Board voted to request comments on the proposed revisions at its meeting on November 29, 2000. Comment is requested by March 9, 2001.

PROPOSED AMENDMENTS TO REGULATION Z REGARDING HOEPA

The Federal Reserve Board on December 13, 2000, proposed amending the provisions of the Board’s Regulation Z (Truth in Lending) that implement the Home Ownership and Equity Protection Act (HOEPA) of 1994.

The Board seeks public comment on the proposed rule, which will be published in the *Federal Register*.

The amendments would broaden the scope of loans subject to HOEPA’s protections by adjusting the price triggers that determine coverage under the act. The rate-based trigger would be lowered by 2 percentage points, and the fee-based trigger would be revised to include optional insurance premiums and similar credit protection products paid at closing.

Certain acts and practices in connection with home-secured loans would be prohibited, including a

rule to restrict creditors from engaging in repeated refinancings of their own HOEPA loans over a short time period when the transactions are not in the borrower's interest. HOEPA's prohibition against extending credit without regard to a consumer's repayment ability would be strengthened by requiring creditors generally to document and verify income for HOEPA-covered loans. HOEPA disclosures would include the total amount of money borrowed.

HOEPA was enacted in response to anecdotal evidence of predatory lending practices in the home equity lending market. HOEPA imposes additional disclosure requirements by creditors at least three business days before the loan is closed. It also imposes substantive limitations, such as restrictions on short-term balloon notes, on certain home equity loans with rates and fees above a certain percentage or amount.

The term "predatory lending" encompasses a variety of practices. Often homeowners in certain communities—particularly, the elderly and minorities—are targeted with offers of high-cost, home-secured credit. The loans carry high up-front fees and may be based on the homeowners' equity in their homes, not their ability to make the scheduled payments. When homeowners have problems repaying the debt, they are often encouraged to refinance the loan. Frequently this leads to another high-fee loan that provides little or no economic benefit to the borrower.

HOEPA authorizes the Board to expand HOEPA's coverage and prohibit certain acts and practices in connection with mortgage lending generally. The Board held hearings this summer in Charlotte, Boston, Chicago, and San Francisco on possible ways to curb predatory lending using its regulatory authority.

PROPOSED AMENDMENT TO REGULATION Y

The Federal Reserve Board on December 13, 2000, requested public comment on a proposal that would amend Regulation Y (Bank Holding Companies and Change in Bank Control). The proposal would permit the following:

- All bank holding companies, as an activity that is closely related to banking, to conduct a greater amount of nonfinancial data processing in connection with processing financial data
- Financial holding companies, as an activity that is complementary to financial activity, to invest in companies engaged in certain types of data storage, web hosting, and data processing advisory activities,

so long as the investment was related to the provision of financial products and services.

The proposal also requests comment on whether the Board should permit financial holding companies to invest in companies that do the following:

- Develop new technologies that might support the sale and availability of financial products and services
- Provide communications links for the delivery of financial products and services
- And/or engage in the electronic sale and delivery of products and services that include, but are not limited to, financial products and services.

Comment is requested by February 16, 2001.

PROPOSED REVISIONS TO CALCULATION METHODS FOR PRICED SERVICES

The Federal Reserve Board on December 21, 2000, proposed revisions to the methods used for calculating the private-sector adjustment factor (PSAF) and net income on clearing balances (NICB). The Board requested comment by April 6, 2001.

The PSAF imputes the costs that would have been incurred and profits that would have been earned had the Reserve Banks' priced services been provided by a private firm.

The NICB imputes income on the investment of depository institutions' clearing balances held with the Reserve Banks, less related costs.

The Monetary Control Act of 1980 requires that the Federal Reserve set fees for its services to recover, over the long term, its actual costs of providing the services, as well as these imputed costs and profits. The Board reviews its method for calculating the PSAF periodically to assess whether it is still appropriate in light of the changing environment.

The Board's proposal would base the PSAF on a priced-services balance sheet that resembles that of a private business, using real assets and liabilities, imputing liabilities and equity only to the extent necessary, and more appropriately reflecting the risk inherent in priced-service activity.

Separately, the Board made available a related research paper proposing a new approach for calculating the cost of equity capital used in the PSAF. The paper has been posted on the Internet at: www.federalreserve.gov/press/boardacts/2000/200012212/researchpaper.pdf.

PROPOSAL TO ALLOW FINANCIAL HOLDING COMPANIES TO OFFER REAL ESTATE SERVICES

The Federal Reserve Board announced on December 27, 2000, that it is seeking public comment on a proposal to permit financial holding companies to act as real estate brokers and managers. Comment is due by March 2, 2001.

The rule, proposed by the Board on December 13, 2000, would determine that real estate brokerage and management services are financial in nature or incidental to financial activity and are therefore permissible for financial holding companies.

Concurrently with the Board, the Secretary of the Treasury developed a proposal that would allow financial subsidiaries of national banks to act as real estate brokers and managers.

The Board and the Secretary will jointly publish their proposed rule in the *Federal Register*.

PUBLICATION OF THE DECEMBER 2000 UPDATE TO THE BANK HOLDING COMPANY SUPERVISION MANUAL

The December 2000 update to the *Bank Holding Company Supervision Manual*, Supplement No. 19, has been published and is now available. The *Manual* comprises the Federal Reserve System's bank holding company (BHC) supervisory and inspection guidance. The supplement includes new or revised supervisory information and examiner guidance on the following topics:

1. *The Statutory Authority, Focus, and Scope of BHC Inspections.* The Gramm-Leach-Bliley (GLB Act), which amended section 5(c) of the BHC Act, sets forth the statutory authority, focus, and scope of BHC inspections. The GLB Act provides specific supervisory guidance pertaining to the breadth of BHC inspections, as well as inspections of their subsidiaries. The focus of inspections will be on preserving the safety and soundness of the holding company's affiliated depository institutions.

2. *The GLB Act's revisions to Section 23A of the Federal Reserve Act (transactions between affiliates).* The GLB Act expanded the coverage of section 23A by including transactions between banks and their financial subsidiaries and by providing a definition of financial subsidiary. With respect to transactions between a bank and an individual financial subsidiary of the bank, the GLB Act provides that the 10 percent limit on covered transactions does not apply. The GLB Act also created a rebuttable presumption that a company or shareholder controls another company if the company or shareholder directly or indirectly owns or controls 15 percent or more of the equity capital of the other company as a portfolio company.

3. *The Revised June 2000 Uniform Retail-Credit Classification and Account-Management Policy* (revised policy).

The revised policy supersedes the February 1999 policy and provides for the following:

- Stressing the need for institutions to adopt and adhere to prudential internal standards on the number and frequency of extensions, deferrals, rewrites, and renewals of closed-end loans they grant
- Limiting re-aging of open-end accounts that participate in a debt counseling or workout program, following receipt of at least three consecutive minimum monthly payments, or an equivalent cumulative amount
- A current assessment of value to be made no later than 180 days past the contractual due date for loans secured by real estate (any loan balance exceeding the property's value, less selling costs, is to be classified as a loss and charged off)
- A clarification that collateralized loans due to be charged off under the policy can be written down to the collateral's value, less cost to sell, instead of being entirely charged off
- A clarification that payments received after the applicable charge-off threshold, but before the end of the month in which the charge-off threshold is triggered, may be considered when determining if a charge-off remains appropriate.

While the terms of the revised policy apply only to federally insured depository institutions, they are broadly applicable to BHCs, particularly their consumer finance nonbank subsidiaries and other credit-extending financial affiliates. Examiners are advised to consider the methodology used for aging retail loans. The contractual method of loan aging is emphasized as the more accurate and preferred methodology for aging retail loans. See Supervision and Regulation (SR) Letter 00-8. (SR Letters are the Federal Reserve's primary means of communicating key policy directives to its examiners, supervisory staff, and the banking industry. SR Letters can be viewed on the Board's Internet site: www.federalreserve.gov/boarddocs/srletters/.)

4. *Financial Holding Companies (FHCs).* Information is provided on the focus and scope of the Federal Reserve System's supervisory framework for FHCs. Under the GLB Act, the Federal Reserve has supervisory oversight authority and responsibility for BHCs, including BHCs that operate as FHCs. The GLB Act streamlined the Federal Reserve's supervision of BHCs and provided parameters for working with primary depository institution regulators and other functional regulators (such as those responsible for supervising activities involving insurance, securities, and commodities).

The GLB Act designates the Federal Reserve as the umbrella supervisor of FHCs. In carrying out its supervisory oversight role, the Federal Reserve will maintain a supervisory focus that is concentrated on a consolidated or group-wide analysis of the organization. The Federal Reserve will thus identify and evaluate the significant risks in the diversified holding company, assessing how these risks could affect the safety and soundness and viability of its affiliated depository institutions. The Federal Reserve will also emphasize analysis of the consolidated financial condition of FHCs and the risks associated with engaging in a broad range of financial activities, since those risks can cut across the organization's legal entities and business lines. See SR Letter 00-13.

5. *Risk Assessments for Small Shell Bank Holding Companies (SSBHCs)*. As announced in SR Letter 00-15, risk assessments for small SSBHCs are now due within sixty days of receipt of the lead bank's full-scope examination report, instead of forty-five days (as stated previously in SR Letter 97-27 and the Board's S-Letter 2587).

A more detailed summary of changes is included with the update package. The *Manual* and updates, including pricing information, are available from Publications Services, Mail Stop 127, Board of Governors of the Federal Reserve System, Washington, DC 20551 (or charge by facsimile: 202-728-5886). The *Manual* is also available on the Board's public web site: www.federalreserve.gov/boarddocs/supmanual/.

ENFORCEMENT ACTIONS AND TERMINATION OF PREVIOUS ACTIONS

The Federal Reserve Board on December 12, 2000, announced the issuance of several enforcement actions related to foreign banking organizations that had been involved with Operation Casablanca.

Operation Casablanca was a law enforcement undercover operation that resulted in numerous criminal money laundering convictions of drug traffickers, bankers, and two foreign banking organizations with operations in the United States—Bancomer, S.A., Mexico City, Mexico, and Banca Serfin, S.A., Lomas de Sante Fe, Mexico. The Federal Reserve provided substantial assistance to the U.S. Customs Service and the U.S. Department of Justice during the undercover operation and subsequent prosecutions.

On May 18, 1998, in response to the alleged misconduct by employees of several foreign banking organizations whose activities were identified during Operation Casablanca, the Federal Reserve Board issued temporary orders to cease and desist. The temporary orders required the banks to enhance their anti-money-laundering policies and procedures in the United States.

The Federal Reserve Board's actions included the following:

- The issuance of an order with regard to Bancomer, S.A., determining that it is not necessary to terminate the U.S. operations of the bank as a result of the bank's conviction for a money laundering offense in the United States
- The issuance of a consent cease and desist order against Bancomer, S.A., requiring continued enhance-

ments of the bank's anti-money-laundering policies and procedures

- Because Banca Serfin, S.A. ceased all operations in the United States at the end of 1999, no further enforcement action against the bank was necessary

- The issuance of a written agreement between Banco Industrial de Venezuela and the Federal Reserve Bank of Atlanta, requiring continued enhancements of the bank's anti-money-laundering policies and procedures

- The termination of the temporary orders to cease and desist that had been issued against Bancomer, S.A., Banca Serfin, S.A., and Banco Industrial de Venezuela.

In March 2000, the Federal Reserve Board terminated temporary cease and desist orders that had been issued in 1998 against Banco Nacional de Mexico, Mexico City, Mexico; Banco Internacional, S.A., Mexico City, Mexico; and Banco Santander, Madrid, Spain.

The issuance of these enforcement actions concludes the Federal Reserve's enforcement efforts arising out of Operation Casablanca.

The Federal Reserve Board on December 12, 2000, announced the issuance of an order of prohibition against Bruce Jeffrey Kingdon, a former partner, operating committee member, managing director, employee, and institution-affiliated party of the Bankers Trust Company, New York, New York.

Mr. Kingdon, without admitting to any allegations, consented to the issuance of the order as a result of his alleged violations of law, unsafe or unsound banking practices, and breaches of his fiduciary duties to Bankers Trust and its customers.

The Federal Reserve Board on December 12, 2000, announced the execution of a written agreement by and between People's Bancshares, Inc., New Bedford, Massachusetts, and the Federal Reserve Bank of Boston.

The Federal Reserve Board announced on December 13, 2000, the issuance of a final decision and order of prohibition against Kaye G. Hill, former employee, Barnett Bank, N.A., Jacksonville, Florida. The order, the result of an action brought by the Office of the Comptroller of the Currency, prohibits Ms. Hill from participating in the conduct of the affairs of any financial institution or holding company.

CHANGES IN BOARD STAFF

The Board of Governors approved on December 20, 2000, a restructuring of the Division of Banking Supervision and Regulation. The principal objectives of the reorganization are the following:

- Focus more effectively on major supervisory risks and to provide additional emphasis on enhanced accounting, public disclosure, and market discipline as important supplements to safety and soundness supervision
- Develop a more coordinated approach to System-wide supervisory activities, including large, complex banking organizations (LCBOs) and resource allocation
- Support implementation of financial holding company umbrella supervision and other aspects of the Gramm-Leach-Bliley Act
- Address strategic organizational considerations.

As part of the reorganization, the Board is pleased to announce the following official staff promotions and appointments:

- The promotion of Herbert A. Biern, Roger T. Cole, and William A. Ryback to Senior Associate Directors
- The promotion of Gerald A. Edwards to Associate Director and Chief Supervisory Accountant
- The promotion of James V. Houpt, Stephen M. Hoffman, Jack P. Jennings, Michael G. Martinson, and Molly S. Wassom to Associate Directors
- The promotion of Sidney M. Sussan to Adviser
- The promotion of Howard A. Amer, Mary Cross Jacowski, Norah M. Barger, and Richard A. Small to Deputy Associate Directors
- The appointment of Deborah P. Bailey, Barbara J. Bouchard, Angela Desmond, James A. Embersit, Charles H. Holm, Heidi W. Richards, William G. Spaniel, and David M. Wright to the official staff as Assistant Directors.

Ms. Bailey was appointed Assistant Director responsible for LCBO supervision after having been the manager of the Global Organizations Section. She joined the Board's staff in 1997 after seventeen years with the Office of the Comptroller of the Currency as a supervisory financial analyst. She was awarded a B.B.A. from the University of Georgia and has received her commission as a National Bank Examiner.

Ms. Bouchard was appointed Assistant Director of the Supervisory and Risk Policy Function after having been the manager of the Policy Development Section. She began her career at the Board in 1992 as a senior financial analyst. She received her law degree from George Washington University's National Law Center and her B.S. from the University of Virginia.

Ms. Desmond was appointed Assistant Director for the LCBO Secretariat. She joined the Board's staff in 1993 and most recently performed the secretariat function for the LCBO Subcommittee of the System's Strategic Plan Steering Committee. She earned her B.S. from Boston State College and her J.D. from The American University Law School.

Mr. Embersit was appointed Assistant Director of the Market and Liquidity Risks Function. He began his career at the Board in 1991 as a supervisory financial analyst and was promoted to manager of the Capital Markets Program. Mr. Embersit earned his B.A. from The American University and holds master's degrees from Boston College and George Washington University.

Mr. Holm was appointed Assistant Director of the Accounting Function. He joined the Board's staff in 1988 as an accountant analyst in the Policy Development Section and became the manager of the Accounting Policy and Disclosure Section in 1998. He earned a B.S. from Villanova University, an M.B.A. from the University of Maryland, and is a certified public accountant.

Ms. Richards was appointed Assistant Director of the Operational Risk and Emerging Activities Function after having been manager of Specialized Activities. She joined the Board's staff in 1993 in the Division of Federal Reserve Bank Operations and Payment Systems as an assistant financial services analyst. She holds an A.B. from Radcliffe College and an M.P.A. from the John F. Kennedy School of Government at Harvard.

Mr. Spaniel was appointed Assistant Director of the System Planning Evaluation and Staff Development Function. He joined the Board's staff in 1990 as a senior financial analyst and in 1998 was promoted to manager, Supervisory Reviews and Evaluations. Mr. Spaniel holds a B.A. from The College of William and Mary.

Mr. Wright was appointed Assistant Director of the Credit Risk Function after having been manager of the Financial Analysis and Special Studies Function since 1998. He joined the division in 1991. He holds a B.A. from Wake Forest University and an M.B.A. from The College of William and Mary. □

Minutes of the Meeting of the Federal Open Market Committee Held on November 15, 2000

A meeting of the Federal Open Market Committee was held in the offices of the Board of Governors of the Federal Reserve System in Washington, D.C., on Wednesday, November 15, 2000, at 9:00 a.m.

Present:

Mr. Greenspan, Chairman
Mr. McDonough, Vice Chairman
Mr. Broadus
Mr. Ferguson
Mr. Gramlich
Mr. Gynn
Mr. Kelley
Mr. Meyer
Mr. Parry

Mr. Hoenig, Ms. Minehan, Messrs. Moskow and Poole, Alternate Members of the Federal Open Market Committee

Messrs. McTeer, Stern, and Santomero, Presidents of the Federal Reserve Banks of Dallas, Minneapolis, and Philadelphia respectively

Mr. Kohn, Secretary and Economist
Mr. Bernard, Deputy Secretary
Mr. Gillum, Assistant Secretary
Ms. Fox, Assistant Secretary
Mr. Mattingly, General Counsel
Ms. Johnson, Economist
Mr. Stockton, Economist

Ms. Cumming, Messrs. Eisenbeis, Goodfriend, Howard, Lindsey, Reinhart, Simpson, and Sniderman, Associate Economists

Mr. Fisher, Manager, System Open Market Account

Mr. Winn, Assistant to the Board, Office of Board Members, Board of Governors

Mr. Ettin, Deputy Director, Division of Research and Statistics, Board of Governors

Mr. Madigan, Associate Director, Division of Monetary Affairs, Board of Governors

Messrs. Oliner, Slifman, and Struckmeyer, Associate Directors, Division of Research and Statistics, Board of Governors

Mr. Whitesell, Assistant Director, Division of Monetary Affairs, Board of Governors

Ms. Low, Open Market Secretariat Assistant, Division of Monetary Affairs, Board of Governors

Mr. Barron and Ms. Pianalto, First Vice Presidents, Federal Reserve Banks of Atlanta and Cleveland respectively

Messrs. Hakkio, Hunter, Ms. Mester, Messrs. Rasche, Rolnick, and Rosenblum, Senior Vice Presidents, Federal Reserve Banks of Kansas City, Chicago, Philadelphia, St. Louis, Minneapolis, and Dallas respectively

Messrs. Fuhrer, Judd, and Ms. Perelmuter, Vice Presidents, Federal Reserve Banks of Boston, San Francisco, and New York respectively

By unanimous vote, the minutes of the meeting of the Federal Open Market Committee held on October 3, 2000, were approved.

The Manager of the System Open Market Account reported on recent developments in foreign exchange markets. There were no open market operations in foreign currencies for the System's account in the period since the previous meeting.

The Manager also reported on developments in domestic financial markets and on System open market transactions in government securities and federal agency obligations during the period October 3, 2000, through November 14, 2000. By unanimous vote, the Committee ratified these transactions.

The Committee then turned to a discussion of the economic situation and outlook and the implementation of monetary policy over the intermeeting period ahead.

The information reviewed at this meeting suggested that economic growth had slowed appreciably from the rapid pace in the first half of the year. The slowdown was most apparent in housing construction and business investment in equipment and software, while consumer spending remained on a

relatively solid upward trend. With expansion of aggregate demand less robust, industrial production and employment were rising at appreciably slower rates, though unemployment remained very low. Core inflation appeared to be increasing, but very gradually and in part reflecting the indirect effects of higher energy costs.

Growth in private nonfarm payroll employment slowed in October from the moderate September rate; since midyear, employment growth had been considerably lower than earlier in the year. The falloff in growth was concentrated in the manufacturing, retail trade, and temporary help services industries. By contrast, the pace of hiring was brisk in real estate and construction and slowed only slightly in services industries other than temporary help. The civilian unemployment rate held at its current cyclical low of 3.9 percent in October.

Industrial production edged down in October, after its growth had dropped abruptly in the third quarter to a pace well below that recorded during the first half of the year. Manufacturing output was unchanged in October; a further sharp decline in production of motor vehicles followed on the heels of a third-quarter slump, and the manufacture of other durables also fell. Expansion of output of high-tech equipment, which had been extraordinarily rapid earlier in the year, slowed somewhat in October. With production unchanged in October, the rate of capacity utilization in manufacturing fell to a level slightly below its long-term average.

Nominal retail sales edged up in October after rising substantially in the third quarter. Nondurable goods stores, notably apparel, registered a sizable increase in October sales, but that gain was more than offset by declines in outlays for durable goods, particularly motor vehicles. Consumer spending for services continued to grow at a moderate rate through September (latest data). Recent consumer buying patterns seemed to reflect moderate growth of real disposable income in recent quarters and still generally buoyant consumer sentiment.

Single-family housing starts declined further in the third quarter as a whole. Nevertheless, the drop in interest rates on fixed-rate mortgages since mid-May might have sparked the slight increase, on balance, in single-family housing starts in August and September and the upturn in new home sales in the third quarter. After a strong first half, multifamily starts dropped in the third quarter despite low vacancy rates and rising apartment rents.

Business investment in durable equipment and software decelerated sharply in the third quarter. In the high-tech area, spending on computers and related

equipment as well as software recorded further robust gains. However, expenditures on communications equipment declined after a half-year of very strong increases, and outlays for other types of equipment also softened; investment in aircraft, autos, trucks, and construction and mining equipment fell, while growth of spending on agricultural and industrial equipment slowed. Despite the third-quarter weakness in expenditures, recent data on orders for non-defense capital goods suggested that spending for many types of equipment remained on an upward trend. Data on construction put in place indicated that nonresidential building activity picked up considerably in the third quarter, with the institutional, industrial, and office categories recording solid gains. Market fundamentals, including rising property values and low vacancy rates, suggested that further expansion of office building was likely. Other commercial construction, by contrast, remained weak, partly reflecting the already substantial stock of large retail stores and regional malls.

The pace of inventory investment slowed considerably in the third quarter. However, for a second consecutive quarter, the book value of inventories rose faster than sales, and inventory overhangs were evident in some industries. In manufacturing, stock accumulation edged up and the aggregate stockshipments ratio in September, though still quite low by historic norms, was just above the middle of its range over the preceding twelve months. In the wholesale sector, inventory accumulation dropped in the third quarter; however, sales declined and the aggregate inventory-sales ratio for the sector was at the top of its narrow range over the past year. Retail stockbuilding also slowed in the third quarter, with much of the drop reflecting reductions in motor vehicle inventories at auto dealers. The aggregate inventory-sales ratio for this sector edged lower and was near the middle of its range over the past year.

The U.S. trade deficit in goods and services narrowed in August after having widened considerably in July; on balance, the trade deficit increased somewhat from its second-quarter level. The value of exports grew in the July–August period at about the same strong pace as that recorded for the second quarter. The value of imports also rose briskly over the two months, but at a slightly lower rate than that of the second quarter. The available information indicated that, on average, economic expansion in the foreign industrial countries slowed appreciably in the third quarter from the elevated pace during the first half of the year and that the slowdown importantly reflected little or no growth in Japan. In addition, economic activity appeared to have decelerated in

many developing countries in the third quarter but remained solid in most of those nations.

Incoming data continued to indicate that price inflation had picked up somewhat. Consumer prices, as measured by the consumer price index (CPI), rose considerably in September (latest data) after having edged down in August; a sizable step-up in energy prices and a noticeable increase in core inflation contributed about equally to the acceleration. Although the core measure of CPI prices accelerated noticeably in the twelve months ended in September compared with the previous twelve-month period, personal consumption expenditure (PCE) price inflation had been about steady. By contrast, core producer prices dropped a little in October and decelerated somewhat on a year-over-year basis, though the deceleration was more than accounted for by a surge in tobacco prices during the year ended in October 1999. With regard to labor costs, the third-quarter rise in the employment cost index (ECI) for hourly compensation of private industry workers was smaller than the elevated increase of the previous quarter. However, ECI compensation advanced considerably more during the year ended in September than in the previous year, with larger increases in benefits accounting for much of the rise. Average hourly earnings of production or nonsupervisory workers increased at a slightly higher rate in both October and the twelve months ended in October.

At its meeting on October 3, 2000, the Committee adopted a directive that called for maintaining conditions in reserve markets consistent with an unchanged federal funds rate of about 6½ percent. In taking that action, the members noted that the growth of aggregate demand had moderated appreciably, the prospects for a significant rise in inflation seemed quite limited for the near term, and previous policy tightening actions and the earlier rise in energy prices had not yet exerted their full restraining effects on demand. Nevertheless, in the context of continuing substantial pressures on labor resources and the potential effects of the previous rise in energy prices on inflation expectations, members believed it was necessary to remain on guard for signs of rising inflation over the intermediate term. As a result, they agreed that the statement accompanying the announcement of their decision should continue to indicate that the risks remained weighted mainly in the direction of rising inflation.

Open market operations were directed throughout the intermeeting period toward maintaining the federal funds rate at the Committee's targeted level of 6½ percent, and the average rate remained close to the intended level. Short- and intermediate-term mar-

ket interest rates registered small mixed changes over the intermeeting interval. At longer maturities, Treasury coupon yields drifted slightly lower, and rates on high-grade corporate securities changed little. However, growing market concerns about the outlook for corporate earnings led to substantial increases in interest rates on lower-rated investment-grade and high-yield bonds, and the early November survey of senior loan officers indicated that banks had tightened further their standards and terms for business loans. The mixed reports on corporate earnings, incoming information indicating slower growth in economic activity in the United States, and wide swings in and uncertainty about the price of oil contributed to a sharp drop in broad indexes of stock market prices over the period in volatile trading.

In foreign exchange markets, the trade-weighted value of the dollar increased slightly further on balance over the intermeeting interval in terms of the currencies of a broad group of U.S. trading partners. Among the major foreign currencies, the dollar moved up against the euro and the Canadian and Australian dollars but edged down a bit in terms of the yen. The dollar rose to a record level against the euro in the weeks following the FOMC meeting, but the release of weaker-than-expected U.S. economic growth data in late October was seen as possibly marking a shift in the relative growth rates, and the dollar subsequently gave up much of its intermeeting gains in terms of the euro. The dollar also posted gains against an index of the currencies of other important trading partners, largely reflecting conditions in some emerging economies. Concerns about Argentina's recent economic and fiscal performance and its external financing situation spilled over to other Latin American countries, notably Brazil and Mexico, and political developments in Indonesia and the Philippines depressed the currencies of those countries.

The broad monetary aggregates decelerated in October. The slower growth of M2 followed strong expansion in August and September, however, and growth since midyear was at about the same pace as in the first half of the year. M3 also increased at a slower rate in October, partly reflecting weakness in bank lending and declines in bank holdings of securities. The growth of domestic nonfinancial debt picked up in September in association with an increase in the pace of private borrowing and a less rapid paydown of federal debt.

The staff forecast prepared for this meeting suggested that the economic expansion, having slowed considerably, would be sustained over the forecast horizon at a rate a little below the staff's current

estimate of the economy's potential output. The forecast anticipated that the expansion of domestic final demand would be held back to some extent by the waning influence of the positive wealth effects associated with past outsized gains in equity prices but also by some firming of conditions in credit markets. As a result, growth of spending on consumer durables was expected to be appreciably below that in recent quarters and housing demand to trend slightly downward. By contrast, business fixed investment—notably, outlays for equipment and software—was projected to remain relatively robust, and brisk growth abroad would undergird the expansion of U.S. exports. Core price inflation was projected to rise a little over the forecast horizon, in part as a result of higher import prices but largely as a consequence of further increases in nominal labor compensation gains that would not be fully offset by growth in productivity.

In the Committee's discussion of current and prospective economic conditions, members commented that the information that had become available since the previous meeting had reinforced earlier indications of appreciable slowing in the expansion of economic activity. The cumulating evidence of moderating expansion seemed especially clear in the information on employment growth and manufacturing output. Aggregate demand currently appeared to be growing at a pace a little below the rate of increase in the economy's output potential, a configuration that could well persist in coming quarters. Actual and expected shortfalls in business profitability had led to tighter credit conditions for many borrowers and lower equity prices, which would continue to restrain spending; moreover, further pressure on profit margins, with adverse effects on financial markets, business investment, and consumer spending, was a distinct possibility. Members observed, however, that economic growth had rebounded sharply from temporary slowdowns previously in the current expansion, and several noted the possibility that a less restrictive fiscal policy stance would be bolstering demand in the years ahead.

Although the softening in aggregate demand moved in the direction of containing potential inflation pressures, the members continued to be concerned about the possibility that inflation would edge higher. Even with demand growth slower, labor markets were likely to remain unusually tight for some time, and in such circumstances labor costs could begin to rise increasingly in excess of even elevated gains in productivity. Some members also commented that energy prices might not trend lower as soon as, or to the extent, now expected by market analysts, and a few raised the prospect that the dollar

might depreciate from its currently elevated level and add to potential upward pressures on domestic prices over the forecast horizon.

A key factor underlying the economic outlook was the emergence in recent months of less accommodative financial conditions for many businesses, including some further tightening since the meeting in early October, and decreases in the wealth of households. The slowdown in the pace of the expansion and disappointing business earnings had fostered more cautious attitudes on the part of lending institutions and investors. Anecdotal comments from around the country supported the indications from surveys of tightening terms and standards at banks for business borrowers. At the same time, spreads in securities markets had widened, most sharply on obligations of borrowers rated below investment grade, and as a result those borrowers faced higher credit costs. Lender caution and less receptive markets probably had contributed to considerable weakening recently in overall growth of credit to nonfinancial businesses. Rising interest and energy costs in conjunction with restraint on the prices of final output had depressed the earnings and stock market valuations of many firms, notably in the high-tech area, with adverse repercussions on their ability to borrow and willingness to invest and on the financial position of the households holding their equity shares.

Less hospitable conditions in financial markets for a number of borrowers and deteriorating profit margins had contributed to a substantial moderation in the growth of business fixed investment in recent months, and anecdotal reports of reductions in capital spending plans were consistent with continued more moderate expansion in such outlays. The recent deceleration was especially pronounced in expenditures for high-tech equipment and software, though such spending was still growing at a robust pace. It was suggested that the weakening expansion of expenditures in these capital goods might reflect a surfeit in capacity following a period of extraordinary growth in many industries—for example, those related to fiber optics. The available evidence did not indicate any material decrease in the optimism of equity market analysts as a group regarding the outlook for earnings over the long term. This suggested that their contacts among business executives remained fundamentally upbeat about the long-term prospects for productivity and earnings. In these circumstances, appreciable further growth in investment spending seemed to be in prospect for coming quarters, though undoubtedly at a slower pace than had been experienced on average in recent quarters.

Even limited slowing in the expansion of investment expenditures could be expected to have retarding effects on the growth of consumer income and spending. While such spending had held up well in the third quarter, the limited information available on more recent developments suggested some softening, though the data were not conclusive. Factors cited in support of a somewhat weaker trajectory in consumer spending included the impact of elevated energy costs, the high debt burdens of many households, and the ebbing of the wealth effects from strong earlier gains in stock market prices. Even so, anticipated increases in employment and income and still relatively high levels of consumer confidence were likely to support appreciable further growth in consumer spending, albeit probably at a rate somewhat below the brisk pace of the past few years.

Key indicators of housing activity had fluctuated considerably this year, but the evidence of recent months pointed on balance to a mild softening in such activity, a perception that was supported by anecdotal reports from several areas around the country. In general, housing demand was expected to edge lower in response to the same income and wealth effects that were influencing consumer durables expenditures and to the increase in mortgage interest rates that had occurred on net over the past year.

Current forecasts of appreciable growth in foreign economic activity had favorable implications for U.S. exports and the nation's trade balance, but some members expressed concern about financial and economic weakness in a number of foreign economies. Failure to remedy structural and other problems in some countries incurred the risk of economic and financial distress, with possible spillover effects on other economies and financial markets. While those risks seemed small, they might be difficult to contain. The exchange value of the dollar was another source of uncertainty for the outlook. In the view of some members, the dollar could well come under downward pressure as the nation's current account deficits continued to cumulate. A lower dollar would tend to have a favorable effect on the trade deficit but also would add to inflationary pressures in the domestic economy.

Members continued to be concerned about the outlook for inflation. Measured increases in "headline" consumer prices could be explained mostly as a result of sharp advances in energy prices, which many observers expected to be reversed at some point. However, core consumer price measures also displayed a gradual uptrend, perhaps only in part as a consequence of the pass-through effects of persistently high energy prices. Measures of labor compen-

sation appeared to be accelerating, partly as a result of sharply rising health benefit costs. To be sure, unit labor costs in the nonfinancial corporate sector had changed little over the past year, undoubtedly reflecting impressive further gains in productivity. Even so, higher interest rates and increased energy and other input costs were adding to overall production expenses. To date, competitive pressures were continuing to inhibit the ability of many firms to pass on those costs, although a significant exception was a number of successful efforts to impose energy surcharges.

Looking to the future, however, the members generally agreed that the risks were in the direction of a heightening in inflation pressures despite their belief that growth in overall demand now seemed to have declined to a more sustainable pace and probably would continue to expand for a time at a rate below that of the economy's output potential. The members believed that growth in labor compensation was likely to remain under upward pressure from the anticipated persistence of very tight conditions in labor markets that would enable wages to catch up to earlier gains in labor productivity. Whether offsetting increases in the growth of labor productivity would materialize was open to question, in part because productivity growth might tend to level out in the context of less ebullient expansion in business investment. Another key factor in the outlook for inflation was the course of oil and other energy prices. Thus far, increases in energy costs had been reflected only marginally in core consumer prices, and while there were widespread market expectations of declining oil prices in coming quarters, a great deal of uncertainty, including the potential for more difficulties in the Middle East, surrounded the timing and extent of such an outcome. The longer relatively high energy prices persisted, of course, the greater might be their imprint on both inflation expectations and core prices. In sum, the moderation in economic expansion, the persistence of highly competitive conditions in most domestic markets, the outlook for continued robust gains in productivity, and relatively subdued inflation expectations were favorable factors in the inflation outlook, but the members continued to view the prospects as weighted on balance in the direction of a gradual uptrend in core inflation.

In the Committee's discussion of policy for the intermeeting period ahead, all the members supported a proposal to maintain an unchanged policy stance consistent with the federal funds rate continuing to average about 6½ percent. Despite clear indications of a more moderate expansion in economic activity, persisting risks of heightened inflation pressures

remained a policy concern, particularly in the context of an evident, if gradual, uptrend in key measures of core inflation. Indeed, a few members commented that measures of core inflation already were near or slightly above levels that they viewed as acceptable for the longer run. Although overall financial conditions had tightened during the course of recent months and currently appeared to be holding down the growth in spending, this added restraint was likely to be necessary to contain inflation pressures. In these circumstances, all the members saw the maintenance of a steady policy as the best course at this juncture to promote the Committee's longer-run objectives of price stability and sustainable economic expansion.

Still, growth had slowed more quickly than many members had anticipated, and financial market and other developments now seemed more likely to keep pressures on resources from mounting over coming quarters. Under the circumstances, the members focused at this meeting on the potential desirability of moving from a statement of risks weighted toward rising inflation to one that indicated a balanced view of the risks to the Committee's goals of price stability and sustainable economic growth. The members agreed that a stronger case could be made for a shift to a balanced risk statement than at the previous meeting. A few indicated that the decision was a close call for them, and several commented that developments might be moving in a direction that would make a shift advisable in the relatively near future. Even so, they were unanimous in concluding that such a change would be premature at this time. Concerns about the possibility of rising inflation persisted. And while the members could see an increased risk of a marked slowing of growth relative to the rapid rate of expansion of the economy's potential, the degree to which growth in demand might remain sufficiently damped to contain and offset those inflation pressures was quite uncertain. Moreover, a shift in the Committee's published views might induce an undesirable softening in overall financial market conditions, which in itself would tend to add to inflation

pressures. The members concluded that retaining a risk statement weighted toward more inflation pressures would best represent their current thinking, but they believed it was desirable to provide some recognition of the emergence of increased downside risks to the economic expansion in the statement to be released after this meeting.

At the conclusion of this discussion, the Committee voted to authorize and direct the Federal Reserve Bank of New York, until it was instructed otherwise, to execute transactions in the System Account in accordance with the following domestic policy directive:

The Federal Open Market Committee seeks monetary and financial conditions that will foster price stability and promote sustainable growth in output. To further its long-run objectives, the Committee in the immediate future seeks conditions in reserve markets consistent with maintaining the federal funds rate at an average of around 6½ percent.

The vote also encompassed approval of the sentence below for inclusion in the press statement to be released shortly after the meeting:

Against the background of its long-run goals of price stability and sustainable economic growth and of the information currently available, the Committee believes that the risks are weighted mainly toward conditions that may generate heightened inflation pressures in the foreseeable future.

Votes for this action: Messrs. Greenspan, McDonough, Broaddus, Ferguson, Gramlich, Guynn, Kelley, Meyer, Moskow, and Parry. Votes against this action: None. Mr. Moskow voted as alternate member for Mr. Jordan.

It was agreed that the next meeting of the Committee would be held on Tuesday, December 19, 2000.

The meeting adjourned at 1:00 p.m.

Donald L. Kohn
Secretary

Legal Developments

FINAL RULE—AMENDMENT TO REGULATION C

The Board of Governors is amending 12 C.F.R. Part 203, its Regulation C (Home Mortgage Disclosure). The Board is required to adjust annually the asset-size exemption threshold for depository institutions based on the annual percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers. The present adjustment reflects changes for the 12-month period ending in November 2000. During this period, the index increased by 3.4 percent; as a result, the threshold is increased to \$31 million. Thus, depository institutions with assets of \$31 million or less as of December 31, 2000, are exempt from data collection in 2001.

Effective January 1, 2001, 12 C.F.R. Part 203 is amended as follows:

Part 203—Home Mortgage Disclosure (Regulation C)

1. The authority citation for Part 203 continues to read as follows:

Authority: 12 U.S.C. 2801-2810.

2. In Supplement I to Part 203, under Section 203.3—Exempt Institutions, under 3(a) *Exemption based on location, asset size, or number of home-purchase loans*, paragraph 2 is revised to read as follows:

Supplement I to Part 203—Staff Commentary

* * * * *

Section 203.3—Exempt Institutions

- 3(a) *Exemption based on location, asset size, or number of home-purchase loans.*

* * * * *

2. *Adjustment of exemption threshold for depository institutions.* For data collection in 2001, the asset-size exemption threshold is \$31 million. Depository institutions with assets at or below \$31 million are exempt from collecting data for 2001.

FINAL RULE—AMENDMENT TO REGULATION Y

The Board of Governors is amending 12 C.F.R. Part 225, its Regulation Y (Bank Holding Companies and Change in Bank Control), by adding acting as a finder to the list of activities that a financial holding company may conduct using the streamlined post-transaction notice procedure authorized by the Gramm-Leach-Bliley Act.

The final rule allows a financial holding company to bring together buyers and sellers of products and services for transactions that the buyers and sellers themselves negotiate and consummate. The rule provides examples of specific services that a financial holding company may and may not perform when acting as a finder under the rule. The rule also requires a financial holding company that acts as a finder to provide appropriate disclosures to distinguish products and services that are offered by the financial holding company from those that are offered by a third party using the financial holding company's finder service.

Effective January 22, 2001, 12 C.F.R. Part 225 is amended as follows:

Part 225—Bank Holding Companies and Change in Bank Control (Regulation Y)

1. The authority citation for Part 225 continues to read as follows:

Authority: 12 U.S.C. 1817(j)(13), 1818, 1828(o), 1831i, 1831p-1, 1843(c)(8), 1843(k), 1844(b), 1972(l), 3106, 3108, 3310, 3331-3351, 3907, and 3909.

2. Section 225.86 is amended by adding a new paragraph (d) to read as follows:

Section 225.86—What activities are permissible for financial holding companies?

* * * * *

- (d) *Activities determined to be financial in nature or incidental to financial activities by the Board—*

- (1) *Acting as a finder—*

Acting as a finder in bringing together one or more buyers and sellers of any product or service for transactions that the parties themselves negotiate and consummate.

- (i) *What is the scope of finder activities?* Acting as a finder includes providing any or all of the following services through any means—

- (A) Identifying potential parties, making inquiries as to interest, introducing and referring potential parties to each other, and arranging contacts between and meetings of interested parties;
 - (B) Conveying between interested parties expressions of interest, bids, offers, orders and confirmations relating to a transaction; and
 - (C) Transmitting information concerning products and services to potential parties in connection with the activities described in paragraphs (d)(1)(i)(A) and (B) of this section.
- (ii) *What are some examples of finder services?* The following are examples of the services that may be provided by a finder when done in accordance with paragraphs (d)(1)(iii) and (iv) of this section. These examples are not exclusive.
- (A) Hosting an electronic marketplace on the financial holding company's Internet web site by providing hypertext or similar links to the web sites of third party buyers or sellers.
 - (B) Hosting on the financial holding company's servers the Internet web site of—
 - (1) A buyer (or seller) that provides information concerning the buyer (or seller) and the products or services it seeks to buy (or sell) and allows sellers (or buyers) to submit expressions of interest, bids, offers, orders and confirmations relating to such products or services; or
 - (2) A government or government agency that provides information concerning the services or benefits made available by the government or government agency, assists persons in completing applications to receive such services or benefits from the government or agency, and allows persons to transmit their applications for services or benefits to the government or agency.
 - (C) Operating an Internet web site that allows multiple buyers and sellers to exchange information concerning the products and services that they are willing to purchase or sell, locate potential counterparties for transactions, aggregate orders for goods or services with those made by other parties, and enter into transactions between themselves.
 - (D) Operating a telephone call center that provides permissible finder services.
- (iii) *What limitations are applicable to a financial holding company acting as a finder?*
- (A) A finder may act only as an intermediary between a buyer and a seller.
 - (B) A finder may not bind any buyer or seller to the terms of a specific transaction or negotiate the terms of a specific transaction on behalf of a buyer or seller, except that a finder may—
 - (1) Arrange for buyers to receive preferred terms from sellers so long as the terms are not negotiated as part of any individual transaction, are provided generally to customers or broad categories of customers, and are made available by the seller (and not by the financial holding company); and
 - (2) Establish rules of general applicability governing the use and operation of the finder service, including rules that—
 - (i) Govern the submission of bids and offers by buyers and sellers that use the finder service and the circumstances under which the finder service will match bids and offers submitted by buyers and sellers; and
 - (ii) Govern the manner in which buyers and sellers may bind themselves to the terms of a specific transaction.
- (C) A finder may not—
- (1) Take title to or acquire or hold an ownership interest in any product or service offered or sold through the finder service;
 - (2) Provide distribution services for physical products or services offered or sold through the finder service;
 - (3) Own or operate any real or personal property that is used for the purpose of manufacturing, storing, transporting, or assembling physical products offered or sold by third parties; or
 - (4) Own or operate any real or personal property that serves as a physical location for the physical purchase, sale or distribution of products or services offered or sold by third parties.
- (D) A finder may not engage in any activity that would require the company to register or obtain a license as a real estate agent or broker under applicable law.
- (iv) *What disclosures are required?* A finder must distinguish the products and services offered by the financial holding company from those offered by a third party through the finder service.
- (2) [Reserved]

ORDERS ISSUED UNDER BANK HOLDING COMPANY ACT

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

*The Chase Manhattan Corporation
New York, New York*

J.P. Morgan & Co. Incorporated
New York, New York

Order Approving the Merger of Bank Holding
 Companies, Merger of Banks, and Establishment of
 Branches

The Chase Manhattan Corporation ("Chase"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has requested the Board's approval under section 3 of the BHC Act (12 U.S.C. § 1842) to merge with J.P. Morgan & Co. Incorporated ("Morgan") and thereby acquire Morgan's subsidiary bank, Morgan Guaranty Trust Company of New York ("Morgan Guaranty"), New York, New York.¹ Chase's lead bank, The Chase Manhattan Bank, also in New York ("Chase Bank"), a state member bank, 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 Morgan Guaranty, with Chase Bank as the surviving institution. Chase Bank also has applied under section 9 of the Federal Reserve Act (12 U.S.C. § 321) to establish branches at the locations of the main office and branches of Morgan Guaranty.²

In addition, Chase has requested the Board's approval under sections 4(c)(8) and 4(j) of the BHC Act (12 U.S.C. §§ 1843(c)(8) and 1843(j)) and section 225.24 of the Board's Regulation Y (12 C.F.R. 225.24) to acquire Morgan's subsidiary savings association, J.P. Morgan FSB, Palm Beach, Florida ("Morgan FSB").

Chase also has filed notices under section 4(c)(13) of the BHC Act (12 U.S.C. § 1843(c)(13)), sections 25 and 25A of the Federal Reserve Act (12 U.S.C. §§ 601 *et seq.* and 611 *et seq.*), and the Board's Regulation K (12 C.F.R. 211) to acquire the Edge Act subsidiary and foreign operations of Morgan Guaranty.

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (64 *Federal Register* 36,875 (2000)). As required by the Bank Merger Act, reports on the competitive effects of the merger were requested from the United States Attorney General, Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency. The time for filing comments has expired, and the Board has considered the proposal and all comments received in light of the factors set forth in sections 3 and 4 of the BHC Act, the Bank Merger Act and the Federal Reserve Act.

Chase, with total consolidated assets of \$396 billion, is the third largest commercial banking organization in the United States, controlling approximately 6 percent of the

total assets of insured commercial banks in the United States ("total banking assets").³ Chase is the largest banking organization in New York, controlling deposits of \$98 billion, representing approximately 23.2 percent of total deposits in depository institutions in the state ("state deposits").⁴ Chase also operates banks in California, Connecticut, Delaware, Florida, New Jersey, and Texas.

Morgan, with total consolidated assets of \$266.3 billion, is the fifth largest commercial banking organization in the United States, controlling approximately 4 percent of total banking assets. It is the 15th largest banking organization in New York, controlling deposits of \$7.9 billion, representing approximately 1.9 percent of state deposits. Morgan also operates insured depository institutions in Delaware and Florida.

After consummation of the proposal, Chase would remain the third largest commercial banking organization in the United States, with total consolidated assets of \$662.3 billion, representing approximately 10 percent of total banking assets. Chase would continue to operate insured depository institutions in the states where it currently operates.

Interstate Analysis

Section 3(d) of the BHC Act allows the Board to approve an application by a bank holding company to acquire control of a bank located in a state other than the home state of the bank holding company if certain conditions are met. For purposes of the BHC Act, the home state of Chase is New York.⁵ As part of the proposal, Chase proposes to acquire a bank in Delaware.⁶ All the conditions for an interstate acquisition enumerated in section 3(d) are met in this case.⁷ In light of all the facts of record, the Board is permitted to approve the proposal under section 3(d) of the BHC Act.

Competitive Factors

The Bank Merger Act and section 3 of the BHC Act prohibit the Board from approving a proposal that would

3. Asset data are as of June 30, 2000. All other banking data are as of June 30, 1999, unless otherwise noted, and have been adjusted to account for mergers consummated since that date.

4. Unless otherwise noted, depository institutions include commercial banks, savings banks, and savings associations.

5. A bank holding company's home state is the state in which the total deposits of all banking subsidiaries of the company were the largest on July 1, 1966, or the date on which the company became a bank holding company, whichever is later. 12 U.S.C. § 1841(o)(4)(C).

6. For purposes of section 3(d) of the BHC Act, the Board considers a bank to be located in the states in which the bank is chartered, headquartered, or operates a branch.

7. 12 U.S.C. §§ 1842(d)(1)(A) and (B) and 1842(d)(2)(A) and (B). Chase meets the capital and managerial requirements established under applicable law. On consummation, Chase would control less than 10 percent of the total amount of deposits of insured depository institutions in the United States and less than 30 percent of state deposits in Delaware. *See* 5 Del. Code Ann. tit. 5 § 795G (2000). All other requirements under section 3(d) of the BHC Act also would be met on consummation of the proposal.

1. On consummation of the proposal, Chase would change its name to J.P. Morgan Chase & Co. Chase and Morgan also have each requested the Board's approval to hold and exercise an option to acquire up to 19.9 percent of the other's voting shares. These options would expire on consummation of the proposal.

2. The branches would be established at: 60 Wall Street, New York, New York; 522 Fifth Avenue, New York, New York; 500 Stanton Avenue, Newark, Delaware.

result in a monopoly or be in furtherance of a monopoly. These acts also prohibit the Board from approving a proposal that would substantially lessen competition in any relevant banking market unless the anticompetitive effects of the proposal in that banking market are clearly outweighed in the public interest by the probable effect of the proposal in meeting the convenience and needs of the community to be served.⁸

In reviewing the competitive effects of the proposal, the Board has reviewed carefully comments submitted by Inner City Press/Community on the Move, Bronx, New York ("ICP"). ICP contends that the merger would reduce competition for banking services in several product markets and result in higher fees and reduced customer convenience. ICP also challenges the Board's use of the cluster of banking services to review the competitive effects of the proposal.

To review the effect of a particular transaction on competition, it is necessary to designate the area of effective competition between the parties, which the courts have held is decided by reference to the relevant "line of commerce" or a product market and a geographic market. The Board and the courts have recognized consistently that the appropriate product market for analyzing the competitive effects of bank mergers and acquisitions is the cluster of products (various kinds of credit) and services (such as checking accounts and trust administration) offered by banking institutions.⁹ According to the Supreme Court, the cluster of banking products and services facilitates convenient access to these products and services, and this convenience vests the cluster with economic significance beyond the individual products and services that constitute the cluster.¹⁰ Several studies support the conclusion that both businesses and households continue to seek this cluster of products and services.¹¹ Consistent with these precedents and studies, and on the basis of all the facts of record in this case, the Board concludes that the cluster of banking products and services represents the appropriate product market for analyzing the competitive effects of the proposal.¹²

8. See 12 U.S.C. §§ 1828(c)(5) and 1842(c).

9. See *Chemical Banking Corporation* 82 *Federal Reserve Bulletin* 239 (1996) and the cases and studies cited therein. The Supreme Court has emphasized that it is the cluster of products and services that, as a matter of trade reality, makes banking a distinct line of commerce. See *United States v. Philadelphia National Bank*, 374 U.S. 321, 357 (1963); accord, *United States v. Connecticut National Bank*, 418 U.S. 656 (1974); *United States v. Phillipsburg National Bank*, 399 U.S. 350 (1969) ("*Phillipsburg National*").

10. See *Phillipsburg National* 399 U.S. at 361.

11. Elliehausen and Wolken, *Banking Markets and the Use of Financial Services by Households*, 78 *Federal Reserve Bulletin* 169 (1992); Elliehausen and Wolken, *Banking Markets and the Use of Financial Services by Small- and Medium-Sized Businesses*, 76 *Federal Reserve Bulletin* 726 (1990).

12. ICP asserts that after the enactment of the Gramm-Leach-Bliley Act (Pub. L. No. 106-102, 113 Stat. 1338 (1999)), the cluster approach no longer is appropriate, and that certain products and services provided by Morgan Guaranty, including syndicated lending, precious metal trading, debt underwriting, and foreign currency exchange, should be analyzed as separate product markets. Under the Gramm-

Chase and Morgan compete directly in the Metropolitan New York/New Jersey banking market ("New York banking market"); the West Palm Beach, Florida, banking market ("West Palm Beach banking market"); and the Wilmington, Delaware, banking market ("Wilmington banking market").¹³ The Board has reviewed carefully the competitive effects of the proposal in each of the banking markets in light of all the facts of record, including the number of competitors that would remain in the markets, the relative shares of total deposits in depository institutions in the markets ("market deposits") controlled by Chase and Morgan,¹⁴ the concentration level of market deposits and the increase in this level as measured by the Herfindahl-Hirschman Index ("HHI") under the Depart-

Leach-Bliley Act, financial holding companies and financial subsidiaries of banks may, under certain circumstances, engage in a broader range of nonbanking activities than permitted previously. The passage of the act, however, does not suggest that the cluster of banking products and services no longer is the appropriate line of commerce for analyzing the competitive effect of bank affiliations. ICP also argues that the elimination of Morgan Guaranty as a counter-party or participant in the markets for specific products and services listed above would impair significantly the operations of these markets. Even if the approach advocated by ICP were adopted, the Board notes that these activities are conducted on a national or global scale, with numerous other large institutions and sophisticated participants.

13. In addition to considering the product markets affected by a banking merger, the Board also analyzes the effects in a geographic market. See e.g., *Sunwest Financial Services, Inc.*, 73 *Federal Reserve Bulletin* 463 (1987); *Pikeville National Corporation*, 71 *Federal Reserve Bulletin* 240 (1985); *Wyoming Bancorporation*, 68 *Federal Reserve Bulletin* 313 (1982), *aff'd* 729 F.2d 687 (10th Cir. 1984).

The New York banking market is defined as New York City; Nassau, Orange, Putnam, Rockland, Suffolk, Sullivan, and Westchester Counties in New York; Bergen, Essex, Hudson, Hunterdon, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, Sussex, Union, Warren, and a portion of Mercer Counties in New Jersey; Pike County in Pennsylvania; and portions of Fairfield and Litchfield Counties in Connecticut.

The West Palm Beach banking market is defined as all of Palm Beach County east of Loxahatchee and the towns of Indiantown and Hobe Sound in Martin County, all in Florida.

The Wilmington banking market is defined as New Castle County, Delaware, and Cecil County, Maryland.

14. Except as noted, market share data are as of June 30, 1999, and are based on calculations that include the deposits of thrift institutions, which include savings banks and savings associations, weighted at 50 percent. The Board has indicated previously that thrift institutions have become, or have the potential to become, significant competitors of commercial banks. See, e.g., *Midwest Financial Group*, 75 *Federal Reserve Bulletin* 386 (1989); *National City Corporation*, 70 *Federal Reserve Bulletin* 743 (1984). Thus, the Board regularly has included thrift deposits in the calculation of market share on a 50-percent weighted basis. See, e.g., *First Hawaiian, Inc.*, 77 *Federal Reserve Bulletin* 52 (1991). Because the deposits of Morgan FSB are controlled by and would continue to be controlled by a bank holding company, these deposits are included at 100 percent in the calculation of Chase's market share in the West Palm Beach banking market. See *Norwest Corporation*, 78 *Federal Reserve Bulletin* 452 (1992); *First Banks, Inc.*, 76 *Federal Reserve Bulletin* 669, 670 n.9 (1990).

ment of Justice Merger Guidelines ("DOJ Guidelines"),¹⁵ and other characteristics and measures of the markets.

Chase operates the largest depository institution in the New York banking market, controlling deposits of \$98 billion, representing approximately 22.7 percent of market deposits. Morgan controls the 12th largest depository institution in the market, with deposits of \$8 billion, representing approximately 1.9 percent of market deposits. On consummation of the proposal, Chase would continue to operate the largest depository institution in the market, controlling deposits of \$106 billion, representing approximately 24.6 percent of market deposits. The New York banking market would remain unconcentrated as measured by the HHI, which would increase 84 points to 886, with numerous other competitors.

Chase operates the 40th largest depository institution in the West Palm Beach banking market, controlling deposits of \$20.3 million, representing less than 1 percent of market deposits. Morgan controls the 29th largest depository institution in the market, with deposits of \$55.5 million, also representing less than 1 percent of market deposits. On consummation of the proposal, Chase would become the 25th largest depository institution in the West Palm Beach banking market, controlling deposits of \$75.8 million, representing less than 1 percent of market deposits. The HHI would remain at 1137 points, and the market would continue to be moderately concentrated, with numerous other competitors remaining.

Chase operates the second largest depository institution in the Wilmington banking market, controlling deposits of \$6.1 billion, representing approximately 12.9 percent of market deposits.¹⁶ Morgan controls the sixth largest depository institution in the market, with deposits of \$1.9 billion, representing approximately 4 percent of market deposits. On consummation of the proposal, Chase would continue to operate the second largest depository institution in the Wilmington banking market, controlling deposits of

\$8 billion, representing approximately 16.9 percent of market deposits. The HHI would increase 104 points to 2259, and numerous other competitors would remain in the market.

In addition, the Wilmington banking market is attractive for entry by out-of-market competitors. From 1997 to 2000, market deposits increased by 47.7 percent, compared with the national rate of increase of 34.1 percent. Per capita income in the market is \$18,156, compared with the national per capita income of \$15,555. From June 1998 to June 2000, five banking organizations entered the market *de novo* and two banking organizations entered the market by acquisition.

The Department of Justice also has considered the competitive effects of the proposal and has determined that it would not have a significantly adverse effect on competition in any relevant banking market. The Federal Deposit Insurance Corporation ("FDIC") and the Office of the Comptroller of the Currency ("OCC") have been afforded an opportunity to comment on the competitive aspects of the proposal and have not objected to consummation of the proposal.

Based on all the facts of record, and for the reasons discussed in the order, the Board concludes that consummation of the proposal would not be likely to result in a significantly adverse effect on competition or on the concentration of banking resources in any of the banking markets in which Chase and Morgan compete directly or in any other relevant banking market. Accordingly, the Board has determined that the competitive effects in this case are consistent with approval of the proposal.

Financial, Managerial, and Other Supervisory Factors

The Bank Merger Act and section 3 of the BHC Act also require that the Board consider the financial and managerial resources and future prospects of the organizations involved in a proposal as well as certain other supervisory factors. The Board has carefully considered the financial and managerial resources and future prospects of Chase, Morgan, and their respective subsidiary banks and other supervisory factors in light of all the facts of record, including comments received on the proposal, reports of examination and other confidential supervisory information assessing the financial and managerial resources of the organizations, and financial information provided by Chase.

In evaluating financial factors in expansion proposals by banking organizations, the Board consistently has considered capital adequacy to be especially important. The Board notes that Chase and Morgan and their subsidiary depository institutions are well capitalized, as defined in the relevant regulations of the federal banking agencies, and would remain well capitalized on consummation of the proposal.¹⁷ The proposal is structured as a stock-for-stock

15. Under the DOJ Guidelines, 49 *Federal Register* 26,823 (June 29, 1984), a market is considered unconcentrated if the post-merger HHI is below 1000, moderately concentrated if the post-merger HHI is between 1000 and 1800, and highly concentrated if the post-merger HHI is above 1800. The Department of Justice 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 more than 200 points. The Department of Justice has stated that the higher than normal HHI thresholds for screening bank mergers for anticompetitive effects implicitly recognize the competitive effects of limited-purpose lenders and other nondepository financial institutions.

16. Deposit data for the Wilmington banking market are as of June 30, 2000, and include preliminary summary of deposit data. ICP has asserted that Chase and Morgan manipulated their deposit data for June 30, 2000, to conceal their competitive presence in the Wilmington banking market. In reviewing competitive effects and the changes in deposit data in this market over the past year, the Board has considered the structure of market operations, types of specific institutions, and the specific business practices of Chase and Morgan and changes in the market data for other competitors in the market. Based on these considerations, the Board has concluded that the 2000 data most accurately reflect the effects of the transaction on this market.

17. ICP expresses concern about press reports of earnings volatility at a Chase subsidiary that makes venture capital investments, Chase

transaction and would not increase the debt service requirements of the combined organization. The proposal also would result in a more diversified client base and more diversified revenue sources for the combined organization. In addition, Chase expects to increase net income as a result of significant cost reductions as well as projected increases in revenue.¹⁸

The Board also has taken account of the managerial resources of Chase and Morgan and the federal financial supervisory agencies' examination records in supervising these organizations. All the subsidiary depository institutions of Chase and Morgan are well managed. Chase previously has integrated acquired organizations in a satisfactory manner and has remained well managed. Although Chase and Morgan continue to assess the appropriate risk management systems and procedures that would support certain individual lines of business, Chase expects to have an integrated risk management function, including credit risk management, in place and operating at the time of consummation of the proposal.¹⁹

Capital Partners, New York, New York ("Chase Capital"). The Board has considered Chase Capital's activities and earnings record in evaluating Chase's financial resources.

18. ICP also contends that the combined organization would be able to exert an inappropriate level of influence on global financial markets and foreign nations thereby resulting in an institution too large for the Board and other government agencies to regulate. The Board and the other financial supervisory agencies have extensive experience supervising Chase and Morgan and their subsidiary depository institutions as well as other large banking organizations. See, e.g., *Travelers Group Inc.*, 84 *Federal Reserve Bulletin* 985 (1998); *NationsBank Corporation*, 84 *Federal Reserve Bulletin* 858 (1998). Building on this experience, the Board has developed a supervisory system that will permit the Board to monitor and supervise the organization effectively. As previously noted, section 3 of the BHC Act prohibits the Board from approving a transaction if the resulting organization would control more than 10 percent of the insured deposits in the country. After consummation, Chase would control approximately 3.7 percent of U.S. insured deposits.

19. ICP notes press reports stating that:

- (i) a certain individual with alleged connections to parties involved in a suspected money laundering enterprise maintained an account at Chase Bank; and
- (ii) certain Chase credit card holders were erroneously billed by a telemarketer not related to Chase. ICP has provided no facts that indicate any involvement by Chase or Chase Bank employees or management in the alleged money laundering activities or erroneous billing.

ICP has expressed concern about Chase's management on the basis of press reports that Chase held less than 5 percent of the voting shares of Nichiei Co., Tokyo, Japan ("Nichiei"), a Japanese lending company at which an employee violated Japanese criminal law by engaging in certain collection practices. Chase has stated that it has never owned any interest in Nichiei. There is no evidence that Chase controls, exercises a controlling influence over, or participates in any manner in the management of Nichiei. See also 12 C.F.R. 225.31(e)(1) and 225.171.

ICP also has questioned the managerial resources of Chase and Morgan on the basis of press reports that Morgan paid no federal corporate income tax in 1998, that Chase received government assistance to retain jobs in New York City but subsequently moved those positions outside the city, and that Chase and Morgan helped to finance various activities and projects worldwide that might damage the environment particularly in predominantly minority areas. ICP's contentions are unsubstantiated and contain no allegations of illegality

ICP expresses concern about certain activities of Chase during World War II. ICP cites press reports contending that Chase allegedly collaborated with the German government to confiscate and liquidate Jewish assets and to funnel French assets to Germany. ICP has urged the Board to investigate these alleged activities and produce a full accounting of any assets Chase has retained wrongfully.²⁰

Chase has provided information about its efforts to address the alleged actions of its predecessors. Chase represents that Chase Bank has conducted a three-year investigation into the World War II activities of its predecessor bank. Through this investigation, Chase has determined that during World War II, the German government appropriated certain accounts in the Paris branch of a Chase predecessor bank, and that the holders of some of those accounts have applied for restitution. Chase and the World Jewish Congress have retained jointly an independent counsel to review Chase's self-assessment.

The Board has carefully reviewed the issues presented by ICP in light of all the facts of record and taken into consideration the Board's authority under federal banking laws. The Board has taken into account, in particular, the efforts of Chase to investigate and address these matters and the ongoing efforts of current management to effect a resolution. The Board also has taken into account that many of the matters raised by ICP involve subjects of public interest that are not within the Board's limited jurisdiction to adjudicate or do not relate to the factors that the Board is required to consider when reviewing an application or notice under the BHC Act or the Bank Merger Act.²¹

Based on all the facts of record the Board concludes that considerations relating to the financial and managerial resources and future prospects of the organizations involved are consistent with approval, as are the other supervisory

or other action that would affect the safety and soundness of the institutions. These matters also raise issues that are outside the limited statutory factors that the Board is authorized to consider when reviewing an application under the BHC Act. See *Western Bancshares, Inc. v. Board of Governors*, 480 F.2d 749 (10th Cir. 1973). The Board also notes that the Department of Justice and the Environmental Protection Agency have jurisdiction, to the extent that the actions occur in the United States, to determine whether companies are in compliance with federal environmental protection statutes and regulations.

20. ICP also has expressed concern about the activities of two predecessor banks of Chase that allegedly were involved in the mid-19th century in servicing life insurance policies sold on the lives of African-American slaves in the United States. In connection with these allegations, Chase states that it has investigated its activities and has no record indicating that it had any role in providing or servicing insurance on slaves. Chase represents that it will continue to investigate the matter by researching sources external to Chase.

21. The factors that the Board considers when reviewing an application or notice under the BHC Act and the Bank Merger Act are necessarily limited by the acts. Moreover, the Board has noted previously that courts have held that the Board's limited jurisdiction to review applications and notices under the BHC Act does not authorize the Board to adjudicate disputes involving an applicant that do not arise under laws administered and enforced by the Board. See *Deutsche Bank AG*, 85 *Federal Reserve Bulletin* 509 (1999); *Union Bank of Switzerland*, 84 *Federal Reserve Bulletin* 684 (1998).

factors that the Board must consider under the Bank Merger Act and section 3 of the BHC Act.²²

Convenience and Needs Factor

In acting on a proposal under section 3 of the BHC Act, the Board is required to consider the effect of the proposal on the convenience and needs of the communities to be served. The Board has long held that consideration of the convenience and needs factor includes a review of the records of the relevant depository institutions under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*) ("CRA"). Accordingly, the Board has carefully considered the effect of the proposed merger on the convenience and needs of the communities to be served and the CRA records of performance of the institutions involved in light of all the facts of record, including comments received on the proposal.

Three parties submitted written comments on aspects of the proposal and, in particular, the effect of the proposal on the convenience and needs of the affected communities and the CRA performance records of the depository institutions involved. ICP has submitted comments opposing the proposal and generally contending that through a series of mergers over the past decade, Chase and its predecessor institutions have withdrawn from the business of retail banking and concentrated on expanding their wholesale banking services. ICP states that after consummating previous mergers, Chase closed retail branches and abandoned communities, often in low- and moderate-income ("LMI") or predominantly minority areas. ICP further alleges that Chase underserves LMI and minority mortgage borrowers and other borrowers seeking loans on properties in LMI areas. ICP also contends, based in part on its analysis of data filed under the Home Mortgage Disclosure Act (12 U.S.C. § 2801 *et seq.*) ("HMDA"), that Chase and Morgan have violated the fair lending laws. The Greater Rochester Community Reinvestment Coalition, Rochester, New York ("GRCRC") has submitted comments that commend and criticize Chase's community reinvestment performance in Rochester. The Association for Neighborhood & Housing Development, Inc., New York, New York ("ANHD"), has provided favorable comments on the community reinvestment activities of Chase and Morgan, and in particular, the institutions' community development lending, and their lending, investments, technical assistance, and other forms of support to community development and nonprofit organizations. ANHD also has expressed concern that the community reinvestment products and programs of Chase and Morgan would cease to be

expanded or be reduced after consummation of the proposal.

A. CRA Performance Examinations

As provided in the CRA, the Board has evaluated the convenience and needs factor in light of examinations of the CRA performance records of the relevant depository institutions by the appropriate federal financial supervisory agency.²³ Chase's lead bank, Chase Bank, which accounts for approximately 80 percent of the total consolidated assets of Chase, received an "outstanding" rating at its most recent CRA examination by the Federal Reserve Bank of New York ("FRBNY"), as of July 1999. All Chase's other subsidiary banks also received "outstanding" or "satisfactory" ratings at the most recent examinations of their CRA performance.²⁴ Morgan's only subsidiary bank, Morgan Guaranty, received an "outstanding" rating from the FRBNY at its most recent examination, as of January 1999. Morgan's subsidiary thrift, Morgan FSB, received a "satisfactory" rating for CRA performance from its primary federal financial supervisory agency, the Office of Thrift Supervision ("OTS"), as of November 1998. Examiners found no evidence of prohibited discrimination or other illegal credit practices at any of the insured depository institutions involved in this proposal and found no violations of substantive provisions of the fair lending laws.

Chase has indicated that it expects to continue to expand and improve the products and services of Morgan and that the CRA-related programs and activities of the combined organization would be based on the current programs of the two individual organizations. Accordingly, the Board has considered carefully the CRA performance records of Chase and Morgan in evaluating the proposal.

B. CRA Performance Record of Chase's Subsidiaries

1. Chase Bank

Overview: Chase Bank received an examination rating of "outstanding" for its lending activities. Examiners commended the bank for its response to the credit needs of its

22. ICP notes that Chase and Morgan are defendants in several pending lawsuits. In one of these cases, which challenged the payment crediting practices of Chase USA, the parties recently reached a monetary settlement that also requires Chase to modify its practices. The other cases have been dismissed or are at preliminary pleading or discovery stages, and there has been no determination of liability or damages in these cases. In each of the cases, the courts appear to have adequate jurisdiction and authority to provide relief to plaintiffs, if warranted.

23. ICP has questioned the reliability of CRA examinations in measuring the performance of a depository institution in meeting the credit needs of its community. The federal financial supervisory agencies have stated that an institution's most recent CRA performance evaluation is an important and often controlling factor in the consideration of an institution's CRA record because it represents a detailed evaluation of the institution's overall record of performance under the CRA by its appropriate federal financial supervisory agency. 65 *Federal Register* 25,088 and 25,107 (2000).

24. The OCC has examined the CRA performance of the following Chase subsidiary banks: Chase Manhattan Bank and Trust Co., N.A., Los Angeles, California, rated "outstanding," as of October 1999; Chase-USA, rated "outstanding," as of May 1999; The Chase Manhattan Private Bank, N.A., Tampa, Florida, rated "outstanding," as of October 1999; and The Chase Bank of Texas - San Angelo, National Association, Texas (then named Texas Commerce Bank - San Angelo), rated "satisfactory," as of August 1996.

assessment areas and all segments of its community, including LMI geographies and borrowers. During the review period of March 1997 to March 1999, Chase Bank and its subsidiaries purchased or originated approximately 67,600 small business loans, totaling more than \$5.1 billion.²⁵ More than 90 percent of these loans were in amounts of less than \$100,000, with an average loan amount of approximately \$33,000, and 21 percent by number were to businesses in LMI census tracts.²⁶

During the review period, Chase Bank and its subsidiaries purchased or originated approximately 67,500 HMDA-related loans, totaling more than \$11 billion.²⁷ Examiners also noted a significant increase in Chase Bank's HMDA-related lending. From 1996 to 1997, Chase Bank's HMDA-related and small business lending increased 25 percent by volume, and from 1997 to 1998, HMDA-related and small business lending increased an additional 62 percent and 63 percent, respectively, by volume in LMI geographies. Chase has stated that for the first half of 2000, 21.4 percent of Chase Bank's mortgage loans by volume were extended to LMI borrowers and 15.5 percent by volume were extended on properties in LMI census tracts.

Community development lending at Chase Bank was considered by examiners to be outstanding. Examiners found that since its last CRA examination, Chase Bank's community development loans had increased by 34 percent to approximately \$613 million. Chase Bank dedicated a large portion of its community development lending to support housing initiatives by financing the construction of more than 4,000 housing units in the bank's assessment areas.

Examiners found that Chase Bank offered a variety of loan products that featured innovative and flexible lending practices to serve the credit needs of its assessment area. During the examination period, the bank originated approximately 3,600 of these loans, totaling approximately \$380 million, to assist LMI borrowers or borrowers in LMI geographies. Chase Bank was instrumental in developing and testing the "FA\$TRAK" program and other loan programs designed by the Small Business Administration ("SBA") to provide loans to small businesses in amounts of less than \$150,000. In 1997 and 1998, the bank originated more SBA loans than any other lender in the SBA's New York region. Chase Bank also used credit enhancements, such as guarantees provided by the SBA and other government agencies, to provide small business credit to borrowers who would not normally qualify for conventional loan products. In the area comprising New York State and the New York consolidated metropolitan statisti-

cal area ("New York CMSA"), Chase Bank originated 424 innovative or flexible small business loans during 1997 and 1998, totaling more than \$56 million.

Examiners commented favorably on Chase Bank's innovative and flexible home mortgage lending. Chase Bank participated in special lending programs through the State of New York Mortgage Agency, the Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Mortgage Corporation ("Freddie Mac"), that were designed to help LMI and other borrowers purchase homes in LMI geographies. In addition, the bank offered a proprietary mortgage loan program for customers financing properties in LMI geographies who did not qualify for conventional mortgage products. Chase Bank also offered a program of flexible mortgages in cooperation with the Association of Community Organizations for Reform Now. In the area comprising New York State and the New York CMSA, Chase originated more than 3,100 innovative or flexible mortgage loans in 1997 and 1998, totaling approximately \$325 million.

Chase Bank received an "outstanding" examination rating for its investment activities. Examiners commented favorably on Chase Bank's responsiveness to the primary credit and community development needs in its assessment areas. During the examination period, Chase's level of qualified investments totaled approximately \$377 million. Examiners also commended Chase Bank for the level of its qualified community development investments in facilities and organizations supporting affordable housing, economic development, and community services.

Chase Bank received a "high satisfactory" examination rating for its record of providing retail banking and community development services in its assessment area. Examiners stated that Chase Bank's branch delivery system was reasonably accessible to essentially all portions of its assessment areas. At the time of the examination, Chase Bank operated 486 retail branches in its combined assessment area, 22 percent of which were in LMI geographies. Chase Bank's business hours and services were responsive to the needs of all portions of its assessment areas, including LMI geographies and individuals. Examiners found that Chase offered a wide range of special banking products designed to support community development, such as programs for first-time home purchase expenses, education expenses, and small business capitalization. Chase Bank also provided services to nonprofit organizations seeking assistance with administering affordable housing construction loans.

New York CMSA: Examiners found that Chase Bank had a strong lending record in the New York CMSA, which represented 93 percent of the bank's deposit base, in view of its overall lending record and volume of community development loans. Chase Bank originated approximately 110,500 HMDA-related and small business loans, totaling approximately \$12.7 billion, in the New York CMSA. The examination report stated that Chase Bank's distribution of home purchase loans reflected excellent penetration in the New York CMSA. During the examination period, examiners found that 13 percent of Chase Bank's home purchase

25. In this context, "small business loans" means loans in amounts of less than \$1 million. Chase Bank also made 54 percent of its small business loans to businesses with gross annual revenues of \$1 million or less ("loans to small businesses").

26. Examiners noted that 21 percent of all businesses in Chase Bank's assessment area were in LMI areas.

27. In this context, "HMDA-related loans" includes home purchase mortgage loans, home improvement loans, and refinancing of such loans.

and refinance loans were in LMI geographies, where 12 percent of the housing units were owner occupied. Furthermore, the examination report observed that 21 percent of Chase Bank's small business loans were in LMI geographies, which coincided with the percentage of businesses in LMI geographies. Examiners noted a significant increase in Chase Bank's small business and HMDA-related lending. From 1996 to 1997, the number of small business loans increased 345 percent, with a 275-percent increase in small business loans in LMI geographies. Examiners also specifically noted the bank's excellent performance in LMI geographies. From 1997 to 1998, HMDA-related lending increased 63 percent overall and 68 percent in LMI geographies.

Examiners noted that Chase Bank participated in complex and innovative community development lending programs, including a loan pool established by wholesale and foreign banks in New York City. ICP contends, however, that Chase Bank's community reinvestment efforts primarily support the construction of housing that LMI persons cannot afford. In the New York CMSA, Chase Bank had approximately \$520 million in outstanding community development loans during the examination period, which provided financing for more than 2,700 new housing units. Chase Bank also states that it has continued to engage in community development lending. According to Chase Bank, it closed a loan for approximately \$6.9 million loan in 2000 to help finance the rehabilitation of 200 apartment units in the Bronx, the majority of whose residents received public housing assistance. Furthermore, Chase has stated that in August 1999, it provided a \$1.75 million loan to rehabilitate apartment units for LMI veterans in Queens.

The examination report characterized Chase Bank's level of qualified investments in the New York CMSA as strong. Chase Bank's qualified investments totaled approximately \$365 million at the time of the examination. Ninety-one percent, or \$344 million, of Chase Bank's investments were directed to agencies engaged in affordable housing. Chase Bank also participated in innovative qualified investments such as Low Income Housing Tax Credits ("LIHTC"), which accounted for approximately 77 percent of total qualified investments.

Examiners determined that Chase Bank's delivery system was reasonably accessible to essentially all portions of the New York CMSA assessment area. Chase Bank operated 406 branches in the New York CMSA, including 87 branches in LMI geographies. The examination report also stated that Chase Bank employed multiple alternative delivery systems that were generally effective in its enhancing the distribution of banking services throughout the New York CMSA, including a network of 127 stand-alone ATM locations, 33 percent of which were in LMI geographies. In certain branches, Chase Bank offered payroll check cashing for non-customer employees of Chase's corporate clients. Examiners found that Chase Bank also provided community development services that included seminars designed to help build the credit skills of community development organizations. In addition, Chase Bank also operated three Business Resource Centers that pro-

vided business development, financing, and planning assistance for small business owners.

New York State: In Chase Bank's assessment areas in New York State, which excluded the New York CMSA, examiners found that Chase exhibited good responsiveness to the credit needs of its assessment area. During the examination period, Chase Bank reported 9,849 loans totaling approximately \$798 million, of which 64 percent were small business loans. Furthermore, the examination report noted that small business lending significantly increased, especially in LMI geographies. From 1996 to 1997, small business lending increased 397 percent. Overall, HMDA-related lending increased 18 percent from 1996 to 1997 and 45 percent from 1997 to 1998. Examiners also characterized Chase Bank's loan activity in all portions of its assessment area, including LMI geographies, as excellent. During the examination period, Chase Bank reported 362 home purchase or refinance loans in LMI geographies. Moreover, 25 percent of Chase Bank's small business loans were in LMI geographies. Examiners also found that the distribution of loans among borrowers of different income levels was excellent. More than 23 percent of Chase Bank's home purchase and finance loans were to LMI borrowers. Chase Bank also had an excellent record of lending to businesses of different sizes. Eighty-five percent of Chase Bank's small business loans were in amounts of \$100,000 or less. Furthermore, approximately 52 percent of Chase Bank's small business loans were to small businesses.

A large portion of Chase Bank's HMDA-reportable lending and small business lending in upstate New York was in the Rochester metropolitan statistical area ("Rochester MSA"). During the examination period, Chase Bank reported 1,400 home purchase and refinancing loans and 2,212 small business loans in the portion of the Rochester MSA in its assessment area. Examiners noted that Chase exhibited excellent geographic distribution of small business loans. Approximately 23 percent of Chase Bank's small business loans were in LMI geographies. This level of lending exceeded the percentage of loans in LMI geographies by small business loan reporters in the aggregate. Examiners also noted as excellent Chase Bank's performance in its distribution of small business loans by borrower income. Eighty-four percent of all Chase Bank's small business loans were in amounts of \$100,000 or less, with an average total amount of approximately \$33,000. Moreover, 53 percent of total small business loans were to small businesses.

GRRC expresses concern about Chase Bank's home lending record among minority and LMI individuals and in predominantly minority and LMI census tracts in Rochester and about Chase Bank's record of attracting, counseling, and retaining potential minority and LMI applicants for home mortgages. The examination report, however, characterized Chase Bank's distribution of home purchase and refinance loans by borrower income as good. During the examination period, 29 percent of Chase Bank's home purchase and refinance loans were to LMI borrowers. Furthermore, Chase Bank also demonstrated a strong per-

formance in home purchase and refinance lending, with 10 percent of such loans in LMI geographies. Chase represents that for the first half of 2000, its loan penetration of LMI census tracts has increased more than 5 percent compared with 1999. The Board also notes that from 1994 to 1999 loan applications to Chase Bank by minorities in the Rochester MSA increased 24 percent. During the examination period, examiners found that Chase Bank sponsored or conducted approximately 35 seminars and workshops on affordable housing with Rochester community development organizations.

Chase Bank also had a good performance record in community development lending and in innovative and flexible lending programs throughout New York State, including the Rochester MSA. During the examination period, Chase Bank reported community development loan commitments for its New York State assessment areas totaling \$31 million. In the Rochester MSA, commitments for this type of lending totaled \$13.5 million. Examiners noted that 79 percent of the bank's community development loan commitments in the New York State assessment area were originated since the previous examination. The examination report also observed that Chase Bank's innovative and flexible lending practices in the New York State assessment areas were comparable with Chase Bank's practices in the New York CMSA. In the Rochester MSA, Chase Bank originated mortgages under the Rochester LMI Housing Program, which was a program sponsoring 30-year mortgage loans that feature low down payment requirements of \$500 from the borrower's own funds and flexible debt-to-income ratios.

In the New York State and Rochester MSA assessment areas, examiners found that Chase maintained a good level of qualified community development investments that reflected a strong responsiveness to credit and community development needs. At the time of the examination, Chase Bank's qualified investments totaled \$12 million, of which approximately 83 percent were in Rochester. Examiners also noted that Chase Bank made innovative and complex investments, such as LIHTCs which comprised approximately 77 percent, or \$9.2 million, of the bank's qualified investments in the New York State assessment areas. Moreover, approximately 90 percent of Chase Bank's investments were directed to agencies engaged in affordable housing.

Examiners found that Chase Bank's record of providing retail banking and community development services in its New York State assessment areas, including the Rochester MSA, was outstanding. Moreover, the examination report indicated that Chase Bank's branch delivery system was readily accessible to essentially all portions of the New York State assessment areas, including the Rochester MSA. As of July 1999, Chase Bank operated 73 retail branches in its New York State assessment areas, including 31 branches in the Rochester MSA. During the examination period, Chase Bank closed one retail branch, which was not in an LMI geography. Examiners stated that Chase Bank's record of opening and closing branches had not adversely affected the accessibility of the branch delivery system.

Chase Bank also provided a high level of community development service in the New York State assessment areas, including the sponsorship of 125 seminars and workshops focusing primarily on affordable housing. Chase states that in March 2000, Chase Bank conducted a seminar in cooperation with the City of Rochester and local realtors that was designed to encourage the purchase of affordable housing in Rochester. Chase Bank personnel and lending officers also were available at the seminar to discuss the mortgage application process with attendees.

Texas: Chase Bank's operations in Texas as of the date of its most recent examination of CRA performance by the OCC (September 1996, the "1996 Examination") were conducted under the name Texas Commerce Bank, N.A., Houston ("Chase-TX").²⁸ The Board has considered the 1996 examination and supplemental information provided by Chase on its CRA-related activities in Texas. The Board reviewed the CRA performance of Chase Bank's operations in Texas in the context of Chase Bank's application to merge with Chase-TX. See *The Chase Manhattan Bank*, 86 *Federal Reserve Bulletin* 610 (2000). In approving the merger of Chase Bank and Chase-TX, the Board carefully reviewed the lending records of Chase Bank and Chase-TX, including their policies and programs designed to ensure compliance with the fair lending laws.

The 1996 Examination noted that Chase-TX had originated a significant volume and variety of loans in its communities. In 1995, Chase-TX originated 11,409 home improvement loans, totaling approximately \$135 million. After reviewing aggregate HMDA data for all reporting lenders, examiners determined that in 1995, Chase-TX made more home improvement loans in Texas than any other lender. Furthermore, Chase-TX designed a program of affordable loans that used specialized loan products to provide credit opportunities that might not otherwise have been available. Under this program, Chase-TX originated 4,376 mortgage and home improvement loans, totaling approximately \$50 million, in 1995. Examiners also found that in 1995, 90 percent of Chase-TX's lending was in its assessment areas. Furthermore, Chase-TX demonstrated strong loan penetration of LMI areas, and a high level of performance in the distribution of loans by borrower income level. According to Chase, in 1999 its bank originated over 18,485 mortgage loans in Texas, of which approximately 10 percent were in LMI census tracts and 22 percent were to LMI borrowers. During the same time period, Chase has reported that the bank originated 8,146 small business loans in Texas, of which 30.8 percent were in LMI census tracts.

The 1996 Examination noted that Chase-TX engaged in a significant amount of community development lending. In 1995, Chase-TX provided \$94 million in community development loans. These loans helped finance projects by America's Preferred Homes (a 360-unit LMI apartment complex), the Las Haciendas single-family affordable

28. Chase-TX later changed its name to Chase Bank of Texas and merged with Chase Bank in August 2000.

housing development subdivision, and the Midland County Housing Authority. Chase-TX also engaged in creative and flexible financing activities, such as making a \$5.4 million bridge loan for the construction of an apartment complex for senior citizens in an LMI neighborhood and developing lease-purchase mortgage products to facilitate the development of affordable housing.

According to Chase, in 1999, Chase-TX provided \$10.9 million in loans and lines of credit for the acquisition and development of affordable housing subdevelopments and apartment complexes in Dallas and Houston. Furthermore, Chase states that in 2000, the Texas bank provided approximately \$4.8 million in loans and credit to community organizations involved in the economic redevelopment of inner cities in Texas.

The 1996 Examination commented favorably on Chase-TX's community investment activities. During the 1996 examination period, examiners found that Chase-TX made more than \$2.9 million of equity investments in Texas community development corporations. During the same period, Chase-TX also provided grants to cover the operational expenses of ACCION-San Antonio, a community organization that made loans to borrowers in LMI neighborhoods. The 1996 Examination also stated that Chase-TX officers and employees regularly provided financial and credit counseling services, often coordinated with local not-for-profit organizations, at locations throughout its community. Examiners found that the counseling services assisted LMI individuals to understand the credit decision process and allowed them to learn about the Chase-TX's bank products designed to meet their credit needs. Chase states that Chase Bank has continued its community investment activities in Texas. According to Chase, as of October 2000, Chase Bank's outstanding community investment commitments in Texas totaled \$59.2 million. Chase states that from 1999 to 2000, Chase Bank has invested \$12.4 million in municipal bonds for affordable housing in Texas, and invested in a community development corporation in Fort Worth that provides financing for disadvantaged local small businesses.

2. Chase-USA

Chase-USA was most recently examined for CRA-performance as of May 1999 for the examination period from January 1997 to March 1999. As part of the evaluation, examiners considered the lending records and activities of Chase-USA and its affiliates, notably the Chase Manhattan Mortgage Corporation, Edison, New Jersey ("CMMC"). Examiners rated Chase-USA as "outstanding" for overall CRA performance.

The examination report stated that Chase-USA's lending record reflected good responsiveness to the credit needs of its community. During the examination period, Chase-USA originated more than \$163 million in home purchase mort-

gages and \$86 million in home refinance mortgages.²⁹ Examiners found that the geographic distribution of Chase-USA's loans reflected good penetration in LMI geographies. Approximately 10 percent of Chase-USA's home mortgage and refinance loans in the Delaware portion of its assessment area were in LMI geographies. Examiners also noted good distribution of Chase-USA's loans among borrowers of different income levels. During the examination period, 47 percent of Chase-USA's home purchase mortgages, and 22 percent of its home refinance mortgages were to LMI borrowers. Chase-USA also originated 225 small business loans totaling \$4.8 million. Examiners favorably noted that the geographic distribution of Chase-USA's small business loans showed improvement during the examination period. From 1997 to 1998, small-business loans in low-income geographies increased to 8 percent, while such loans in moderate-income geographies increased to 18 percent.

Examiners found that CMMC made a significant number of home purchase and refinance loans to LMI borrowers and outside Chase-USA's assessment area. During the examination period, CMMC made more than \$3.9 billion in home mortgage purchase and refinance loans to LMI borrowers nationwide. In 1997, approximately 26.2 percent of CMMC's home purchase and refinance loans were to LMI borrowers.

Examiners found that Chase-USA offered flexible and innovative affordable mortgage products to help meet the needs of LMI borrowers. Chase-USA, as a participant in Federal Housing Administration and Veterans Administration programs, offered 1,231 loans through these programs during the examination period. Chase-USA also offered several proprietary affordable loan products. Examiners favorably noted that Chase-USA took a leadership role in establishing partnerships with local financial institutions to sell affordable mortgage-backed securities.

Chase-USA's community development lending reflected a good responsiveness to the credit needs of its assessment area in terms of loan volume and lending practices. During the examination period, Chase-USA and its affiliates, including CMMC, made loan commitments totaling \$34.2 million primarily to finance affordable rental housing development and new small businesses. Examiners found that CMMC took a lead role in establishing a network of community development financial institutions that offered credit and financial assistance to individuals and small businesses. CMMC also provided a \$12 million loan for the acquisition of a community shopping center in Philadelphia to assist in the economic revitalization of a central city community.

Examiners favorably commented on Chase-USA's significant level of qualified community development investment and responsiveness to the affordable housing and economic development needs of its community. During the

29. Examiners noted that for approximately half of the examination period, Chase-USA was restricted in its ability to solicit in-state lending business under Delaware law.

examination period, the investment commitments of Chase-USA and its affiliates in its assessment area totaled \$31.6 million. Examiners noted that Chase-USA took a leadership role in working with the Delaware State Housing Authority ("DSHA") bond underwriter to restructure its bond program and thereby significantly reduced costs to the agency and home buyers. Chase-USA and CMMC purchased a total of \$21.4 million in DSHA bonds. CMMC also purchased \$1.5 million in LIHTC partnerships. Examiners noted that Chase-USA provided \$1.83 million in qualified grants to community organizations to develop affordable housing programs, shelter and outreach services for the homeless, and a small business resource center. Chase-USA also provided more than 400 computers and printers and similar donations to community-based organizations.

C. CRA Performance Record of Morgan

Morgan Guaranty is a wholesale banking institution that provides investment management, corporate trust, financial and estate planning, fiduciary, and private banking services for institutions and high net worth individuals. Morgan Guaranty is a "wholesale bank" for CRA purposes³⁰ and its performance is evaluated under the "community development test."³¹ Community development activities as a general matter must benefit areas in an institution's assessment area(s) or a broader statewide or regional area that includes the institution's assessment area(s).³²

Morgan Guaranty's most recent CRA performance evaluation reviewed the institution's record of assisting to meet the credit needs of its community in 1997 and 1998. Examiners rated Morgan Guaranty's performance under the community development test "outstanding." The examination report noted that Morgan had conducted the majority of its community development lending and qualified investment activities through its affiliate, Morgan Community Development Corporation.

30. A "wholesale bank" is a bank that:

- (i) Is not in the business of extending home mortgage, small business, small farm or consumer loans to retail consumers; and
- (ii) Has been designated as a wholesale bank by its appropriate federal banking agency. 12 C.F.R. 228.12(w).

ICP alleges that Morgan engages in the business of multifamily mortgage lending. Morgan engages in the securitization of multifamily mortgage loans, an activity that is consistent with its wholesale bank designation.

31. See 12 C.F.R. 228.25(a). The test evaluates a wholesale bank on its record of community development services, community development investments, and community development lending. 12 C.F.R. 228.25(c). The primary purpose of any service, investment, or loan considered under the test must be "community development," which is defined in terms of specific categories of activities that benefit LMI individuals, LMI areas, or small businesses or small farms. See 12 C.F.R. 228.12(h); see, e.g., *The Charles Schwab Corporation*, 86 *Federal Reserve Bulletin* 494, 496 (2000).

32. Community development activities outside an institution's assessment area(s) may also be considered if the institution has adequately addressed the needs of its assessment area(s). See 12 C.F.R. 228.25(e).

During the examination period, Morgan provided a significant level of community development loans, qualified investments, and community development services to help meet the credit and community development needs of its assessment areas. Examiners stated that Morgan Guaranty's community development lending totaled approximately \$268.2 million, representing an increase of 112 percent since the previous examination. Consistent with Morgan Guaranty's wholesale bank operations, most lending activity was indirect, primarily financing housing and community service intermediaries that supported community development in the bank's assessment area.

Morgan Guaranty also had a significant level of qualified investments, totaling approximately \$196.9 million at the time of the examination and representing an increase of 106 percent since the previous examination. Indirect investments in affordable housing initiatives totaled more than \$168 million or 86 percent of Morgan Guaranty's qualified investments. Other investments included \$11.6 million of grants and contributions to more than 200 nonprofit community development organizations. Projects in the bank's assessment area totaled \$149.4 million or 76 percent of total investments.

Examiners noted that Morgan Guaranty provided a substantial level of community development services, including advisory services, technical assistance, and in-kind donations. Approximately 47 percent of Morgan Guaranty's community development services were for affordable housing programs for LMI individuals. Morgan Guaranty and its affiliates also donated office furniture, used computers, and other items to 87 nonprofit and public institutions.

Examiners indicated that Morgan Guaranty extensively used innovative and complex qualified investments, community development loans, and community development services. Through a partnership with a Primary Care Development Corporation ("PCDC"), Morgan Guaranty engaged in the financing of ten primary care facilities that served more than 73,000 low-income individuals in New York City. Examiners stated that Morgan Guaranty's long-term efforts with the PCDC had improved access to primary health care for LMI neighborhoods. Morgan Guaranty also structured a revolving line of credit to the New York Community Investment Company and syndicated bridge loans for several housing fund initiatives. Of Morgan Guaranty's total qualified investments, examiners found that approximately 81 percent or \$158.5 million were LIHTCS and, therefore, qualified as complex investments.

The examination report indicated that Morgan Guaranty had exhibited excellent responsiveness to credit and community development needs in its assessment areas through community development lending and investments and adequate responsiveness through its community development service and practices. Affordable housing activity totaled \$180.6 million or 67 percent of Morgan Guaranty's total community development lending. Morgan's lending to organizations that provide community services for LMI individuals totaled \$62.1 million. Examiners also found that Morgan Guaranty provided financing to organizations such

as the National Community Development Initiative that provided financial and technical support to nonprofit community development corporations. Qualified investments in affordable housing initiatives totaled \$178.5 million or 91 percent of Morgan Guaranty's qualified investments. In Morgan Guaranty's New York assessment area, examiners found that the institution's LIHTCs supported housing initiatives that resulted in the creation or rehabilitation of approximately 5,000 units of affordable housing for LMI individuals.

D. HMDA Data

The Board also has considered the lending record of Chase and Morgan in light of comments about the HMDA data reported by the organizations' subsidiaries.³³ HMDA data from 1997 to 1999 indicate that in New York and Texas,³⁴ Chase was generally comparable with lenders in the aggregate in its assessment areas in terms of the percentage of housing-related loans to African Americans and Hispanics. During the same time period, Chase's rate of denying applications from African-American and Hispanic borrowers for home mortgage loans in the New York and Texas assessment areas was also comparable with lenders in the aggregate. The data further indicate that Chase's lending in minority census tracts in the New York and Texas assessment areas was comparable with, and at times, exceeded, such loans by lenders in the aggregate.³⁵

The Board is concerned when an institution's record indicates disparities in lending, and believes that all banks are obligated to ensure that their lending practices are based on criteria that ensure not only safe and sound banking, but also equal access to credit by creditworthy applicants regardless of their race or income level.³⁶

33. Some commenters have criticized Chase's record of home mortgage lending in numerous markets, including Chase's assessment areas in New York and Texas. GRCRC and ICP note that in certain markets, minority applications for conventional home purchase and refinancing loans were denied by Chase more frequently than by lenders in the aggregate. ICP also presents data purportedly demonstrating that Chase denies applications from minorities more frequently than it denied applications from nonminorities.

ICP contests the inclusion in Chase's HMDA data for subprime loans originated by Chase affiliates. The Board notes that Regulation C (12 C.F.R. 203 *et seq.*) requires all mortgage lending institutions and subsidiaries of financial institutions supervised by the Board, OCC, FDIC, and OTS to submit HMDA data to the appropriate federal financial supervisory agency. See 12 C.F.R. 203, App. A, Part I (C) & (E).

34. Mortgage loans extended by Chase and its subsidiaries in New York and Texas comprise 85 percent of Chase's total HMDA-reportable loans in states where it has been evaluated for performance under the CRA.

35. ICP has expressed concern that the HMDA data reported by Chase do not separately report subprime loans to borrowers. HMDA and Regulation C do not require separate reporting for subprime loans to borrowers.

36. ICP also generally alleges that Chase and Morgan have indirectly supported predatory and discriminatory lending through their business relationships that include warehouse finance and securitization services for several nonaffiliated nonbanking companies ("consumer lending companies").

The Board recognizes, however, that HMDA data alone provide an incomplete measure of an institution's lending in its community because the data cover only a few categories of housing-related lending. HMDA data, moreover, provide only limited information about the covered loans.³⁷ HMDA data, therefore, have limitations that make the data an inadequate basis, absent other information, for concluding that an institution has not adequately assisted in meeting its community's credit needs or has engaged in illegal lending discrimination.³⁸

Because of the limitations of HMDA data, the Board has carefully considered the data and comments in light of other information, including information provided by Chase and Morgan, examination reports, and confidential

The Board has considered the due diligence and other actions taken by Chase in connection with its relationships with consumer lending companies. For example, before obtaining Chase's warehouse financing services, consumer-lending companies must make certain written representations and warranties stating that they are in compliance with all applicable laws, including consumer protection laws. Chase also has retained an outside firm to investigate and monitor the loan production activities of its warehouse finance customers.

In addition, Chase states that in the securitization of subprime loans, it has no role in the initial funding of, and does not control the loan selection criteria for, the loans it securitizes. Chase states, however, that it conducts due diligence reviews for compliance with consumer and fair lending laws, including on-site reviews, of every subprime pool it securitizes as lead manager. Furthermore, when securitizing subprime mortgage loans, Chase reviews every loan purchased to help ensure adherence to fair lending laws.

Morgan states that it does not engage in subprime warehouse financing. Morgan also states that it does not control the origination of subprime loans from consumer lending companies that it securitizes, but that it hires third parties to conduct due diligence reviews of all consumer lending companies before it serves as lead manager. Furthermore, when securitizing mortgage-backed loans, Morgan, as lead manager, conducts on-site reviews of the consumer lending company and hires a third party to review a sample of the loan pool to be securitized.

The Board has considered all these facts of record in evaluating the managerial and convenience and needs factors in this case. Moreover, the Board notes that the Department of Housing and Urban Development, the Department of Justice, and the Federal Trade Commission have responsibility for reviewing the compliance with fair lending laws of nondepository institutions.

37. The data, for example, do not account for the possibility that an institution's outreach efforts may attract a larger proportion of marginally qualified applicants than other institutions attract and do not provide a basis for an independent assessment of whether an applicant who was denied credit was, in fact, creditworthy. Credit history problems and excessive debt levels relative to income (reasons most frequently cited for a credit denial) are not available from HMDA data.

38. ICP contends that Chase Bank, Chase-USA through its subsidiary CMMC, and certain other subsidiaries engage directly and indirectly in disproportionate amounts subprime lending to LMI and minority individuals in certain metropolitan areas. ICP further contends that Chase has increased its involvement in subprime lending. Subprime lending is a permissible activity when conducted in compliance with fair lending laws. ICP has provided no information that indicates that Chase's subprime lending is illegal. Moreover, examiners found no evidence of illegal discrimination or credit practices at Chase Bank. Examiners considered CMMC's practices and record of lending when evaluating Chase-USA for CRA performance and found no evidence of illegal discrimination or credit practices. The Board notes that Chase reviews subprime mortgage applications to inform applicants if they may qualify for a prime loan.

supervisory material. As noted above, examiners found no evidence of prohibited discrimination or other illegal credit practices at the subsidiary banks of Chase and Morgan at their most recent examinations. Examiners reviewed fair lending policies and procedures of the banks and found the policies and procedures to be comprehensive and appropriate for monitoring compliance with fair lending laws. The Board has also considered the HMDA data in light of the lending records of Chase and Morgan which show that the organizations' subsidiary banks significantly help to meet the credit needs of their communities, including LMI areas.

E. Branch Closings

Commenters expressed concern that consummation of the proposal would result in branch closings and that these closings would have adverse effects on the local communities in which the branches are located.³⁹

The Board has carefully considered the comments concerning branch closings in light of all the facts of record, the branch closing policies of Chase and Morgan, and the record of the two organizations in opening and closing branches. Examiners at the most recent CRA examination of Chase and Morgan reviewed the banks' records of opening and closing branches and found that the banks' branch closings had not adversely affected the accessibility of banking services in their communities.

The Board also has considered that federal banking law provides a specific mechanism for addressing branch closings. Federal law requires an insured depository institution to provide notice to the public and to the appropriate federal supervisory agency before closing a branch.⁴⁰ The law does not authorize federal regulators to prevent the closing of any branch. Branch closings resulting from the proposal also would be considered by the appropriate fed-

eral supervisor at the next CRA examination of the relevant subsidiary depository institution.⁴¹

F. Conclusion on the Convenience and Needs Factor

In its review of the convenience and needs factor, the Board has carefully considered the entire record, including the CRA performance examinations of each of the insured depository institutions involved in the proposal, all the information provided by the commenters,⁴² Chase and Morgan, the opinion of federal and state agencies, and confidential supervisory information.⁴³ Based on all the facts of record, and for the reasons discussed above, the Board concludes that considerations relating to the convenience and needs factor, including the CRA performance records of the relevant insured depository institutions, are consistent with approval of the proposal.

Nonbanking Activities

Chase also has filed notice under section 4(j)(2) of the BHC Act to acquire Morgan FSB and thereby engage in operating a savings association. The Board has determined by regulation that the operation of a savings association is, within certain limits, closely related to banking for purposes of the BHC Act.⁴⁴ Chase has committed to conduct these nonbanking activities in accordance with the limitations set forth in Regulation Y and the Board's orders and interpretations governing the activity.

To approve a notice under section 4(c)(8) of the BHC Act, the Board also must determine that the proposed activities "can reasonably be expected to produce benefits

39. ICP expresses concern about potential branch closures by citing two lawsuits that Chase aggressively opposed involving alleged illegal discrimination in layoffs after previous Chase consolidations. The composition of an applicant's workforce by race or age is not within the statutory factors that the Board is permitted to consider under the BHC Act. The Board also notes that the Equal Employment Opportunity Commission has jurisdiction to determine whether a banking organization such as Chase is in compliance with federal equal employment opportunity statutes under the regulations of the Department of Labor. See 41 C.F.R. 60-1.7(a), 60-1.40.

40. Section 42 of the Federal Deposit Insurance Act (12 U.S.C. § 1831r-1), as implemented by the Joint Policy Statement Regarding Branch Closings (64 *Federal Register* 34,844 (1999)), requires that a bank provide the public with at least 30 days' notice and the appropriate federal supervisory agency with at least 90 days' notice before the date of the proposed branch closing. The bank also is required to provide reasons and other supporting data for the closure, consistent with the institution's written policy for branch closings.

ICP also expresses concern over the sale of Chase Bank's Virgin Island branches to an acquirer that might also be engaged in nonbanking and nonfinancial activities. The Board notes that any sale of branches must be in accordance with the law including any relevant application and review of CRA performance as required in accordance with those applications.

41. ICP asserts that Chase should be held accountable for the closure of branches originally sold by Chase to another banking institution. The Board notes that these closings are subject to separate review by the primary federal supervisor of the purchaser under the same policy guidelines applicable to Chase.

42. ANHD requests that Chase and Morgan answer certain questions and provide certain commitments. The Board notes that the CRA requires only that, in considering an acquisition proposal, the Board carefully review the actual performance records of the relevant depository institutions in helping to meet the credit needs of their communities. The CRA does not require depository institutions to make pledges concerning future performance under the CRA. The Board also notes that future activities of Chase's subsidiary banks will be reviewed by the appropriate federal supervisors in future performance examinations, and such CRA performance records will be considered by the Board in subsequent applications by Chase to acquire a depository institution.

43. ICP has alleged that the merger of Chase and Morgan might result in the loss of jobs. As previously noted, the factors that the Board may consider when reviewing an application or notice are limited by the applicable law. The effect of a proposed transaction on employment in a community is not among the factors included in the acts administered by the Board. Moreover, the convenience and needs factor has been consistently interpreted by the federal banking agencies, the courts, and Congress to relate to the effect of a proposal on the availability and quality of banking services in the community. See *Wells Fargo & Company*, 82 *Federal Reserve Bulletin*, 455, 457 (1996).

44. See 12 C.F.R. 225.28(b)(4)(ii).

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.”⁴⁵ As noted above, Morgan received a “satisfactory” rating from the OTS at its most recent CRA performance examination, as of November 1998.

As part of its evaluation of the public interest factors, the Board considers the financial condition and managerial resources of the notificant and its subsidiaries, including the companies to be acquired, and the effect of the proposed transaction on those resources. For the reasons noted above, and based on all the facts of record, the Board has concluded that financial and managerial considerations are consistent with approval of the proposal.

The Board also has considered the competitive effects of the proposed acquisition by Chase of Morgan FSB. Morgan FSB has two branches in California and Florida and competes directly with Chase in the West Palm Beach banking market. For the reasons discussed above, the Board has concluded that the acquisition of Morgan’s subsidiary depository institutions, including Morgan FSB, is not likely to have any significantly adverse effects in the West Palm Beach banking market or any other relevant banking market. Based on all the facts of record, the Board concludes that it is unlikely that significantly adverse competitive effects would result from the nonbanking acquisition proposed in the transaction.

Chase has indicated that consummation of the proposal would provide current and future customers of the two organizations greater convenience. Chase also has stated that the proposal would permit the combined organization to achieve greater operational efficiencies and economies of scale, and that these improvements would strengthen Chase’s ability to compete in the markets in which it operates. Morgan also would provide the combined organization with an enhanced capacity to offer wholesale banking products and services. Chase, in turn, would provide former Morgan customers with access to certain commercial and retail banking products not offered by Morgan’s depository institutions, such as home mortgage loans. Furthermore, former Morgan customers would gain access to Chase’s expansive branch delivery network.⁴⁶

The Board also concludes that conducting the proposed nonbanking activity within the framework of Regulation Y and Board precedent is not likely to result in adverse effects, such as undue concentration of resources, conflicts of interests, or unsound banking practices, that would outweigh the public benefits of the proposal, such as increased customer convenience and gains in efficiency. Accordingly, based on all the facts of record, the Board has determined that the balance of public interest factors that the Board must consider under the standard in section 4(j) of the BHC Act is consistent with approval of Chase’s notice.

Chase also has requested the Board’s consent under section 4(c)(13) of the BHC Act and section 211.5(c) of the Board’s Regulation K (12 C.F.R. 211.5(c)) to acquire certain foreign investments of Morgan.⁴⁷ In addition, Chase has provided notice under sections 25 and 25A of the Federal Reserve Act and sections 211.3, 211.4, and 211.5 of Regulation K (12 C.F.R. 211.3, 211.4, and 211.5) to acquire some of Morgan’s foreign branches and Morgan Guaranty International Finance Corporation, Newark, Delaware, a company organized under section 25A of the Federal Reserve Act. The Board concludes that all the factors required to be considered under the Federal Reserve Act, the BHC Act, and the Board’s Regulation K are consistent with approval of these proposals.

Chase Bank has also applied under section 9 of the Federal Reserve Act (12 U.S.C. § 322 *et seq.*) to establish branch at the offices of Morgan Guaranty. The Board has considered the factors it is required to consider when reviewing application for establishing branches pursuant to section 9 of the Federal Reserve Act (12 U.S.C. § 322) and, for the reasons discussed in this order, finds those factors to be consistent with approval.

Conclusion

Based on the foregoing, and in light of all the facts of record, the Board has determined that the applications and notices should be, and hereby are, approved.⁴⁸ The Board’s

47. ICP contends that some activities by ICTSI International Holdings Corp., Manila, Philippines (“ICTSI”), and Massera S.A., Buenos Aires, Argentina (“Massera”), are impermissible under section 4 of the BHC Act. Under section 4(c)(13) of the BHC Act, a bank holding company may acquire shares of a foreign organization that does no business in the United States except as incident to its international or foreign business, if the Board determines that the exemption would not be substantially at variance with the purposes of the BHC Act and would be in the public interest. See 12 U.S.C. § 1843(c)(13). Section 211.5(b)(1)(iii) of Regulation K generally permits investments of less than 20 percent of the voting shares (and less than 40 percent of the total equity) of foreign companies without regard to the activities of such companies. 12 C.F.R. 211.5(b)(1)(iii). Chase’s investments in ICTSI and Massera would comply with these provisions.

48. Commenters have requested a public meeting or hearing on the proposal. Section 3 of the BHC Act does not require the Board to hold a public hearing on an application unless the appropriate supervisory authority for the bank to be acquired makes a timely written recommendation of denial. The Board has not received such a recommendation from the appropriate supervisory authorities. The Board’s regulations provide for a hearing under section 4 of the BHC Act if there are disputed issues of material fact that cannot be resolved in some other manner. See 12 C.F.R. 225.25(a)(2). Under its rules, the Board also may, in its discretion, hold a public meeting or hearing on an application to acquire a bank if a meeting or hearing is necessary or appropriate to clarify factual issues related to the application and to provide an opportunity for testimony. 12 C.F.R. 225.16(e).

The Board has carefully considered the requests for a public meeting or hearing in light of all the facts of record. In the Board’s view, commenters have had ample opportunity to submit their views and, in fact, have submitted written comments that have been carefully considered by the Board in acting on the proposal. The requests fail to identify disputed issues of fact that are material to the Board’s decision and that may be clarified by a public meeting or hearing. Commenters have provided substantial written comments that have

45. 12 U.S.C. § 1843(j)(2)(A).

46. See, e.g., *Banc One Corporation*, 84 *Federal Reserve Bulletin* 553 (1998); *First Union Corporation*, 84 *Federal Reserve Bulletin* 489 (1998).

approval is specifically conditioned on compliance by Chase with all the commitments made in connection with these applications and with the conditions stated or referred to in this order. The Board's determination on the nonbanking activities also is subject to all the terms and conditions set forth in Regulation Y, including those in sections 225.7 and 225.25(c) (12 C.F.R. 225.7 and 225.25(c)), and to the Board's authority to require such modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to ensure compliance with, and to prevent evasion of, the provisions of the BHC Act and the Board's regulations and orders thereunder. For purposes of this action, the commitments and conditions relied on by the Board in reaching its decision are deemed to be conditions imposed in writing by the Board in connection with its findings and decision and, as such, may be enforced in proceedings under applicable law.

The acquisition of the subsidiary bank of Morgan shall not be consummated before the fifteenth calendar day following the effective date of this order, and the proposal 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 New York, acting pursuant to delegated authority.

By order of the Board of Governors, effective December 11, 2000.

Voting for this action: Chairman Greenspan and Governors Kelley, Meyer, and Gramlich. Absent and not voting: Vice Chairman Ferguson.

ROBERT DEV. FRIERSON
Associate Secretary of the Board

ORDERS ISSUED UNDER INTERNATIONAL BANKING ACT

Euroclear Bank Brussels, Belgium

Order Approving Establishment of a Representative Office

Euroclear Bank ("Bank"), Brussels, Belgium, a foreign bank within the meaning of the International Banking Act ("IBA"), has applied under section 10(a) of the IBA (12 U.S.C. § 3107(a)) to establish a representative office in New York, New York. The Foreign Bank Supervision Enhancement Act of 1991 ("FBSEA"), which amended the IBA, provides that a foreign bank must obtain the

been carefully considered by the Board, and the requests fail to show why a public meeting or hearing is necessary for the proper presentation or consideration of commenters' views. For these reasons, and based on all the facts of record, the Board has determined that a public meeting or hearing and further delay in considering the application is not required or warranted in this case. Accordingly, the requests are hereby denied.

approval of the Board to establish a representative office in the United States.

Notice of the application, affording interested persons an opportunity to submit comments, has been published in a newspaper of general circulation in New York (*The New York Post*, August 31, 2000). The time for filing comments has expired, and all comments have been considered.

Bank is a newly formed Belgian bank that was created to operate the Euroclear System (the "System"), a clearance and settlement system for international securities. The System is currently operated by the Brussels office of the Morgan Guaranty Trust Company of New York ("MGT") on behalf of Euroclear Clearance System plc ("ECS plc"), a United Kingdom company owned by a consortium of 119 financial institutions. ECS plc owns, directly or indirectly, 95 percent of the shares of Bank, and more than 1200 other participants in the System own the balance. The parent of MGT, J.P. Morgan & Co. Incorporated, entered into an agreement with ECS plc whereby MGT's role as operator of the System will cease on or about December 31, 2000. At that time, the assets and liabilities of MGT's Brussels office related to the operation of the System will be transferred to Bank, and Bank will become the System's operator. Most MGT employees who currently have duties related to the operations of the System will become employees of Bank. Bank will not engage in the full range of international banking activities, but only in the clearance and settlement of international securities transactions. Bank also intends to establish representative offices in Tokyo, Sao Paulo, Singapore, Hong Kong, and London.

The proposed representative office will engage in liaison, marketing and support activities, including the solicitation of new clients and the promotion of Bank products and services. These are the same functions currently performed by certain employees of MGT's New York office.

In acting on an application to establish a representative office, the IBA and Regulation K provide that the Board shall take into account whether the foreign bank engages directly in the business of banking outside the United States and has furnished to the Board the information it needs to assess the application adequately. The Board also shall take into account whether the foreign bank and any foreign bank parent is subject to comprehensive supervision or regulation on a consolidated basis by its home country supervisor.¹ The Board may take into account

1. See 12 U.S.C. § 3107(a)(2); 12 C.F.R. 211.24(d)(2). In assessing this standard, the Board considers, among other factors, the extent to which the home country supervisors:

- (i) Ensure that the bank has adequate procedures for monitoring and controlling its activities worldwide;
- (ii) Obtain information on the condition of the bank and its subsidiaries and offices through regular examination reports, audit reports, or otherwise;
- (iii) Obtain information on the dealings with and relationship between the bank and its affiliates, both foreign and domestic;
- (iv) Receive from the bank financial reports that are consolidated on a worldwide basis, or comparable information that permits analysis of the bank's financial condition on a worldwide consolidated basis;

additional standards set forth in the IBA and Regulation K.² The Board previously has stated that the standards that apply to the establishment of a branch or agency need not in every case apply to the establishment of a representative office, because representative offices do not engage in a banking business and cannot take deposits or make loans.³

As noted above, Bank will engage directly in the business of banking outside the United States through its banking operations in Belgium. Bank also has provided the Board with the information necessary to assess the application through submissions that address the relevant issues.

With respect to home country supervision of Bank, the Board has considered the following information. The Belgian Banking and Finance Commission ("BBFC") and the National Bank of Belgium ("NBB") are the primary supervisors of Bank.⁴ The Board previously has determined, in connection with applications involving other Belgian banks, that those banks were subject to comprehensive consolidated supervision by the BBFC.⁵ Although Bank is a *de novo* institution, and the BBFC has not previously had primary supervisory authority over the operations of the System, the BBFC intends to supervise Bank in substantially the same manner as the banks previously reviewed in the orders cited above. Based on all the facts of record, the Board has determined that factors relating to the supervision of Bank by its home country supervisor are consistent with approval of the proposed representative office.

The Board has taken into account the additional standards set forth in the IBA and in Regulation K.⁶ The BBFC has granted Bank approval to establish the proposed office. With respect to the financial and managerial resources of Bank, taking into consideration the record of operations by Bank's predecessor in its home country, Bank's overall financial resources, and its standing with its home country supervisor, the Board has determined that financial and managerial considerations are consistent with approval. In addition, Bank appears to have the experience and capacity to support the proposed office and has established controls and procedures in the representative office to ensure com-

pliance with applicable U.S. law, as well as controls and procedures for its worldwide operations generally.

With respect to access to information, the Board has reviewed the restrictions on disclosure in relevant jurisdictions in which Bank operates and has communicated with relevant government authorities about access to information. Bank and ECS plc have committed to make available to the Board such information on the operations of Bank and any affiliate of Bank that the Board deems necessary to determine and enforce compliance with the IBA, the Bank Holding Company Act, and other applicable federal law. To the extent that the provision of such information may be prohibited or impeded by law or otherwise, Bank and ECS plc have committed to cooperate with the Board to obtain any necessary consents or waivers that might be required from third parties in connection with disclosure of certain information. In addition, subject to certain conditions, the BBFC may share information on Bank's operations with other supervisors, including the Board. In light of these commitments and other facts of record, and subject to the condition described below, the Board has concluded that Bank has provided adequate assurances of access to any necessary information the Board may request.

On the basis of all the facts of record, and subject to the commitments made by Bank, as well as the terms and conditions set forth in this order, the Board has determined that Bank's application to establish a representative office in New York should be, and hereby is, approved. Should any restrictions on access to information on the operations or activities of Bank or any of its affiliates subsequently interfere with the Board's ability to determine and enforce compliance by Bank or its affiliates with applicable federal statutes, the Board may require or recommend termination of any of Bank's direct or indirect activities in the United States. Approval of this application also is specifically conditioned on Bank's compliance with the commitments made in connection with this application and with the conditions in this order.⁷ The commitments and conditions referred to above are conditions imposed in writing by the Board in connection with its decision and may be enforced in proceedings against Bank and its affiliates under applicable law.

By order of the Board of Governors, effective December 21, 2000.

Voting for this action: Chairman Greenspan, Vice Chairman Ferguson, and Governors Meyer and Gramlich. Absent and not voting: Governor Kelley.

ROBERT DEV. FRIERSON
Associate Secretary of the Board

(v) Evaluate prudential standards, such as capital adequacy and risk asset exposure, on a worldwide basis.

These are indicia of comprehensive consolidated supervision; no single factor is essential and other elements may inform the Board's determination.

2. See 12 U.S.C. § 3105(d)(3) and (4); 12 C.F.R. 211.24(c)(2).

3. See 58 *Federal Register* 6348, 6351 (1993). See also *Banco de la Ciudad de Buenos Aires*, 85 *Federal Reserve Bulletin* 647 (1999); *Agricultural Bank of China*, 83 *Federal Reserve Bulletin* 617 (1997); *Citizens National Bank*, 79 *Federal Reserve Bulletin* 805 (1993).

4. The National Bank of Belgium has primary responsibility for oversight of payment and clearing systems in Belgium. The BBFC is the primary banking regulator in Belgium, however, and would have full supervisory authority over the activities of Bank. The BBFC has indicated that it works closely with the NBB and that both entities share information with respect to supervisory matters.

5. See *Antwerpse Diamantbank, N.V.*, 85 *Federal Reserve Bulletin* 830 (1999); *KBC Bank, N.V.*, 85 *Federal Reserve Bulletin* 832 (1999).

6. See 12 U.S.C. § 3105(d)(3) and (4); 12 C.F.R. 211.24(c)(2).

7. The Board's authority to approve the establishment of the proposed office parallels the continuing authority of the State of New York to license offices of a foreign bank. The Board's approval of this application does not supplant the authority of the State of New York or its agent, the New York State Banking Department, to license the proposed office of Bank in accordance with any terms or conditions that the New York State Banking Department may impose.

*APPLICATIONS APPROVED UNDER BANK HOLDING COMPANY ACT**By the Secretary of the Board*

Recent applications have 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 |
|--|--|-------------------|
| The Chase Manhattan Corporation, New York, New York | J.P. Morgan & Co. Incorporated, New York, New York Morgan Guaranty Trust Company of New York, New York, New York J.P. Morgan FSB, West Palm Beach, Florida | December 11, 2000 |
| Compass Bancshares, Inc., Birmingham, Alabama | FirsTier Corporation, Northglenn, Colorado FirsTier Bank, Northglenn, Colorado Firststate Bank, Kimball, Nebraska | December 13, 2000 |

Section 4

| Applicant(s) | Bank(s) | Effective Date |
|---|--|-------------------|
| City National Corporation, Beverly Hills, California | Reed, Conner & Birdwell, Inc., Los Angeles, California | December 27, 2000 |
| Wells Fargo & Company, San Francisco, California | Conseco Finance Vendor Services Corporation, Paramus, New Jersey | December 28, 2000 |
| Wells Fargo Financial Services, Inc., Des Moines, Iowa | | |
| Wells Fargo Financial, Inc., Des Moines, Iowa | | |
| Wells Fargo & Company, San Francisco, California | Flagship Credit Corporation, Philadelphia, Pennsylvania | December 6, 2000 |
| Wells Fargo Financial Services, Inc., Des Moines, Iowa | | |
| Wells Fargo Financial, Inc., Des Moines, Iowa | | |

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 |
|--|---|--------------|-------------------|
| 1st Financial Bancshares, Inc., Shawnee Mission, Kansas | Sylvan Agency, Inc., Sylvan Grove, Kansas Centerville State Bank, Centerville, Kansas | Kansas City | December 11, 2000 |
| Amana Bancshares, Inc., Southfield, Michigan | Amana Bank, Dearborn, Michigan | Chicago | December 22, 2000 |
| Bank of America Corporation, Charlotte, North Carolina | Bank of America Georgia, National Association, Atlanta, Georgia | Richmond | December 20, 2000 |
| N B Holdings Corporation, Charlotte, North Carolina | | | |
| Capitol Bancorp Ltd., Lansing, Michigan | Sunrise Bank of San Diego, San Diego, California | Chicago | November 30, 2000 |
| Sun Community Bancorp Limited, Phoenix, Arizona | | | |
| Sunrise Capital Corporation, Albuquerque, New Mexico | | | |
| Capital City Bank Group, Inc., Tallahassee, Florida | First National Bankshares of West Point, Inc., West Point, Georgia First National Bank of West Point, West Point, Georgia First Peoples Bankshares, Inc., Pine Mountain, Georgia First Mortgage Company, Pine Mountain, Georgia | Atlanta | December 11, 2000 |
| Central Financial Corporation, Hutchinson, Kansas | TTAC Corp., Manhattan, Kansas Community First National Bank, Manhattan, Kansas | Kansas City | December 22, 2000 |
| Chemical Financial Corporation, Midland, Michigan | Shoreline Financial Corporation, Benton Harbor, Michigan Shoreline Bank, Benton Harbor, Michigan | Chicago | December 11, 2000 |
| Citizens Bancorp of Oviedo, Oviedo, Florida | Citizens Bank of Oviedo, Oviedo, Florida | Atlanta | December 11, 2000 |
| CNB Holdings, Inc., McConnellsville, Ohio | The Citizens National Bank of McConnellsville, McConnellsville, Ohio | Cleveland | November 24, 2000 |
| Cooper Lake Financial Corporation, Cooper, Texas | The Delta Bank, Cooper, Texas | Dallas | December 11, 2000 |

Section 3—Continued

| Applicant(s) | Bank(s) | Reserve Bank | Effective Date |
|---|--|---------------|-------------------|
| Eggemeyer Advisory Corp., Rancho Santa Fe, California WJR Corp., Rancho Santa Fe, California Castle Creek Capital, LLC, Rancho Santa Fe, California Castle Creek Capital Partners Fund I, LP, Rancho Santa Fe, California Castle Creek Capital Partners Fund IIa, Rancho Santa Fe, California Castle Creek Capital Partners Fund IIb, Rancho Santa Fe, California | First Professional Bank, S.A., Santa Monica, California | San Francisco | December 21, 2000 |
| F&M National Corporation, Winchester, Virginia | Community Bankshares of Maryland, Bowie, Maryland | Richmond | December 20, 2000 |
| First Bancorp of Taylorville, Inc., Taylorville, Illinois | The First National Bank of Mt. Auburn, Mt. Auburn, Illinois | Chicago | December 1, 2000 |
| First Banks, Inc., St. Louis, Missouri First Banks America, Inc., St. Louis, Missouri | Millennium Bank, San Francisco, California | St. Louis | December 12, 2000 |
| First Banks, Inc., St. Louis, Missouri First Banks America, Inc., St. Louis, Missouri | The San Francisco Company, San Francisco, California Bank of San Francisco, San Francisco, California | St. Louis | November 29, 2000 |
| First Community Bancorp, Rancho Santa Fe, California | Profesional Bancorp, Inc., Santa Monica, California | San Francisco | December 21, 2000 |
| First National Bankers Bankshares, Inc., Baton Rouge, Louisiana | Mississippi National Bankers Bank, Ridgeland, Mississippi | Atlanta | December 4, 2000 |
| First National Johnson Bancshares, Inc., Johnson, Nebraska | Wilber Company, Wilber, Nebraska | Kansas City | November 27, 2000 |
| F.N.B. Corporation, Hermitage, Pennsylvania | Sun Bancorp, Inc., Selinsgrove, Pennsylvania | Cleveland | November 27, 2000 |
| Goering Financial Holding Company Partnership, L.P., Moundridge, Kansas | BON, Inc., Moundridge, Kansas | Kansas City | December 20, 2000 |
| Goering Management Company, LLC, Moundridge, Kansas | Goering Financial Holding Company Partnership, L.P., Moundridge, Kansas | Kansas City | December 20, 2000 |
| Heritage Group, Inc., Aurora, Nebraska | Heritage Bank, N.A., Doniphan, Nebraska | Kansas City | December 14, 2000 |
| Innes Street Financial Corporation, Salisbury, North Carolina | Citizens Bank, Inc., Salisbury, North Carolina Citizens Bank, FSB, Salisbury, North Carolina | Richmond | December 7, 2000 |
| Lake Bank Shares, Inc., Employee Stock Ownership Plan, Emmons, Minnesota | Lake Bank Shares, Inc., Emmons, Minnesota The First State Bank of Emmons, Emmons, Minnesota | Minneapolis | December 27, 2000 |

Section 3—Continued

| Applicant(s) | Bank(s) | Reserve Bank | Effective Date |
|---|---|---------------|-------------------|
| Lenawee Bancorp, Inc., Adrian, Michigan | Bank of Washtenaw, Saline, Michigan | Chicago | December 11, 2000 |
| Marquette Bancshares, Inc., Minneapolis, Minnesota | Commerce Bank of Santa Barbara, N.A., Santa Barbara, California | Minneapolis | December 14, 2000 |
| Mason National Bancshares, Inc., Mason, Texas | Mason National Bank, Mason, Texas | Dallas | December 14, 2000 |
| Mason National Bancshares of Nevada, Inc., Carson City, Nevada | | | |
| Meader Insurance Agency, Inc., Waverly, Kansas | 1st Financial Bancshares, Inc., Shawnee Mission, Kansas | Kansas City | December 11, 2000 |
| Merchants and Manufacturers Bancorporation, Inc., New Berlin, Wisconsin | CBOC, Inc., Oconto Falls, Wisconsin | Chicago | November 17, 2000 |
| Merchants Merger Corp., New Berlin, Wisconsin | Community Bank of Oconto County, Oconto Falls, Wisconsin | | |
| Mid-Iowa Bancshares Co., Algona, Iowa | Ruthven Investment, Ltd., Ruthven, Iowa | Chicago | November 30, 2000 |
| Mississippi Valley Bancshares, Inc., St. Louis, Missouri | Southwest Bank of Phoenix, Phoenix, Arizona | St. Louis | December 12, 2000 |
| Mountain West Financial Corp., Helena, Montana | Bankwest Financial, Inc., Kalispell, Montana | Minneapolis | December 21, 2000 |
| Nara Bancorp, Inc., Los Angeles, California | Nara Bank, Los Angeles, California | San Francisco | December 15, 2000 |
| North Texas Bancshares, Inc., Dallas, Texas | Park Cities Bank, Dallas, Texas | Dallas | November 28, 2000 |
| North Texas Bancshares of Delaware, Inc., Wilmington, Delaware | | | |
| Northwest Mutual Holding Company, Winsted, Connecticut | Northwest Community Bank, Winsted, Connecticut | Boston | December 15, 2000 |
| Litchfield Mutual Holding Company, Litchfield, Connecticut | Litchfield Bancorp, Litchfield, Connecticut | | |
| Northwest Suburban Bancorp, Inc., Mount Prospect, Illinois | Village Bank and Trust, North Barrington, Illinois | Chicago | December 14, 2000 |
| OSB Financial Services, Inc., Orange, Texas | Orange Savings Bank, SSB, Orange, Texas | Dallas | November 24, 2000 |
| OSB Delaware Financial Services, Inc., Dover, Delaware | | | |
| PAB Bankshares, Inc., Valdosta, Georgia | FCB Interim Bank, Ocala, Florida | Atlanta | December 8, 2000 |
| | Friendship Community Bank, Ocala, Florida | | |
| Pacifica Bancorp, Inc., Bellevue, Washington | Pacifica Bank, Bellevue, Washington | San Francisco | November 21, 2000 |
| Seacoast Financial Services Corporation, New Bedford, Massachusetts | Home Port Bancorp, Inc., Nantucket, Massachusetts | Boston | December 11, 2000 |
| | Nantucket Bank, Nantucket, Massachusetts | | |

Section 3—Continued

| Applicant(s) | Bank(s) | Reserve Bank | Effective Date |
|---|--|--------------|-------------------|
| Sooner Southwest Bankshares, Inc., Tulsa, Oklahoma | The First National Bancorporation of Heavener, Oklahoma, Inc., Heavener, Oklahoma | Kansas City | December 14, 2000 |
| Southern Community Bancorp, Orlando, Florida | Southern Community Bank of Southwest Florida, Bonita Springs, Florida | Atlanta | November 27, 2000 |
| Southwest Bancorporation of Texas, Inc., Houston, Texas | Citizens Bankers, Inc., Baytown, Texas | Dallas | November 28, 2000 |
| Southwest Holding Delaware, Inc., Wilmington, Delaware | Citizens Bankers of Delaware, Inc., Wilmington, Delaware | | |
| Spectrum Bancorporation, Inc., Omaha, Nebraska | Great Western Securities, Inc., Omaha, Nebraska | Chicago | November 27, 2000 |
| TTAC Corp., Manhattan, Kansas | Community First National Bank, Manhattan, Kansas | Kansas City | November 27, 2000 |
| Whitney Holding Corporation, New Orleans, Louisiana | American Bank, Houston, Texas | Atlanta | November 29, 2000 |
| Yankee Ridge, Inc., Allerton, Illinois | State Bank of Allerton, Allerton, Illinois Philo Exchange Bank, Philo, Illinois | Chicago | November 22, 2000 |

Section 4

| Applicant(s) | Nonbanking Activity/Company | Reserve Bank | Effective Date |
|--|--|--------------|-------------------|
| Bank Hapoalim B.M., Tel Aviv, Israel Zohar Hashemesh Le'Hashkaot Ltd., Tel Aviv, Israel Hapoalim U.S.A. Holding Company, Inc., New York, New York Arison Holdings (1998) Ltd., Tel Aviv, Israel Israel Salt Industries Ltd., Atlit, Israel | Signature Securities Group Corporation, New York, New York | New York | December 20, 2000 |
| Bank of Montreal, Toronto, Ontario, Canada | Moneris Solutions Corporation, Buffalo Grove, Illinois Moneris Solutions, Inc., Buffalo Grove, Illinois | Chicago | November 15, 2000 |
| Bayerische Hypo-und Vereinsbank AG, Munich, Germany | Bank Austria AG, Vienna, Austria | New York | December 28, 2000 |
| Chesapeake Financial Shares, Inc., Kilmarnock, Virginia | Chesapeake Trust Company, Kilmarnock, Virginia | Richmond | December 21, 2000 |
| Citigroup, Inc., New York, New York | Geneva Group, Inc., Irvine, California | New York | December 22, 2000 |
| Covenant Bancgroup, Inc., Leeds, Alabama | To engage <i>de novo</i> in securities brokerage services | Atlanta | November 30, 2000 |
| Dresdner Bank Aktiengesellschaft, Frankfurt, Germany | Wasserstein Perella Group, Inc., New York, New York | New York | December 11, 2000 |

Section 4—Continued

| Applicant(s) | Nonbanking Activity/Company | Reserve Bank | Effective Date |
|---|---|--------------|-------------------|
| Fifth Third Bancorp, Cincinnati, Ohio | Resource Management Inc., Cleveland, Ohio | Cleveland | December 8, 2000 |
| Irwin Financial Corporation, Columbus, Indiana | Irwin Union Bank, F.S.B., Louisville, Kentucky | Chicago | December 1, 2000 |
| Manning Financial Services, Inc., Manning, Iowa | To engage <i>de novo</i> in extending credit and servicing loans | Chicago | December 20, 2000 |
| Mizuho Holdings, Inc., Tokyo, Japan | Dealerconx, Inc., Livingston, New Jersey | New York | December 8, 2000 |
| The Dai-Ichi Kangyo Bank, Limited, Tokyo, Japan | The CIT Group, Inc., New York, New York | | |
| National Australia Bank Limited, Melbourne, Australia | Charles F. Curry Company, Kansas City, Missouri | Chicago | December 27, 2000 |
| HomeSide Lending, Inc., Jacksonville, Florida | | | |
| SSB Management L.L.C., Wilber, Nebraska | Wilber Company, Wilber, Nebraska Saline State Insurance Agency, L.L.C., Wilber, Nebraska | Kansas City | November 27, 2000 |
| Sturm Financial Group, Inc., Denver, Colorado | Community Financial Services, Inc., Denver, Colorado | Kansas City | December 18, 2000 |
| Westdeutsche Landesbank Girozentrale, Dusseldorf, Germany | Gulfstream Global Investors, Ltd., Addison, Texas | New York | December 8, 2000 |
| Wilber Company, Wilber, Nebraska | Saline State Insurance Agency, L.L.C., Wilber, Nebraska | Kansas City | November 27, 2000 |

APPLICATIONS APPROVED UNDER BANK MERGER ACT

By the Secretary of the Board

Recent applications have 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.

| Applicant(s) | Bank(s) | Effective Date |
|---|---|-------------------|
| The Chase Manhattan Bank, New York, New York | Morgan Guaranty Trust Company of New York, New York, New York | December 11, 2000 |
| Compass Bank, Birmingham, Alabama | FirsTier Bank, Northglenn, Colorado Firststate Bank, Kimball, Nebraska | December 13, 2000 |

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 |
|--|---|--------------|-------------------|
| Adams Bank & Trust, Ogallala, Nebraska | Bank of Colorado-Western Slope, Grand Junction, Colorado | Kansas City | November 29, 2000 |
| Bank of Colorado, Fort Lupton, Colorado | Bank of Colorado-Western Slope, Grand Junction, Colorado | Kansas City | November 28, 2000 |
| Bank of Pontiac, Pontiac, Illinois | Odell State Bank, Odell, Illinois | Chicago | December 27, 2000 |
| Bank of Tazewell County, Tazewell, Virginia | First Union National Bank, Charlotte, North Carolina | Richmond | December 21, 2000 |
| Bank of Washtenaw, Saline, Wisconsin | Bank of Lenawee, Adrian, Michigan | Chicago | December 11, 2000 |
| Capital City Bank, Tallahassee, Florida | First National Bank of West Point, West Point, Georgia | Atlanta | December 11, 2000 |
| Capital City Bank, Tallahassee, Florida | First Union National Bank, Charlotte, North Carolina | Atlanta | December 1, 2000 |
| Centennial Bank of the West, Eaton, Colorado | Farmers Bank, Ault, Colorado | Kansas City | December 5, 2000 |
| F&M Bank-Maryland, Inc., Bethesda, Maryland | Community Bank of Maryland, Bowie, Maryland | Richmond | December 20, 2000 |
| Friendship Community Bank, Ocala, Florida | FCB Interim Bank, Ocala, Florida | Atlanta | December 8, 2000 |
| Harris Trust Bank of Arizona, Scottsdale, Arizona | Century Bank, Scottsdale, Arizona | Chicago | November 27, 2000 |
| PNB Financial Bank, Lubbock, Texas | City National Bank, Austin, Texas | Dallas | December 11, 2000 |
| Sylvan State Bank, Sylvan Grove, Kansas | Centerville State Bank, Centerville, Kansas Kendall State Bank, Valley Falls, Kansas | Kansas City | December 11, 2000 |

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.

Dime Bancorp, Inc. v. Board of Governors, No. 00-4249 (2d Cir., filed December 11, 2000). Petition for review of a Board order dated September 27, 2000, approving the applications of North Fork Corporation, Inc., Melville, New York, to acquire control of Dime Bancorp, Inc. and to thereby acquire its wholly owned subsidiary, The Dime Savings Bank of New York, FSB, both of New York, New York.

Nelson v. Greenspan, No. 99-215(EGS) (D.D.C., amended complaint filed December 8, 2000). Employment discrimination action.

Howe v. Bank for International Settlements, No. 00CV12485 RCL (D. Mass., filed December 7, 2000). Action seeking damages in connection with gold market activities and the

repurchase of privately-owned shares of the Bank for International Settlements.

Barnes v. Reno, No. 1:00CV02900 (D.D.C., filed December 4, 2000). Civil rights action.

El Bey v. United States, No. 00-5293 (D.C. Cir., filed August 31, 2000). Appeal from district court order dismissing *pro se* action as lacking arguable basis in law. The government filed a motion for summary affirmance on October 26, 2000.

Trans Union LLC v. Board of Governors, et al., No. 00-CV-2087(ESH) (D.D.C., filed August 30, 2000). Action under Administrative Procedure Act challenging a portion of inter-agency rule regarding Privacy of Consumer Financial Information.

Sedgwick v. Board of Governors, No. 00-16525 (9th Cir., filed August 7, 2000). Appeal of district court dismissal of action under Federal Tort Claims Act alleging violation of bank supervision requirements.

Individual Reference Services Group, Inc., v. Board of Governors, et al., No. 00-CV-1828 (ESH) (D.D.C., filed July 28, 2000). Action under Administrative Procedure Act challenging a portion of interagency rule regarding Privacy of Consumer Finance Information.

Reed Elsevier Inc. v. Board of Governors, No. 00-1289 (D.C. Cir., filed June 30, 2000). Petition for review of interagency rule regarding Privacy of Consumer Financial Information.

Board of Governors v. Interfinancial Services, Ltd., No. 00-5233 (D.C. Cir., filed June 27, 2000). Appeal of district court order enforcing administrative subpoena issued by the Board. On June 30, 2000, the court of appeals denied the appellant's motion for a stay of the district court order. On December 1, 2000, the court dismissed the case on appellant's motion.

Bettsworth v. Board of Governors, No. 00-50262 (5th Cir., filed April 14, 2000). Appeal of district court's dismissal of Privacy Act claims.

Hunter v. Board of Governors, No. 00-CV-735 (ESH) (D.D.C., filed April 5, 2000). Action claiming retaliation for whistleblowing activity. The case was dismissed by stipulation on December 15, 2000.

Bennett v. Federal Bureau of Investigation, et al., No. H-00-0707 (S.D. Texas, filed March 1, 2000). Action alleging Board interference with a private investment. On October 20, 2000, the court dismissed the action.

Albrecht v. Board of Governors, No. 00-CV-317 (CKK) (D.D.C., filed February 18, 2000). Action challenging the funding of the retirement plan for certain Board employees.

Folstad v. Board of Governors, No. 00-1056 (6th Cir., filed January 14, 2000). Appeal of district court order granting summary judgment to the Board in a Freedom of Information Act case. On October 26, 2000, the court of appeals affirmed the district court's order.

Toland v. Internal Revenue Service, Federal Reserve System, et al., No. CV-S-99-1769-JBR-RJJ (D. Nevada, filed December 29, 1999). Challenge to income taxation and Federal Reserve notes. On May 1, 2000, the court granted the government's motion to dismiss the action.

Guerrero v. United States, No. CV-F-99-6771(OWW) (E.D. Cal., filed November 29, 1999). Prisoner suit.

Artis v. Greenspan, No. 1:99CV02073 (EGS) (D.D.C., filed August 3, 1999). Employment discrimination action.

Sheriff Gerry Ali v. U.S. State Department, No. 99-7438 (C.D. Cal., filed July 21, 1999). Action relating to impounded bank drafts. On December 3, 1999, the court stayed the action indefinitely.

Kerr v. Department of the Treasury, No. 99-16263 (9th Cir., filed April 28, 1999). Appeal of dismissal of action challenging income taxation and Federal Reserve notes. On July 13, 2000, the court of appeals affirmed the dismissal.

Fraternal Order of Police v. Board of Governors, No. 1:98CV03116 (WBB)(D.D.C., filed December 22, 1998). Declaratory judgment action challenging Board labor practices. On February 26, 1999, the Board filed a motion to dismiss the action.

Board of Governors v. Carrasco, No. 98 Civ. 3474 (LAK) (S.D.N.Y., filed May 15, 1998). Action to freeze assets of individual pending administrative adjudication of civil

money penalty assessment by the Board. On May 26, 1998, the court issued a preliminary injunction restraining the transfer or disposition of the individual's assets and appointing the Federal Reserve Bank of New York as receiver for those assets. Following entry of the Board's order requiring restitution, 85 *Federal Reserve Bulletin* 142 (1998), the court granted the Board's motion for judgment in the asset freeze action and authorized a judicial sale of the seized property.

Board of Governors v. Pharaon, No. 98-6101 (2d Cir., filed May 4, 1998). Appeal and cross-appeal of district court order granting in part and denying in part the Board's motion for summary judgment seeking prejudgment interest and a statutory surcharge in connection with a civil money penalty assessed by the Board. On February 24, 1999, the court granted the Board's appeal and denied the cross-appeal, and remanded the matter to the district court for determination of prejudgment interest due to the Board.

FINAL ENFORCEMENT DECISION ISSUED BY THE BOARD OF GOVERNORS

In the Matter of a Notice to Prohibit Further Participation Against Kaye G. Hill, Former Employee,

Barnett Bank, N.A. Jacksonville, Florida

Docket No. OCC-AA-EC-00-24

Final Decision

This is an administrative proceeding pursuant to the Federal Deposit Insurance Act ("FDI Act") in which the Office of the Comptroller of the Currency of the United States of America ("OCC") seeks to prohibit the Respondent, Kaye G. Hill ("Respondent"), from further participation in the affairs of any financial institution because of her conduct as an employee of Barnett Bank, N.A., Jacksonville, Florida (the "Bank"). Under the FDI Act, the OCC may initiate a prohibition proceeding against a former employee of a national bank, but the Board must make the final determination whether to issue an order of prohibition.

Upon review of the administrative record, the Board issues this Final Decision adopting the Recommended Decision ("RD") of Administrative Law Judge Ann Z. Cook (the "ALJ"), and orders the issuance of the attached Order of Prohibition.

I. Statement of the Case

A. Statutory and Regulatory Framework

Under the FDI Act and the Board's regulations, the ALJ is responsible for conducting proceedings on a notice of

charges. 12 U.S.C. § 1818(e)(4). The ALJ issues a recommended decision that is referred to the deciding agency together with any exceptions to those recommendations filed by the parties. The Board makes the final findings of fact, conclusions of law, and determination whether to issue an order of prohibition in the case of prohibition orders sought by the OCC. *Id.*; 12 C.F.R. 263.40.

The FDI Act sets forth the substantive basis upon which a federal banking agency may issue against a bank official or employee an order of prohibition from further participation in banking. To issue such an order, the Board must make each of three findings:

- (1) That the respondent engaged in identified *misconduct*, including a violation of law or regulation, an unsafe or unsound practice or a breach of fiduciary duty;
- (2) That the conduct had a specified *effect*, including financial loss to the institution or gain to the respondent; and
- (3) That the respondent's conduct involved either personal dishonesty or a willful or continuing disregard for the safety or soundness of the institution. 12 U.S.C. § 1818(e)(1)(A)-(C).

An enforcement proceeding is initiated by the filing of a notice of charges which is served on the respondent. Under the OCC's and the Board's regulations, the respondent must file an answer within 20 days of service of the notice. 12 C.F.R. 19.19(a) and 263.19(a). Failure to file an answer constitutes a waiver of the respondent's right to contest the allegations in the notice, and a final order may be entered unless good cause is shown for failure to file a timely answer. 12 C.F.R. 19.19(c)(1) and 263.19(c)(1).

B. Procedural History

On April 6, 2000, the OCC issued a Notice initiating an enforcement action that sought an order of prohibition due to Respondent's actions in taking \$5000 from two customer accounts at the Bank. The Notice directed Respondent to file an answer within 20 days, and warned that failure to do so would constitute a waiver of her right to appear and contest the allegations. The record shows that the Respondent received a copy of the Notice by certified mail. Nonetheless, Respondent filed to file an answer within the 20-day period. Consequently, on May 22, 2000, the ALJ issued an Order directing Respondent to show cause for her failure to file an answer. Respondent did not respond to the Order.

On November 30, 2000, the ALJ issued a Recommended Decision finding Respondent in default and adopting as her factual findings the allegations in the Notice. On the basis of those findings, the ALJ recommended that an order of prohibition be entered against the Respondent.

II. Discussion

The OCC's Rules of Practice and Procedure set forth the requirements of an answer and the consequences of a failure to file an answer to a Notice. Under the Rules,

failure to file a timely answer "constitutes a waiver of [a respondent's] right to appear and contest the allegations in the Notice." 12 C.F.R. 19.19(c). If the ALJ finds that no good cause has been shown for the failure to file, the judge "shall file . . . a recommended decision containing the findings and the relief sought in the notice." *Id.* An order based on a failure to file a timely answer is deemed to be issued by consent. *Id.*

In this case, Respondent failed to file an answer despite notice to her of the consequences of such failure, and also failed to respond to the ALJ's Order to show cause. Respondent's failure to file an answer constitutes a default.

Respondent's default requires the Board to consider the allegations in the Notice as uncontested. The Notice alleges, and the Board finds, that Respondent made an unauthorized withdrawal of \$3000 from one customer account, and closed another, reopening it the same day with \$2000 less in the reopened account. This conduct meets all the criteria for entry of an order of prohibition under 12 U.S.C. § 1818(e). It is a violation of law and an unsafe or unsound practice for a bank employee to embezzle customer funds. Respondent's actions caused gain to herself as well as loss to the Bank. Finally, Respondent's actions involved personal dishonesty in taking property not her own. The requirements for an order of prohibition having been met, the Board has determined that such an order will issue.

Conclusion

For these reasons, the Board orders the issuance of the attached Order of Prohibition.

By Order of the Board of Governors, this 13th day of December, 2000.

Board of Governors of the
Federal Reserve System

JENNIFER J. JOHNSON
Secretary of the Board

Order of Prohibition

WHEREAS, pursuant to section 8(e) of the Federal Deposit Insurance Act, as amended, (the "Act") (12 U.S.C. § 1818(e)), the Board of Governors of the Federal Reserve System ("the Board") is of the opinion, for the reasons set forth in the accompanying Final Decision, that a final Order of Prohibition should issue against KAYE G. HILL ("HILL"),

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to section 8(e) of the Federal Deposit Insurance Act, as amended, (12 U.S.C. § 1818(e)), that:

1. In the absence of prior written approval by the Board, and by any other Federal financial institution regulatory agency where necessary pursuant to section 8(e)(7)(B) of the Act (12 U.S.C. § 1818(e)(7)(B)), Hill is hereby prohibited:
 - (a) From participating in the conduct of the affairs of any bank holding company, any insured depository

institution or any other institution specified in subsection 8(e)(7)(A) of the Act (12 U.S.C. § 1818(e)(7)(A));

- (b) From soliciting, procuring, transferring, attempting to transfer, voting or attempting to vote any proxy, consent, or authorization with respect to any voting rights in any institution described in subsection 8(e)(7)(A) of the Act (12 U.S.C. § 1818(e)(7)(A));
 - (c) From violating any voting agreement previously approved by the appropriate Federal banking agency; or
 - (d) From voting for a director, or from serving or acting as an institution-affiliated party as defined in section 3(u) of the Act, (12 U.S.C. § 1813(u)), such as an officer, director, or employee.
2. This Order, and each provision hereof, is and shall remain fully effective and enforceable until expressly stayed, modified, terminated or suspended in writing by the Board.

This Order shall become effective at the expiration of thirty days after service is made.

By Order of the Board of Governors, this 13th day of December, 2000.

Board of Governors of the
Federal Reserve System

JENNIFER J. JOHNSON
Secretary of the Board

FINAL ENFORCEMENT ORDERS ISSUED BY THE BOARD OF GOVERNORS

*Bruce Jeffrey Kingdon
New York, New York*

The Federal Reserve Board announced on December 12, 2000, the issuance of an Order of Prohibition against Bruce Jeffrey Kingdon, a former partner, operating committee member, managing director, employee, and institution-

affiliated party of the Bankers Trust Company, New York, New York.

DETERMINATION NOT TO CONDUCT A TERMINATION PROCEEDING

*Bancomer, S.A.
Mexico City, Mexico*

The Federal Reserve Board announced on December 12, 2000, pursuant to section 7(i) of the International Banking Act ("IBA"), the Board of Governors has determined that it is not necessary to conduct a proceeding to determine if the United States operations of Bancomer, S.A., Mexico City, Mexico ("Bancomer"), and Banca Serfin, S.A., Lomas de Santa Fe, Mexico ("Serfin"), foreign banks within the meaning of the IBA, should be terminated as a result of Bancomer and Serfin each having been found guilty of a money laundering offense in the United States.

WRITTEN AGREEMENTS APPROVED BY FEDERAL RESERVE BANKS

*People's Bancshares, Inc.
New Bedford, Massachusetts*

The Federal Reserve Board announced on December 12, 2000, the execution of a Written Agreement by and between People's Bancshares, Inc., New Bedford, Massachusetts, and the Federal Reserve Bank of Boston.

*Caisse Nationale de Credit Agricole
Paris, France*

The Federal Reserve Board announced on December 1, 2000, the execution of a Written Agreement by and among Caisse Nationale de Credit Agricole, Paris, France; Credit Agricole Indosuez, Paris, France; Credit Agricole Indosuez, New York Branch, New York, New York; the Federal Reserve Bank of New York; and the New York State Banking Department.

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SYMBOLS AND ABBREVIATIONS

| | | | |
|--------|---|--------|--|
| c | Corrected | G-7 | Group of Seven |
| e | Estimated | G-10 | Group of Ten |
| n.a. | Not available | GDP | Gross domestic product |
| n.e.c. | Not elsewhere classified | GNMA | Government National Mortgage Association |
| p | Preliminary | HUD | Department of Housing and Urban Development |
| r | Revised (Notation appears on column heading when about half of the figures in that column are changed.) | IMF | International Monetary Fund |
| | 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) | IOs | Interest only, stripped, mortgage-back securities |
| 0 | Calculated to be zero | IPCs | Individuals, partnerships, and corporations |
| ... | Cell not applicable | IRA | Individual retirement account |
| ABS | Asset-backed security | MMDA | Money market deposit account |
| ATS | Automatic transfer service | MSA | Metropolitan statistical area |
| BIF | Bank insurance fund | NOW | Negotiable order of withdrawal |
| CD | Certificate of deposit | OCDs | Other checkable deposits |
| CMO | Collateralized mortgage obligation | OPEC | Organization of Petroleum Exporting Countries |
| CRA | Community Reinvestment Act of 1977 | OTS | Office of Thrift Supervision |
| FAMC | Federal Agricultural Mortgage Corporation | PMI | Private mortgage insurance |
| FFB | Federal Financing Bank | POs | Principal only, stripped, mortgage-back securities |
| FHA | Federal Housing Administration | REIT | Real estate investment trust |
| FHLBB | Federal Home Loan Bank Board | REMICs | Real estate mortgage investment conduits |
| FHLMC | Federal Home Loan Mortgage Corporation | RHS | Rural Housing Service |
| FmHA | Farmers Home Administration | RP | Repurchase agreement |
| FNMA | Federal National Mortgage Association | RTC | Resolution Trust Corporation |
| FSA | Farm Service Agency | SCO | Securitized credit obligation |
| FSLIC | Federal Savings and Loan Insurance Corporation | SDR | Special drawing right |
| | | SIC | Standard Industrial Classification |
| | | VA | Department of Veterans Affairs |

GENERAL INFORMATION

In many of the tables, components do not sum to totals because of rounding.

Minus signs are used to indicate (1) a decrease, (2) a negative figure, or (3) an outflow.

"U.S. government securities" may include guaranteed issues of U.S. government agencies (the flow of funds figures also

include not fully guaranteed issues) as well as direct obligations of the Treasury.

"State and local government" also includes municipalities, special districts, and other political subdivisions.

1.10 RESERVES, MONEY STOCK, AND DEBT MEASURES

Percent annual rate of change, seasonally adjusted¹

| Monetary or credit aggregate | 1999 | 2000 | | | | 2000 | | | | |
|--|-------------------|-------------------|-------------------|-----------------|-------------------|-------------------|--------------------|-------------------|-------|--|
| | Q4 | Q1 | Q2 | Q3 ^f | July ^f | Aug. ^f | Sept. ^f | Oct. ^f | Nov. | |
| <i>Reserves of depository institutions²</i> | | | | | | | | | | |
| 1 Total | -3.4 | 1.8 | -9.5 | -7.1 | 9.0 | -9.4 | -2.5 | -9.7 | -2.9 | |
| 2 Required | -4.5 | .1 | -5.9 | -7.4 | 9.1 | -8.0 | -5.3 | -10.8 | -5.2 | |
| 3 Nonborrowed | -3.0 | 2.4 | -11.1 | -8.8 | 6.4 | -9.8 | .6 | -8.0 | 1.2 | |
| 4 Monetary base ³ | 20.4 | 4.3 | -3.2 | 2.6 | 3.7 | .6 | 3.2 | 3.5 | -1.9 | |
| <i>Concepts of money and debt⁴</i> | | | | | | | | | | |
| 5 M1 | 4.8 | .0 | -1.0 ^f | -2.7 | .2 | -3.7 | -5.2 | 4.6 | -10.7 | |
| 6 M2 | 5.2 ^f | 6.3 | 6.5 ^f | 4.8 | 3.6 | 7.6 | 9.0 | 4.6 | 2.7 | |
| 7 M3 | 10.6 ^f | 11.3 | 8.6 | 8.3 | 8.8 | 9.9 | 8.8 | 4.0 | 3.2 | |
| 8 Debt | 6.3 | 5.6 | 6.2 | 4.7 | 4.3 | 4.0 | 5.0 | 2.7 | n.a. | |
| <i>Nontransaction components</i> | | | | | | | | | | |
| 9 In M2 ⁵ | 5.4 ^f | 8.3 | 8.8 | 7.0 | 4.6 | 11.0 | 13.2 | 4.6 | 6.6 | |
| 10 In M3 only ⁶ | 25.0 ^f | 24.3 | 13.8 ^f | 17.1 | 21.4 | 15.3 | 8.2 | 2.6 | 4.4 | |
| <i>Time and savings deposits</i> | | | | | | | | | | |
| <i>Commercial banks</i> | | | | | | | | | | |
| 11 Savings, including MMDAs | 4.2 | 3.7 ^f | 8.1 | 10.7 | 10.4 | 14.8 | 22.3 | 1.5 | 10.5 | |
| 12 Small time ⁷ | 6.9 ^f | 9.3 | 13.7 | 10.9 | 9.1 | 9.9 | 4.2 | 1.4 | 5.9 | |
| 13 Large time ^{8,9} | 38.6 ^f | 22.0 ^f | 17.3 ^f | 9.9 | 11.2 | 17.6 | -18.1 | -9.3 | 13.9 | |
| <i>Thrift institutions</i> | | | | | | | | | | |
| 14 Savings, including MMDAs | -3.3 | -1.7 | 2.0 ^f | 2.0 | -1.3 | 5.8 | 2.6 | .5 | -2.1 | |
| 15 Small time ⁷ | 5.1 | 7.2 | 3.8 ^f | 11.6 | 12.4 | 15.8 | 8.9 | 8.5 | 8.8 | |
| 16 Large time ⁸ | 6.0 | 18.5 ^f | -6 ^f | 16.7 | 22.6 | 20.9 | 6.1 | 21.7 | 20.1 | |
| <i>Money market mutual funds</i> | | | | | | | | | | |
| 17 Retail | 11.0 ^f | 20.8 ^f | 11.7 | -6 | -7.3 | 6.8 | 13.5 | 12.4 | 5.1 | |
| 18 Institution-only | 22.4 ^f | 23.7 ^f | 13.9 ^f | 32.9 | 51.3 | 27.2 | 32.3 | 6.6 | 11.1 | |
| <i>Repurchase agreements and eurodollars</i> | | | | | | | | | | |
| 19 Repurchase agreements ¹⁰ | 19.5 | 22.5 | 10.8 | 7.3 | 5.2 | -17.9 | -3.6 | .0 | -25.2 | |
| 20 Eurodollars ¹⁰ | 10.0 | 41.1 | 15.4 | 4.8 | -19.8 | 24.7 | 33.1 | 22.3 | -6.7 | |
| <i>Debt components⁴</i> | | | | | | | | | | |
| 21 Federal | -4.4 | -4.8 | -7.5 | -7.2 | -3.7 | -7.3 | -4.8 | -10.0 | n.a. | |
| 22 Nonfederal | 9.2 ^f | 8.4 | 9.7 | 7.6 | 6.3 | 6.7 | 7.4 | 5.7 | n.a. | |

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

2. Figures incorporate adjustments for discontinuities, or "breaks," associated with regulatory changes in reserve requirements. (See also table 1.20.)

3. 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 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 U.S. 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 owed 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 (OCDs), 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. Seasonally adjusted M1 is computed by summing currency, travelers checks, demand deposits, and OCDs, each seasonally adjusted separately.

M2: M1 plus (1) savings (including MMDAs), (2) small-denomination time deposits (time deposits—including retail RPs—in amounts of less than \$100,000), and (3) balances in retail money market mutual funds. Excludes individual retirement accounts (IRAs) and Keogh balances at depository institutions and money market funds. Seasonally adjusted M2 is calculated by summing savings deposits, small-denomination time deposits, and retail money fund balances, each seasonally adjusted separately, and adding this result to seasonally adjusted M1.

M3: M2 plus (1) large-denomination time deposits (in amounts of \$100,000 or more), (2) balances in institutional money funds, (3) RP liabilities (overnight and term) issued by all

depository institutions, and (4) eurodollars (overnight and term) held by U.S. residents at foreign branches of U.S. banks worldwide and at all banking offices in the United Kingdom and Canada. Excludes amounts held by depository institutions, the U.S. government, money market funds, and foreign banks and official institutions. Seasonally adjusted M3 is calculated by summing large time deposits, institutional money fund balances, RP liabilities, and eurodollars, each seasonally adjusted separately, and adding this result to seasonally adjusted M2.

Debt: The debt aggregate is the outstanding credit market debt of the domestic nonfinancial sectors—the federal sector (U.S. government, not including government-sponsored enterprises or federally related mortgage pools) and the nonfederal sectors (state and local governments, households and nonprofit organizations, nonfinancial corporate and nonfarm noncorporate businesses, and farms). Nonfederal debt consists of mortgages, tax-exempt and corporate bonds, consumer credit, bank loans, commercial paper, and other loans. The data, which are derived from the Federal Reserve Board's flow of funds accounts, are break-adjusted (that is, discontinuities in the data have been smoothed into the series) and month-averaged (that is, the data have been derived by averaging adjacent month-end levels).

5. Sum of (1) savings deposits (including MMDAs), (2) small time deposits, and (3) retail money fund balances, each seasonally adjusted separately.

6. Sum of (1) large time deposits, (2) institutional money fund balances, (3) RP liabilities (overnight and term) issued by depository institutions, and (4) eurodollars (overnight and term) of U.S. addressees, each seasonally adjusted separately.

7. Small time deposits—including retail RPs—are those issued in amounts of less than \$100,000. All IRA and Keogh account balances at commercial banks and thrift institutions are subtracted from small time deposits.

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

9. Large time deposits at commercial banks less those held by money market funds, depository institutions, the U.S. government, and foreign banks and official institutions.

10. Includes both overnight and term.

1.11 RESERVES OF DEPOSITORY INSTITUTIONS AND RESERVE BANK CREDIT¹

Millions of dollars

| Factor | Average of daily figures | | | Average of daily figures for week ending on date indicated | | | | | | |
|---|--------------------------|--------------------|---------|--|--------------------|---------|---------|---------|---------|---------|
| | 2000 | | | 2000 | | | | | | |
| | Sept. | Oct. | Nov. | Oct. 18 | Oct. 25 | Nov. 1 | Nov. 8 | Nov. 15 | Nov. 22 | Nov. 29 |
| SUPPLYING RESERVE FUNDS | | | | | | | | | | |
| 1 Reserve Bank credit outstanding | 561,086 | 561,406 | 568,061 | 561,883 | 559,392 | 563,827 | 562,324 | 566,709 | 568,001 | 573,552 |
| U.S. government securities ² | | | | | | | | | | |
| 2 Bought outright—System account ³ | 510,925 | 510,713 | 512,368 | 509,485 | 510,464 | 510,299 | 510,724 | 512,336 | 513,025 | 513,689 |
| 3 Held under repurchase agreements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Federal agency obligations | | | | | | | | | | |
| 4 Bought outright | 133 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 |
| 5 Held under repurchase agreements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 Repurchase agreements—triparty ⁴ | 14,427 | 12,875 | 19,549 | 14,330 | 11,689 | 16,005 | 14,558 | 17,427 | 19,618 | 24,720 |
| 7 Acceptances | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loans to depository institutions | | | | | | | | | | |
| 8 Adjustment credit | 52 | 120 | 121 | 299 | 175 | 18 | 13 | 38 | 416 | 48 |
| 9 Seasonal credit | 424 | 298 | 157 | 301 | 277 | 240 | 175 | 155 | 148 | 148 |
| 10 Special Liquidity Facility credit | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11 Extended credit | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12 Float | 776 | 1,192 | 963 | 1,181 | 267 | 553 | 1,145 | 1,071 | 952 | 650 |
| 13 Other Federal Reserve assets | 34,349 | 36,078 | 34,774 | 36,157 | 36,391 | 36,582 | 35,579 | 35,552 | 33,712 | 34,166 |
| 14 Gold stock | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 |
| 15 Special drawing rights certificate account | 3,667 | 3,200 | 3,200 | 3,200 | 3,200 | 3,200 | 3,200 | 3,200 | 3,200 | 3,200 |
| 16 Treasury currency outstanding | 30,687 | 30,975 | 31,128 | 30,972 | 31,033 | 31,093 | 31,107 | 31,121 | 31,135 | 31,149 |
| ABSORBING RESERVE FUNDS | | | | | | | | | | |
| 17 Currency in circulation | 570,465 | 571,604 | 575,849 | 572,442 | 570,968 | 571,054 | 572,602 | 574,058 | 576,375 | 580,283 |
| 18 Reverse repurchase agreements—triparty ⁴ | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19 Treasury cash holdings | 170 | 248 | 289 | 256 | 287 | 286 | 271 | 274 | 289 | 315 |
| Deposits, other than reserve balances, with Federal Reserve Banks | | | | | | | | | | |
| 20 Treasury | 6,695 | 5,338 | 5,093 | 5,170 | 5,278 | 5,171 | 5,073 | 5,279 | 5,175 | 4,940 |
| 21 Foreign | 84 | 95 | 86 | 108 | 91 | 81 | 96 | 79 | 92 | 74 |
| 22 Service-related balances and adjustments | 6,703 | 6,733 | 6,767 | 6,614 | 6,697 ⁵ | 6,829 | 6,776 | 6,947 | 6,600 | 6,758 |
| 23 Other | 227 | 251 | 234 | 250 | 241 | 256 | 257 | 200 | 238 | 229 |
| 24 Other Federal Reserve liabilities and capital | 15,260 | 15,717 | 17,529 | 15,427 | 16,066 | 16,562 | 16,865 | 17,528 | 17,755 | 18,027 |
| 25 Reserve balances with Federal Reserve Banks | 6,882 | 6,640 ⁵ | 7,589 | 6,834 | 5,042 ⁵ | 8,926 | 5,736 | 7,709 | 6,859 | 8,320 |
| End-of-month figures | | | | | | | | | | |
| Wednesday figures | | | | | | | | | | |
| | Sept. | Oct. | Nov. | Oct. 18 | Oct. 25 | Nov. 1 | Nov. 8 | Nov. 15 | Nov. 22 | Nov. 29 |
| SUPPLYING RESERVE FUNDS | | | | | | | | | | |
| 1 Reserve Bank credit outstanding | 565,382 | 566,215 | 575,908 | 565,656 | 559,965 | 571,828 | 564,903 | 570,798 | 573,538 | 574,811 |
| U.S. government securities ² | | | | | | | | | | |
| 2 Bought outright—System account ³ | 511,413 | 508,961 | 512,327 | 510,168 | 511,038 | 510,302 | 514,015 | 511,748 | 513,813 | 514,308 |
| 3 Held under repurchase agreements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Federal agency obligations | | | | | | | | | | |
| 4 Bought outright | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 |
| 5 Held under repurchase agreements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 Repurchase agreements—triparty ⁴ | 17,320 | 19,440 | 27,270 | 18,843 | 9,995 | 24,940 | 11,975 | 25,795 | 24,615 | 25,630 |
| 7 Acceptances | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Loans to depository institutions | | | | | | | | | | |
| 8 Adjustment credit | 4 | 29 | 6 | 12 | 13 | 3 | 1 | 251 | 1 | 286 |
| 9 Seasonal credit | 368 | 219 | 130 | 290 | 270 | 201 | 159 | 156 | 145 | 152 |
| 10 Special Liquidity Facility credit | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11 Extended credit | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12 Float | 372 | 1,438 | 2,096 | -143 | 1,903 | 42 | 2,773 | 95 | 874 | -136 |
| 13 Other Federal Reserve assets | 35,774 | 35,999 | 33,949 | 36,355 | 36,616 | 36,211 | 35,850 | 32,622 | 33,959 | 34,440 |
| 14 Gold stock | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 |
| 15 Special drawing rights certificate account | 3,200 | 3,200 | 3,200 | 3,200 | 3,200 | 3,200 | 3,200 | 3,200 | 3,200 | 3,200 |
| 16 Treasury currency outstanding | 30,811 | 31,093 | 31,163 | 30,972 | 31,033 | 31,093 | 31,107 | 31,121 | 31,135 | 31,149 |
| ABSORBING RESERVE FUNDS | | | | | | | | | | |
| 17 Currency in circulation | 568,612 | 572,397 | 579,545 | 572,499 | 571,775 | 572,693 | 574,396 | 575,739 | 580,111 | 580,871 |
| 18 Reverse repurchase agreements—triparty ⁴ | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19 Treasury cash holdings | 184 | 289 | 344 | 289 | 276 | 271 | 272 | 285 | 311 | 344 |
| Deposits, other than reserve balances, with Federal Reserve Banks | | | | | | | | | | |
| 20 Treasury | 8,459 | 5,360 | 4,382 | 5,149 | 4,207 | 5,149 | 5,459 | 4,850 | 4,413 | 5,056 |
| 21 Foreign | 139 | 115 | 104 | 87 | 71 | 75 | 72 | 90 | 71 | 73 |
| 22 Service-related balances and adjustments | 6,894 | 6,829 ⁵ | 6,606 | 6,614 | 6,697 ⁵ | 6,829 | 6,776 | 6,947 | 6,600 | 6,758 |
| 23 Other | 177 | 245 | 276 | 269 | 241 | 278 | 229 | 266 | 233 | 227 |
| 24 Other Federal Reserve liabilities and capital | 15,243 | 16,416 | 18,199 | 15,652 | 16,254 | 16,449 | 17,053 | 17,318 | 17,669 | 17,913 |
| 25 Reserve balances with Federal Reserve Banks | 10,731 | 9,903 | 11,861 | 10,315 | 5,722 ⁵ | 15,423 | 5,998 | 10,670 | 9,511 | 8,963 |

1. Amounts of cash held as reserves are shown in table 1.12, line 2.

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

3. Includes compensation that adjusts for the effects of inflation on the principal of inflation-indexed securities.

4. Cash value of agreements arranged through third-party custodial banks. These agreements are collateralized by U.S. government and federal agency securities.

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

1.12 RESERVES AND BORROWINGS Depository Institutions¹

Millions of dollars

| Reserve classification | Prorated monthly averages of biweekly averages | | | | | | | | | |
|---|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|---------|
| | 1997 | 1998 | 1999 | 2000 | | | | | | |
| | Dec. | Dec. | Dec. | May | June | July | Aug. | Sept. | Oct. ^f | Nov. |
| 1 Reserve balances with Reserve Banks ² | 10,664 | 9,026 | 5,263 | 7,661 | 6,460 | 6,582 | 6,875 | 6,829 | 6,782 | 7,157 |
| 2 Total vault cash ³ | 44,742 | 44,294 | 60,619 ^f | 44,643 | 44,560 | 45,473 ^f | 45,319 ^f | 44,807 ^f | 45,178 | 44,544 |
| 3 Applied vault cash ⁴ | 37,255 | 36,183 | 36,392 | 33,898 | 32,757 | 33,086 | 32,611 | 32,429 | 32,072 | 31,635 |
| 4 Surplus vault cash ⁵ | 7,486 | 8,111 | 24,227 ^f | 10,745 | 11,802 | 12,387 ^f | 12,708 ^f | 12,378 ^f | 13,105 | 12,909 |
| 5 Total reserves ⁶ | 47,919 | 45,209 | 41,655 | 41,558 | 39,217 | 39,668 | 39,486 | 39,257 | 38,854 | 38,792 |
| 6 Required reserves | 46,235 | 43,695 | 40,348 | 40,616 | 38,153 | 38,600 | 38,471 | 38,155 | 37,725 | 37,590 |
| 7 Excess reserve balances at Reserve Banks ⁷ | 1,685 | 1,514 | 1,307 | 943 | 1,064 | 1,068 | 1,014 | 1,102 | 1,129 | 1,202 |
| 8 Total borrowing at Reserve Banks | 324 | 117 | 320 | 362 | 479 | 570 | 579 | 477 | 418 | 283 |
| 9 Adjustment | 245 | 101 | 179 | 86 | 90 | 60 | 25 | 50 | 119 | 124 |
| 10 Seasonal | 79 | 15 | 67 | 276 | 389 | 510 | 554 | 427 | 299 | 159 |
| 11 Special Liquidity Facility ⁸ | 0 | 0 | 74 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12 Extended credit ⁹ | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Biweekly averages of daily figures for two-week periods ending on dates indicated | | | | | | | | | | |
| 2000 | | | | | | | | | | |
| | Aug. 9 | Aug. 23 | Sept. 6 | Sept. 20 | Oct. 4 | Oct. 18 | Nov. 1 ^f | Nov. 15 | Nov. 29 | Dec. 13 |
| 1 Reserve balances with Reserve Banks ² | 7,267 | 6,603 | 6,911 | 6,578 | 7,131 | 6,502 | 6,976 | 6,709 | 7,621 | 7,142 |
| 2 Total vault cash ³ | 46,287 ^f | 45,395 ^f | 44,097 ^f | 44,823 ^f | 45,210 ^f | 45,778 ^f | 44,521 | 44,631 | 44,537 | 43,450 |
| 3 Applied vault cash ⁴ | 33,638 | 32,195 | 32,184 | 32,077 | 33,068 | 31,601 | 32,274 | 31,056 | 32,262 | 30,319 |
| 4 Surplus vault cash ⁵ | 12,649 ^f | 13,201 ^f | 11,913 ^f | 12,746 ^f | 12,142 ^f | 14,177 ^f | 12,247 | 13,575 | 12,275 | 13,131 |
| 5 Total reserves ⁶ | 40,904 | 38,797 | 39,095 | 38,655 | 40,198 | 38,103 | 39,250 | 37,765 | 39,883 | 37,461 |
| 6 Required reserves | 39,802 | 37,818 | 38,118 | 37,612 | 38,938 | 37,073 | 38,056 | 36,762 | 38,477 | 36,317 |
| 7 Excess reserve balances at Reserve Banks ⁷ | 1,102 | 979 | 977 | 1,043 | 1,260 | 1,030 | 1,194 | 1,003 | 1,406 | 1,144 |
| 8 Total borrowing at Reserve Banks | 581 | 564 | 604 | 473 | 409 | 480 | 355 | 190 | 380 | 159 |
| 9 Adjustment | 27 | 12 | 45 | 70 | 26 | 167 | 97 | 25 | 232 | 37 |
| 10 Seasonal | 555 | 552 | 559 | 403 | 383 | 313 | 259 | 165 | 148 | 123 |
| 11 Special Liquidity Facility ⁸ | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| 12 Extended credit ⁹ | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

1. Data in this table also appear in the Board's H.3 (502) weekly statistical release. For ordering address, see inside front cover. Data are not break-adjusted or seasonally adjusted.

2. Excludes required clearing balances and adjustments to compensate for float and includes other off-balance-sheet "as-of" adjustments.

3. Vault cash eligible to satisfy reserve requirements. It includes only vault cash held by those banks and thrift institutions that are not exempt from reserve requirements. Dates refer to the maintenance periods in which the vault cash can be used to satisfy reserve requirements.

4. All vault cash held during the lagged computation period by "bound" institutions (that is, those whose required reserves exceed their vault cash) plus the amount of vault cash applied during the maintenance period by "nonbound" institutions (that is, 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. Borrowing at the discount window under the terms and conditions established for the Century Date Change Special Liquidity Facility in effect from October 1, 1999, through April 7, 2000.

9. 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 with traditional short-term adjustment credit, the money market effect of extended credit is similar to that of nonborrowed reserves.

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per year

| Federal Reserve Bank | Current and previous levels | | | | | | | | |
|----------------------|--------------------------------|----------------|---------------|------------------------------|----------------|---------------|------------------------------|----------------|---------------|
| | Adjustment credit ¹ | | | Seasonal credit ² | | | Extended credit ³ | | |
| | On 1/5/01 | Effective date | Previous rate | On 1/5/01 | Effective date | Previous rate | On 1/5/01 | Effective date | Previous rate |
| Boston | 5.50 | 1/4/01 | 6.00 | 6.45 | 12/28/00 | 6.55 | 6.95 | 12/28/00 | 7.05 |
| New York | ↑ | 1/4/01 | 5.75 | ↑ | ↑ | ↑ | ↑ | ↑ | ↑ |
| Philadelphia | ↑ | 1/4/01 | 6.00 | ↑ | ↑ | ↑ | ↑ | ↑ | ↑ |
| Cleveland | ↑ | 1/4/01 | 5.75 | ↑ | ↑ | ↑ | ↑ | ↑ | ↑ |
| Richmond | ↑ | 1/4/01 | 6.00 | ↑ | ↑ | ↑ | ↑ | ↑ | ↑ |
| Atlanta | ↑ | 1/4/01 | 5.75 | ↑ | ↑ | ↑ | ↑ | ↑ | ↑ |
| Chicago | ↓ | 1/4/01 | 6.00 | ↓ | ↓ | ↓ | ↓ | ↓ | ↓ |
| St. Louis | ↓ | 1/5/01 | 5.75 | ↓ | ↓ | ↓ | ↓ | ↓ | ↓ |
| Minneapolis | ↓ | 1/4/01 | 6.00 | ↓ | ↓ | ↓ | ↓ | ↓ | ↓ |
| Kansas City | ↓ | 1/4/01 | 5.75 | ↓ | ↓ | ↓ | ↓ | ↓ | ↓ |
| Dallas | ↓ | 1/4/01 | 5.75 | ↓ | ↓ | ↓ | ↓ | ↓ | ↓ |
| San Francisco | 5.50 | 1/4/01 | 5.75 | 6.45 | 12/28/00 | 6.55 | 6.95 | 12/28/00 | 7.05 |

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 | 1982—Oct. 12 | 9.5–10 | 9.5 | 1994—May 17 | 3–3.5 | 3.5 |
| 1978—Jan. 9 | 6–6.5 | 6.5 | 13 | 9.5 | 9.5 | 18 | 3.5 | 3.5 |
| 20 | 6.5 | 6.5 | Nov. 22 | 9–9.5 | 9 | Aug. 16 | 3.5–4 | 4 |
| May 11 | 6.5–7 | 7 | 26 | 9 | 9 | 18 | 4 | 4 |
| 12 | 7 | 7 | Dec. 14 | 8.5–9 | 9 | Nov. 15 | 4–4.75 | 4.75 |
| July 3 | 7–7.25 | 7.25 | 15 | 8.5–9 | 8.5 | 17 | 4.75 | 4.75 |
| 10 | 7.25 | 7.25 | 17 | 8.5 | 8.5 | | | |
| Aug. 21 | 7.75 | 7.75 | | | | 1995—Feb. 1 | 4.75–5.25 | 5.25 |
| Sept. 22 | 8 | 8 | 1984—Apr. 9 | 8.5–9 | 9 | 9 | 5.25 | 5.25 |
| Oct. 16 | 8–8.5 | 8.5 | 13 | 9 | 9 | | | |
| 20 | 8.5 | 8.5 | Nov. 21 | 8.5–9 | 8.5 | 1996—Jan. 31 | 5.00–5.25 | 5.00 |
| Nov. 1 | 8.5–9.5 | 9.5 | 26 | 8.5 | 8.5 | Feb. 5 | 5.00 | 5.00 |
| 3 | 9.5 | 9.5 | Dec. 24 | 8 | 8 | | | |
| 1979—July 20 | 10 | 10 | 1985—May 20 | 7.5–8 | 7.5 | 1998—Oct. 15 | 4.75–5.00 | 4.75 |
| Aug. 17 | 10–10.5 | 10.5 | 24 | 7.5 | 7.5 | 16 | 4.75 | 4.75 |
| 20 | 10.5 | 10.5 | 1986—Mar. 7 | 7–7.5 | 7 | Nov. 17 | 4.50–4.75 | 4.50 |
| Sept. 19 | 10.5–11 | 11 | 10 | 7 | 7 | 19 | 4.50 | 4.50 |
| 21 | 11 | 11 | Apr. 21 | 6.5–7 | 6.5 | 1999—Aug. 24 | 4.50–4.75 | 4.75 |
| Oct. 8 | 11–12 | 12 | 23 | 6.5 | 6.5 | 26 | 4.75 | 4.75 |
| 10 | 12 | 12 | July 11 | 6 | 6 | Nov. 16 | 4.75–5.00 | 4.75 |
| 1980—Feb. 15 | 12–13 | 13 | Aug. 21 | 5.5–6 | 5.5 | 18 | 5.00 | 5.00 |
| 19 | 13 | 13 | 22 | 5.5 | 5.5 | | | |
| May 29 | 12–13 | 13 | | | | 2000—Feb. 2 | 5.00–5.25 | 5.25 |
| 30 | 12 | 12 | 1987—Sept. 4 | 5.5–6 | 6 | 4 | 5.25 | 5.25 |
| June 13 | 11–12 | 11 | 11 | 6 | 6 | Mar. 21 | 5.25–5.50 | 5.50 |
| 16 | 11 | 11 | | | | 23 | 5.50 | 5.50 |
| July 28 | 10–11 | 10 | 1988—Aug. 9 | 6–6.5 | 6.5 | May 16 | 5.50–6.00 | 5.50 |
| 29 | 10 | 10 | 11 | 6.5 | 6.5 | 19 | 6.00 | 6.00 |
| Sept. 26 | 11 | 11 | | | | | | |
| Nov. 17 | 12 | 12 | 1989—Feb. 24 | 6.5–7 | 7 | 2001—Jan. 3 | 5.75–6.00 | 5.75 |
| Dec. 5 | 12–13 | 13 | 27 | 7 | 7 | 4 | 5.50–5.75 | 5.50 |
| 8 | 13 | 13 | | | | 5 | 5.50 | 5.50 |
| 1981—May 5 | 13–14 | 14 | 1990—Dec. 19 | 6.5 | 6.5 | In effect Jan. 5, 2001 | 5.50 | 5.50 |
| 8 | 14 | 14 | | | | | | |
| Nov. 2 | 13–14 | 13 | 1991—Feb. 1 | 6–6.5 | 6 | | | |
| 6 | 13 | 13 | 4 | 6 | 6 | | | |
| Dec. 4 | 12 | 12 | Apr. 30 | 5.5–6 | 5.5 | | | |
| | | | May 2 | 5.5 | 5.5 | | | |
| 1982—July 20 | 11.5–12 | 11.5 | Sept. 13 | 5.5–5.5 | 5 | | | |
| 23 | 11.5 | 11.5 | 17 | 5 | 5 | | | |
| Aug. 2 | 11–11.5 | 11 | Nov. 6 | 4.5–5 | 4.5 | | | |
| 3 | 11 | 11 | 7 | 4.5 | 4.5 | | | |
| 16 | 10.5 | 10.5 | Dec. 20 | 3.5–4.5 | 3.5 | | | |
| 27 | 10–10.5 | 10 | 24 | 3.5 | 3.5 | | | |
| 30 | 10 | 10 | 1992—July 2 | 3–3.5 | 3 | | | |
| | | | 7 | 3 | 3 | | | |

1. Available on a short-term basis to help depository institutions meet temporary needs for funds that cannot be met through reasonable alternative sources. 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.

2. Available to help relatively small depository institutions meet regular seasonal needs for funds that arise from a clear pattern of intrayear movements in their deposits and loans and that cannot be met through special industry lenders. The discount rate on seasonal credit takes into account rates charged by market sources of funds and ordinarily is reestablished on the first business day of each two-week reserve maintenance period; however, it is never less than the discount rate applicable to adjustment credit.

3. May be made available to depository institutions when similar assistance is not reasonably available from other sources, including special industry lenders. Such credit may be provided when exceptional circumstances (including sustained deposit drains, impaired access to money market funds, or sudden deterioration in loan repayment performance) or practices involve only a particular institution, or to meet the needs of institutions experiencing difficulties adjusting to changing market conditions over a longer period (particularly at times of deposit disintermediation). The discount rate applicable to adjustment credit ordinarily is charged on extended-credit loans outstanding less than thirty days; however, at the discretion

of the Federal Reserve Bank, this time period may be shortened. Beyond this initial period, a flexible rate somewhat above rates charged on market sources of funds is charged. The rate ordinarily is reestablished on the first business day of each two-week reserve maintenance period, but it is never less than the discount rate applicable to adjustment credit plus 50 basis points.

4. For earlier data, see the following publications of the Board of Governors: *Banking and Monetary Statistics, 1914–1941*, and *1941–1970*; and the *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. A surcharge of 2 percent was reimposed on Nov. 17, 1980; 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 thirteen-week period. The surcharge was eliminated on Nov. 17, 1981.

1.15 RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS¹

| Type of deposit | Requirement | |
|---|------------------------|----------------|
| | Percentage of deposits | Effective date |
| <i>Net transaction accounts</i> ² | | |
| 1 \$0 million–\$42.8 million ³ | 3 | 12/28/00 |
| 2 More than \$42.8 million ⁴ | 10 | 12/28/00 |
| 3 Nonpersonal time deposits ⁵ | 0 | 12/27/90 |
| 4 Eurocurrency liabilities ⁶ | 0 | 12/27/90 |

1. 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 the Monetary Control Act of 1980, depository institutions include commercial banks, savings banks, savings and loan associations, credit unions, agencies and branches of foreign banks, and Edge Act corporations.

2. Transaction accounts include all deposits against which the account holder is permitted to make withdrawals by negotiable or transferable instruments, payment orders of withdrawal, or telephone or preauthorized transfers for the purpose of making payments to third persons or others. However, accounts subject to the rules that permit no more than six preauthorized, automatic, or other transfers per month (of which no more than three may be by check, draft, debit card, or similar order payable directly to third parties) are savings deposits, not transaction accounts.

3. 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 of each year. Effective with the reserve maintenance period beginning December 28, 2000, for depository institutions that report weekly, and with the period beginning January 18, 2001, for institutions that report quarterly, the amount was decreased from \$44.3 million to \$42.8 million.

Under the Garn–St Germain Depository Institutions Act of 1982, the Board adjusts the amount of reservable liabilities subject to a 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 made in the event of a decrease. The exemption applies only to accounts that would be subject to a 3 percent reserve requirement. Effective with the reserve maintenance period beginning December 28, 2000, for depository institutions that report weekly, and with the period beginning January 18, 2001, for institutions that report quarterly, the exemption was raised from \$5.0 million to \$5.5 million.

4. The reserve requirement was reduced from 12 percent to 10 percent on Apr. 2, 1992, for institutions that report weekly, and on Apr. 16, 1992, for institutions that report quarterly.

5. For institutions that report weekly, the reserve requirement on nonpersonal time deposits with an original maturity of less than 1½ years was reduced from 3 percent to 1½ percent for the maintenance period that began Dec. 13, 1990, and to zero for the maintenance period that began Dec. 27, 1990. For institutions that report quarterly, the reserve requirement on nonpersonal time deposits with an original maturity of less than 1½ years was reduced from 3 percent to zero on Jan. 17, 1991.

The reserve requirement on nonpersonal time deposits with an original maturity of 1½ years or more has been zero since Oct. 6, 1983.

6. The reserve requirement on Eurocurrency liabilities was reduced from 3 percent to zero in the same manner and on the same dates as the reserve requirement on nonpersonal time deposits with an original maturity of less than 1½ years (see note 5).

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS¹

Millions of dollars

| Type of transaction and maturity | 1997 | 1998 | 1999 | 2000 | | | | | | |
|--|-----------|-----------|-----------|---------|---------|---------|---------|---------|---------|---------|
| | | | | Apr. | May | June | July | Aug. | Sept. | Oct. |
| U.S. TREASURY SECURITIES ² | | | | | | | | | | |
| Outright transactions (excluding matched transactions) | | | | | | | | | | |
| Treasury bills | | | | | | | | | | |
| 1 Gross purchases | 9,147 | 3,550 | 0 | 2,294 | 0 | 0 | 1,825 | 531 | 231 | 779 |
| 2 Gross sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3 Exchanges | 435,907 | 450,835 | 464,218 | 37,141 | 36,386 | 44,008 | 33,718 | 42,797 | 37,006 | 38,142 |
| 4 For new bills | 435,907 | 450,835 | 464,218 | 37,141 | 36,386 | 44,008 | 33,718 | 42,797 | 37,006 | 38,142 |
| 5 Redemptions | 0 | 2,000 | 0 | 779 | 2,297 | 4,188 | 4,902 | 3,438 | 3,898 | 2,656 |
| Others within one year | | | | | | | | | | |
| 6 Gross purchases | 5,549 | 6,297 | 11,895 | 0 | 164 | 1,875 | 1,284 | 2,770 | 716 | 0 |
| 7 Gross sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8 Maturity shifts | 41,716 | 46,062 | 50,590 | 0 | 13,063 | 4,672 | 5,152 | 7,040 | 0 | 8,663 |
| 9 Exchanges | -27,499 | -49,434 | -53,315 | 0 | -12,633 | -3,109 | -3,333 | -7,396 | 0 | -6,608 |
| 10 Redemptions | 1,996 | 2,676 | 1,429 | 568 | 0 | 0 | 367 | 887 | 0 | 787 |
| One to five years | | | | | | | | | | |
| 11 Gross purchases | 20,080 | 12,901 | 19,731 | 1,723 | 890 | 706 | 2,259 | 2,508 | 2,385 | 734 |
| 12 Gross sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13 Maturity shifts | -37,987 | -37,777 | -44,032 | 0 | -10,334 | -4,672 | -5,152 | -3,439 | 0 | -8,663 |
| 14 Exchanges | 20,274 | 37,154 | 42,604 | 0 | 10,063 | 3,109 | 3,333 | 5,418 | 0 | 6,608 |
| Five to ten years | | | | | | | | | | |
| 15 Gross purchases | 3,449 | 2,294 | 4,303 | 930 | 0 | 0 | 0 | 1,914 | 448 | 0 |
| 16 Gross sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17 Maturity shifts | -1,954 | -5,908 | -5,841 | 0 | -1,552 | 0 | 0 | -3,601 | 0 | 0 |
| 18 Exchanges | 5,215 | 7,439 | 7,583 | 0 | 2,570 | 0 | 0 | 1,254 | 0 | 0 |
| More than ten years | | | | | | | | | | |
| 19 Gross purchases | 5,897 | 4,884 | 9,428 | 0 | 528 | 1,151 | 500 | 727 | 547 | 982 |
| 20 Gross sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21 Maturity shifts | -1,775 | -2,377 | -717 | 0 | -1,177 | 0 | 0 | 0 | 0 | 0 |
| 22 Exchanges | 2,360 | 4,842 | 3,139 | 0 | 0 | 0 | 0 | 724 | 0 | 0 |
| All maturities | | | | | | | | | | |
| 23 Gross purchases | 44,122 | 29,926 | 45,357 | 4,947 | 1,582 | 3,732 | 5,868 | 8,450 | 4,326 | 2,495 |
| 24 Gross sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25 Redemptions | 1,996 | 4,676 | 1,429 | 1,347 | 2,297 | 4,188 | 5,269 | 4,325 | 3,898 | 3,443 |
| Matched transactions | | | | | | | | | | |
| 26 Gross purchases | 3,591,210 | 4,430,457 | 4,413,430 | 336,103 | 357,355 | 368,396 | 344,935 | 381,349 | 335,321 | 344,920 |
| 27 Gross sales | 3,593,530 | 4,434,358 | 4,431,685 | 334,751 | 356,640 | 369,739 | 344,384 | 381,475 | 334,530 | 346,428 |
| Repurchase agreements | | | | | | | | | | |
| 28 Gross purchases | 810,485 | 512,671 | 281,599 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 29 Gross sales | 809,268 | 514,186 | 301,273 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 30 Net change in U.S. Treasury securities | 41,022 | 19,835 | 5,999 | 4,952 | -1 | -1,800 | 1,150 | 3,999 | 1,219 | -2,457 |
| FEDERAL AGENCY OBLIGATIONS | | | | | | | | | | |
| Outright transactions | | | | | | | | | | |
| 31 Gross purchases | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 32 Gross sales | 0 | 25 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 33 Redemptions | 1,540 | 322 | 157 | 10 | 0 | 0 | 0 | 0 | 10 | 0 |
| Repurchase agreements | | | | | | | | | | |
| 34 Gross purchases | 160,409 | 284,316 | 360,069 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 35 Gross sales | 159,369 | 276,266 | 370,772 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 36 Net change in federal agency obligations | -500 | 7,703 | -10,859 | -10 | 0 | 0 | 0 | 0 | -10 | 0 |
| Reverse repurchase agreements | | | | | | | | | | |
| 37 Gross purchases | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 38 Gross sales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Repurchase agreements | | | | | | | | | | |
| 39 Gross purchases | 0 | 0 | 304,989 | 79,585 | 107,375 | 70,850 | 66,485 | 47,265 | 66,080 | 64,428 |
| 40 Gross sales | 0 | 0 | 164,349 | 78,425 | 105,885 | 70,315 | 75,925 | 46,230 | 67,285 | 62,308 |
| 41 Net change in triparty obligations | 0 | 0 | 140,640 | 1,160 | 1,490 | 535 | -9,440 | 1,035 | -1,205 | 2,120 |
| 42 Total net change in System Open Market Account | 40,522 | 27,538 | 135,780 | 6,102 | 1,489 | -1,265 | -8,290 | 5,034 | 4 | -337 |

1. Sales, redemptions, and negative figures reduce holdings of the System Open Market Account; all other figures increase such holdings.

2. Transactions exclude changes in compensation for the effects of inflation on the principal of inflation-indexed securities.

1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements¹

Millions of dollars

| Account | Wednesday | | | | | End of month | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2000 | | | | | 2000 | | |
| | Nov. 1 | Nov. 8 | Nov. 15 | Nov. 22 | Nov. 29 | Sept. 30 | Oct. 31 | Nov. 30 |
| Consolidated condition statement | | | | | | | | |
| ASSETS | | | | | | | | |
| 1 Gold certificate account | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 |
| 2 Special drawing rights certificate account | 3,200 | 3,200 | 3,200 | 3,200 | 3,200 | 3,200 | 3,200 | 3,200 |
| 3 Coin | 886 | 906 | 909 | 905 | 892 | 831 | 887 | 901 |
| <i>Loans</i> | | | | | | | | |
| 4 To depository institutions | 203 | 159 | 407 | 146 | 438 | 372 | 248 | 136 |
| 5 Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 Acceptances held under repurchase agreements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>Triparty Obligations</i> | | | | | | | | |
| 7 Repurchase agreements—triparty ² | 24,940 | 11,975 | 25,795 | 24,615 | 25,630 | 17,320 | 19,440 | 27,270 |
| <i>Federal agency obligations³</i> | | | | | | | | |
| 8 Bought outright | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 |
| 9 Held under repurchase agreements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10 Total U.S. Treasury securities³ | 510,302 | 514,015 | 511,748 | 513,813 | 514,308 | 511,413 | 508,961 | 512,327 |
| 11 Bought outright ⁴ | 510,302 | 514,015 | 511,748 | 513,813 | 514,308 | 511,413 | 508,961 | 512,327 |
| 12 Bills | 182,312 | 185,320 | 183,044 | 183,883 | 183,817 | 184,356 | 180,971 | 182,615 |
| 13 Notes | 235,603 | 236,014 | 236,021 | 237,245 | 237,804 | 235,725 | 235,603 | 237,025 |
| 14 Bonds | 92,387 | 92,680 | 92,682 | 92,685 | 92,687 | 91,332 | 92,387 | 92,687 |
| 15 Held under repurchase agreements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16 Total loans and securities | 535,575 | 526,279 | 538,080 | 538,704 | 540,506 | 529,235 | 528,779 | 539,863 |
| 17 Items in process of collection | 8,834 | 10,238 | 7,922 | 8,472 | 7,198 | 5,424 | 10,945 | 5,237 |
| 18 Bank premises | 1,434 | 1,435 | 1,442 | 1,443 | 1,441 | 1,430 | 1,433 | 1,440 |
| <i>Other assets</i> | | | | | | | | |
| 19 Denominated in foreign currencies ⁵ | 15,298 | 15,304 | 15,310 | 15,316 | 15,323 | 15,642 | 15,297 | 15,348 |
| 20 All other ⁶ | 19,454 | 19,959 | 16,761 | 17,206 | 17,677 | 18,817 | 19,616 | 17,083 |
| 21 Total assets | 595,727 | 588,367 | 594,669 | 596,293 | 597,282 | 585,625 | 591,203 | 594,118 |
| LIABILITIES | | | | | | | | |
| 22 Federal Reserve notes | 542,757 | 544,466 | 545,812 | 550,192 | 550,957 | 538,816 | 542,479 | 549,627 |
| 23 Reverse repurchase agreements—triparty ² | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 24 Total deposits | 27,995 | 19,098 | 24,183 | 20,987 | 21,718 | 26,399 | 22,793 | 20,621 |
| 25 Depository institutions | 22,494 | 13,338 | 18,978 | 16,270 | 16,362 | 17,624 | 17,074 | 15,858 |
| 26 U.S. Treasury—General account | 5,149 | 5,459 | 4,850 | 4,413 | 5,056 | 8,459 | 5,360 | 4,382 |
| 27 Foreign—Official accounts | 75 | 72 | 90 | 71 | 73 | 139 | 115 | 104 |
| 28 Other | 278 | 229 | 266 | 233 | 227 | 177 | 245 | 276 |
| 29 Deferred credit items | 8,526 | 7,749 | 7,356 | 7,445 | 6,694 | 5,168 | 9,514 | 5,672 |
| 30 Other liabilities and accrued dividends ⁷ | 4,296 | 4,272 | 4,364 | 4,368 | 4,409 | 4,447 | 4,325 | 4,590 |
| 31 Total liabilities | 583,574 | 575,585 | 581,716 | 582,992 | 583,778 | 574,830 | 579,111 | 580,510 |
| CAPITAL ACCOUNTS | | | | | | | | |
| 32 Capital paid in | 6,987 | 6,988 | 6,988 | 7,030 | 7,071 | 6,933 | 6,986 | 7,076 |
| 33 Surplus | 2,679 | 2,679 | 2,679 | 2,679 | 2,679 | 2,679 | 2,679 | 2,679 |
| 34 Other capital accounts | 2,487 | 3,115 | 3,287 | 3,592 | 3,754 | 1,184 | 2,426 | 3,853 |
| 35 Total liabilities and capital accounts | 595,727 | 588,367 | 594,669 | 596,293 | 597,282 | 585,625 | 591,203 | 594,118 |
| MEMO | | | | | | | | |
| 36 Marketable U.S. Treasury securities held in custody for foreign and international accounts | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Federal Reserve note statement | | | | | | | | |
| 37 Federal Reserve notes outstanding (issued to Banks) | 759,820 | 759,105 | 758,530 | 757,512 | 756,715 | 764,756 | 760,004 | 756,527 |
| 38 LESS: Held by Federal Reserve Banks | 217,063 | 214,638 | 212,718 | 207,320 | 205,757 | 225,940 | 217,525 | 206,900 |
| 39 Federal Reserve notes, net | 542,757 | 544,466 | 545,812 | 550,192 | 550,957 | 538,816 | 542,479 | 549,627 |
| <i>Collateral held against notes, net</i> | | | | | | | | |
| 40 Gold certificate account | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 |
| 41 Special drawing rights certificate account | 3,200 | 3,200 | 3,200 | 3,200 | 3,200 | 3,200 | 3,200 | 3,200 |
| 42 Other eligible assets | 0 | 4,104 | 0 | 0 | 0 | 0 | 0 | 0 |
| 43 U.S. Treasury and agency securities | 528,511 | 526,120 | 531,566 | 535,946 | 536,712 | 524,570 | 528,233 | 535,381 |
| 44 Total collateral | 542,757 | 544,466 | 545,812 | 550,192 | 550,957 | 538,816 | 542,479 | 549,627 |

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

2. Cash value of agreements arranged through third-party custodial banks.

3. Face value of the securities.

4. Includes securities loaned—fully guaranteed by U.S. Treasury securities pledged with Federal Reserve Banks—and includes compensation that adjusts for the effects of inflation on the principal of inflation-indexed securities. Excludes securities sold and scheduled to be bought back under matched sale—purchase transactions.

5. Valued monthly at market exchange rates.

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

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

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holding

Millions of dollars

| Type of holding and maturity | Wednesday | | | | | End of month | | |
|---|-----------|---------|---------|---------|---------|--------------|---------|---------|
| | 2000 | | | | | 2000 | | |
| | Nov. 1 | Nov. 8 | Nov. 15 | Nov. 22 | Nov. 29 | Sept. 30 | Oct. 31 | Nov. 30 |
| 1 Total loans | 203 | 159 | 407 | 146 | 438 | 372 | 248 | 136 |
| 2 Within fifteen days ¹ | 180 | 111 | 336 | 125 | 421 | 221 | 152 | 86 |
| 3 Sixteen days to ninety days | 23 | 48 | 71 | 21 | 18 | 151 | 96 | 50 |
| 4 91 days to 1 year | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5 Total U.S. Treasury securities ² | 510,302 | 514,015 | 511,748 | 513,813 | 514,308 | 511,413 | 508,961 | 512,327 |
| 6 Within fifteen days ¹ | 17,950 | 17,053 | 17,502 | 17,639 | 15,478 | 8,978 | 12,494 | 4,706 |
| 7 Sixteen days to ninety days | 105,007 | 116,675 | 108,823 | 112,587 | 114,311 | 116,776 | 109,123 | 119,433 |
| 8 Ninety-one days to one year | 131,002 | 123,240 | 128,476 | 125,994 | 126,364 | 128,981 | 131,002 | 130,868 |
| 9 One year to five years | 130,667 | 131,364 | 131,941 | 132,580 | 132,581 | 131,987 | 130,667 | 131,745 |
| 10 Five years to ten years | 53,530 | 53,536 | 54,117 | 54,123 | 54,681 | 53,527 | 53,530 | 54,682 |
| 11 More than ten years | 72,145 | 72,147 | 70,889 | 70,891 | 70,893 | 71,162 | 72,145 | 70,893 |
| 12 Total federal agency obligations | 130 | 130 | 130 | 130 | 130 | 130 | 130 | 130 |
| 13 Within fifteen days ¹ | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14 Sixteen days to ninety days | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15 Ninety-one days to one year | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16 One year to five years | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 |
| 17 Five years to ten years | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| 18 More than ten years | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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

2. Includes compensation that adjusts for the effects of inflation on the principal of inflation-indexed securities.

1.20 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND MONETARY BASE¹

Billions of dollars, averages of daily figures

| Item | 1996 Dec. | 1997 Dec. | 1998 Dec. | 1999 Dec. | 2000 | | | | | | | | |
|---|-------------------------|--------------|--------------|--------------|--------|--------|--------|--------|---------------------|---------------------|---------------------|--------|--|
| | | | | | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | |
| ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ² | Seasonally adjusted | | | | | | | | | | | | |
| 1 Total reserves ³ | 50.17 | 46.87 | 45.19 | 41.74 | 40.93 | 41.36 | 39.96 | 40.26 | 39.94 | 39.86 | 39.54 | 39.45 | |
| 2 Nonborrowed reserves ⁴ | 50.02 | 46.54 | 45.07 | 41.42 | 40.63 | 41.00 | 39.48 | 39.69 | 39.37 | 39.38 | 39.12 ^r | 39.16 | |
| 3 Nonborrowed reserves plus extended credit ⁵ | 50.02 | 46.54 | 45.07 | 41.42 | 40.63 | 41.00 | 39.48 | 39.69 | 39.37 | 39.38 | 39.12 ^r | 39.16 | |
| 4 Required reserves | 48.76 | 45.18 | 43.68 | 40.44 | 39.78 | 40.41 | 38.89 | 39.19 | 38.93 | 38.76 | 38.41 | 38.24 | |
| 5 Monetary base ⁶ | 451.62 | 479.17 | 512.75 | 591.18 | 573.08 | 574.29 | 575.63 | 577.41 | 577.69 ^r | 579.26 ^r | 580.94 ^r | 580.04 | |
| | Not seasonally adjusted | | | | | | | | | | | | |
| 6 Total reserves ⁷ | 51.45 | 48.01 | 45.31 | 41.89 | 40.61 | 41.58 | 39.24 | 39.70 | 39.52 | 39.29 | 38.90 | 38.84 | |
| 7 Nonborrowed reserves | 51.30 | 47.69 | 45.19 | 41.57 | 40.31 | 41.22 | 38.76 | 39.13 | 38.94 | 38.82 | 38.48 | 38.55 | |
| 8 Nonborrowed reserves plus extended credit ⁵ | 51.30 | 47.69 | 45.19 | 41.57 | 40.31 | 41.22 | 38.76 | 39.13 | 38.94 | 38.82 | 38.48 | 38.55 | |
| 9 Required reserves ⁸ | 50.04 | 46.33 | 43.80 | 40.58 | 39.47 | 40.64 | 38.18 | 38.63 | 38.50 | 38.19 | 37.77 | 37.63 | |
| 10 Monetary base ⁹ | 456.63 | 484.98 | 518.27 | 600.63 | 571.51 | 573.26 | 574.55 | 577.19 | 576.60 | 576.79 ^r | 578.34 ^r | 582.21 | |
| NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ¹⁰ | | | | | | | | | | | | | |
| 11 Total reserves ¹¹ | 51.17 | 47.92 | 45.21 | 41.66 | 40.59 | 41.56 | 39.22 | 39.67 | 39.49 | 39.26 | 38.85 ^r | 38.79 | |
| 12 Nonborrowed reserves | 51.02 | 47.60 | 45.09 | 41.33 | 40.29 | 41.20 | 38.74 | 39.10 | 38.91 | 38.78 | 38.44 | 38.51 | |
| 13 Nonborrowed reserves plus extended credit ⁵ | 51.02 | 47.60 | 45.09 | 41.33 | 40.29 | 41.20 | 38.74 | 39.10 | 38.91 | 38.78 | 38.44 | 38.51 | |
| 14 Required reserves | 49.76 | 46.24 | 43.70 | 40.35 | 39.45 | 40.62 | 38.15 | 38.60 | 38.47 | 38.16 | 37.73 | 37.59 | |
| 15 Monetary base ¹² | 463.40 | 491.79 | 525.06 | 607.94 | 578.33 | 580.09 | 581.44 | 583.99 | 583.34 | 583.48 ^r | 585.07 ^r | 588.98 | |
| 16 Excess reserves ¹³ | 1.42 | 1.69 | 1.51 | 1.31 | 1.15 | .94 | 1.06 | 1.07 | 1.01 | 1.10 | 1.13 | 1.20 | |
| 17 Borrowings from the Federal Reserve | .16 | .32 | .12 | .32 | .30 | .36 | .48 | .57 | .58 | .48 | .42 | .28 | |

1. Latest monthly and biweekly figures are available from the Board's H.3 (502) weekly statistical release. Historical data starting in 1959 and estimates of the effect on required reserves of changes in reserve requirements are available from the Money and Reserves Projections Section, Division of Monetary Affairs, Board of Governors of the Federal Reserve System, Washington, DC 20551.

2. Figures reflect adjustments for discontinuities, or "breaks," associated with regulatory changes in reserve requirements. (See also table 1.10.)

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 with traditional short-term adjustment credit, the money market effect 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 that are due to 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 include 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 regulatory 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. Since February 1984, currency and vault cash figures have been measured over the computation periods ending on Mondays.

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

1.21 MONEY STOCK AND DEBT MEASURES¹

Billions of dollars, averages of daily figures

| Item | 1996 Dec. | 1997 Dec. | 1998 Dec. | 1999 Dec. | 2000 | | | |
|--|----------------------|----------------------|-----------------------|--------------|-------------------|--------------------|-------------------|---------|
| | | | | | Aug. [†] | Sept. [†] | Oct. [†] | Nov. |
| Seasonally adjusted | | | | | | | | |
| Measures ² | | | | | | | | |
| 1 M1 | 1,081.1 | 1,073.9 | 1,097.4 | 1,123.0 | 1,101.5 | 1,096.7 | 1,100.9 | 1,091.1 |
| 2 M2 | 3,813.3 ^f | 4,028.9 ^f | 4,380.6 ^f | 4,643.7 | 4,821.3 | 4,857.5 | 4,876.0 | 4,887.1 |
| 3 M3 | 4,949.4 ^f | 5,400.2 ^f | 5,994.0 ^f | 6,489.8 | 6,863.3 | 6,913.4 | 6,936.3 | 6,955.0 |
| 4 Debt | 14,430.8 | 15,223.1 | 16,276.0 ^f | 17,376.7 | 17,999.1 | 18,074.5 | 18,115.0 | n.a. |
| M1 components | | | | | | | | |
| 5 Currency ³ | 394.3 | 424.8 | 459.5 | 515.5 | 523.0 | 524.0 | 525.9 | 526.5 |
| 6 Travelers checks ⁴ | 8.3 | 8.1 | 8.2 | 8.3 | 9.2 | 8.8 | 8.4 | 8.0 |
| 7 Demand deposits ⁵ | 402.3 | 395.3 | 379.3 | 355.2 | 328.3 | 324.9 | 325.7 | 317.3 |
| 8 Other checkable deposits ⁶ | 276.1 | 245.8 | 250.3 | 244.0 | 241.0 | 239.0 | 240.9 | 239.2 |
| Nontransaction components | | | | | | | | |
| 9 In M2 | 2,732.3 ^f | 2,955.0 ^f | 3,283.2 ^f | 3,520.7 | 3,719.8 | 3,760.8 | 3,775.1 | 3,796.0 |
| 10 In M3 only ⁸ | 1,136.1 ^f | 1,371.3 ^f | 1,613.5 ^f | 1,846.1 | 2,042.0 | 2,055.9 | 2,060.3 | 2,067.9 |
| Commercial banks | | | | | | | | |
| 11 Savings deposits, including MMDAs | 904.0 | 1,020.5 | 1,184.8 | 1,285.7 | 1,358.9 | 1,384.1 | 1,385.8 | 1,397.9 |
| 12 Small time deposits ^{9, 11} | 593.3 | 625.4 | 626.1 | 634.6 | 686.2 | 688.6 | 689.4 | 692.8 |
| 13 Large time deposits ^{10, 11} | 413.9 | 488.1 ^f | 539.1 ^f | 614.0 | 670.5 | 660.4 | 655.3 | 662.9 |
| Thrift institutions | | | | | | | | |
| 14 Savings deposits, including MMDAs | 366.6 | 376.6 | 413.8 | 448.8 | 454.3 | 455.3 | 455.5 | 454.7 |
| 15 Small time deposits ⁹ | 353.6 | 342.8 | 325.6 | 320.6 | 337.6 | 340.1 | 342.5 | 345.0 |
| 16 Large time deposits ¹⁰ | 78.3 | 85.6 | 88.9 | 91.5 | 99.1 | 99.6 | 101.4 | 103.1 |
| Money market mutual funds | | | | | | | | |
| 17 Retail | 514.8 ^f | 589.8 ^f | 733.0 ^f | 831.0 | 882.8 | 892.7 | 901.9 | 905.7 |
| 18 Institution-only | 318.6 ^f | 390.9 ^f | 532.1 ^f | 625.0 | 721.0 | 740.4 | 744.5 | 751.4 |
| Repurchase agreements and eurodollars | | | | | | | | |
| 19 Repurchase agreements ¹² | 210.7 | 256.0 | 300.8 | 344.3 | 363.1 | 362.0 | 362.0 | 354.4 |
| 20 Eurodollars ¹² | 114.6 | 150.7 | 152.6 | 171.3 | 188.3 | 193.5 | 197.1 | 196.0 |
| Debt components | | | | | | | | |
| 21 Federal debt | 3,781.3 | 3,800.6 | 3,751.2 | 3,660.2 | 3,488.9 | 3,475.0 | 3,445.9 | n.a. |
| 22 Nonfederal debt | 10,649.5 | 11,422.5 | 12,524.7 ^f | 13,716.5 | 14,510.2 | 14,599.5 | 14,669.2 | n.a. |
| Not seasonally adjusted | | | | | | | | |
| Measures ² | | | | | | | | |
| 23 M1 | 1,105.1 | 1,097.7 | 1,121.3 | 1,147.4 | 1,095.3 | 1,089.3 | 1,092.8 | 1,094.3 |
| 24 M2 | 3,835.6 ^f | 4,052.1 ^f | 4,405.8 ^f | 4,671.9 | 4,808.0 | 4,843.4 | 4,857.8 | 4,889.5 |
| 25 M3 | 4,970.5 ^f | 5,424.4 ^f | 6,023.9 ^f | 6,525.0 | 6,834.9 | 6,881.0 | 6,907.8 | 6,969.3 |
| 26 Debt | 14,428.4 | 15,218.5 | 16,271.3 ^f | 17,372.0 | 17,935.7 | 18,015.7 | 18,064.7 | n.a. |
| M1 components | | | | | | | | |
| 27 Currency ³ | 397.9 | 428.9 | 464.1 | 521.2 | 521.6 | 522.4 | 524.2 | 527.5 |
| 28 Travelers checks ⁴ | 8.6 | 8.3 | 8.4 | 8.4 | 8.9 | 8.7 | 8.4 | 8.2 |
| 29 Demand deposits ⁵ | 419.9 | 412.4 | 395.9 | 371.2 | 326.3 | 321.7 | 322.1 | 320.3 |
| 30 Other checkable deposits ⁶ | 278.8 | 248.2 | 252.8 | 246.6 | 238.4 | 236.4 | 238.2 | 238.3 |
| Nontransaction components | | | | | | | | |
| 31 In M2 | 2,730.5 ^f | 2,954.4 ^f | 3,284.5 ^f | 3,524.5 | 3,712.7 | 3,754.1 | 3,765.0 | 3,795.1 |
| 32 In M3 only ⁸ | 1,134.9 ^f | 1,372.3 ^f | 1,618.1 ^f | 1,853.1 | 2,027.0 | 2,037.6 | 2,050.0 | 2,079.9 |
| Commercial banks | | | | | | | | |
| 33 Savings deposits, including MMDAs | 903.3 | 1,020.4 | 1,186.0 | 1,288.5 | 1,356.5 | 1,381.1 | 1,380.0 | 1,397.4 |
| 34 Small time deposits ^{9, 11} | 592.7 | 625.3 | 626.5 | 635.4 | 684.2 | 687.9 | 690.7 | 694.8 |
| 35 Large time deposits ^{10, 11} | 413.2 | 487.1 ^f | 537.6 ^f | 612.1 | 668.6 | 663.3 | 659.8 | 666.2 |
| Thrift institutions | | | | | | | | |
| 36 Savings deposits, including MMDAs | 366.3 | 376.5 | 414.2 | 449.8 | 453.5 | 454.3 | 453.6 | 454.5 |
| 37 Small time deposits ⁹ | 353.2 | 342.8 | 325.8 | 321.0 | 336.6 | 339.8 | 343.2 | 346.0 |
| 38 Large time deposits ¹⁰ | 78.1 | 85.4 | 88.6 | 91.2 | 98.8 | 100.1 | 102.1 | 103.6 |
| Money market mutual funds | | | | | | | | |
| 39 Retail | 514.8 ^f | 589.4 ^f | 731.9 ^f | 829.7 | 881.9 | 890.9 | 897.5 | 902.4 |
| 40 Institution-only | 322.2 ^f | 397.0 ^f | 541.9 ^f | 636.9 | 709.5 | 721.5 | 734.7 | 755.9 |
| Repurchase agreements and eurodollars | | | | | | | | |
| 41 Repurchase agreements ¹² | 205.7 | 250.5 | 295.4 | 339.5 | 362.8 | 360.9 | 358.3 | 357.6 |
| 42 Eurodollars ¹² | 115.7 | 152.3 | 154.5 | 173.4 | 187.3 | 191.8 | 195.1 | 196.6 |
| Debt components | | | | | | | | |
| 43 Federal debt | 3,787.9 | 3,805.8 | 3,754.9 | 3,663.1 | 3,437.7 | 3,426.5 | 3,395.5 | n.a. |
| 44 Nonfederal debt | 10,640.4 | 11,412.7 | 12,516.3 | 13,709.0 | 14,498.1 | 14,589.2 | 14,669.2 | n.a. |

Footnotes appear on following page.

NOTES TO TABLE 1.21

1. Latest monthly and weekly figures are available from the Board's H.6 (508) weekly statistical release. Historical data starting in 1959 are available from the Money and Reserves Projections Section, Division of Monetary Affairs, Board of Governors of the Federal Reserve System, Washington, DC 20551.

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

M1: (1) currency outside the U.S. 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 owed 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 (OCDs), 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. Seasonally adjusted M1 is computed by summing currency, travelers checks, demand deposits, and OCDs, each seasonally adjusted separately.

M2: M1 plus (1) savings deposits (including MMDAs), (2) small-denomination time deposits (time deposits—including retail RPs—in amounts of less than \$100,000), and (3) balances in retail money market mutual funds. Excludes individual retirement accounts (IRAs) and Keogh balances at depository institutions and money market funds. Seasonally adjusted M2 is calculated by summing savings deposits, small-denomination time deposits, and retail money fund balances, each seasonally adjusted separately, and adding this result to seasonally adjusted M1.

M3: M2 plus (1) large-denomination time deposits (in amounts of \$100,000 or more) issued by all depository institutions, (2) balances in institutional money funds, (3) RP liabilities (overnight and term) issued by all depository institutions, and (4) eurodollars (overnight and term) held by U.S. residents at foreign branches of U.S. banks worldwide and at all banking offices in the United Kingdom and Canada. Excludes amounts held by depository institutions, the U.S. government, money market funds, and foreign banks and official institutions. Seasonally adjusted M3 is calculated by summing large time deposits, institutional money fund balances, RP liabilities, and eurodollars, each seasonally adjusted separately, and adding this result to seasonally adjusted M2.

Debt: The debt aggregate is the outstanding credit market debt of the domestic nonfinancial sectors—the federal sector (U.S. government, not including government-sponsored enter-

prises or federally related mortgage pools) and the nonfederal sectors (state and local governments, households and nonprofit organizations, nonfinancial corporate and nonfarm noncorporate businesses, and farms). Nonfederal debt consists of mortgages, tax-exempt and corporate bonds, consumer credit, bank loans, commercial paper, and other loans. The data, which are derived from the Federal Reserve Board's flow of funds accounts, are break-adjusted (that is, discontinuities in the data have been smoothed into the series) and month-averaged (that is, the data have been derived by averaging adjacent month-end levels).

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 owed 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 account balances at all depository institutions, credit union share draft account balances, and demand deposits at thrift institutions.

7. Sum of (1) savings deposits (including MMDAs), (2) small time deposits, and (3) retail money fund balances.

8. Sum of (1) large time deposits, (2) institutional money fund balances, (3) RP liabilities (overnight and term) issued by depository institutions, and (4) eurodollars (overnight and term) of U.S. addressees.

9. Small time deposits—including retail RPs—are those issued in amounts of less than \$100,000. All IRAs and Keogh accounts at commercial banks and thrift institutions are subtracted from small time deposits.

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

11. Large time deposits at commercial banks less those held by money market funds, depository institutions, the U.S. government, and foreign banks and official institutions.

12. Includes both overnight and term.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities¹

A. All commercial banks

Billions of dollars

| Account | Monthly averages | | | | | | | | Wednesday figures | | | |
|--|-------------------------|------------------|-------------------|-------------------|-------------------|--------------------|-------------------|---------|-------------------|---------|---------|---------|
| | 1999 | 2000 | | | | | | | 2000 | | | |
| | Nov. ¹ | May ¹ | June ¹ | July ¹ | Aug. ¹ | Sept. ¹ | Oct. ¹ | Nov. | Nov. 8 | Nov. 15 | Nov. 22 | Nov. 29 |
| | Seasonally adjusted | | | | | | | | | | | |
| Assets | | | | | | | | | | | | |
| 1 Bank credit | 4,694.0 | 5,005.5 | 5,041.8 | 5,079.7 | 5,121.9 | 5,170.3 | 5,145.0 | 5,157.3 | 5,138.0 | 5,141.7 | 5,167.8 | 5,177.8 |
| 2 Securities in bank credit | 1,249.5 | 1,313.8 | 1,313.5 | 1,318.5 | 1,321.9 | 1,332.5 | 1,310.4 | 1,302.5 | 1,297.2 | 1,297.6 | 1,307.5 | 1,306.6 |
| 3 U.S. government securities | 801.9 | 815.4 | 818.5 | 820.7 | 813.8 | 808.2 | 793.2 | 782.7 | 784.6 | 782.9 | 782.7 | 780.1 |
| 4 Other securities | 447.6 | 498.4 | 494.9 | 497.8 | 508.1 | 524.3 | 517.2 | 519.8 | 512.7 | 514.7 | 524.7 | 526.5 |
| 5 Loans and leases in bank credit ² | 3,444.5 | 3,691.7 | 3,728.3 | 3,761.2 | 3,800.0 | 3,837.8 | 3,834.6 | 3,854.8 | 3,840.8 | 3,844.2 | 3,860.3 | 3,871.2 |
| 6 Commercial and industrial | 996.0 | 1,058.1 | 1,066.6 | 1,072.1 | 1,079.9 | 1,079.9 | 1,079.0 | 1,080.2 | 1,074.7 | 1,081.7 | 1,082.5 | 1,081.6 |
| 7 Real estate | 1,436.9 | 1,580.3 | 1,598.4 | 1,614.5 | 1,624.5 | 1,634.9 | 1,632.5 | 1,643.9 | 1,639.8 | 1,641.1 | 1,645.7 | 1,647.9 |
| 8 Revolving home equity | 100.8 | 114.7 | 115.7 | 117.1 | 118.3 | 120.2 | 123.4 | 125.1 | 124.7 | 124.9 | 125.1 | 125.4 |
| 9 Other | 1,336.1 | 1,465.6 | 1,482.7 | 1,497.4 | 1,506.2 | 1,514.7 | 1,509.0 | 1,518.8 | 1,515.1 | 1,516.2 | 1,520.6 | 1,522.5 |
| 10 Consumer | 482.7 | 509.3 | 516.0 | 519.6 | 528.1 | 531.4 | 531.3 | 535.0 | 529.9 | 535.7 | 537.5 | 537.4 |
| 11 Security ³ | 133.7 | 144.8 | 149.4 | 151.5 | 158.3 | 179.4 | 177.7 | 179.3 | 177.3 | 171.5 | 177.9 | 188.2 |
| 12 Other loans and leases | 395.2 | 399.2 | 397.8 | 403.5 | 409.3 | 412.1 | 414.2 | 416.4 | 418.9 | 414.1 | 416.7 | 416.0 |
| 13 Interbank loans | 224.2 | 226.7 | 227.1 | 240.4 | 247.1 | 240.1 | 250.6 | 250.1 | 253.2 | 252.3 | 244.5 | 249.7 |
| 14 Cash assets ⁴ | 274.5 | 275.1 | 270.6 | 271.1 | 271.5 | 269.1 | 267.4 | 255.0 | 255.6 | 252.8 | 270.0 | 238.7 |
| 15 Other assets ⁵ | 367.6 | 375.9 | 377.7 | 396.0 | 397.1 | 396.2 | 409.6 | 400.0 | 401.3 | 397.7 | 402.1 | 397.9 |
| 16 Total assets ⁶ | 5,501.0 | 5,823.4 | 5,857.1 | 5,926.0 | 5,975.5 | 6,013.2 | 6,010.5 | 5,999.9 | 5,986.0 | 5,982.3 | 6,022.2 | 6,001.0 |
| Liabilities | | | | | | | | | | | | |
| 17 Deposits | 3,485.9 | 3,633.7 | 3,667.0 | 3,725.8 | 3,753.5 | 3,771.4 | 3,786.9 | 3,774.6 | 3,768.0 | 3,782.5 | 3,794.0 | 3,744.9 |
| 18 Transaction | 626.4 | 629.2 | 617.0 | 612.1 | 618.0 | 610.6 | 614.4 | 599.7 | 582.9 | 596.9 | 624.7 | 596.4 |
| 19 Nontransaction | 2,859.5 | 3,004.5 | 3,050.0 | 3,113.7 | 3,135.5 | 3,160.8 | 3,172.4 | 3,174.9 | 3,185.1 | 3,185.5 | 3,169.3 | 3,148.6 |
| 20 Large time | 805.1 | 879.9 | 899.0 | 921.3 | 930.9 | 920.4 | 912.3 | 912.3 | 913.8 | 913.1 | 912.1 | 908.6 |
| 21 Other | 2,054.4 | 2,124.6 | 2,151.0 | 2,192.4 | 2,204.7 | 2,240.4 | 2,257.3 | 2,262.6 | 2,271.3 | 2,272.5 | 2,257.2 | 2,240.0 |
| 22 Borrowings | 1,060.1 | 1,201.3 | 1,203.8 | 1,221.9 | 1,227.9 | 1,219.9 | 1,210.4 | 1,206.5 | 1,214.1 | 1,188.0 | 1,195.1 | 1,222.8 |
| 23 From banks in the U.S. | 350.3 | 385.0 | 378.4 | 390.1 | 389.3 | 373.4 | 369.2 | 365.1 | 372.4 | 367.5 | 353.4 | 362.9 |
| 24 From others | 709.8 | 816.2 | 825.4 | 831.8 | 838.6 | 846.4 | 841.2 | 841.4 | 841.7 | 820.4 | 841.7 | 859.8 |
| 25 Net due to related foreign offices | 224.0 | 254.4 | 263.5 | 261.9 | 269.7 | 269.1 | 251.7 | 241.3 | 230.4 | 243.0 | 245.3 | 251.0 |
| 26 Other liabilities | 294.7 | 310.4 | 300.6 | 296.5 | 312.6 | 331.6 | 338.9 | 339.4 | 340.1 | 339.5 | 341.2 | 336.0 |
| 27 Total liabilities | 5,064.7 | 5,399.7 | 5,434.8 | 5,506.1 | 5,563.7 | 5,592.0 | 5,587.8 | 5,561.7 | 5,552.6 | 5,552.9 | 5,575.6 | 5,554.7 |
| 28 Residual (assets less liabilities) ⁷ | 436.3 | 423.7 | 422.4 | 419.9 | 411.8 | 421.3 | 422.7 | 438.2 | 433.3 | 429.4 | 446.5 | 446.3 |
| | Not seasonally adjusted | | | | | | | | | | | |
| Assets | | | | | | | | | | | | |
| 29 Bank credit | 4,721.9 | 4,997.0 | 5,024.5 | 5,048.1 | 5,093.1 | 5,157.0 | 5,158.7 | 5,188.2 | 5,171.9 | 5,173.0 | 5,193.4 | 5,210.6 |
| 30 Securities in bank credit | 1,263.8 | 1,311.1 | 1,302.7 | 1,301.0 | 1,309.2 | 1,327.3 | 1,314.8 | 1,317.5 | 1,312.1 | 1,312.5 | 1,321.6 | 1,322.4 |
| 31 U.S. government securities | 804.7 | 820.8 | 817.8 | 812.2 | 804.9 | 800.2 | 788.1 | 785.3 | 787.4 | 785.3 | 783.7 | 783.9 |
| 32 Other securities | 459.1 | 490.4 | 485.0 | 488.8 | 504.3 | 527.1 | 526.7 | 532.2 | 524.7 | 527.3 | 537.9 | 538.5 |
| 33 Loans and leases in bank credit ² | 3,458.1 | 3,685.9 | 3,721.7 | 3,747.1 | 3,783.9 | 3,829.7 | 3,843.9 | 3,870.7 | 3,859.8 | 3,860.5 | 3,871.9 | 3,888.2 |
| 34 Commercial and industrial | 999.8 | 1,061.0 | 1,066.0 | 1,067.3 | 1,069.5 | 1,075.8 | 1,079.8 | 1,084.4 | 1,079.3 | 1,086.0 | 1,086.7 | 1,085.6 |
| 35 Real estate | 1,443.4 | 1,577.7 | 1,595.0 | 1,610.7 | 1,624.6 | 1,635.3 | 1,638.2 | 1,651.8 | 1,651.6 | 1,650.0 | 1,651.1 | 1,654.1 |
| 36 Revolving home equity | 101.2 | 114.3 | 115.8 | 117.1 | 118.5 | 121.0 | 124.0 | 125.6 | 125.2 | 125.5 | 125.6 | 125.9 |
| 37 Other | 1,342.2 | 1,463.4 | 1,479.3 | 1,493.6 | 1,506.1 | 1,514.4 | 1,514.2 | 1,526.3 | 1,526.4 | 1,524.5 | 1,525.5 | 1,528.2 |
| 38 Consumer | 481.4 | 508.9 | 514.1 | 516.1 | 526.9 | 532.1 | 529.0 | 534.1 | 527.6 | 534.1 | 537.0 | 537.9 |
| 39 Credit cards and related plans | n.a. | n.a. | n.a. | 195.2 | 202.8 | 206.0 | 202.9 | 206.8 | 200.7 | 207.2 | 209.8 | 210.0 |
| 40 Other | n.a. | n.a. | n.a. | 320.9 | 324.2 | 326.2 | 326.1 | 327.2 | 326.9 | 326.9 | 327.2 | 328.0 |
| 41 Security ³ | 135.8 | 143.3 | 149.3 | 148.6 | 153.2 | 172.5 | 181.5 | 181.6 | 181.3 | 173.1 | 179.5 | 190.0 |
| 42 Other loans and leases | 397.7 | 395.0 | 397.4 | 404.4 | 409.7 | 413.8 | 415.4 | 418.8 | 420.0 | 417.3 | 417.6 | 420.6 |
| 43 Interbank loans | 228.1 | 226.6 | 226.8 | 236.4 | 237.1 | 233.8 | 244.4 | 255.2 | 258.0 | 259.9 | 246.1 | 255.8 |
| 44 Cash assets ⁴ | 283.4 | 272.9 | 266.7 | 261.8 | 259.2 | 264.8 | 268.4 | 262.9 | 252.1 | 270.8 | 268.8 | 258.3 |
| 45 Other assets ⁵ | 364.6 | 379.0 | 379.2 | 395.4 | 395.4 | 394.6 | 402.4 | 397.0 | 400.1 | 395.6 | 392.9 | 398.0 |
| 46 Total assets ⁶ | 5,538.4 | 5,815.6 | 5,837.0 | 5,880.5 | 5,922.5 | 5,987.5 | 6,012.0 | 6,040.7 | 6,019.9 | 6,036.9 | 6,038.7 | 6,059.4 |
| Liabilities | | | | | | | | | | | | |
| 47 Deposits | 3,513.7 | 3,619.1 | 3,655.0 | 3,701.1 | 3,721.2 | 3,755.3 | 3,779.9 | 3,804.0 | 3,794.9 | 3,822.8 | 3,807.1 | 3,784.0 |
| 48 Transaction | 634.6 | 619.9 | 615.9 | 605.6 | 602.3 | 604.2 | 606.3 | 607.3 | 580.0 | 613.1 | 621.4 | 617.5 |
| 49 Nontransaction | 2,879.1 | 2,999.2 | 3,039.1 | 3,095.5 | 3,118.9 | 3,151.0 | 3,173.5 | 3,196.7 | 3,215.0 | 3,209.7 | 3,185.7 | 3,166.5 |
| 50 Large time | 815.2 | 876.1 | 888.1 | 904.6 | 913.9 | 909.5 | 912.4 | 923.0 | 921.9 | 921.9 | 923.9 | 923.3 |
| 51 Other | 2,063.9 | 2,123.1 | 2,151.0 | 2,191.0 | 2,205.0 | 2,241.5 | 2,261.1 | 2,273.7 | 2,293.1 | 2,287.8 | 2,261.8 | 2,243.2 |
| 52 Borrowings | 1,068.1 | 1,210.7 | 1,207.2 | 1,209.4 | 1,200.6 | 1,215.5 | 1,212.1 | 1,215.5 | 1,217.5 | 1,199.2 | 1,200.3 | 1,239.5 |
| 53 From banks in the U.S. | 353.7 | 385.7 | 379.4 | 387.3 | 384.9 | 373.0 | 368.2 | 368.6 | 373.4 | 371.4 | 356.0 | 369.6 |
| 54 From others | 714.4 | 825.0 | 827.8 | 822.1 | 815.7 | 842.4 | 843.8 | 846.9 | 844.1 | 827.8 | 844.3 | 869.9 |
| 55 Net due to related foreign offices | 228.1 | 254.9 | 253.9 | 253.4 | 267.0 | 264.1 | 252.9 | 246.5 | 231.4 | 241.2 | 253.7 | 264.9 |
| 56 Other liabilities | 295.7 | 308.8 | 298.9 | 294.2 | 312.2 | 331.0 | 338.0 | 340.4 | 340.4 | 340.4 | 342.2 | 337.7 |
| 57 Total liabilities | 5,105.6 | 5,293.5 | 5,414.9 | 5,458.1 | 5,501.0 | 5,565.8 | 5,582.8 | 5,606.4 | 5,584.2 | 5,603.6 | 5,603.3 | 5,626.2 |
| 58 Residual (assets less liabilities) ⁷ | 432.8 | 422.1 | 422.1 | 422.4 | 421.6 | 421.7 | 429.1 | 434.2 | 435.7 | 433.2 | 435.4 | 433.2 |

Footnotes appear on p. A21.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities¹—Continued

B. Domestically chartered commercial banks

Billions of dollars

| Account | Monthly averages | | | | | | | | Wednesday figures | | | |
|--|--------------------------|------------------|-------------------|-------------------|-------------------|--------------------|-------------------|----------------|-------------------|----------------|----------------|----------------|
| | 1999 | 2000 | | | | | | | 2000 | | | |
| | Nov. | May ^f | June ^f | July ^f | Aug. ^f | Sept. ^f | Oct. ^f | Nov. | Nov. 8 | Nov. 15 | Nov. 22 | Nov. 29 |
| | Seasonally adjusted | | | | | | | | | | | |
| Assets | | | | | | | | | | | | |
| 1 Bank credit | 4,152.2 | 4,417.1 | 4,460.4 | 4,497.7 | 4,535.4 | 4,576.4 | 4,564.6 | 4,582.4 | 4,563.4 | 4,575.6 | 4,591.1 | 4,599.1 |
| 2 Securities in bank credit | 1,052.5 | 1,099.0 | 1,103.5 | 1,108.8 | 1,111.6 | 1,124.1 | 1,118.7 | 1,119.0 | 1,113.0 | 1,116.7 | 1,122.0 | 1,125.2 |
| 3 U.S. government securities | 722.2 | 736.0 | 740.1 | 741.6 | 734.6 | 731.4 | 724.1 | 717.2 | 717.6 | 717.3 | 717.4 | 716.2 |
| 4 Other securities | 330.3 | 363.0 | 363.4 | 367.2 | 377.0 | 392.7 | 394.6 | 401.8 | 395.4 | 399.4 | 404.6 | 408.9 |
| 5 Loans and leases in bank credit ^e | 3,099.7 | 3,318.1 | 3,356.8 | 3,389.0 | 3,423.8 | 3,452.4 | 3,445.9 | 3,463.3 | 3,450.4 | 3,458.9 | 3,469.2 | 3,473.9 |
| 6 Commercial and industrial | 799.9 ^f | 851.8 | 859.9 | 867.2 | 873.3 | 875.5 | 877.2 | 878.4 | 873.1 | 879.8 | 881.1 | 879.3 |
| 7 Real estate | 1,419.4 ^f | 1,562.0 | 1,579.8 | 1,595.7 | 1,605.7 | 1,615.5 | 1,613.7 | 1,624.5 | 1,620.6 | 1,621.7 | 1,626.2 | 1,628.5 |
| 8 Revolving home equity | 100.8 | 114.7 | 115.7 | 117.1 | 118.3 | 120.2 | 123.4 | 125.1 | 124.7 | 125.1 | 125.4 | 125.4 |
| 9 Other | 1,318.6 ^f | 1,447.3 | 1,464.0 | 1,478.7 | 1,487.4 | 1,495.3 | 1,490.3 | 1,499.4 | 1,495.9 | 1,496.8 | 1,501.1 | 1,503.1 |
| 10 Consumer | 482.7 | 509.3 | 516.0 | 519.6 | 528.1 | 531.4 | 531.3 | 535.0 | 529.9 | 535.7 | 537.5 | 537.4 |
| 11 Security ³ | 68.3 | 64.0 | 68.6 | 70.0 | 76.6 | 85.1 | 75.6 | 76.0 | 74.3 | 73.5 | 75.7 | 80.0 |
| 12 Other loans and leases | 323.5 | 331.1 | 332.5 | 336.5 | 340.3 | 344.9 | 348.1 | 349.4 | 352.5 | 348.2 | 348.8 | 348.6 |
| 13 Interbank loans | 200.1 | 196.3 | 200.8 | 216.9 | 224.6 | 215.9 | 222.9 | 222.4 | 226.2 | 225.8 | 219.2 | 218.3 |
| 14 Cash assets ⁴ | 226.0 | 230.6 | 225.1 | 225.3 | 226.3 | 223.6 | 224.4 | 215.5 | 215.8 | 212.1 | 231.0 | 200.3 |
| 15 Other assets ⁵ | 333.3 | 335.6 | 335.2 | 354.1 | 356.2 | 356.8 | 373.5 | 365.4 | 365.9 | 364.1 | 368.1 | 362.3 |
| 16 Total assets⁶ | 4,852.6 | 5,120.2 | 5,161.8 | 5,233.1 | 5,280.7 | 5,310.7 | 5,323.6 | 5,323.6 | 5,309.6 | 5,315.8 | 5,347.6 | 5,317.2 |
| Liabilities | | | | | | | | | | | | |
| 17 Deposits | 3,128.4 | 3,250.1 | 3,281.8 | 3,335.4 | 3,358.0 | 3,383.1 | 3,402.5 | 3,391.7 | 3,383.9 | 3,399.5 | 3,409.9 | 3,365.0 |
| 18 Transaction | 615.8 | 618.1 | 605.6 | 600.8 | 607.2 | 600.9 | 604.0 | 589.2 | 572.2 | 586.6 | 614.2 | 586.1 |
| 19 Nontransaction | 2,512.6 | 2,632.0 | 2,676.2 | 2,734.6 | 2,750.8 | 2,782.2 | 2,798.5 | 2,802.5 | 2,811.7 | 2,812.9 | 2,795.7 | 2,779.0 |
| 20 Large time | 460.9 ^f | 510.0 | 526.0 | 544.6 | 548.6 | 544.4 | 543.9 | 542.6 | 542.4 | 542.7 | 541.0 | 542.7 |
| 21 Other | 2,051.7 ^f | 2,122.1 | 2,150.1 | 2,190.1 | 2,202.2 | 2,237.8 | 2,254.6 | 2,260.0 | 2,269.3 | 2,270.2 | 2,254.7 | 2,236.3 |
| 22 Borrowings | 877.0 | 998.4 | 1,001.2 | 1,019.4 | 1,029.0 | 1,005.6 | 991.8 | 984.5 | 987.8 | 973.5 | 978.7 | 996.1 |
| 23 From banks in the U.S. | 325.3 | 367.0 | 359.2 | 369.2 | 372.3 | 354.1 | 350.3 | 345.6 | 348.1 | 348.0 | 338.7 | 344.6 |
| 24 From others | 551.7 | 631.4 | 642.0 | 650.2 | 656.7 | 651.5 | 641.5 | 639.0 | 639.7 | 625.5 | 640.1 | 651.6 |
| 25 Net due to related foreign offices | 178.9 | 232.5 | 243.3 | 243.7 | 246.3 | 244.8 | 235.0 | 235.2 | 226.2 | 235.0 | 240.5 | 243.2 |
| 26 Other liabilities | 229.9 ^f | 231.7 | 228.6 | 222.8 | 239.6 | 255.1 | 263.1 | 269.1 | 268.6 | 271.3 | 269.8 | 266.9 |
| 27 Total liabilities | 4,414.3 | 4,712.7 | 4,754.9 | 4,821.2 | 4,872.9 | 4,888.5 | 4,892.4 | 4,880.6 | 4,866.6 | 4,879.4 | 4,898.9 | 4,871.2 |
| 28 Residual (assets less liabilities)⁷ | 438.3 | 407.5 | 407.0 | 411.9 | 407.8 | 422.2 | 431.2 | 443.0 | 443.0 | 436.4 | 448.7 | 446.0 |
| Not seasonally adjusted | | | | | | | | | | | | |
| Assets | | | | | | | | | | | | |
| 29 Bank credit | 4,167.1 | 4,417.3 | 4,453.1 | 4,477.0 | 4,516.4 | 4,563.9 | 4,569.4 | 4,599.1 | 4,582.6 | 4,592.4 | 4,603.2 | 4,618.0 |
| 30 Securities in bank credit | 1,056.9 | 1,099.6 | 1,099.1 | 1,098.3 | 1,104.6 | 1,118.7 | 1,115.6 | 1,123.2 | 1,116.4 | 1,120.1 | 1,125.6 | 1,131.3 |
| 31 U.S. government securities | 723.5 | 740.4 | 739.3 | 734.2 | 727.3 | 725.5 | 719.4 | 718.4 | 718.7 | 718.3 | 717.7 | 718.6 |
| 32 Other securities | 333.4 | 359.2 | 359.7 | 364.2 | 377.3 | 393.2 | 396.2 | 404.8 | 397.8 | 401.8 | 407.9 | 412.7 |
| 33 Loans and leases in bank credit ^e | 3,110.2 | 3,317.7 | 3,354.0 | 3,378.7 | 3,411.8 | 3,445.2 | 3,453.8 | 3,475.9 | 3,466.1 | 3,472.2 | 3,477.6 | 3,486.7 |
| 34 Commercial and industrial | 800.7 ^f | 858.9 | 862.6 | 864.9 | 865.6 | 871.4 | 876.6 | 879.2 | 874.6 | 880.8 | 881.8 | 879.8 |
| 35 Real estate | 1,425.8 ^f | 1,559.5 | 1,576.5 | 1,592.2 | 1,605.9 | 1,616.2 | 1,619.1 | 1,632.4 | 1,632.1 | 1,630.6 | 1,631.6 | 1,634.7 |
| 36 Revolving home equity | 101.2 | 114.3 | 115.8 | 117.1 | 118.5 | 121.0 | 124.0 | 125.6 | 125.2 | 125.5 | 125.6 | 125.9 |
| 37 Other | 1,324.6 ^f | 1,445.1 | 1,460.8 | 1,475.0 | 1,487.4 | 1,495.2 | 1,495.1 | 1,506.9 | 1,506.9 | 1,505.1 | 1,506.0 | 1,508.8 |
| 38 Consumer | 481.4 | 508.9 | 514.1 | 516.1 | 526.9 | 532.1 | 529.0 | 534.1 | 527.6 | 534.1 | 537.0 | 537.9 |
| 39 Credit cards and related plans | n.a. | n.a. | n.a. | 195.2 | 202.8 | 206.0 | 202.9 | 206.8 | 200.7 | 207.2 | 209.8 | 210.0 |
| 40 Other | n.a. | n.a. | n.a. | 320.9 | 324.2 | 326.2 | 326.1 | 327.2 | 326.9 | 326.9 | 327.2 | 328.0 |
| 41 Security ³ | 71.0 | 62.6 | 68.1 | 67.3 | 71.2 | 78.4 | 80.1 | 79.2 | 78.8 | 76.3 | 78.2 | 82.1 |
| 42 Other loans and leases | 331.4 | 327.8 | 332.6 | 338.3 | 342.1 | 347.1 | 349.0 | 351.1 | 353.0 | 350.5 | 349.1 | 352.2 |
| 43 Interbank loans | 204.0 | 196.2 | 200.5 | 212.9 | 214.6 | 209.6 | 216.7 | 227.6 | 231.0 | 233.3 | 220.8 | 224.3 |
| 44 Cash assets ⁴ | 232.0 | 229.6 | 222.0 | 217.6 | 215.4 | 220.2 | 224.5 | 221.0 | 210.6 | 227.4 | 227.6 | 216.8 |
| 45 Other assets ⁵ | 330.2 | 339.3 | 338.9 | 355.4 | 355.2 | 355.9 | 367.1 | 362.3 | 365.0 | 362.5 | 358.8 | 361.8 |
| 46 Total assets⁶ | 4,874.1 | 5,122.8 | 5,154.6 | 5,202.1 | 5,239.9 | 5,287.2 | 5,316.0 | 5,347.8 | 5,327.1 | 5,353.4 | 5,348.3 | 5,358.0 |
| Liabilities | | | | | | | | | | | | |
| 47 Deposits | 3,153.5 | 3,234.6 | 3,274.2 | 3,319.6 | 3,337.6 | 3,373.3 | 3,400.0 | 3,418.0 | 3,409.4 | 3,437.5 | 3,419.0 | 3,398.4 |
| 48 Transaction | 623.9 | 609.2 | 605.0 | 594.4 | 591.6 | 594.1 | 595.8 | 596.7 | 569.4 | 602.5 | 610.8 | 606.9 |
| 49 Nontransaction | 2,529.7 | 2,625.4 | 2,669.3 | 2,725.2 | 2,746.0 | 2,779.3 | 2,804.2 | 2,821.3 | 2,840.0 | 2,834.9 | 2,808.2 | 2,791.6 |
| 50 Large time | 468.2 ^f | 504.7 | 520.6 | 536.4 | 543.2 | 540.0 | 545.3 | 549.8 | 549.2 | 549.4 | 548.7 | 550.6 |
| 51 Other | 2,061.5 ^f | 2,120.7 | 2,148.7 | 2,188.7 | 2,202.8 | 2,239.3 | 2,258.8 | 2,271.4 | 2,290.8 | 2,285.5 | 2,259.5 | 2,241.0 |
| 52 Borrowings | 885.0 | 1,007.9 | 1,004.6 | 1,006.9 | 1,001.7 | 1,001.2 | 993.5 | 993.5 | 991.2 | 984.7 | 983.9 | 1,012.8 |
| 53 From banks in the U.S. | 328.8 | 367.6 | 360.2 | 366.3 | 367.9 | 353.7 | 349.3 | 349.1 | 349.1 | 351.9 | 341.3 | 351.2 |
| 54 From others | 556.3 | 640.3 | 644.4 | 640.6 | 633.8 | 647.5 | 644.2 | 644.5 | 642.1 | 632.8 | 642.7 | 661.6 |
| 55 Net due to related foreign offices | 181.2 | 237.2 | 235.1 | 236.1 | 243.8 | 240.4 | 236.1 | 238.8 | 227.8 | 232.3 | 246.5 | 252.9 |
| 56 Other liabilities | 229.9 | 231.7 | 228.4 | 222.1 | 239.6 | 254.8 | 262.7 | 269.1 | 268.6 | 271.4 | 269.6 | 267.0 |
| 57 Total liabilities | 4,449.7 | 4,711.4 | 4,742.3 | 4,784.6 | 4,822.6 | 4,869.8 | 4,892.3 | 4,919.5 | 4,897.1 | 4,925.9 | 4,919.0 | 4,931.1 |
| 58 Residual (assets less liabilities)⁷ | 424.4^f | 411.5 | 412.4 | 417.5 | 417.2 | 417.4 | 423.8 | 428.3 | 430.0 | 427.5 | 429.3 | 426.9 |

Footnotes appear on p. A21.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities¹—Continued

C. Large domestically chartered commercial banks

Billions of dollars

| Account | Monthly averages | | | | | | | | Wednesday figures | | | |
|--|-------------------|------------------|-------------------|-------------------|-------------------|--------------------|-------------------|----------------|-------------------|----------------|----------------|----------------|
| | 1999 | 2000 | | | | | | | 2000 | | | |
| | | | | | | | | | | | | |
| | Nov. ^f | May ^f | June ^f | July ^f | Aug. ^f | Sept. ^f | Oct. ^f | Nov. | Nov. 8 | Nov. 15 | Nov. 22 | Nov. 29 |
| Seasonally adjusted | | | | | | | | | | | | |
| <i>Assets</i> | | | | | | | | | | | | |
| 1 Bank credit | 2,333.2 | 2,484.5 | 2,500.2 | 2,510.2 | 2,528.1 | 2,551.6 | 2,527.8 | 2,527.2 | 2,520.7 | 2,521.8 | 2,530.7 | 2,536.2 |
| 2 Securities in bank credit | 544.3 | 579.9 | 581.3 | 578.8 | 577.0 | 585.1 | 576.1 | 572.0 | 568.3 | 571.2 | 574.4 | 575.5 |
| 3 U.S. government securities | 352.9 | 359.8 | 362.7 | 363.5 | 359.4 | 357.5 | 351.2 | 344.6 | 344.7 | 345.0 | 344.7 | 344.1 |
| 4 Trading account | 18.2 | 23.5 | 22.7 | 24.3 | 23.7 | 23.2 | 21.1 | 20.5 | 19.9 | 20.1 | 20.9 | 20.7 |
| 5 Investment account | 334.7 | 336.3 | 339.9 | 339.2 | 335.7 | 334.3 | 330.1 | 324.2 | 324.7 | 324.9 | 323.8 | 323.4 |
| 6 Other securities | 191.4 | 220.1 | 218.7 | 215.3 | 217.6 | 227.6 | 224.9 | 227.4 | 223.6 | 226.2 | 229.6 | 231.3 |
| 7 Trading account | 82.1 | 101.2 | 100.2 | 97.2 | 102.5 | 114.5 | 112.7 | 116.0 | 111.9 | 114.4 | 118.9 | 119.9 |
| 8 Investment account | 109.4 | 118.9 | 118.5 | 118.1 | 115.0 | 113.2 | 112.2 | 111.4 | 111.7 | 111.8 | 110.7 | 111.5 |
| 9 State and local government | 24.0 | 25.4 | 25.6 | 26.1 | 25.9 | 25.8 | 26.1 | 26.3 | 26.1 | 26.4 | 26.5 | 26.5 |
| 10 Other | 85.4 | 93.5 | 92.9 | 92.0 | 89.1 | 87.4 | 86.1 | 85.1 | 85.7 | 85.6 | 84.2 | 85.0 |
| 11 Loans and leases in bank credit ² | 1,788.9 | 1,904.6 | 1,918.8 | 1,931.3 | 1,951.2 | 1,966.5 | 1,951.7 | 1,955.2 | 1,952.4 | 1,950.6 | 1,956.3 | 1,960.8 |
| 12 Commercial and industrial | 548.5 | 579.5 | 582.9 | 583.4 | 586.5 | 586.7 | 586.0 | 584.2 | 580.2 | 583.5 | 586.1 | 584.5 |
| 13 Bankers acceptances | 1.1 | 1.1 | 1.0 | 1.0 | .9 | .9 | .8 | .9 | .8 | .9 | .9 | .8 |
| 14 Other | 547.4 | 578.4 | 581.8 | 582.4 | 585.5 | 585.9 | 585.2 | 583.3 | 579.4 | 584.6 | 585.2 | 583.7 |
| 15 Real estate | 717.2 | 797.2 | 803.5 | 812.1 | 817.8 | 818.9 | 810.9 | 813.8 | 814.3 | 812.3 | 814.0 | 814.0 |
| 16 Revolving home equity | 64.7 | 74.2 | 74.5 | 75.4 | 76.3 | 75.2 | 77.1 | 78.3 | 78.1 | 78.1 | 78.3 | 78.5 |
| 17 Other | 652.5 | 723.1 | 729.0 | 736.7 | 741.5 | 743.7 | 733.8 | 735.5 | 736.2 | 734.1 | 735.7 | 735.5 |
| 18 Consumer | 217.7 | 227.0 | 227.8 | 229.0 | 231.2 | 232.1 | 233.3 | 234.9 | 234.2 | 234.2 | 234.5 | 236.6 |
| 19 Security ³ | 61.6 | 57.8 | 62.1 | 63.1 | 69.3 | 77.9 | 68.1 | 68.5 | 66.6 | 65.8 | 68.3 | 72.7 |
| 20 Federal funds sold to and repurchase agreements with broker-dealers | 43.9 | 38.9 | 43.9 | 44.6 | 50.7 | 58.6 | 49.6 | 50.6 | 47.6 | 46.6 | 51.4 | 56.0 |
| 21 Other | 17.6 | 18.9 | 18.2 | 18.6 | 18.6 | 19.3 | 18.5 | 17.9 | 18.9 | 19.2 | 17.0 | 16.7 |
| 22 State and local government | 11.8 | 12.4 | 12.3 | 12.2 | 12.3 | 12.4 | 12.4 | 12.4 | 12.4 | 12.4 | 12.4 | 12.3 |
| 23 Agricultural | 8.9 | 9.6 | 9.6 | 9.5 | 9.5 | 9.4 | 9.4 | 9.5 | 9.4 | 9.4 | 9.5 | 9.6 |
| 24 Federal funds sold to and repurchase agreements with others | 12.2 | 13.2 | 13.5 | 12.8 | 14.4 | 17.0 | 17.7 | 20.2 | 20.1 | 20.0 | 20.7 | 21.1 |
| 25 All other loans | 92.6 | 87.7 | 84.7 | 84.2 | 84.1 | 85.4 | 85.3 | 82.8 | 86.3 | 82.2 | 81.8 | 80.9 |
| 26 Lease-financing receivables | 118.5 | 120.3 | 122.5 | 125.0 | 126.1 | 126.7 | 128.6 | 129.0 | 128.9 | 128.8 | 129.1 | 129.1 |
| 27 Interbank loans | 134.5 | 130.7 | 133.6 | 141.5 | 140.1 | 130.6 | 136.2 | 139.9 | 141.3 | 141.5 | 138.2 | 138.9 |
| 28 Federal funds sold to and repurchase agreements with commercial banks | 61.0 | 66.8 | 67.8 | 73.6 | 66.0 | 56.4 | 57.5 | 60.6 | 58.5 | 63.1 | 60.3 | 60.8 |
| 29 Other | 73.4 | 63.9 | 65.8 | 67.9 | 74.1 | 74.3 | 78.7 | 79.3 | 82.8 | 78.4 | 77.9 | 78.1 |
| 30 Cash assets ⁴ | 144.2 | 149.8 | 146.0 | 143.9 | 144.6 | 141.5 | 141.9 | 136.8 | 139.5 | 134.5 | 147.3 | 124.2 |
| 31 Other assets ⁵ | 234.3 | 222.7 | 223.3 | 243.3 | 246.0 | 247.9 | 261.3 | 257.6 | 258.5 | 258.5 | 256.3 | 256.6 |
| 32 Total assets⁶ | 2,810.8 | 2,952.9 | 2,968.5 | 3,003.8 | 3,023.4 | 3,036.0 | 3,032.0 | 3,026.1 | 3,024.7 | 3,021.1 | 3,037.4 | 3,020.0 |
| <i>Liabilities</i> | | | | | | | | | | | | |
| 33 Deposits | 1,597.2 | 1,644.9 | 1,638.4 | 1,638.9 | 1,634.5 | 1,634.1 | 1,637.1 | 1,620.8 | 1,623.9 | 1,628.4 | 1,630.0 | 1,596.0 |
| 34 Transaction | 318.2 | 316.6 | 309.4 | 302.9 | 305.4 | 301.5 | 303.8 | 293.5 | 286.2 | 292.7 | 309.1 | 287.4 |
| 35 Nontransaction | 1,279.0 | 1,328.2 | 1,329.0 | 1,336.0 | 1,329.1 | 1,332.6 | 1,333.3 | 1,327.3 | 1,337.7 | 1,335.7 | 1,321.0 | 1,308.6 |
| 36 Large time | 224.6 | 251.8 | 258.6 | 266.8 | 265.2 | 257.2 | 254.0 | 249.9 | 250.9 | 250.5 | 247.5 | 249.3 |
| 37 Other | 1,054.4 | 1,076.4 | 1,070.3 | 1,069.1 | 1,063.9 | 1,075.4 | 1,079.3 | 1,077.4 | 1,086.8 | 1,085.2 | 1,073.5 | 1,059.3 |
| 38 Borrowings | 581.7 | 652.2 | 656.6 | 678.7 | 689.3 | 671.4 | 664.2 | 661.2 | 662.7 | 650.9 | 657.5 | 672.6 |
| 39 From banks in the U.S. | 178.6 | 203.3 | 197.0 | 205.1 | 207.5 | 192.2 | 196.4 | 193.7 | 195.7 | 195.5 | 188.9 | 192.4 |
| 40 From others | 403.1 | 448.9 | 459.6 | 473.6 | 481.8 | 479.2 | 467.8 | 467.5 | 467.0 | 455.3 | 468.6 | 480.1 |
| 41 Net due to related foreign offices | 174.4 | 226.5 | 234.2 | 221.3 | 222.7 | 224.4 | 211.7 | 211.7 | 204.5 | 211.8 | 215.2 | 218.6 |
| 42 Other liabilities | 169.9 | 172.8 | 173.8 | 177.3 | 193.3 | 207.4 | 213.9 | 218.7 | 218.5 | 221.4 | 218.5 | 216.2 |
| 43 Total liabilities | 2,523.2 | 2,696.3 | 2,702.9 | 2,716.1 | 2,739.8 | 2,737.3 | 2,726.9 | 2,712.3 | 2,709.6 | 2,712.5 | 2,721.2 | 2,703.4 |
| 44 Residual (assets less liabilities) ⁷ | 287.6 | 256.6 | 265.6 | 287.6 | 283.6 | 298.8 | 305.0 | 313.8 | 315.1 | 308.5 | 316.2 | 316.6 |

Footnotes appear on p. A21.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities¹—Continued

C. Large domestically chartered commercial banks—Continued

Billions of dollars

| Account | Monthly averages | | | | | | | | Wednesday figures | | | |
|--|-------------------|------------------|-------------------|-------------------|-------------------|--------------------|-------------------|----------------|-------------------|----------------|----------------|----------------|
| | 1999 | 2000 | | | | | | | 2000 | | | |
| | Nov. ^f | May ^f | June ^f | July ^f | Aug. ^f | Sept. ^f | Oct. ^f | Nov. | Nov. 8 | Nov. 15 | Nov. 22 | Nov. 29 |
| Not seasonally adjusted | | | | | | | | | | | | |
| Assets | | | | | | | | | | | | |
| 45 Bank credit | 2,348.4 | 2,477.8 | 2,487.5 | 2,488.7 | 2,505.8 | 2,534.7 | 2,530.6 | 2,543.5 | 2,537.8 | 2,538.3 | 2,542.7 | 2,554.9 |
| 46 Securities in bank credit | 550.4 | 576.7 | 575.0 | 569.3 | 570.5 | 581.1 | 575.6 | 577.8 | 573.1 | 576.6 | 579.5 | 582.7 |
| 47 U.S. government securities | 355.9 | 360.8 | 359.6 | 356.3 | 352.8 | 352.4 | 349.1 | 347.6 | 347.4 | 348.1 | 346.7 | 347.9 |
| 48 Trading account | 19.4 | 22.0 | 22.5 | 22.6 | 23.0 | 22.5 | 21.0 | 21.7 | 20.8 | 21.5 | 22.0 | 22.0 |
| 49 Investment account | 336.5 | 338.8 | 337.1 | 333.7 | 329.8 | 330.0 | 328.1 | 325.9 | 326.6 | 326.6 | 324.7 | 325.9 |
| 50 Mortgage-backed securities | 218.5 | 219.0 | 217.6 | 212.1 | 207.8 | 208.1 | 210.2 | 210.5 | 210.4 | 210.7 | 210.2 | 210.6 |
| 51 Other | 118.0 | 119.8 | 119.5 | 121.5 | 122.0 | 121.8 | 117.9 | 115.5 | 116.2 | 115.9 | 114.5 | 115.4 |
| 52 One year or less | 21.8 | 31.0 | 30.8 | 30.8 | 31.8 | 32.6 | 31.3 | 31.9 | 32.2 | 32.3 | 31.0 | 32.2 |
| 53 One to five years | 57.6 | 52.4 | 53.2 | 54.0 | 53.0 | 52.6 | 50.4 | 48.8 | 49.5 | 49.3 | 48.0 | 48.6 |
| 54 More than five years | 38.6 | 36.4 | 35.5 | 36.7 | 37.1 | 36.7 | 36.2 | 34.8 | 34.5 | 34.3 | 35.5 | 34.6 |
| 55 Other securities | 194.5 | 215.9 | 215.4 | 213.1 | 217.7 | 228.7 | 226.6 | 230.2 | 225.7 | 228.5 | 232.8 | 234.8 |
| 56 Trading account | 82.1 | 101.2 | 100.2 | 97.2 | 102.5 | 114.5 | 112.7 | 116.0 | 111.9 | 114.4 | 118.9 | 119.9 |
| 57 Investment account | 112.4 | 114.7 | 115.2 | 115.8 | 115.2 | 114.2 | 113.9 | 114.2 | 113.8 | 114.1 | 113.9 | 114.9 |
| 58 State and local government | 24.3 | 25.3 | 25.5 | 25.6 | 25.6 | 25.7 | 26.1 | 26.6 | 26.3 | 26.6 | 26.9 | 26.9 |
| 59 Other | 88.1 | 89.3 | 89.7 | 90.3 | 89.6 | 88.5 | 87.6 | 87.6 | 87.6 | 87.5 | 87.0 | 88.1 |
| 60 Loans and leases in bank credit ² | 1,798.0 | 1,901.1 | 1,912.5 | 1,919.4 | 1,935.3 | 1,953.5 | 1,954.9 | 1,965.7 | 1,964.7 | 1,963.2 | 1,963.2 | 1,972.3 |
| 61 Commercial and industrial | 550.4 | 583.9 | 583.5 | 581.0 | 580.7 | 584.3 | 585.8 | 586.4 | 582.6 | 588.1 | 588.6 | 586.5 |
| 62 Bankers acceptances | 1.1 | 1.1 | 1.0 | 1.0 | 9 | 9 | 8 | 9 | 8 | 9 | 9 | 8 |
| 63 Other | 549.3 | 582.9 | 582.4 | 580.0 | 579.8 | 584.5 | 584.9 | 585.6 | 581.8 | 587.2 | 587.8 | 585.7 |
| 64 Real estate | 721.7 | 794.4 | 799.2 | 807.5 | 815.3 | 816.5 | 812.9 | 819.0 | 821.7 | 817.9 | 817.0 | 818.6 |
| 65 Revolving home equity | 64.9 | 73.8 | 74.6 | 75.7 | 76.6 | 75.5 | 77.3 | 78.4 | 78.1 | 78.3 | 78.4 | 78.6 |
| 66 Other | 395.3 | 440.2 | 444.2 | 452.1 | 457.3 | 459.8 | 453.8 | 457.1 | 460.8 | 456.0 | 454.9 | 456.0 |
| 67 Commercial | 261.5 | 280.4 | 280.4 | 279.7 | 281.4 | 281.2 | 281.8 | 283.6 | 282.7 | 283.6 | 283.7 | 284.0 |
| 68 Consumer | 215.8 | 226.5 | 226.3 | 226.5 | 229.3 | 231.1 | 231.2 | 233.3 | 232.3 | 232.4 | 232.8 | 235.6 |
| 69 Credit cards and related plans | n.a. | n.a. | n.a. | 72.0 | 73.1 | 74.2 | 74.2 | 75.7 | 74.9 | 75.1 | 75.4 | 77.6 |
| 70 Other | n.a. | n.a. | n.a. | 154.5 | 156.2 | 157.0 | 157.0 | 157.6 | 157.4 | 157.3 | 157.4 | 158.0 |
| 71 Security ³ | 64.3 | 56.4 | 61.6 | 60.5 | 64.0 | 71.1 | 72.6 | 71.6 | 71.1 | 68.6 | 70.8 | 74.9 |
| 72 Federal funds sold to and repurchase agreements with broker-dealers | 47.1 | 36.8 | 42.5 | 41.8 | 45.8 | 52.2 | 54.3 | 54.2 | 53.2 | 50.2 | 53.9 | 58.0 |
| 73 Other | 17.2 | 19.6 | 19.1 | 18.6 | 18.3 | 18.9 | 18.3 | 17.4 | 17.9 | 18.3 | 16.9 | 16.8 |
| 74 State and local government | 11.9 | 12.3 | 12.1 | 12.2 | 12.5 | 12.6 | 12.6 | 12.5 | 12.5 | 12.5 | 12.5 | 12.4 |
| 75 Agricultural | 9.0 | 9.4 | 9.5 | 9.6 | 9.6 | 9.6 | 9.5 | 9.6 | 9.5 | 9.5 | 9.6 | 9.6 |
| 76 Federal funds sold to and repurchase agreements with others | 12.2 | 13.2 | 13.5 | 12.8 | 14.4 | 17.0 | 17.7 | 20.2 | 20.1 | 20.0 | 20.7 | 21.1 |
| 77 All other loans | 95.5 | 84.6 | 84.3 | 85.0 | 84.3 | 86.2 | 85.2 | 85.4 | 87.1 | 85.2 | 83.5 | 85.7 |
| 78 Lease-financing receivables | 117.2 | 120.4 | 122.4 | 124.3 | 125.1 | 125.1 | 127.4 | 127.7 | 127.8 | 127.5 | 127.7 | 127.8 |
| 79 Interbank loans | 133.4 | 134.2 | 136.6 | 141.6 | 134.1 | 127.1 | 130.3 | 138.2 | 137.0 | 141.8 | 135.0 | 139.8 |
| 80 Federal funds sold to and repurchase agreements with commercial banks | 62.1 | 67.4 | 68.4 | 72.9 | 62.2 | 54.6 | 55.6 | 61.2 | 58.2 | 65.0 | 58.6 | 63.5 |
| 81 Other | 71.4 | 66.9 | 68.2 | 68.7 | 72.0 | 72.5 | 74.6 | 77.0 | 78.9 | 76.8 | 76.3 | 76.2 |
| 82 Cash assets ⁴ | 147.3 | 149.0 | 143.5 | 137.7 | 136.5 | 138.4 | 142.3 | 139.2 | 133.9 | 144.3 | 142.9 | 134.1 |
| 83 Other assets ⁵ | 230.0 | 227.2 | 227.1 | 242.7 | 243.3 | 247.4 | 255.0 | 253.1 | 254.5 | 254.5 | 248.7 | 253.9 |
| 84 Total assets⁶ | 2,823.5 | 2,953.4 | 2,960.0 | 2,975.6 | 2,984.2 | 3,011.9 | 3,023.0 | 3,038.4 | 3,027.8 | 3,043.3 | 3,033.9 | 3,046.6 |
| Liabilities | | | | | | | | | | | | |
| 85 Deposits | 1,611.3 | 1,630.1 | 1,633.5 | 1,628.4 | 1,618.8 | 1,626.4 | 1,631.6 | 1,634.1 | 1,632.1 | 1,649.8 | 1,633.0 | 1,617.1 |
| 86 Transaction | 322.7 | 310.2 | 308.2 | 299.1 | 294.3 | 296.9 | 297.9 | 297.3 | 280.8 | 302.9 | 306.2 | 301.1 |
| 87 Nontransaction | 1,288.6 | 1,319.8 | 1,325.3 | 1,329.2 | 1,324.5 | 1,329.5 | 1,333.8 | 1,336.8 | 1,351.3 | 1,346.8 | 1,326.8 | 1,316.0 |
| 88 Large time | 231.8 | 246.5 | 253.2 | 258.7 | 259.8 | 257.7 | 255.5 | 257.2 | 257.7 | 257.3 | 255.1 | 257.2 |
| 89 Other | 1,056.8 | 1,073.3 | 1,072.1 | 1,070.5 | 1,064.7 | 1,076.8 | 1,078.2 | 1,079.6 | 1,093.6 | 1,089.6 | 1,071.7 | 1,058.7 |
| 90 Borrowings | 588.4 | 660.3 | 658.1 | 663.8 | 658.9 | 661.2 | 663.0 | 668.1 | 667.9 | 660.8 | 659.3 | 683.6 |
| 91 From banks in the U.S. | 181.6 | 204.5 | 196.3 | 199.8 | 200.2 | 188.2 | 192.9 | 196.2 | 197.4 | 198.9 | 190.0 | 196.5 |
| 92 From nonbanks in the U.S. | 406.8 | 455.8 | 461.8 | 464.0 | 458.7 | 473.0 | 470.2 | 471.9 | 470.5 | 461.9 | 469.3 | 487.1 |
| 93 Net due to related foreign offices | 176.7 | 231.2 | 225.9 | 213.7 | 220.1 | 220.0 | 212.8 | 215.3 | 206.1 | 209.1 | 221.2 | 228.3 |
| 94 Other liabilities | 169.9 | 172.8 | 173.8 | 177.3 | 193.3 | 207.4 | 213.9 | 218.7 | 218.5 | 221.4 | 218.5 | 216.2 |
| 95 Total liabilities | 2,546.3 | 2,694.3 | 2,691.4 | 2,683.1 | 2,691.1 | 2,715.0 | 2,721.4 | 2,736.1 | 2,724.6 | 2,741.2 | 2,732.0 | 2,745.2 |
| 96 Residual (assets less liabilities) ⁷ | 277.2 | 259.1 | 268.6 | 292.5 | 293.1 | 296.8 | 301.6 | 302.2 | 303.3 | 302.2 | 302.0 | 301.4 |

Footnotes appear on p. A21.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities¹—Continued

D. Small domestically chartered commercial banks

Billions of dollars

| Account | | Monthly averages | | | | | | | Wednesday figures | | | |
|--|---------|-------------------|------------------|-------------------|-------------------|-------------------|--------------------|-------------------|-------------------|---------|---------|---------|
| | | 1999 | 2000 | | | | | | 2000 | | | |
| | | Nov. [†] | May [†] | June [†] | July [†] | Aug. [†] | Sept. [†] | Oct. [†] | Nov. | Nov. 8 | Nov. 15 | Nov. 22 |
| Seasonally adjusted | | | | | | | | | | | | |
| <i>Assets</i> | | | | | | | | | | | | |
| 1 Bank credit | 1,819.0 | 1,932.6 | 1,960.2 | 1,987.5 | 2,007.3 | 2,024.8 | 2,036.8 | 2,055.2 | 2,042.8 | 2,053.8 | 2,060.5 | 2,062.8 |
| 2 Securities in bank credit | 508.1 | 519.1 | 522.2 | 529.9 | 534.6 | 538.9 | 542.6 | 547.0 | 544.8 | 545.5 | 547.6 | 549.7 |
| 3 U.S. government securities | 369.3 | 376.3 | 377.5 | 378.1 | 375.2 | 373.9 | 372.9 | 372.5 | 372.9 | 372.3 | 372.6 | 372.1 |
| 4 Other securities | 138.9 | 142.8 | 144.7 | 151.8 | 159.4 | 165.0 | 169.7 | 174.5 | 171.9 | 173.2 | 175.0 | 177.6 |
| 5 Loans and leases in bank credit ² | 1,310.8 | 1,413.5 | 1,438.0 | 1,457.6 | 1,472.6 | 1,485.9 | 1,494.2 | 1,508.2 | 1,498.0 | 1,508.3 | 1,512.9 | 1,513.1 |
| 6 Commercial and industrial | 251.4 | 272.3 | 277.1 | 283.8 | 286.8 | 288.8 | 291.2 | 294.2 | 292.8 | 294.4 | 295.0 | 294.8 |
| 7 Real estate | 702.2 | 764.8 | 776.3 | 783.6 | 787.8 | 796.6 | 802.8 | 810.7 | 806.3 | 809.5 | 812.2 | 814.5 |
| 8 Revolving home equity | 36.1 | 40.6 | 41.2 | 41.6 | 42.0 | 45.0 | 46.4 | 46.8 | 46.6 | 46.8 | 46.8 | 46.9 |
| 9 Other | 666.2 | 724.2 | 735.1 | 741.9 | 745.8 | 751.6 | 756.4 | 763.9 | 759.7 | 762.7 | 765.4 | 767.5 |
| 10 Consumer | 265.1 | 282.3 | 288.2 | 290.6 | 296.9 | 299.3 | 298.0 | 300.2 | 295.7 | 301.5 | 303.0 | 300.9 |
| 11 Security ³ | 6.7 | 6.2 | 6.5 | 6.8 | 7.2 | 7.2 | 7.5 | 7.5 | 7.7 | 7.7 | 7.3 | 7.3 |
| 12 Other loans and leases | 85.5 | 87.9 | 89.9 | 92.8 | 93.9 | 94.0 | 94.7 | 95.5 | 95.4 | 95.3 | 95.3 | 95.7 |
| 13 Interbank loans | 65.7 | 65.6 | 67.2 | 75.4 | 84.5 | 85.3 | 86.7 | 82.6 | 84.9 | 84.3 | 81.0 | 79.3 |
| 14 Cash assets ⁴ | 81.7 | 80.8 | 79.1 | 81.3 | 81.7 | 82.2 | 82.5 | 78.7 | 76.3 | 77.6 | 83.7 | 76.1 |
| 15 Other assets ⁵ | 98.9 | 112.9 | 111.9 | 110.9 | 110.2 | 108.9 | 112.2 | 107.8 | 107.4 | 105.6 | 111.8 | 105.7 |
| 16 Total assets ⁶ | 2,041.8 | 2,167.2 | 2,193.3 | 2,229.3 | 2,257.4 | 2,274.6 | 2,291.6 | 2,297.5 | 2,284.9 | 2,294.7 | 2,310.2 | 2,297.2 |
| <i>Liabilities</i> | | | | | | | | | | | | |
| 17 Deposits | 1,531.2 | 1,605.3 | 1,643.4 | 1,696.5 | 1,723.5 | 1,749.0 | 1,765.4 | 1,770.9 | 1,760.0 | 1,771.1 | 1,779.8 | 1,769.0 |
| 18 Transaction | 297.6 | 301.4 | 296.2 | 297.9 | 301.8 | 299.4 | 300.2 | 295.7 | 286.0 | 293.9 | 305.1 | 298.6 |
| 19 Nontransaction | 1,233.6 | 1,303.8 | 1,347.2 | 1,398.7 | 1,421.7 | 1,449.6 | 1,465.2 | 1,475.2 | 1,474.0 | 1,477.2 | 1,474.7 | 1,470.3 |
| 20 Large time | 236.3 | 258.2 | 267.4 | 277.7 | 283.4 | 287.3 | 289.8 | 292.7 | 291.5 | 292.1 | 293.6 | 293.4 |
| 21 Other | 997.3 | 1,045.7 | 1,079.8 | 1,120.9 | 1,138.3 | 1,162.3 | 1,175.4 | 1,182.6 | 1,182.5 | 1,185.0 | 1,181.2 | 1,177.0 |
| 22 Borrowings | 295.3 | 346.3 | 344.6 | 340.7 | 339.7 | 334.2 | 327.6 | 323.4 | 325.1 | 322.6 | 321.3 | 323.5 |
| 23 From banks in the U.S. | 146.7 | 163.7 | 162.2 | 164.1 | 164.8 | 161.9 | 153.9 | 151.9 | 152.4 | 152.5 | 149.8 | 152.1 |
| 24 From others | 148.6 | 182.5 | 182.4 | 176.6 | 174.9 | 172.3 | 173.7 | 171.5 | 172.7 | 170.1 | 171.5 | 171.4 |
| 25 Net due to related foreign offices | 4.5 | 6.0 | 9.1 | 22.4 | 23.7 | 20.4 | 23.3 | 23.5 | 21.8 | 23.2 | 25.3 | 24.7 |
| 26 Other liabilities | 60.0 | 58.9 | 54.8 | 45.5 | 46.3 | 47.7 | 49.2 | 50.5 | 50.1 | 49.9 | 51.3 | 50.7 |
| 27 Total liabilities | 1,891.1 | 2,016.4 | 2,051.9 | 2,105.1 | 2,133.1 | 2,151.2 | 2,165.4 | 2,168.3 | 2,157.0 | 2,166.8 | 2,177.6 | 2,167.9 |
| 28 Residual (assets less liabilities) ⁷ | 150.7 | 150.9 | 141.4 | 124.2 | 124.2 | 123.4 | 126.2 | 129.2 | 127.9 | 127.9 | 132.5 | 129.4 |
| Not seasonally adjusted | | | | | | | | | | | | |
| <i>Assets</i> | | | | | | | | | | | | |
| 29 Bank credit | 1,818.7 | 1,939.4 | 1,965.6 | 1,988.3 | 2,010.7 | 2,029.2 | 2,038.8 | 2,055.6 | 2,044.7 | 2,054.0 | 2,060.5 | 2,063.1 |
| 30 Securities in bank credit | 506.5 | 522.9 | 524.1 | 529.0 | 534.2 | 537.6 | 540.0 | 545.4 | 543.3 | 543.5 | 546.1 | 548.6 |
| 31 U.S. government securities | 367.5 | 379.5 | 379.7 | 377.9 | 374.6 | 373.0 | 370.3 | 370.8 | 371.2 | 370.2 | 370.9 | 370.7 |
| 32 Other securities | 138.9 | 143.3 | 144.4 | 151.1 | 159.6 | 164.5 | 169.7 | 174.6 | 172.1 | 173.3 | 175.1 | 177.9 |
| 33 Loans and leases in bank credit ² | 1,312.2 | 1,416.6 | 1,441.5 | 1,459.3 | 1,476.5 | 1,491.7 | 1,498.8 | 1,510.2 | 1,501.4 | 1,510.5 | 1,514.4 | 1,514.5 |
| 34 Commercial and industrial | 250.4 | 274.9 | 279.1 | 283.9 | 284.9 | 287.1 | 290.9 | 292.7 | 292.0 | 292.7 | 293.2 | 293.3 |
| 35 Real estate | 704.1 | 765.1 | 777.3 | 784.6 | 790.6 | 799.7 | 806.2 | 813.4 | 810.5 | 812.7 | 814.5 | 816.0 |
| 36 Revolving home equity | 36.3 | 40.5 | 41.1 | 41.4 | 41.9 | 45.5 | 46.7 | 47.2 | 47.1 | 47.2 | 47.2 | 47.3 |
| 37 Other | 667.8 | 724.6 | 736.2 | 743.2 | 748.7 | 754.2 | 759.5 | 766.2 | 763.4 | 765.5 | 767.3 | 768.8 |
| 38 Consumer | 265.5 | 282.4 | 287.9 | 289.6 | 297.6 | 301.0 | 297.7 | 300.8 | 295.3 | 301.7 | 304.2 | 302.3 |
| 39 Credit cards and related plans | n.a. | n.a. | n.a. | 123.1 | 129.6 | 131.8 | 128.6 | 131.1 | 125.8 | 132.1 | 134.4 | 132.4 |
| 40 Other | n.a. | n.a. | n.a. | 166.5 | 168.0 | 169.2 | 169.1 | 169.7 | 169.5 | 169.6 | 169.8 | 169.9 |
| 41 Security ³ | 6.7 | 6.2 | 6.5 | 6.8 | 7.2 | 7.2 | 7.5 | 7.5 | 7.7 | 7.7 | 7.3 | 7.3 |
| 42 Other loans and leases | 85.6 | 87.9 | 90.7 | 94.4 | 96.2 | 96.6 | 96.6 | 95.7 | 95.9 | 95.7 | 95.2 | 95.6 |
| 43 Interbank loans | 70.5 | 62.0 | 63.9 | 71.3 | 80.4 | 82.5 | 86.4 | 89.3 | 93.9 | 91.6 | 85.8 | 84.5 |
| 44 Cash assets ⁴ | 84.7 | 80.6 | 78.5 | 80.0 | 78.9 | 81.8 | 82.2 | 81.9 | 76.6 | 83.1 | 84.7 | 82.7 |
| 45 Other assets ⁵ | 100.1 | 112.0 | 111.7 | 112.8 | 111.9 | 108.5 | 112.1 | 109.2 | 110.4 | 108.0 | 110.1 | 107.8 |
| 46 Total assets ⁶ | 2,050.6 | 2,169.4 | 2,194.6 | 2,226.5 | 2,255.7 | 2,275.4 | 2,293.0 | 2,309.4 | 2,299.3 | 2,310.1 | 2,314.4 | 2,311.4 |
| <i>Liabilities</i> | | | | | | | | | | | | |
| 47 Deposits | 1,542.2 | 1,604.5 | 1,640.7 | 1,691.2 | 1,718.8 | 1,746.9 | 1,768.3 | 1,783.9 | 1,777.3 | 1,787.7 | 1,786.0 | 1,781.3 |
| 48 Transaction | 301.2 | 299.0 | 296.7 | 295.3 | 297.3 | 297.2 | 297.9 | 299.4 | 288.6 | 299.6 | 304.5 | 305.7 |
| 49 Nontransaction | 1,241.0 | 1,305.6 | 1,344.0 | 1,396.0 | 1,421.5 | 1,449.8 | 1,470.4 | 1,484.5 | 1,488.7 | 1,488.1 | 1,481.4 | 1,475.6 |
| 50 Large time | 236.3 | 258.2 | 267.4 | 277.7 | 283.4 | 287.3 | 289.8 | 292.7 | 291.5 | 292.1 | 293.6 | 293.4 |
| 51 Other | 1,004.7 | 1,047.4 | 1,076.6 | 1,118.2 | 1,138.1 | 1,162.5 | 1,180.6 | 1,191.8 | 1,197.2 | 1,196.0 | 1,187.9 | 1,182.2 |
| 52 Borrowings | 296.6 | 347.6 | 346.5 | 343.1 | 342.8 | 340.0 | 330.5 | 325.5 | 323.4 | 323.9 | 324.6 | 329.2 |
| 53 From banks in the U.S. | 147.2 | 163.1 | 163.9 | 166.5 | 167.7 | 165.5 | 156.5 | 152.9 | 151.7 | 153.0 | 151.3 | 154.7 |
| 54 From others | 149.5 | 184.5 | 182.6 | 176.6 | 175.1 | 174.5 | 174.0 | 172.6 | 171.6 | 170.9 | 173.4 | 174.4 |
| 55 Net due to related foreign offices | 4.5 | 6.0 | 9.1 | 22.4 | 23.7 | 20.4 | 23.3 | 23.5 | 21.8 | 23.2 | 25.3 | 24.7 |
| 56 Other liabilities | 60.0 | 58.9 | 54.5 | 44.8 | 46.2 | 47.4 | 48.8 | 50.5 | 50.1 | 50.0 | 51.1 | 50.8 |
| 57 Total liabilities | 1,903.4 | 2,017.0 | 2,050.9 | 2,101.5 | 2,131.6 | 2,154.8 | 2,170.9 | 2,183.3 | 2,172.5 | 2,184.7 | 2,187.0 | 2,185.9 |
| 58 Residual (assets less liabilities) ⁷ | 147.2 | 152.4 | 143.7 | 125.0 | 124.1 | 120.6 | 122.1 | 126.1 | 126.8 | 125.4 | 127.4 | 125.5 |

Footnotes appear on p. A21.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities¹—Continued

E. Foreign-related institutions

Billions of dollars

| Account | Monthly averages | | | | | | | | Wednesday figures | | | |
|--|---------------------|------------------|-------------------|-------------------|-------------------|--------------------|-------------------|-------|-------------------|---------|---------|---------|
| | 1999 | 2000 | | | | | | | 2000 | | | |
| | Nov. ^f | May ^f | June ^f | July ^f | Aug. ^f | Sept. ^f | Oct. ^f | Nov. | Nov. 8 | Nov. 15 | Nov. 22 | Nov. 29 |
| | Seasonally adjusted | | | | | | | | | | | |
| Assets | | | | | | | | | | | | |
| 1 Bank credit | 541.8 | 588.4 | 581.4 | 582.0 | 586.5 | 593.8 | 580.4 | 574.9 | 574.6 | 566.1 | 576.7 | 578.7 |
| 2 Securities in bank credit | 197.0 | 214.8 | 209.9 | 209.8 | 210.3 | 208.4 | 191.7 | 183.5 | 184.2 | 180.9 | 185.5 | 181.4 |
| 3 U.S. government securities | 79.7 | 79.4 | 78.4 | 79.1 | 79.2 | 76.8 | 69.1 | 65.6 | 67.0 | 65.6 | 65.4 | 63.8 |
| 4 Other securities | 117.3 | 135.4 | 131.5 | 130.7 | 131.1 | 131.7 | 122.6 | 117.9 | 117.2 | 115.3 | 120.1 | 117.6 |
| 5 Loans and leases in bank credit ² | 344.8 | 373.6 | 371.4 | 372.2 | 376.2 | 385.4 | 388.8 | 391.4 | 390.4 | 385.2 | 391.2 | 397.3 |
| 6 Commercial and industrial | 196.2 | 206.4 | 206.7 | 205.0 | 206.6 | 204.4 | 201.8 | 201.9 | 201.7 | 201.9 | 201.4 | 202.3 |
| 7 Real estate | 17.5 | 18.3 | 18.6 | 18.7 | 18.9 | 19.4 | 18.8 | 19.4 | 19.3 | 19.4 | 19.5 | 19.4 |
| 8 Security ³ | 65.4 | 80.8 | 80.8 | 81.5 | 81.8 | 94.3 | 102.1 | 103.2 | 103.1 | 98.0 | 102.2 | 108.2 |
| 9 Other loans and leases | 65.7 | 68.1 | 65.3 | 67.0 | 69.0 | 67.3 | 66.1 | 67.0 | 66.4 | 66.0 | 68.0 | 67.3 |
| 10 Interbank loans | 24.1 | 30.4 | 26.3 | 23.5 | 22.5 | 24.2 | 27.8 | 27.7 | 27.1 | 26.5 | 25.3 | 31.5 |
| 11 Cash assets ⁴ | 48.5 | 44.4 | 45.4 | 45.9 | 45.2 | 45.5 | 43.0 | 39.5 | 39.7 | 40.6 | 39.0 | 38.4 |
| 12 Other assets ⁵ | 34.3 | 40.3 | 42.6 | 41.8 | 40.9 | 39.4 | 36.0 | 34.6 | 35.3 | 33.6 | 34.0 | 35.6 |
| 13 Total assets ⁶ | 648.4 | 703.2 | 695.3 | 692.9 | 694.7 | 702.6 | 686.9 | 676.3 | 676.4 | 666.5 | 674.6 | 683.8 |
| Liabilities | | | | | | | | | | | | |
| 14 Deposits | 357.5 | 383.6 | 385.1 | 390.3 | 395.6 | 388.3 | 384.4 | 382.8 | 384.1 | 383.0 | 384.2 | 379.9 |
| 15 Transaction | 10.6 | 11.1 | 11.3 | 11.3 | 10.8 | 9.7 | 10.4 | 10.5 | 10.7 | 10.3 | 10.6 | 10.3 |
| 16 Nontransaction | 346.9 | 372.5 | 373.8 | 379.1 | 384.8 | 378.6 | 374.0 | 372.4 | 373.5 | 372.7 | 373.6 | 369.6 |
| 17 Borrowings | 183.1 | 202.8 | 202.6 | 202.5 | 198.9 | 214.3 | 218.6 | 222.0 | 226.2 | 214.5 | 216.4 | 226.7 |
| 18 From banks in the U.S. | 25.0 | 18.1 | 19.2 | 21.0 | 17.0 | 19.3 | 18.9 | 19.5 | 24.2 | 19.5 | 14.7 | 18.4 |
| 19 From others | 158.1 | 184.8 | 183.4 | 181.5 | 181.9 | 194.9 | 199.7 | 202.5 | 202.0 | 195.0 | 201.7 | 208.3 |
| 20 Net due to related foreign offices | 45.1 | 21.9 | 20.2 | 18.2 | 23.4 | 24.3 | 16.7 | 6.1 | 4.2 | 8.0 | 4.8 | 7.7 |
| 21 Other liabilities | 64.8 | 78.7 | 72.0 | 73.7 | 73.0 | 76.6 | 75.8 | 70.2 | 71.4 | 68.1 | 71.4 | 69.1 |
| 22 Total liabilities | 650.4 | 687.0 | 679.9 | 684.8 | 690.8 | 703.4 | 695.4 | 681.1 | 686.0 | 673.6 | 676.8 | 683.4 |
| 23 Residual (assets less liabilities) ⁷ | -2.0 | 16.2 | 15.4 | 8.1 | 3.9 | -9 | -8.5 | -4.8 | -9.6 | -7.0 | -2.2 | .3 |
| Not seasonally adjusted | | | | | | | | | | | | |
| Assets | | | | | | | | | | | | |
| 24 Bank credit | 554.8 | 579.7 | 571.4 | 571.1 | 576.7 | 593.1 | 589.3 | 589.0 | 589.3 | 580.6 | 590.3 | 592.6 |
| 25 Securities in bank credit | 206.9 | 211.5 | 203.7 | 202.7 | 204.5 | 208.6 | 199.2 | 194.2 | 195.7 | 192.4 | 196.0 | 191.1 |
| 26 U.S. government securities | 81.2 | 80.4 | 78.5 | 78.1 | 77.6 | 74.7 | 68.7 | 66.9 | 68.7 | 67.0 | 66.0 | 65.3 |
| 27 Trading account | 8.5 | 12.4 | 12.0 | 12.0 | 13.9 | 14.2 | 11.9 | 11.0 | 12.1 | 11.1 | 10.1 | 10.1 |
| 28 Investment account | 72.8 | 68.0 | 66.5 | 66.1 | 63.7 | 60.4 | 56.9 | 55.9 | 56.6 | 55.9 | 55.9 | 55.2 |
| 29 Other securities | 125.6 | 131.1 | 125.2 | 124.6 | 126.9 | 133.9 | 130.5 | 127.3 | 126.9 | 125.4 | 130.0 | 125.8 |
| 30 Trading account | 84.4 | 86.9 | 81.4 | 80.7 | 82.4 | 91.0 | 89.9 | 87.3 | 86.3 | 85.2 | 90.7 | 85.9 |
| 31 Investment account | 41.3 | 44.2 | 43.8 | 43.9 | 44.6 | 42.9 | 40.6 | 40.0 | 40.7 | 40.2 | 39.2 | 39.9 |
| 32 Loans and leases in bank credit ² | 347.9 | 368.2 | 367.8 | 368.4 | 372.1 | 384.5 | 390.1 | 394.8 | 393.6 | 388.3 | 394.3 | 401.5 |
| 33 Commercial and industrial | 199.1 | 202.1 | 203.4 | 202.5 | 203.9 | 204.4 | 203.2 | 205.2 | 204.7 | 205.2 | 204.9 | 205.9 |
| 34 Real estate | 17.6 | 18.2 | 18.5 | 18.5 | 18.7 | 19.2 | 19.1 | 19.4 | 19.5 | 19.4 | 19.5 | 19.4 |
| 35 Security ³ | 64.8 | 80.7 | 81.1 | 81.3 | 81.9 | 94.2 | 101.4 | 102.5 | 102.5 | 96.9 | 101.4 | 107.9 |
| 36 Other loans and leases | 66.3 | 67.2 | 64.8 | 66.2 | 67.6 | 66.7 | 66.3 | 67.7 | 67.0 | 66.8 | 68.5 | 68.4 |
| 37 Interbank loans | 24.1 | 30.4 | 26.3 | 23.5 | 22.5 | 24.2 | 27.8 | 27.7 | 27.1 | 26.5 | 25.3 | 31.5 |
| 38 Cash assets ⁴ | 51.4 | 43.3 | 44.7 | 44.2 | 43.7 | 44.6 | 43.9 | 41.9 | 41.5 | 43.5 | 41.1 | 41.4 |
| 39 Other assets ⁵ | 34.4 | 39.7 | 40.4 | 39.9 | 40.2 | 38.7 | 35.3 | 34.7 | 35.2 | 33.1 | 34.1 | 36.2 |
| 40 Total assets ⁶ | 664.3 | 692.8 | 682.4 | 678.4 | 682.7 | 700.2 | 695.9 | 692.9 | 692.8 | 683.4 | 690.4 | 701.3 |
| Liabilities | | | | | | | | | | | | |
| 41 Deposits | 360.2 | 384.4 | 380.8 | 381.5 | 383.6 | 381.9 | 379.9 | 386.1 | 385.5 | 385.4 | 388.1 | 385.6 |
| 42 Transaction | 10.7 | 10.7 | 11.0 | 11.2 | 10.7 | 10.2 | 10.6 | 10.6 | 10.6 | 10.6 | 10.6 | 10.6 |
| 43 Nontransaction | 349.4 | 373.8 | 369.8 | 370.4 | 372.9 | 371.8 | 369.4 | 375.5 | 374.9 | 374.8 | 377.5 | 375.0 |
| 44 Borrowings | 183.1 | 202.8 | 202.6 | 202.5 | 198.9 | 214.3 | 218.6 | 222.0 | 226.2 | 214.5 | 216.4 | 226.7 |
| 45 From banks in the U.S. | 25.0 | 18.1 | 19.2 | 21.0 | 17.0 | 19.3 | 18.9 | 19.5 | 24.2 | 19.5 | 14.7 | 18.4 |
| 46 From others | 158.1 | 184.8 | 183.4 | 181.5 | 181.9 | 194.9 | 199.7 | 202.5 | 202.0 | 195.0 | 201.7 | 208.3 |
| 47 Net due to related foreign offices | 46.9 | 17.7 | 18.8 | 17.3 | 23.2 | 23.6 | 16.9 | 7.7 | 3.6 | 8.8 | 7.3 | 12.0 |
| 48 Other liabilities | 65.8 | 77.2 | 70.5 | 72.1 | 72.6 | 76.2 | 75.2 | 71.2 | 71.7 | 69.0 | 72.6 | 70.8 |
| 49 Total liabilities | 655.9 | 682.2 | 672.6 | 673.5 | 678.3 | 696.0 | 690.6 | 687.0 | 687.1 | 677.7 | 684.4 | 695.1 |
| 50 Residual (assets less liabilities) ⁷ | 8.4 | 10.6 | 9.7 | 4.9 | 4.3 | 4.3 | 5.3 | 5.9 | 5.6 | 5.7 | 6.0 | 6.3 |

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities¹—Continued

E. Foreign-related institutions—Continued

Billions of dollars

| Account | Monthly averages | | | | | | | | Wednesday figures | | | |
|--|-------------------------|------------------|-------------------|-------------------|-------------------|--------------------|-------------------|-------|-------------------|---------|---------|---------|
| | 1999 | 2000 | | | | | | | 2000 | | | |
| | Nov. ^r | May ^r | June ^r | July ^r | Aug. ^r | Sept. ^r | Oct. ^r | Nov. | Nov. 8 | Nov. 15 | Nov. 22 | Nov. 29 |
| | Not seasonally adjusted | | | | | | | | | | | |
| MEMO | | | | | | | | | | | | |
| Large domestically chartered banks, adjusted for mergers | | | | | | | | | | | | |
| 51 Revaluation gains on off-balance-sheet items ⁸ | 59.6 | 72.4 | 68.3 | 63.1 | 66.5 | 74.4 | 70.9 | 68.0 | 67.7 | 66.6 | 68.4 | 69.1 |
| 52 Revaluation losses on off-balance- sheet items ⁸ | 59.7 | 72.9 | 68.5 | 62.9 | 67.3 | 73.9 | 72.8 | 72.6 | 72.0 | 71.1 | 73.4 | 73.4 |
| 53 Mortgage-backed securities ⁹ | 251.0 | 252.6 | 250.0 | 242.2 | 237.8 | 238.0 | 239.4 | 239.6 | 239.6 | 239.5 | 239.1 | 240.1 |
| 54 Pass-through | 173.0 | 178.0 | 177.7 | 173.0 | 169.8 | 170.3 | 173.2 | 173.6 | 173.0 | 173.7 | 173.5 | 174.3 |
| 55 CMO, REMIC, and other | 78.0 | 74.6 | 72.2 | 69.2 | 68.1 | 67.6 | 66.2 | 65.9 | 66.5 | 65.8 | 65.6 | 65.8 |
| 56 Net unrealized gains (losses) on available-for-sale securities ¹⁰ | -11.0 | -10.3 | -8.7 | -11.5 | -10.8 | -9.7 | -8.7 | -8.0 | -8.3 | -8.1 | -8.1 | -7.8 |
| 57 Off-shore credit to U.S. residents ¹¹ | 24.8 | 23.5 | 22.4 | 22.2 | 22.1 | 22.1 | 22.3 | 23.1 | 23.0 | 23.6 | 23.0 | 23.0 |
| 58 Securitized consumer loans ¹² | n.a. | n.a. | n.a. | 87.4 | 86.6 | 85.9 | 80.8 | 80.5 | 80.4 | 80.1 | 80.6 | 80.6 |
| 59 Credit cards and related plans | n.a. | n.a. | n.a. | 72.4 | 72.0 | 71.8 | 67.2 | 67.3 | 67.1 | 66.9 | 67.5 | 67.5 |
| 60 Other | n.a. | n.a. | n.a. | 15.0 | 14.6 | 14.1 | 13.6 | 13.2 | 13.4 | 13.2 | 13.1 | 13.1 |
| 61 Securitized business loans ¹² | n.a. | n.a. | n.a. | 17.0 | 16.2 | 15.3 | 15.2 | 17.8 | 17.6 | 17.6 | 17.5 | 18.6 |
| Small domestically chartered commercial banks, adjusted for mergers | | | | | | | | | | | | |
| 62 Mortgage-backed securities ⁹ | 197.1 | 206.8 | 207.7 | 207.7 | 210.4 | 212.0 | 213.2 | 214.4 | 214.0 | 213.8 | 215.9 | 213.9 |
| 63 Securitized consumer loans ¹² | n.a. | n.a. | n.a. | 220.5 | 220.8 | 221.5 | 223.7 | 224.6 | 226.4 | 223.1 | 223.5 | 225.3 |
| 64 Credit cards and related plans | n.a. | n.a. | n.a. | 211.5 | 212.0 | 212.9 | 214.0 | 214.7 | 216.5 | 213.2 | 213.6 | 215.5 |
| 65 Other | n.a. | n.a. | n.a. | 9.0 | 8.8 | 8.6 | 9.7 | 9.9 | 9.9 | 9.9 | 9.9 | 9.8 |
| Foreign-related institutions | | | | | | | | | | | | |
| 66 Revaluation gains on off-balance- sheet items ⁸ | 44.8 | 51.2 | 44.7 | 41.4 | 43.0 | 48.6 | 47.5 | 44.8 | 45.3 | 44.0 | 46.3 | 43.2 |
| 67 Revaluation losses on off-balance- sheet items ⁸ | 42.9 | 47.7 | 40.7 | 38.2 | 40.1 | 45.3 | 44.6 | 40.8 | 41.2 | 40.1 | 42.2 | 39.2 |
| 68 Securitized business loans ¹² | n.a. | n.a. | n.a. | 23.9 | 23.7 | 23.1 | 23.0 | 22.8 | 22.8 | 22.8 | 23.0 | 22.4 |

NOTE: Tables 1.26, 1.27, and 1.28 have been revised to reflect changes in the Board's H.8 statistical release, "Assets and Liabilities of Commercial Banks in the United States." Table 1.27, "Assets and Liabilities of Large Weekly Reporting Commercial Banks," and table 1.28, "Large Weekly Reporting U.S. Branches and Agencies of Foreign Banks," are no longer being published in the *Bulletin*. Instead, abbreviated balance sheets for both large and small domestically chartered banks have been included in table 1.26, parts C and D. Data are both merger-adjusted and break-adjusted. In addition, data from large weekly reporting U.S. branches and agencies of foreign banks have been replaced by balance sheet estimates of all foreign-related institutions and are included in table 1.26, part E. These data are break-adjusted.

The not-seasonally-adjusted data for all tables now contain additional balance sheet items, which were available as of October 2, 1996.

1. Covers the following types of institutions in the fifty states and the District of Columbia: domestically chartered commercial banks that submit a weekly report of condition (large domestic); other domestically chartered commercial banks (small domestic); branches and agencies of foreign banks, and Edge Act and agreement corporations (foreign-related institutions). Excludes International Banking Facilities. Data are Wednesday values or *pro rata* averages of Wednesday values. Large domestic banks constitute a universe; data for small domestic banks and foreign-related institutions are estimates based on weekly samples and on quarter-end condition reports. Data are adjusted for breaks caused by reclassifications of assets and liabilities.

The data for large and small domestic banks presented on pp. A17-19 are adjusted to remove the estimated effects of mergers between these two groups. The adjustment for mergers changes past levels to make them comparable with current levels. Estimated quantities of balance sheet items acquired in mergers are removed from past data for the bank group that contained the acquired bank and put into past data for the group containing the

acquiring bank. Balance sheet data for acquired banks are obtained from Call Reports, and a ratio procedure is used to adjust past levels.

2. Excludes federal funds sold to, reverse RPs with, and loans made to commercial banks in the United States, all of which are included in "interbank loans."

3. Consists of reverse RPs with brokers and dealers and loans to purchase and carry securities.

4. Includes vault cash, cash items in process of collection, balances due from depository institutions, and balances due from Federal Reserve Banks.

5. Excludes the due-from position with related foreign offices, which is included in "Net due to related foreign offices."

6. Excludes unearned income, reserves for losses on loans and leases, and reserves for transfer risk. Loans are reported gross of these items.

7. This balancing item is not intended as a measure of equity capital for use in capital adequacy analysis. On a seasonally adjusted basis, this item reflects any differences in the seasonal patterns estimated for total assets and total liabilities.

8. Fair value of derivative contracts (interest rate, foreign exchange rate, other commodity and equity contracts) in a gain/loss position, as determined under FASB Interpretation No. 39.

9. Includes mortgage-backed securities issued by U.S. government agencies, U.S. government-sponsored enterprises, and private entities.

10. Difference between fair value and historical cost for securities classified as available-for-sale under FASB Statement No. 115. Data are reported net of tax effects. Data shown are restated to include an estimate of these tax effects.

11. Mainly commercial and industrial loans but also includes an unknown amount of credit extended to other than nonfinancial businesses.

12. Total amount outstanding.

1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

A. Commercial Paper

Millions of dollars, seasonally adjusted, end of period

| Item | Year ending December | | | | | 2000 | | | | | |
|---|----------------------|---------|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 1995 | 1996 | 1997 | 1998 | 1999 | May | June | July | Aug. | Sept. | Oct. |
| 1 All issuers | 674,904 | 775,371 | 966,699 | 1,163,303 | 1,403,023 | 1,497,712 | 1,516,205 | 1,551,668 | 1,559,054 | 1,557,700 | 1,587,591 |
| Financial companies ¹ | | | | | | | | | | | |
| 2 Dealer-placed paper, total ² | 275,815 | 361,147 | 513,307 | 614,142 | 786,643 | 884,299 | 884,578 | 900,651 | 905,634 | 899,853 | 912,739 |
| 3 Directly placed paper, total ³ | 210,829 | 229,662 | 252,536 | 322,030 | 337,240 | 302,305 | 300,718 | 309,076 | 303,307 | 315,039 | 328,049 |
| 4 Nonfinancial companies ⁴ | 188,260 | 184,563 | 200,857 | 227,132 | 279,140 | 311,109 | 330,909 | 341,941 | 350,113 | 342,809 | 346,803 |

1. Institutions engaged primarily in 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. As reported by financial companies that place their paper directly with investors.

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

B. Bankers Dollar Acceptances¹Millions of dollars, not seasonally adjusted, year ending September²

| Item | 1997 | 1998 | 1999 | 2000 |
|---|--------|--------|--------|-------|
| 1 Total amount of reporting banks' acceptances in existence | 25,774 | 14,363 | 10,094 | 9,881 |
| 2 Amount of other banks' eligible acceptances held by reporting banks | 736 | 523 | 461 | 462 |
| 3 Amount of own eligible acceptances held by reporting banks (included in item 1) | 6,862 | 4,884 | 4,261 | 3,789 |
| 4 Amount of eligible acceptances representing goods stored in, or shipped between, foreign countries (included in item 1) | 10,467 | 5,413 | 3,498 | 3,689 |

1. Includes eligible, dollar-denominated bankers acceptances legally payable in the United States. Eligible acceptances are those that are eligible for discount by Federal Reserve Banks; that is, those acceptances that meet the criteria of Paragraph 7 of Section 13 of the Federal Reserve Act (12 U.S.C. §372).

2. Data on bankers dollar acceptances are gathered from approximately 40 institutions; includes U.S. chartered commercial banks (domestic and foreign offices), U.S. branches and agencies of foreign banks, and Edge and agreement corporations. The reporting group is revised every year.

1.33 PRIME RATE CHARGED BY BANKS Short-Term Business Loans¹

Percent per year

| Date of change | Rate | Period | Average rate | Period | Average rate | Period | Average rate |
|-------------------|------|----------------|--------------|----------------|--------------|----------------|--------------|
| 1998—Jan. 1 | 8.50 | 1998 | 8.35 | 1999—Jan. | 7.75 | 2000—Jan. | 8.50 |
| Sept. 30 | 8.25 | 1999 | 8.00 | Feb. | 7.75 | Feb. | 8.73 |
| Oct. 16 | 8.00 | 2000 | 9.23 | Mar. | 7.75 | Mar. | 8.83 |
| Nov. 18 | 7.75 | | | Apr. | 7.75 | Apr. | 9.00 |
| | | 1998—Jan. | 8.50 | May | 7.75 | May | 9.24 |
| 1999—July 1 | 8.00 | Feb. | 8.50 | June | 7.75 | June | 9.50 |
| Aug. 25 | 8.25 | Mar. | 8.50 | July | 8.00 | July | 9.50 |
| Nov. 17 | 8.50 | Apr. | 8.50 | Aug. | 8.06 | Aug. | 9.50 |
| | | May | 8.50 | Sept. | 8.25 | Sept. | 9.50 |
| 2000—Feb. 3 | 8.75 | June | 8.50 | Oct. | 8.25 | Oct. | 9.50 |
| Mar. 22 | 9.00 | July | 8.50 | Nov. | 8.37 | Nov. | 9.50 |
| May 17 | 9.50 | Aug. | 8.50 | Dec. | 8.50 | Dec. | 9.50 |
| | | Sept. | 8.49 | | | | |
| | | Oct. | 8.12 | | | | |
| | | Nov. | 7.89 | | | | |
| | | Dec. | 7.75 | | | | |

1. The prime rate is one of several base rates that banks use to price short-term business loans. The table shows the date on which a new rate came to be the predominant one quoted by a majority of the twenty-five largest banks by asset size, based on the most recent Call

Report. Data in this table also appear in the Board's H.15 (519) weekly and G.13 (415) monthly statistical releases. For ordering address, see inside front cover.

1.35 INTEREST RATES Money and Capital Markets

Percent per year; figures are averages of business day data unless otherwise noted

| Item | 1997 | 1998 | 1999 | 2000 | | | | 2000, week ending | | | | |
|--|------|------|------|------|-------|------|------|-------------------|--------|---------|---------|---------|
| | | | | Aug. | Sept. | Oct. | Nov. | Oct. 27 | Nov. 3 | Nov. 10 | Nov. 17 | Nov. 24 |
| MONEY MARKET INSTRUMENTS | | | | | | | | | | | | |
| 1 Federal funds ^{1,2,3} | 5.46 | 5.35 | 4.97 | 6.50 | 6.52 | 6.51 | 6.51 | 6.51 | 6.55 | 6.49 | 6.52 | 6.51 |
| 2 Discount window borrowing ^{2,4} | 5.00 | 4.92 | 4.62 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| Commercial paper ^{3,5,6} | | | | | | | | | | | | |
| Nonfinancial | | | | | | | | | | | | |
| 3 1-month | 5.57 | 5.40 | 5.09 | 6.47 | 6.48 | 6.48 | 6.49 | 6.47 | 6.50 | 6.47 | 6.49 | 6.50 |
| 4 2-month | 5.57 | 5.38 | 5.14 | 6.48 | 6.47 | 6.48 | 6.52 | 6.48 | 6.48 | 6.51 | 6.52 | 6.52 |
| 5 3-month | 5.56 | 5.34 | 5.18 | 6.49 | 6.47 | 6.51 | 6.50 | 6.50 | 6.50 | 6.49 | 6.51 | 6.48 |
| Financial | | | | | | | | | | | | |
| 6 1-month | 5.59 | 5.42 | 5.11 | 6.49 | 6.49 | 6.48 | 6.49 | 6.48 | 6.49 | 6.48 | 6.49 | 6.49 |
| 7 2-month | 5.59 | 5.40 | 5.16 | 6.49 | 6.48 | 6.47 | 6.54 | 6.46 | 6.49 | 6.52 | 6.54 | 6.57 |
| 8 3-month | 5.60 | 5.37 | 5.22 | 6.49 | 6.47 | 6.52 | 6.52 | 6.52 | 6.52 | 6.51 | 6.52 | 6.53 |
| Commercial paper (historical) ^{3,5,7} | | | | | | | | | | | | |
| 9 1-month | 5.54 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 10 3-month | 5.58 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 11 6-month | 5.62 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Finance paper, directly placed (historical) ^{3,5,8} | | | | | | | | | | | | |
| 12 1-month | 5.44 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 13 3-month | 5.48 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 14 6-month | 5.48 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Bankers acceptances ^{3,5,9} | | | | | | | | | | | | |
| 15 3-month | 5.54 | 5.39 | 5.24 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 16 6-month | 5.57 | 5.30 | 5.30 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Certificates of deposit, secondary market ^{3,10} | | | | | | | | | | | | |
| 17 1-month | 5.54 | 5.49 | 5.19 | 6.55 | 6.56 | 6.55 | 6.56 | 6.55 | 6.55 | 6.55 | 6.55 | 6.56 |
| 18 3-month | 5.62 | 5.47 | 5.33 | 6.61 | 6.60 | 6.67 | 6.65 | 6.65 | 6.66 | 6.65 | 6.64 | 6.65 |
| 19 6-month | 5.73 | 5.44 | 5.46 | 6.76 | 6.68 | 6.65 | 6.63 | 6.64 | 6.65 | 6.65 | 6.62 | 6.61 |
| 20 Eurodollar deposits, 3-month ^{3,11} | 5.61 | 5.45 | 5.31 | 6.61 | 6.59 | 6.66 | 6.64 | 6.65 | 6.63 | 6.65 | 6.64 | 6.64 |
| U.S. Treasury bills | | | | | | | | | | | | |
| Secondary market ^{3,5} | | | | | | | | | | | | |
| 21 3-month | 5.06 | 4.78 | 4.64 | 6.09 | 6.00 | 6.11 | 6.17 | 6.18 | 6.19 | 6.22 | 6.18 | 6.18 |
| 22 6-month | 5.18 | 4.83 | 4.75 | 6.07 | 5.98 | 6.04 | 6.06 | 6.08 | 6.09 | 6.10 | 6.07 | 6.06 |
| 23 1-year | 5.32 | 4.80 | 4.81 | 5.87 | 5.79 | 5.72 | 5.84 | 5.74 | 5.86 | 5.89 | 5.86 | 5.87 |
| Auction high ^{3,5,12} | | | | | | | | | | | | |
| 24 3-month | 5.07 | 4.81 | 4.66 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 25 6-month | 5.18 | 4.85 | 4.76 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 26 1-year | 5.36 | 4.85 | 4.78 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| U.S. TREASURY NOTES AND BONDS | | | | | | | | | | | | |
| Constant maturities ¹³ | | | | | | | | | | | | |
| 27 1-year | 5.63 | 5.05 | 5.08 | 6.18 | 6.13 | 6.01 | 6.09 | 6.01 | 6.11 | 6.14 | 6.09 | 6.09 |
| 28 2-year | 5.99 | 5.13 | 5.43 | 6.23 | 6.08 | 5.91 | 5.88 | 5.88 | 5.92 | 5.97 | 5.89 | 5.86 |
| 29 3-year | 6.10 | 5.14 | 5.49 | 6.17 | 6.02 | 5.85 | 5.79 | 5.80 | 5.86 | 5.90 | 5.80 | 5.75 |
| 30 5-year | 6.22 | 5.15 | 5.55 | 6.06 | 5.93 | 5.78 | 5.70 | 5.73 | 5.82 | 5.82 | 5.69 | 5.63 |
| 31 7-year | 6.33 | 5.28 | 5.79 | 6.05 | 5.98 | 5.84 | 5.78 | 5.75 | 5.85 | 5.93 | 5.79 | 5.71 |
| 32 10-year | 6.35 | 5.26 | 5.65 | 5.83 | 5.80 | 5.74 | 5.72 | 5.66 | 5.76 | 5.85 | 5.73 | 5.65 |
| 33 20-year | 6.69 | 5.72 | 6.20 | 6.02 | 6.09 | 6.04 | 5.98 | 5.94 | 6.02 | 6.09 | 5.99 | 5.91 |
| 34 30-year | 6.61 | 5.58 | 5.87 | 5.72 | 5.83 | 5.80 | 5.78 | 5.72 | 5.80 | 5.88 | 5.79 | 5.71 |
| Composite | | | | | | | | | | | | |
| 35 More than 10 years (long-term) | 6.67 | 5.69 | 6.14 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| STATE AND LOCAL NOTES AND BONDS | | | | | | | | | | | | |
| Moody's series ¹⁴ | | | | | | | | | | | | |
| 36 Aaa | 5.32 | 4.93 | 5.28 | 5.43 | 5.40 | 5.46 | 5.38 | 5.42 | 5.35 | 5.32 | 5.44 | 5.44 |
| 37 Baa | 5.50 | 5.14 | 5.70 | 6.01 | 6.12 | 6.22 | 6.17 | 6.18 | 6.15 | 6.15 | 6.20 | 6.21 |
| 38 Bond Buyer series ¹⁵ | 5.52 | 5.09 | 5.43 | 5.51 | 5.56 | 5.59 | 5.54 | 5.53 | 5.54 | 5.60 | 5.57 | 5.55 |
| CORPORATE BONDS | | | | | | | | | | | | |
| 39 Seasoned issues, all industries ¹⁶ | 7.54 | 6.87 | 7.45 | 7.88 | 7.98 | 7.95 | 7.90 | 7.89 | 7.93 | 7.98 | 7.89 | 7.86 |
| Rating group | | | | | | | | | | | | |
| 40 Aaa | 7.27 | 6.53 | 7.05 | 7.55 | 7.62 | 7.55 | 7.45 | 7.45 | 7.49 | 7.53 | 7.45 | 7.41 |
| 41 Aa | 7.48 | 6.80 | 7.36 | 7.70 | 7.83 | 7.81 | 7.75 | 7.75 | 7.79 | 7.84 | 7.75 | 7.71 |
| 42 A | 7.54 | 6.93 | 7.53 | 8.02 | 8.13 | 8.11 | 8.09 | 8.06 | 8.11 | 8.17 | 8.09 | 8.05 |
| 43 Baa | 7.87 | 7.22 | 7.88 | 8.26 | 8.35 | 8.34 | 8.28 | 8.29 | 8.31 | 8.35 | 8.26 | 8.27 |
| MEMO | | | | | | | | | | | | |
| Dividend-price ratio ¹⁷ | | | | | | | | | | | | |
| 44 Common stocks | 1.77 | 1.49 | 1.25 | 1.09 | 1.10 | 1.15 | 1.16 | 1.16 | 1.12 | 1.13 | 1.15 | 1.20 |

NOTE. Some of the data in this table also appear in the Board's H.15 (519) weekly and G.13 (415) monthly statistical releases. For ordering address, see inside front cover.

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

2. Weekly figures are averages of seven 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. Rate for the Federal Reserve Bank of New York.

5. Quoted on a discount basis.

6. Interest rates interpolated from data on certain commercial paper trades settled by the Depository Trust Company. The trades represent sales of commercial paper by dealers or direct issuers to investors (that is, the offer side). See Board's Commercial Paper Web pages (<http://www.federalreserve.gov/releases/cp>) for more information.

7. An average of offering rates on commercial paper for firms whose bond rating is AA or the equivalent. Series ended August 29, 1997.

8. An average of offering rates on paper directly placed by finance companies. Series ended August 29, 1997.

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

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

11. Bid rates for eurodollar deposits collected around 9:30 a.m. Eastern time. Data are for indication purposes only.

12. Auction date for daily data; weekly and monthly averages computed on an issue-date basis. On or after October 28, 1998, data are stop yields from uniform-price auctions. Before that, they are weighted average yields from multiple-price auctions.

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

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

15. State and local government general obligation bonds maturing in twenty years are used in compiling this index. The twenty-bond index has a rating roughly equivalent to Moody's A1 rating. Based on Thursday figures.

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

17. Standard & Poor's corporate series. Common stock ratio is based on the 500 stocks in the price index.

1.36 STOCK MARKET Selected Statistics

| Indicator | 1997 | 1998 | 1999 | 2000 | | | | | | | | |
|---|---------------|--------------|-------------|--------------|---------------|--------------|----------|----------|----------|-----------|-----------|-----------|
| | | | | Mar. | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. |
| Prices and trading volume (averages of daily figures) | | | | | | | | | | | | |
| <i>Common stock prices (indexes)</i> | | | | | | | | | | | | |
| 1 New York Stock Exchange (Dec. 31, 1965 = 50) | 456.99 | 550.65 | 619.52 | 622.28 | 646.82 | 640.07 | 649.61 | 653.27 | 666.14 | 667.05 | 646.53 | 646.64 |
| 2 Industrial | 574.97 | 684.35 | 775.29 | 790.35 | 822.76 | 814.75 | 819.54 | 825.28 | 837.23 | 829.99 | 797.00 | 800.88 |
| 3 Transportation | 415.08 | 468.61 | 491.62 | 384.39 | 406.14 | 411.50 | 395.09 | 410.67 | 419.84 | 404.23 | 403.20 | 434.92 |
| 4 Utility | 143.87 | 190.52 | 284.82 | 509.59 | 502.78 | 487.17 | 501.93 | 484.19 | 459.91 | 463.76 | 469.16 | 455.66 |
| 5 Finance | 424.84 | 516.65 | 530.97 | 491.29 | 524.05 | 523.22 | 544.51 | 556.32 | 597.17 | 616.89 | 587.76 | 600.45 |
| 6 Standard & Poor's Corporation (1941-43 = 10) ¹ | 873.43 | 1,085.50 | 1,327.33 | 1,442.21 | 1,461.36 | 1,418.48 | 1,461.96 | 1,473.00 | 1,485.46 | 1,468.06 | 1,390.14 | 1,375.04 |
| 7 American Stock Exchange (Aug. 31, 1973 = 50) ² | 628.34 | 682.69 | 770.90 | 1,014.03 | 918.77 | 917.76 | 934.90 | 930.66 | 920.54 | 952.74 | 913.64 | 892.60 |
| <i>Volume of trading (thousands of shares)</i> | | | | | | | | | | | | |
| 8 New York Stock Exchange | 523,254 | 666,534 | 799,554 | 1,124,097 | 1,047,960 | 893,896 | 971,137 | 941,694 | 875,087 | 1,026,597 | 1,167,025 | 1,015,606 |
| 9 American Stock Exchange | 24,390 | 28,870 | 32,629 | 59,449 | 63,054 | 44,146 | 42,490 | 36,486 | 35,695 | 47,047 | 57,915 | 58,541 |
| Customer financing (millions of dollars, end-of-period balances) | | | | | | | | | | | | |
| 10 Margin credit at broker-dealers ³ | 1,361,600 | 1,685,820 | 2,130,152 | 278,530 | 251,700 | 240,660 | 247,200 | 244,970 | 247,560 | 250,780 | 233,376 | 219,110 |
| <i>Free credit balances at brokers⁴</i> | | | | | | | | | | | | |
| 11 Margin accounts ⁵ | 293,000 | 405,180 | 532,500 | 65,020 | 65,930 | 66,170 | 64,970 | 71,730 | 68,020 | 70,959 | 83,131 | 96,730 |
| 12 Cash accounts | 517,030 | 633,725 | 757,345 | 85,530 | 76,190 | 73,500 | 74,140 | 74,970 | 72,640 | 74,766 | 73,271 | 74,050 |
| 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. In July 1976 a financial group, composed of banks and insurance companies, was added to the group of stocks on which the index is based. The index is now based on 400 industrial stocks (formerly 425), 20 transportation (formerly 15 rail), 40 public utility (formerly 60), and 40 financial.

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

3. Since July 1983, under the revised Regulation T, margin credit at broker-dealers has included credit extended against stocks, convertible bonds, stocks acquired through the 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 amounts in accounts with no unfulfilled commitments to brokers and are subject to withdrawal by customers on demand.

5. Series initiated in June 1984.

6. Margin requirements, stated in regulations adopted by the Board of Governors pursuant to the Securities Exchange Act of 1934, limit the amount of credit that can be used to purchase and carry "margin securities" (as defined in the regulations) when such credit is collateralized by securities. Margin requirements on securities 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.

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

| Type of account or operation | Fiscal year | | | Calendar year | | | | | |
|--|-------------|-----------|-----------|---------------|---------|---------|---------|---------|---------|
| | 1998 | 1999 | 2000 | 2000 | | | | | |
| | | | | June | July | Aug. | Sept. | Oct. | Nov. |
| <i>U.S. budget</i> ¹ | | | | | | | | | |
| 1 Receipts, total | 1,721,798 | 1,827,454 | 2,025,038 | 214,875 | 134,074 | 138,128 | 219,471 | 135,111 | 125,666 |
| 2 On-budget | 1,305,999 | 1,382,986 | 1,544,455 | 168,319 | 97,681 | 101,429 | 176,692 | 101,121 | 89,216 |
| 3 Off-budget | 415,799 | 444,468 | 480,583 | 46,556 | 36,393 | 36,699 | 42,779 | 33,990 | 36,450 |
| 4 Outlays, total | 1,652,224 | 1,702,942 | 1,788,140 | 158,987 | 129,013 | 148,555 | 153,744 | 146,431 | 149,356 |
| 5 On-budget | 1,335,948 | 1,382,262 | 1,457,376 | 152,308 | 99,404 | 115,539 | 114,748 | 115,840 | 116,737 |
| 6 Off-budget | 316,604 | 320,778 | 330,765 | 6,679 | 29,609 | 33,016 | 38,901 | 30,592 | 32,619 |
| 7 Surplus or deficit (—), total | 69,246 | 124,414 | 236,897 | 55,888 | 5,061 | —10,427 | 65,727 | —11,321 | —23,690 |
| 8 On-budget | —29,949 | 724 | 87,079 | 16,011 | —1,723 | —14,110 | 61,944 | —14,719 | —27,521 |
| 9 Off-budget | 99,195 | 123,690 | 149,818 | 39,877 | 6,784 | 3,683 | 3,878 | 3,398 | 3,831 |
| <i>Source of financing (total)</i> | | | | | | | | | |
| 10 Borrowing from the public | —51,211 | —88,674 | —222,672 | —23,131 | —31,307 | 9,995 | —32,334 | —29,666 | 41,325 |
| 11 Operating cash (decrease, or increase (—)) | 4,743 | —17,580 | 3,799 | —34,350 | 23,384 | 20,873 | —39,479 | 42,653 | —1,431 |
| 12 Other | —22,778 | —18,160 | —18,024 | 1,593 | 2,862 | —20,441 | 6,086 | —1,666 | —16,204 |
| MEMO | | | | | | | | | |
| 13 Treasury operating balance (level, end of period) | 38,878 | 56,458 | 52,659 | 57,437 | 34,053 | 13,180 | 52,659 | 10,006 | 11,437 |
| 14 Federal Reserve Banks | 4,952 | 6,641 | 8,459 | 6,208 | 5,392 | 5,961 | 8,459 | 5,360 | 4,382 |
| 15 Tax and loan accounts | 33,926 | 49,817 | 44,199 | 51,229 | 28,661 | 7,218 | 44,199 | 4,646 | 7,055 |

1. Since 1990, off-budget items have been the social security trust funds (Federal Old-Age, Survivors, and Disability Insurance) and the U.S. Postal Service.

2. Includes special drawing rights (SDRs); reserve position on the U.S. quota in the International Monetary Fund (IMF); loans to the IMF; other cash and monetary assets; accrued interest payable to the public; allocations of SDRs; deposit funds; miscellaneous liability (including checks outstanding) and asset accounts; seigniorage; increment on gold;

net gain or loss for U.S. currency valuation adjustment; net gain or loss for IMF loan-valuation adjustment; and profit on sale of gold.

SOURCE. Monthly totals: U.S. Department of the Treasury, *Monthly Treasury Statement of Receipts and Outlays of the U.S. Government*; fiscal year totals: U.S. Office of Management and Budget, *Budget of the U.S. Government* when available.

1.39 U.S. BUDGET RECEIPTS AND OUTLAYS¹

Millions of dollars

| Source or type | Fiscal year | | Calendar year | | | | | | |
|---|------------------------|------------------------|---------------|---------|---------|-----------|----------------------|---------|---------|
| | 1999 | 2000 | 1998 | 1999 | | 2000 | 2000 | | |
| | | | H2 | H1 | H2 | H1 | Sept. | Oct. | Nov. |
| RECEIPTS | | | | | | | | | |
| 1 All sources | 1,827,454 | 2,025,038 | 825,057 | 966,045 | 892,266 | 1,089,760 | 219,471 | 135,111 | 125,666 |
| 2 Individual income taxes, net | 879,480 | 1,004,461 | 392,332 | 481,907 | 425,451 | 550,208 | 104,402 | 75,969 | 60,489 |
| 3 Withheld | 693,940 | 780,397 | 339,144 | 351,068 | 372,012 | 388,526 | 59,766 | 68,287 | 62,855 |
| 4 Nonwithheld | 308,185 | 358,049 | 65,204 | 240,278 | 68,302 | 281,103 | 48,229 | 8,799 | 2,320 |
| 5 Refunds | 122,706 | 134,046 | 12,032 | 109,467 | 14,841 | 119,477 | 3,593 | 1,118 | 4,686 |
| Corporation income taxes | | | | | | | | | |
| 6 Gross receipts | 216,324 | 235,655 | 104,163 | 106,861 | 110,111 | 119,166 | 46,183 | 7,113 | 4,292 |
| 7 Refunds | 31,645 | 28,367 | 14,250 | 17,092 | 13,996 | 13,781 | 2,746 | 5,404 | 2,245 |
| 8 Social insurance taxes and contributions, net | 611,833 | 652,851 | 268,466 | 324,831 | 292,551 | 353,514 | 56,293 | 47,155 | 51,383 |
| 9 Employment taxes and contributions ² | 580,880 | 620,447 | 256,142 | 306,235 | 280,059 | 333,584 | 55,682 | 45,247 | 48,536 |
| 10 Unemployment insurance | 26,480 | 27,641 | 10,121 | 16,378 | 10,173 | 17,562 | 168 | 1,509 | 2,431 |
| 11 Other net receipts ³ | 4,473 | 4,763 | 2,202 | 2,216 | 2,319 | 2,368 | 443 | 399 | 416 |
| 12 Excise taxes | 70,414 | 68,866 | 33,366 | 31,015 | 34,262 | 33,532 | 7,769 | 4,235 | 6,030 |
| 13 Customs deposits | 18,336 | 19,913 | 9,838 | 8,440 | 10,287 | 9,218 | 1,823 | 1,900 | 1,640 |
| 14 Estate and gift taxes | 27,782 | 29,010 | 12,359 | 14,915 | 14,001 | 15,073 | 2,168 | 2,868 | 2,141 |
| 15 Miscellaneous receipts ⁴ | 34,929 | 42,647 | 18,735 | 15,140 | 19,569 | 22,831 | 3,579 | 1,275 | 1,935 |
| OUTLAYS | | | | | | | | | |
| 16 All types | 1,702,942 ⁵ | 1,788,140 ⁶ | 877,414 | 817,227 | 882,465 | 892,947 | 153,744 ⁷ | 146,431 | 149,356 |
| 17 National defense | 274,873 | 293,856 | 140,196 | 134,414 | 149,573 | 143,476 | 28,243 | 21,478 | 24,445 |
| 18 International affairs | 15,243 | 17,252 | 8,297 | 6,879 | 8,530 | 7,250 | 1,553 | 1,795 | 1,326 |
| 19 General science, space, and technology | 18,125 | 19,707 | 10,142 | 9,319 | 10,089 | 9,601 | 1,716 | 1,676 | 1,776 |
| 20 Energy | 912 | -1,020 | 699 | 797 | -90 | -893 | 530 | -1,200 | 74 |
| 21 Natural resources and environment | 23,970 | 23,295 | 12,671 | 10,351 | 12,100 | 10,814 | 2,542 | 2,132 | 2,100 |
| 22 Agriculture | 23,011 | 38,472 | 16,757 | 9,803 | 20,887 | 11,164 | 6,842 | 5,025 | 3,547 |
| 23 Commerce and housing credit | 2,649 | 3,321 | 4,046 | -1,629 | 7,353 | -2,497 | 4,591 | 843 | -709 |
| 24 Transportation | 42,531 | 46,211 | 20,836 | 17,082 | 23,199 | 21,054 | 4,209 | 4,729 | 4,221 |
| 25 Community and regional development | 11,870 | 11,687 | 6,972 | 5,368 | 6,806 | 5,050 | 975 | 1,211 | 1,133 |
| 26 Education, training, employment, and social services | 56,402 | 58,364 | 27,762 | 29,003 | 27,532 | 31,234 | 3,616 | 5,061 | 5,014 |
| 27 Health | 141,079 | 154,215 | 67,838 | 69,320 | 74,490 | 75,871 | 13,566 | 14,799 | 13,111 |
| 28 Social security and Medicare | 580,488 | 606,552 | 316,809 | 261,146 | 295,030 | 306,966 | 50,381 | 51,766 | 51,481 |
| 29 Income security | 237,707 | 247,380 | 109,481 | 126,552 | 113,504 | 133,915 | 20,031 | 16,485 | 18,950 |
| 30 Veterans benefits and services | 43,212 | 47,084 | 22,750 | 20,105 | 23,412 | 23,174 | 5,619 | 2,222 | 3,644 |
| 31 Administration of justice | 25,924 | 27,704 | 12,041 | 13,149 | 13,459 | 13,981 | 2,398 | 2,545 | 2,741 |
| 32 General government | 15,771 | 13,721 | 9,136 | 6,641 | 7,010 | 6,198 | 1,017 | 1,239 | 1,134 |
| 33 Net interest ⁸ | 229,735 | 222,825 | 116,954 | 116,655 | 112,420 | 115,545 | 12,584 | 18,399 | 18,916 |
| 34 Undistributed offsetting receipts ⁹ | -40,445 | -42,581 | -25,793 | -17,724 | -22,850 | -19,346 | -6,766 | -3,775 | -3,547 |

1. Functional details do not sum to total outlays for calendar year data because revisions to monthly totals have not been distributed among functions. Fiscal year total for receipts and outlays do 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. Federal employee retirement contributions and civil service retirement and disability fund.

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

5. Includes interest received by trust funds.

6. Rents and royalties for the outer continental shelf, U.S. government contributions for employee retirement, and certain asset sales.

SOURCE: Fiscal year totals: U.S. Office of Management and Budget, *Budget of the U.S. Government, Fiscal Year 2001*; monthly and half-year totals: U.S. Department of the Treasury, *Monthly Treasury Statement of Receipts and Outlays of the U.S. Government*.

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars, end of month

| Item | 1998 | | 1999 | | | | 2000 | | |
|-----------------------------------|----------|---------|---------|---------|----------|---------|---------|---------|----------|
| | Sept. 30 | Dec. 31 | Mar. 31 | June 30 | Sept. 30 | Dec. 31 | Mar. 31 | June 30 | Sept. 30 |
| 1 Federal debt outstanding | 5,556 | 5,643 | 5,681 | 5,668 | 5,685 | 5,805 | 5,802 | 5,714 | 5,702 |
| 2 Public debt securities | 5,526 | 5,614 | 5,652 | 5,639 | 5,656 | 5,776 | 5,773 | 5,686 | 5,674 |
| 3 Held by public | 3,761 | 3,787 | 3,795 | 3,685 | 3,667 | 3,716 | 3,688 | 3,496 | n.a. |
| 4 Held by agencies | 1,766 | 1,827 | 1,857 | 1,954 | 1,989 | 2,061 | 2,085 | 2,190 | n.a. |
| 5 Agency securities | 29 | 29 | 29 | 29 | 29 | 29 | 28 | 28 | 28 |
| 6 Held by public | 26 | 29 | 28 | 28 | 28 | 28 | 28 | 28 | n.a. |
| 7 Held by agencies | 4 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | n.a. |
| 8 Debt subject to statutory limit | 5,440 | 5,530 | 5,566 | 5,552 | 5,568 | 5,687 | 5,687 | 5,601 | 5,592 |
| 9 Public debt securities | 5,439 | 5,530 | 5,566 | 5,552 | 5,568 | 5,687 | 5,686 | 5,601 | 5,591 |
| 10 Other debt ¹ | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MEMO | | | | | | | | | |
| 11 Statutory debt limit | 5,950 | 5,950 | 5,950 | 5,950 | 5,950 | 5,950 | 5,950 | 5,950 | 5,950 |

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

SOURCE: U.S. Department of the Treasury, *Monthly Statement of the Public Debt of the United States and Treasury Bulletin*.

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

Billions of dollars, end of period

| Type and holder | 1996 | 1997 | 1998 | 1999 | 1999 | 2000 | | |
|---|---------|---------|---------|--------------------|--------------------|--------------------|--------------------|---------|
| | | | | | Q4 | Q1 | Q2 | Q3 |
| 1 Total gross public debt | 5,323.2 | 5,502.4 | 5,614.2 | 5,776.1 | 5,776.1 | 5,773.4 | 5,685.9 | 5,674.2 |
| By type | | | | | | | | |
| 2 Interest-bearing | 5,317.2 | 5,494.9 | 5,605.4 | 5,766.1 | 5,766.1 | 5,763.8 | 5,675.9 | 5,622.1 |
| 3 Marketable | 3,459.7 | 3,456.8 | 3,355.5 | 3,281.0 | 3,281.0 | 3,261.2 | 3,070.7 | 2,992.8 |
| 4 Bills | 777.4 | 715.4 | 691.0 | 737.1 | 737.1 | 753.3 | 629.9 | 616.2 |
| 5 Notes | 2,112.3 | 2,106.1 | 1,960.7 | 1,784.5 | 1,784.5 | 1,732.6 | 1,679.1 | 1,611.3 |
| 6 Bonds | 555.0 | 587.3 | 621.2 | 643.7 | 643.7 | 653.0 | 637.7 | 635.3 |
| 7 Inflation-indexed notes and bonds ¹ | n.a. | 33.0 | 67.6 | 100.7 | 100.7 | 161.9 | 109.0 | 115.0 |
| 8 Nonmarketable ² | 1,857.5 | 2,038.1 | 2,249.9 | 2,485.1 | 2,485.1 | 2,502.6 | 2,605.2 | 2,629.3 |
| 9 State and local government series | 101.3 | 124.1 | 165.3 | 165.7 | 165.7 | 161.9 | 160.4 | 153.3 |
| 10 Foreign issues ³ | 37.4 | 36.2 | 34.3 | 31.3 | 31.3 | 28.8 | 27.7 | 25.4 |
| 11 Government | 47.4 | 36.2 | 34.3 | 31.3 | 31.3 | 28.8 | 27.7 | 25.4 |
| 12 Public | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 13 Savings bonds and notes | 182.4 | 181.2 | 180.3 | 179.4 | 179.4 | 178.6 | 177.7 | 177.7 |
| 14 Government account series ⁴ | 1,505.9 | 1,666.7 | 1,840.0 | 2,078.7 | 2,078.7 | 2,103.3 | 2,209.4 | 2,242.9 |
| 15 Non-interest-bearing | 6.0 | 7.5 | 8.8 | 10.0 | 10.0 | 9.6 | 10.1 | 52.1 |
| By holder ⁵ | | | | | | | | |
| 16 U.S. Treasury and other federal agencies and trust funds | 1,497.2 | 1,655.7 | 1,826.8 | 2,060.6 | 2,060.6 | 2,085.4 | 2,190.2 | 2,235.7 |
| 17 Federal Reserve Banks | 410.9 | 451.9 | 471.7 | 477.7 | 477.7 | 501.7 | 505.0 | 511.4 |
| 18 Private investors | 3,431.2 | 3,414.6 | 3,334.0 | 3,233.9 | 3,233.9 | 3,182.8 | 2,987.4 | 2,936.2 |
| 19 Depository institutions | 296.6 | 300.3 | 237.3 | 246.3 | 246.3 ^f | 235.1 | 219.7 | n.a. |
| 20 Mutual funds | 315.8 | 321.5 | 343.2 | 348.6 ^f | 348.6 ^f | 338.9 ^f | 318.6 | n.a. |
| 21 Insurance companies | 214.1 | 176.6 | 144.5 | 125.3 ^f | 125.3 ^f | 124.0 ^f | 120.9 | n.a. |
| 22 State and local treasuries ⁶ | 257.0 | 239.3 | 269.3 | 266.8 | 266.8 | 257.2 | 256.4 | n.a. |
| Individuals | | | | | | | | |
| 23 Savings bonds | 187.0 | 186.5 | 186.7 | 186.5 | 186.5 ^f | 185.3 | 184.6 ^f | 184.7 |
| 24 Pension funds | 342.8 | 359.4 | 374.4 | 384.5 | 384.5 | 385.9 | 384.5 | n.a. |
| 25 Private | 139.3 | 142.5 | 157.8 | 171.3 | 171.3 | 174.8 | 175.5 | n.a. |
| 26 State and Local | 203.5 | 216.9 | 216.6 | 213.2 | 213.2 | 211.1 ^f | 209.0 | n.a. |
| 27 Foreign and international ⁷ | 1,102.1 | 1,241.6 | 1,278.7 | 1,268.8 | 1,268.8 | 1,273.9 | 1,248.9 | 1,225.2 |
| 28 Other miscellaneous investors ⁸ | 715.8 | 589.5 | 498.8 | 407.1 | 407.1 | 382.5 | 253.8 | n.a. |

1. The U.S. Treasury first issued inflation-indexed securities during the first quarter of 1997.

2. Includes (not shown separately) securities issued to the Rural Electrification Administration, depository bonds, retirement plan bonds, and individual retirement bonds.

3. Nonmarketable series denominated in dollars, and series denominated in foreign currency held by foreigners.

4. Held almost entirely by U.S. Treasury and other federal agencies and trust funds.

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

6. In March 1996, in a redefinition of series, fully defeased debt backed by nonmarketable federal securities was removed from "Other miscellaneous investors" and added to "State and local treasuries." The data shown here have been revised accordingly.

7. Includes nonmarketable foreign series treasury securities and treasury deposit funds. Excludes treasury securities held under repurchase agreements in custody accounts at the Federal Reserve Bank of New York.

8. Includes individuals, government-sponsored enterprises, brokers and dealers, bank personal trusts and estates, corporate and noncorporate businesses, and other investors.

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

1.42 U.S. GOVERNMENT SECURITIES DEALERS Transactions¹

Millions of dollars, daily averages

| Item | 2000 | | | 2000, week ending | | | | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|----------------------|---------|---------|---------|---------|---------|---------|---------|
| | Aug. | Sept. | Oct. | Oct. 4 | Oct. 11 | Oct. 18 | Oct. 25 | Nov. 1 | Nov. 8 | Nov. 15 | Nov. 22 | Nov. 29 |
| OUTRIGHT TRANSACTIONS² | | | | | | | | | | | | |
| <i>By type of security</i> | | | | | | | | | | | | |
| 1 U.S. Treasury bills | 21,487 | 24,438 | 26,999 | 26,749 | 25,644 | 24,964 | 21,269 | 38,246 | 38,933 | 32,325 | 22,990 | 35,664 |
| Coupon securities, by maturity | | | | | | | | | | | | |
| 2 Five years or less | 84,941 | 117,915 | 139,243 | 121,841 | 142,852 | 146,449 | 141,987 | 136,248 | 123,038 | 114,912 | 86,544 | 120,857 |
| 3 More than five years | 62,777 | 69,458 | 67,524 | 67,886 | 62,610 | 68,600 | 67,826 | 70,445 | 68,022 | 62,882 | 49,039 | 59,954 |
| 4 Inflation-indexed | 1,185 | 1,490 | 1,987 | 1,000 | 4,070 | 2,150 | 1,675 | 831 | 938 | 643 | 1,071 | 1,446 |
| Federal agency | | | | | | | | | | | | |
| 5 Discount notes | 53,668 | 50,165 | 51,052 | 54,014 | 50,581 | 51,999 | 47,189 | 52,948 | 46,558 | 46,902 | 56,595 | 57,434 |
| Coupon securities, by maturity | | | | | | | | | | | | |
| 6 One year or less | 1,314 | 1,160 | 1,082 | 1,058 | 730 | 1,107 | 1,164 | 1,317 | 1,324 | 1,024 | 974 | 749 |
| 7 More than one year, but less than or equal to five years | 8,879 | 9,860 | 12,597 | 9,922 | 15,099 | 10,935 | 16,278 | 9,580 | 10,633 | 11,754 | 6,812 | 9,376 |
| 8 More than five years | 7,002 | 9,925 | 11,659 | 8,365 | 11,972 | 8,979 | 12,925 | 15,584 | 7,445 | 6,924 | 5,193 | 7,128 |
| 9 Mortgage-backed | 67,487 ^f | 76,954 ^f | 80,367 ^f | 60,673 ^f | 109,182 ^f | 112,689 | 51,511 | 61,990 | 115,204 | 99,137 | 38,129 | 71,318 |
| <i>By type of counterparty</i> | | | | | | | | | | | | |
| With interdealer broker | | | | | | | | | | | | |
| 10 U.S. Treasury | 81,566 | 101,973 | 102,544 | 103,159 | 102,320 | 105,704 | 99,613 | 102,022 | 98,148 | 89,680 | 71,765 | 96,092 |
| 11 Federal agency | 8,089 | 9,811 | 10,680 | 8,589 | 10,182 | 9,385 | 14,588 | 9,482 | 8,447 | 9,271 | 7,446 | 8,418 |
| 12 Mortgage-backed | 25,460 | 28,514 ^f | 26,882 | 19,705 | 34,264 | 33,514 | 20,349 | 24,761 | 32,315 | 24,834 | 14,081 | 22,691 |
| With other | | | | | | | | | | | | |
| 13 U.S. Treasury | 88,823 | 111,328 | 133,209 | 114,317 | 132,855 | 136,460 | 133,144 | 143,747 | 132,782 | 121,081 | 87,878 | 121,829 |
| 14 Federal agency | 62,774 | 61,299 | 65,710 | 64,770 | 68,199 | 63,635 | 62,968 | 69,946 | 57,513 | 57,333 | 62,127 | 66,269 |
| 15 Mortgage-backed | 42,027 ^f | 48,440 ^f | 53,485 ^f | 40,968 ^f | 74,918 ^f | 79,175 | 31,162 | 37,229 | 82,889 | 74,302 | 24,048 | 48,627 |
| FUTURES TRANSACTIONS³ | | | | | | | | | | | | |
| <i>By type of deliverable security</i> | | | | | | | | | | | | |
| 16 U.S. Treasury bills | n.a. | 0 | 0 | 0 | 0 | n.a. | 0 | 0 | 0 | n.a. | n.a. | n.a. |
| Coupon securities, by maturity | | | | | | | | | | | | |
| 17 Five years or less | 3,467 | 3,119 | 2,497 | 1,678 | 2,547 | 2,534 | 3,263 | 2,058 | 1,965 | 2,663 | 2,849 | 6,098 |
| 18 More than five years | 10,960 | 11,756 | 10,472 | 10,390 | 9,507 | 10,129 | 10,740 | 11,590 | 11,889 | 10,599 | 10,120 | 19,774 |
| 19 Inflation-indexed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Federal agency | | | | | | | | | | | | |
| 20 Discount notes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Coupon securities, by maturity | | | | | | | | | | | | |
| 21 One year or less | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 22 More than one year, but less than or equal to five years | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 23 More than five years | 109 | 165 | 86 | n.a. | 131 | 57 | 106 | 52 | 34 | 60 | 67 | 46 |
| 24 Mortgage-backed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OPTIONS TRANSACTIONS⁴ | | | | | | | | | | | | |
| <i>By type of underlying security</i> | | | | | | | | | | | | |
| 25 U.S. Treasury bills | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Coupon securities, by maturity | | | | | | | | | | | | |
| 26 Five years or less | 1,149 | 1,350 | 1,217 | 751 | 970 | 1,799 | 956 | 1,412 | 2,012 | 1,285 | 1,879 | 900 |
| 27 More than five years | 2,821 | 3,382 | 3,829 | 3,640 | 3,835 | 4,313 | 3,367 | 3,939 | 4,820 | 3,605 | 2,926 | 3,048 |
| 28 Inflation-indexed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Federal agency | | | | | | | | | | | | |
| 29 Discount notes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Coupon securities, by maturity | | | | | | | | | | | | |
| 30 One year or less | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 31 More than one year, but less than or equal to five years | 34 | 38 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 32 More than five years | 2 | 6 | 102 | n.a. | n.a. | 102 | n.a. | n.a. | 0 | 320 | n.a. | 104 |
| 33 Mortgage-backed | 1,145 | 1,097 | 1,189 | 1,578 | 1,719 | 874 | 1,287 | 638 | 2,510 | 703 | 1,353 | 360 |

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. Monthly averages are based on the number of trading days in the month. Transactions are assumed to be evenly distributed among the trading days of the report week. Immediate, forward, and futures transactions are reported at principal value, which does not include accrued interest; options transactions are reported at the face value of the underlying securities.

Dealers report cumulative transactions for each week ending Wednesday.

2. Outright transactions include immediate and forward transactions. Immediate delivery refers to purchases or sales of securities (other than mortgage-backed federal 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 agency securities include purchases and sales for which delivery is scheduled in thirty business days or less. Stripped securities are reported at market value by maturity of coupon or corpus.

Forward transactions are agreements made in the over-the-counter market that specify delayed delivery. Forward contracts for U.S. Treasury securities and federal agency debt securities are included when the time to delivery is more than five business days. Forward contracts for mortgage-backed agency securities are included when the time to delivery is more than thirty business days.

3. Futures transactions are standardized agreements arranged on an exchange. All futures transactions are included regardless of time to delivery.

4. 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. Treasury and federal agency securities.

NOTE: "n.a." indicates that data are not published because of insufficient activity.

1.43 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing¹

Millions of dollars

| Item | 2000 | | | 2000, week ending | | | | | | | |
|---|---------------------|---------------------|---------|-------------------|---------|---------|---------|---------|---------|---------|---------|
| | Aug. | Sept. | Oct. | Oct. 4 | Oct. 11 | Oct. 18 | Oct. 25 | Nov. 1 | Nov. 8 | Nov. 15 | Nov. 22 |
| Positions² | | | | | | | | | | | |
| NET OUTRIGHT POSITIONS³ | | | | | | | | | | | |
| <i>By type of security</i> | | | | | | | | | | | |
| 1 U.S. Treasury bills | 2,426 | 9,758 | 4,172 | 2,049 | 3,151 | 1,661 | 3,095 | 10,965 | 4,413 | 8,272 | 3,785 |
| Coupon securities, by maturity | | | | | | | | | | | |
| 2 Five years or less | -29,287 | -29,392 | -30,472 | -31,857 | -34,212 | -27,319 | -27,018 | -32,896 | -28,111 | -29,549 | -28,265 |
| 3 More than five years | -18,943 | -17,375 | -17,380 | -20,181 | -19,684 | -14,297 | -13,550 | -20,889 | -10,054 | -13,323 | -10,171 |
| 4 Inflation-indexed | 2,711 | 2,452 | 3,125 | 2,264 | 2,882 | 3,251 | 3,390 | 3,526 | 3,084 | 3,334 | 3,410 |
| Federal agency | | | | | | | | | | | |
| 5 Discount notes | 31,912 | 37,057 | 33,428 | 37,785 | 34,342 | 30,297 | 35,388 | 30,822 | 29,824 | 30,166 | 29,728 |
| Coupon securities, by maturity | | | | | | | | | | | |
| 6 One year or less | 13,638 | 13,999 | 13,990 | 13,751 | 13,882 | 14,277 | 13,787 | 14,176 | 14,896 | 17,318 | 16,125 |
| 7 More than one year, but less than or equal to five years | 5,089 | 4,628 | 5,672 | 3,926 | 6,032 | 4,333 | 8,296 | 4,918 | 9,516 | 7,014 | 6,217 |
| 8 More than five years | 1,281 | 1,696 | 1,978 | 3,748 | 3,239 | 1,951 | 350 | 1,257 | 3,579 | 4,490 | 4,667 |
| 9 Mortgage-backed | 18,646 ^f | 14,544 ^f | 14,541 | 15,420 | 10,702 | 12,563 | 22,545 | 11,406 | 13,852 | 11,158 | 11,308 |
| NET FUTURES POSITIONS⁴ | | | | | | | | | | | |
| <i>By type of deliverable security</i> | | | | | | | | | | | |
| 10 U.S. Treasury bills | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Coupon securities, by maturity | | | | | | | | | | | |
| 11 Five years or less | 11,726 | 4,480 | 1,995 | 1,891 | 1,919 | 921 | 2,083 | 3,304 | 3,902 | 1,220 | 2,458 |
| 12 More than five years | -329 | 1,600 | 1,365 | 3,790 | 2,454 | 186 | -64 | 1,521 | -515 | -1,414 | -3,844 |
| 13 Inflation-indexed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Federal agency | | | | | | | | | | | |
| 14 Discount notes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Coupon securities, by maturity | | | | | | | | | | | |
| 15 One year or less | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16 More than one year, but less than or equal to five years | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17 More than five years | -582 | -737 | -1,232 | -832 | -1,320 | -1,345 | -1,309 | -1,175 | -1,186 | -1,356 | -1,450 |
| 18 Mortgage-backed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| NET OPTIONS POSITIONS | | | | | | | | | | | |
| <i>By type of deliverable security</i> | | | | | | | | | | | |
| 19 U.S. Treasury bills | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Coupon securities, by maturity | | | | | | | | | | | |
| 20 Five years or less | 1,723 | 2,489 | 1,541 | 2,046 | 1,789 | 1,755 | 1,298 | 949 | -1,601 | -1,587 | -2,132 |
| 21 More than five years | 1,324 | 1,242 | 771 | -844 | 651 | 949 | 1,470 | 967 | -13 | 323 | 54 |
| 22 Inflation-indexed | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Federal agency | | | | | | | | | | | |
| 23 Discount notes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Coupon securities, by maturity | | | | | | | | | | | |
| 24 One year or less | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25 More than one year, but less than or equal to five years | 208 | 88 | 41 | 63 | 28 | 73 | 25 | 24 | -1 | -304 | -309 |
| 26 More than five years | 181 | 33 | 208 | 104 | 95 | 277 | 311 | 207 | n.a. | 248 | 206 |
| 27 Mortgage-backed | 5,009 | 4,328 | 3,895 | 4,065 | 3,615 | 3,470 | 4,090 | 4,377 | 2,118 | 1,661 | 4,107 |
| Financing⁵ | | | | | | | | | | | |
| <i>Reverse repurchase agreements</i> | | | | | | | | | | | |
| 28 Overnight and continuing | 283,661 | 282,991 | 289,809 | 293,759 | 279,418 | 294,586 | 272,423 | 314,011 | 300,565 | 326,471 | 279,769 |
| 29 Term | 782,717 | 777,783 | 832,733 | 778,462 | 801,856 | 821,856 | 873,787 | 869,730 | 909,956 | 758,572 | 825,576 |
| <i>Securities borrowed</i> | | | | | | | | | | | |
| 30 Overnight and continuing | 285,382 | 283,528 | 289,467 | 285,566 | 292,300 | 296,145 | 289,248 | 281,225 | 283,982 | 279,538 | 263,438 |
| 31 Term | 114,470 | 114,413 | 117,801 | 119,912 | 118,622 | 116,806 | 117,024 | 117,503 | 120,515 | 120,590 | 127,509 |
| <i>Securities received as pledge</i> | | | | | | | | | | | |
| 32 Overnight and continuing | 2,367 | 2,232 | 2,228 | 2,169 | 2,184 | 2,259 | 2,287 | 2,214 | 2,527 | 2,599 | 2,909 |
| 33 Term | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| <i>Repurchase agreements</i> | | | | | | | | | | | |
| 34 Overnight and continuing | 748,503 | 738,371 | 729,081 | 732,321 | 719,909 | 734,958 | 723,178 | 737,650 | 743,744 | 757,881 | 642,402 |
| 35 Term | 689,557 | 707,207 | 772,976 | 714,107 | 732,376 | 775,093 | 806,465 | 818,047 | 860,069 | 717,776 | 848,419 |
| <i>Securities loaned</i> | | | | | | | | | | | |
| 36 Overnight and continuing | 7,705 | 6,935 | 7,252 | 6,976 | 7,214 | 7,233 | 7,344 | 7,396 | 8,400 | 8,446 | 7,995 |
| 37 Term | 4,295 | 6,189 | 5,314 | 5,682 | 5,429 | 5,427 | 5,160 | 4,984 | 4,498 | 4,410 | 4,418 |
| <i>Securities pledged</i> | | | | | | | | | | | |
| 38 Overnight and continuing | 60,868 | 61,552 | 60,045 | 62,526 | 60,986 | 60,206 | 58,688 | 58,686 | 59,855 | 56,556 | 54,741 |
| 39 Term | 4,203 | 4,432 | 4,689 | 4,771 | 4,806 | 4,703 | 4,617 | 4,564 | 4,560 | 4,162 | 3,345 |
| <i>Collateralized loans</i> | | | | | | | | | | | |
| 40 Total | 23,695 | 22,972 | 27,796 | 26,125 | 27,168 | 28,677 | 29,648 | 26,455 | 26,942 | 27,820 | 28,222 |

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. Weekly figures are close-of-business Wednesday data. Positions for calendar days of the report week are assumed to be constant. Monthly averages are based on the number of calendar days in the month.

2. Securities positions are reported at market value.

3. Net outright positions include immediate and forward positions. 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 that settle on the issue date of offering. Net immediate positions for mortgage-backed agency securities include securities purchased or sold that have been delivered or are scheduled to be delivered in thirty business days or less.

Forward positions reflect agreements made in the over-the-counter market that specify delayed delivery. Forward contracts for U.S. Treasury securities and federal agency debt

securities are included when the time to delivery is more than five business days. Forward contracts for mortgage-backed agency securities are included when the time to delivery is more than thirty business days.

4. Futures positions reflect standardized agreements arranged on an exchange. All futures positions are included regardless of time to delivery.

5. 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 advance notice by either party; term agreements have a fixed maturity of more than one business day. Financing data are reported in terms of actual funds paid or received, including accrued interest.

NOTE: "n.a." indicates that data are not published because of insufficient activity.

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

| Agency | 1996 | 1997 | 1998 | 1999 | 2000 | | | | |
|---|----------------|------------------|------------------|------------------|----------------|------------------|------------------|------------------|------------------|
| | | | | | May | June | July | Aug. | Sept. |
| 1 Federal and federally sponsored agencies | 925,823 | 1,022,609 | 1,296,477 | 1,616,492 | 193,776 | 1,706,709 | 1,726,016 | 1,763,089 | 1,776,334 |
| 2 Federal agencies | 29,380 | 27,792 | 26,502 | 26,376 | 26,052 | 26,669 | 26,094 | 25,892 | 25,993 |
| 3 Defense Department ¹ | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| 4 Export-Import Bank ^{2,3} | 1,447 | 552 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 5 Federal Housing Administration ⁴ | 84 | 102 | 205 | 126 | 184 | 185 | 205 | 210 | 227 |
| 6 Government National Mortgage Association certificates of participation ⁵ | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 7 Postal Service ⁶ | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 8 Tennessee Valley Authority | 27,853 | 27,786 | 26,496 | 26,370 | 26,046 | 26,663 | 26,088 | 25,886 | 25,987 |
| 9 United States Railway Association ⁶ | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 10 Federally sponsored agencies ⁷ | 896,443 | 994,817 | 1,269,975 | 1,590,116 | 1,677,265 | 1,680,040 | 1,699,922 | 1,737,197 | 1,750,341 |
| 11 Federal Home Loan Banks | 263,404 | 313,919 | 382,131 | 529,005 | 557,506 | 568,438 | 565,037 | 572,836 | 580,579 |
| 12 Federal Home Loan Mortgage Corporation | 156,980 | 169,200 | 287,396 | 360,711 | 392,555 | 384,286 | 399,370 | 412,656 | 406,936 |
| 13 Federal National Mortgage Association | 331,270 | 369,774 | 460,291 | 547,619 | 571,800 | 578,500 | 579,448 | 595,117 | 607,000 |
| 14 Farm Credit Banks ⁸ | 60,053 | 63,517 | 63,488 | 68,883 | 70,036 | 69,541 | 69,757 | 70,139 | 71,055 |
| 15 Student Loan Marketing Association ⁹ | 44,763 | 37,717 | 35,399 | 41,988 | 43,144 | 37,263 | 44,223 | 44,113 | 42,423 |
| 16 Financing Corporation ¹⁰ | 8,170 | 8,170 | 8,170 | 8,170 | 8,170 | 8,170 | 8,170 | 8,170 | 8,170 |
| 17 Farm Credit Financial Assistance Corporation ¹¹ | 1,261 | 1,261 | 1,261 | 1,261 | 1,261 | 1,261 | 1,261 | 1,261 | 1,261 |
| 18 Resolution Funding Corporation ¹² | 29,996 | 29,996 | 29,996 | 29,996 | 29,996 | 29,996 | 29,996 | 29,996 | 29,996 |
| MEMO | | | | | | | | | |
| 19 Federal Financing Bank debt ¹³ | 58,172 | 49,090 | 44,129 | 42,152 | 39,102 | 38,513 | 38,143 | 38,040 | 42,837 |
| <i>Lending to federal and federally sponsored agencies</i> | | | | | | | | | |
| 20 Export-Import Bank ³ | 1,431 | 552 | ↑ | ↑ | ↑ | ↑ | ↑ | ↑ | ↑ |
| 21 Postal Service ⁶ | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 22 Student Loan Marketing Association | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 23 Tennessee Valley Authority | n.a. | n.a. | ↓ | ↓ | ↓ | ↓ | ↓ | ↓ | ↓ |
| 24 United States Railway Association ⁶ | n.a. | n.a. | ↓ | ↓ | ↓ | ↓ | ↓ | ↓ | ↓ |
| <i>Other lending¹⁴</i> | | | | | | | | | |
| 25 Farmers Home Administration | 18,325 | 13,530 | 9,500 | 6,665 | 6,140 | 6,040 | 5,760 | 5,660 | 5,540 |
| 26 Rural Electrification Administration | 16,702 | 14,898 | 14,091 | 14,085 | 13,221 | 13,121 | 13,165 | 13,238 | 12,989 |
| 27 Other | 21,714 | 20,110 | 20,538 | 21,402 | 19,741 | 19,352 | 19,218 | 19,142 | 24,308 |

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. On-budget since Sept. 30, 1976.

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

6. Off-budget.

7. Includes outstanding noncontingent liabilities: notes, bonds, and debentures. Includes Federal Agricultural Mortgage Corporation; therefore, details do not sum to total. Some data are estimated.

8. Excludes borrowing by the Farm Credit Financial Assistance Corporation, which is shown on line 17.

9. Before late 1982, the association obtained financing through the Federal Financing Bank (FFB). Borrowing excludes that obtained from the FFB, which is shown on line 22.

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

14. Includes FFB purchases of agency assets and guaranteed loans; the latter are loans guaranteed by numerous agencies, with the amounts guaranteed by any one agency generally being small. The Farmers Home Administration entry consists exclusively of agency assets, whereas the Rural Electrification Administration entry consists of both agency assets and guaranteed loans.

1.45 NEW SECURITY ISSUES Tax-Exempt State and Local Governments

Millions of dollars

| Type of issue or issuer, or use | 1997 | 1998 | 1999 | 2000 | | | | | | | |
|--|---------|---------|---------|--------|--------|--------|--------|--------|--------|--------|--------|
| | | | | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. |
| 1 All issues, new and refunding ¹ | 214,694 | 262,342 | 215,427 | 14,233 | 14,136 | 20,208 | 12,827 | 15,284 | 15,598 | 18,035 | 18,079 |
| By type of issue | | | | | | | | | | | |
| 2 General obligation | 69,934 | 87,015 | 73,308 | 4,598 | 6,051 | 8,581 | 4,256 | 5,194 | 6,888 | 5,871 | 5,044 |
| 3 Revenue | 134,989 | 175,327 | 142,120 | 9,635 | 8,086 | 11,628 | 8,572 | 10,090 | 8,710 | 12,163 | 13,036 |
| By type of issuer | | | | | | | | | | | |
| 4 State | 18,237 | 23,506 | 16,376 | 1,371 | 1,102 | 2,907 | 783 | 1,011 | 2,022 | 3,005 | 1,942 |
| 5 Special district or statutory authority ² | 134,919 | 178,421 | 152,418 | 10,229 | 9,639 | 13,520 | 8,545 | 10,728 | 10,152 | 11,224 | 12,311 |
| 6 Municipality, county, or township | 70,558 | 60,173 | 46,634 | 2,633 | 3,396 | 3,782 | 3,500 | 3,545 | 3,424 | 3,806 | 3,827 |
| 7 Issues for new capital | 135,519 | 160,568 | 161,065 | 12,029 | 12,481 | 16,987 | 11,297 | 12,402 | 13,968 | 16,387 | 14,520 |
| By use of proceeds | | | | | | | | | | | |
| 8 Education | 31,860 | 36,904 | 36,563 | 2,484 | 3,662 | 4,465 | 3,185 | 3,630 | 3,210 | 3,492 | 3,446 |
| 9 Transportation | 13,951 | 19,926 | 17,394 | 768 | 1,778 | 1,093 | 1,947 | 1,979 | 1,574 | 2,575 | 2,124 |
| 10 Utilities and conservation | 12,219 | 21,037 | 15,098 | 729 | 537 | 1,141 | 353 | 1,409 | 1,408 | 1,272 | 1,973 |
| 11 Social welfare | 27,794 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 12 Industrial aid | 6,667 | 8,594 | 9,099 | 762 | 585 | 1,150 | 632 | 281 | 387 | 730 | 500 |
| 13 Other purposes | 35,095 | 42,450 | 47,896 | 3,903 | 3,557 | 5,776 | 2,543 | 3,564 | 5,243 | 6,558 | 3,787 |

1. Par amounts of long-term issues based on date of sale.

2. Includes school districts.

SOURCE: Securities Data Company beginning January 1990; *Investment Dealer's Digest* before then.

1.46 NEW SECURITY ISSUES U.S. Corporations

Millions of dollars

| Type of issue, offering, or issuer | 1997 | 1998 | 1999 | 2000 | | | | | | | |
|---------------------------------------|---------|-----------|-----------|---------|--------|--------|---------|--------|--------|---------------------|--------|
| | | | | Mar. | Apr. | May | June | July | Aug. | Sept. | Oct. |
| 1 All issues ¹ | 929,256 | 1,128,491 | 1,072,866 | 113,093 | 61,963 | 62,939 | 100,615 | 65,511 | 82,752 | 94,492 ² | 59,114 |
| 2 Bonds ² | 811,376 | 1,001,736 | 941,298 | 96,148 | 40,941 | 58,233 | 92,742 | 57,476 | 69,875 | 88,102 | 53,345 |
| By type of offering | | | | | | | | | | | |
| 3 Sold in the United States | 708,188 | 923,771 | 818,683 | 87,603 | 36,724 | 45,986 | 75,271 | 40,753 | 56,133 | 73,516 | 47,415 |
| 4 Sold abroad | 103,188 | 77,965 | 122,615 | 8,545 | 4,217 | 12,247 | 17,471 | 16,723 | 13,742 | 14,586 ² | 5,930 |
| MEMO | | | | | | | | | | | |
| 5 Private placements, domestic | n.a. | n.a. | n.a. | 0 | 228 | 2,694 | 3,391 | 1,038 | 241 | 376 | 126.8 |
| By industry group | | | | | | | | | | | |
| 6 Nonfinancial | 222,603 | 307,935 | 293,963 | 28,086 | 8,060 | 20,832 | 29,412 | 15,885 | 17,947 | 24,483 | 12,547 |
| 7 Financial | 588,773 | 693,801 | 647,335 | 68,062 | 32,881 | 37,401 | 63,331 | 41,592 | 51,928 | 63,619 | 40,799 |
| 8 Stocks ³ | 173,330 | 205,605 | 217,868 | 16,945 | 21,022 | 4,706 | 7,873 | 8,035 | 12,877 | 6,390 ² | 9,121 |
| By type of offering | | | | | | | | | | | |
| 9 Public | 117,880 | 126,755 | 131,568 | 16,945 | 21,022 | 4,706 | 7,873 | 8,035 | 12,877 | 6,390 ² | 9,121 |
| 10 Private placement ⁴ | 55,450 | 78,850 | 86,300 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| By industry group | | | | | | | | | | | |
| 11 Nonfinancial | 60,386 | 74,113 | 110,284 | 15,679 | 16,763 | 4,522 | 6,521 | 7,773 | 8,645 | 6,205 ² | 8,278 |
| 12 Financial | 57,494 | 52,642 | 21,284 | 1,266 | 4,259 | 184 | 1,352 | 262 | 4,232 | 185 | 843 |

1. Figures represent gross proceeds of issues maturing in more than one year; they are the principal amount or number of units calculated by multiplying by the offering price. Figures exclude secondary offerings, employee stock plans, investment companies other than closed-end, intracorporate transactions, and Yankee bonds. Stock data include ownership securities issued by limited partnerships.

2. Monthly data include 144(a) offerings.

3. Monthly data cover only public offerings.

4. Data are not available.

SOURCE: Securities Data Company and the Board of Governors of the Federal Reserve System.

1.47 OPEN-END INVESTMENT COMPANIES Net Sales and Assets¹

Millions of dollars

| Item | 1998 | 1999 | 2000 | | | | | | | |
|------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------------------|-----------|
| | | | Apr. | May | June | July | Aug. | Sept. | Oct. [†] | Nov. |
| 1 Sales of own shares ² | 1,461,430 | 1,791,894 | 202,248 | 172,718 | 181,866 | 166,815 | 179,890 | 159,809 | 169,071 | 147,268 |
| 2 Redemptions of own shares | 1,217,022 | 1,621,987 | 176,671 | 162,984 | 161,462 | 151,717 | 159,027 | 147,644 | 153,067 | 139,300 |
| 3 Net sales ³ | 244,408 | 169,906 | 25,577 | 9,735 | 20,404 | 15,098 | 20,864 | 12,166 | 16,004 | 7,968 |
| 4 Assets ⁴ | 4,173,531 | 5,233,191 | 5,391,187 | 5,232,319 | 5,458,914 | 5,392,308 | 5,745,264 | 5,550,176 | 5,442,937 | 5,004,095 |
| 5 Cash ⁵ | 191,393 | 219,189 | 254,819 | 260,426 | 259,241 | 258,472 | 261,967 | 280,192 | 302,682 | 304,462 |
| 6 Other | 3,982,138 | 5,014,002 | 5,136,368 | 4,971,892 | 5,199,673 | 5,133,836 | 5,483,298 | 5,269,984 | 5,140,255 | 4,699,633 |

1. Data include stock, hybrid, and bond mutual funds and exclude money market mutual funds.

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

3. Excludes sales and redemptions resulting from transfers of shares into or out of money market mutual funds within the same fund family.

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

5. Includes all U.S. Treasury securities and other short-term debt securities.

SOURCE: Investment Company Institute. Data based on reports of membership, which comprises substantially all open-end investment companies registered with the Securities and Exchange Commission. Data reflect underwritings of newly formed companies after their initial offering of securities.

1.48 CORPORATE PROFITS AND THEIR DISTRIBUTION

Billions of dollars; quarterly data at seasonally adjusted annual rates

| Account | 1997 | 1998 | 1999 | 1998 | 1999 | | | | 2000 | | |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----------------|
| | | | | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 [†] |
| 1 Profits with inventory valuation and capital consumption adjustment | 833.8 | 815.0 | 856.0 | 803.4 | 852.0 | 836.8 | 842.0 | 893.2 | 936.3 | 963.6 | 970.3 |
| 2 Profits before taxes | 792.4 | 758.2 | 823.0 | 742.3 | 797.6 | 804.5 | 819.0 | 870.7 | 920.7 | 942.5 | 945.1 |
| 3 Profits-tax liability | 237.2 | 244.6 | 255.9 | 239.4 | 247.8 | 250.8 | 254.2 | 270.8 | 286.3 | 292.0 | 290.6 |
| 4 Profits after taxes | 555.2 | 513.6 | 567.1 | 502.9 | 549.9 | 553.7 | 564.8 | 599.9 | 634.4 | 650.4 | 654.4 |
| 5 Dividends | 335.2 | 351.5 | 370.7 | 356.1 | 361.1 | 367.2 | 373.9 | 380.6 | 387.3 | 393.0 | 400.1 |
| 6 Undistributed profits | 220.0 | 162.1 | 196.4 | 146.9 | 188.7 | 186.5 | 190.9 | 219.3 | 247.1 | 257.4 | 254.4 |
| 7 Inventory valuation | 8.4 | 17.0 | -9.1 | 19.9 | 11.4 | -8.9 | -19.7 | -19.2 | -25.0 | -13.6 | -4.5 |
| 8 Capital consumption adjustment | 32.9 | 39.9 | 42.1 | 41.2 | 42.9 | 41.2 | 42.7 | 41.6 | 40.6 | 34.7 | 29.7 |

SOURCE: U.S. Department of Commerce, *Survey of Current Business*.1.51 DOMESTIC FINANCE COMPANIES Assets and Liabilities¹

Billions of dollars, end of period; not seasonally adjusted

| Account | 1997 | 1998 | 1999 | 1999 | | | | 2000 | | |
|--|-------|-------|---------|---------|---------|---------|---------|---------|-----------------|---------|
| | | | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 [†] | Q3 |
| ASSETS | | | | | | | | | | |
| 1 Accounts receivable, gross ² | 663.3 | 711.7 | 811.5 | 733.8 | 756.5 | 776.3 | 811.5 | 848.7 | 884.4 | 900.1 |
| 2 Consumer | 256.8 | 261.8 | 279.8 | 261.7 | 269.2 | 271.0 | 279.8 | 285.4 | 294.1 | 301.9 |
| 3 Business | 318.5 | 347.5 | 405.2 | 362.8 | 373.7 | 383.0 | 405.2 | 434.6 | 454.1 | 455.7 |
| 4 Real estate | 87.9 | 102.3 | 126.5 | 109.2 | 113.5 | 122.3 | 126.5 | 128.8 | 136.2 | 142.4 |
| 5 LESS: Reserves for unearned income | 52.7 | 56.3 | 53.5 | 52.9 | 53.4 | 54.0 | 53.5 | 54.0 | 57.1 | 58.8 |
| 6 Reserves for losses | 13.0 | 13.8 | 13.5 | 13.4 | 13.4 | 13.6 | 13.5 | 14.0 | 14.4 | 14.2 |
| 7 Accounts receivable, net | 597.6 | 641.6 | 744.6 | 667.6 | 689.7 | 708.6 | 744.6 | 780.7 | 813.0 | 827.1 |
| 8 All other | 312.4 | 337.9 | 406.3 | 363.3 | 373.2 | 368.5 | 406.3 | 412.7 | 418.3 | 441.4 |
| 9 Total assets | 910.0 | 979.5 | 1,150.9 | 1,030.8 | 1,062.9 | 1,077.2 | 1,150.9 | 1,193.4 | 1,231.3 | 1,268.4 |
| LIABILITIES AND CAPITAL | | | | | | | | | | |
| 10 Bank loans | 24.1 | 26.3 | 35.1 | 24.8 | 25.1 | 27.0 | 35.1 | 28.5 | 32.5 | 35.4 |
| 11 Commercial paper | 201.5 | 231.5 | 227.9 | 222.9 | 231.0 | 205.3 | 227.9 | 230.2 | 221.3 | 215.6 |
| Debt | | | | | | | | | | |
| 12 Owed to parent | 64.7 | 61.8 | 123.8 | 64.6 | 65.4 | 84.5 | 123.8 | 145.1 | 137.1 | 144.3 |
| 13 Not elsewhere classified | 328.8 | 339.7 | 397.0 | 366.7 | 383.1 | 396.2 | 397.0 | 412.0 | 445.4 | 465.5 |
| 14 All other liabilities | 189.6 | 203.2 | 222.7 | 220.3 | 226.1 | 216.0 | 222.7 | 247.6 | 259.3 | 269.2 |
| 15 Capital, surplus, and undivided profits | 101.3 | 117.0 | 144.5 | 131.5 | 132.2 | 148.2 | 144.5 | 130.1 | 135.6 | 138.3 |
| 16 Total liabilities and capital | 910.0 | 979.5 | 1,150.9 | 1,030.8 | 1,062.9 | 1,077.2 | 1,150.9 | 1,193.4 | 1,231.3 | 1,268.4 |

1. Includes finance company subsidiaries of bank holding companies but not of retailers and banks. Data are amounts carried on the balance sheets of finance companies; securitized pools are not shown, as they are not on the books.

2. Before deduction for unearned income and losses. Excludes pools of securitized assets.

1.52 DOMESTIC FINANCE COMPANIES Owned and Managed Receivables¹

Billions of dollars, amounts outstanding

| Type of credit | | 1997 | 1998 | 1999 | 2000 | | | | | |
|----------------|---|-------------------------|-------|---------|---------|---------|---------|---------|----------------------|---------|
| | | | | | May | June | July | Aug. | Sept. | Oct. |
| | | Seasonally adjusted | | | | | | | | |
| 1 | Total | 810.5 | 875.8 | 993.9 | 1,074.9 | 1,076.9 | 1,089.1 | 1,094.1 | 1,110.0 ^f | 1,129.8 |
| 2 | Consumer | 327.9 | 352.8 | 385.3 | 400.7 | 401.4 | 405.9 | 411.1 | 419.7 ^f | 437.8 |
| 3 | Real estate | 121.1 | 131.4 | 154.7 | 164.7 | 163.7 | 167.5 | 169.0 | 170.9 | 174.1 |
| 4 | Business | 361.5 | 391.6 | 453.9 | 509.5 | 511.7 | 515.8 | 514.1 | 519.5 ^f | 517.8 |
| | | Not seasonally adjusted | | | | | | | | |
| 5 | Total | 818.1 | 884.0 | 1,003.2 | 1,074.8 | 1,082.3 | 1,082.2 | 1,087.9 | 1,104.8 ^f | 1,127.8 |
| 6 | Consumer | 330.9 | 356.1 | 388.8 | 399.4 | 403.9 | 408.3 | 412.3 | 421.0 ^f | 438.4 |
| 7 | Motor vehicle loans | 87.0 | 103.1 | 114.7 | 124.1 | 126.5 | 129.4 | 130.7 | 130.1 | 131.8 |
| 8 | Motor vehicle leases | 96.8 | 93.3 | 98.3 | 104.1 | 103.9 | 104.4 | 105.4 | 104.6 | 104.3 |
| 9 | Revolving ^a | 38.6 | 32.3 | 33.8 | 31.6 | 33.1 | 33.6 | 33.6 | 35.4 | 37.1 |
| 10 | Other ¹ | 34.4 | 33.1 | 33.1 | 31.9 | 30.7 | 31.5 | 32.3 | 31.7 ^f | 31.8 |
| | Securitized assets ⁴ | | | | | | | | | |
| 11 | Motor vehicle loans | 44.3 | 54.8 | 71.1 | 71.9 | 74.1 | 74.5 | 76.2 | 78.8 | 84.3 |
| 12 | Motor vehicle leases | 10.8 | 12.7 | 9.7 | 8.2 | 7.9 | 7.6 | 7.4 | 7.2 | 7.0 |
| 13 | Revolving | .0 | 8.7 | 10.5 | 11.1 | 11.1 | 10.9 | 10.7 | 17.2 | 26.3 |
| 14 | Other | 19.0 | 18.1 | 17.7 | 16.5 | 16.6 | 16.4 | 16.2 | 16.0 | 15.7 |
| 15 | Real estate | 121.1 | 131.4 | 154.7 | 164.7 | 163.7 | 167.5 | 169.0 | 170.9 | 174.1 |
| 16 | One- to four-family | 59.0 | 75.7 | 88.3 | 97.3 | 96.6 | 100.5 | 101.7 | 100.9 | 104.5 |
| 17 | Other | 28.9 | 26.6 | 38.3 | 39.4 | 39.6 | 39.7 | 40.2 | 41.5 | 41.4 |
| | Securitized real estate assets ⁴ | | | | | | | | | |
| 18 | One- to four-family | 33.0 | 29.0 | 28.0 | 27.7 | 27.4 | 27.1 | 26.8 | 26.5 | 26.3 |
| 19 | Other | .2 | .1 | .2 | .2 | .2 | .2 | .2 | 1.9 | 1.9 |
| 20 | Business | 366.1 | 396.5 | 459.6 | 510.7 | 514.7 | 506.4 | 506.7 | 512.9 ^f | 515.3 |
| 21 | Motor vehicles | 63.5 | 79.6 | 87.8 | 94.8 | 94.5 | 89.4 | 89.6 | 94.1 | 96.0 |
| 22 | Retail loans | 25.6 | 28.1 | 33.2 | 33.3 | 33.8 | 34.1 | 34.3 | 34.8 | 34.7 |
| 23 | Wholesale loans ⁵ | 27.7 | 32.8 | 34.7 | 39.5 | 38.4 | 32.9 | 32.6 | 35.5 | 37.5 |
| 24 | Leases | 10.2 | 18.7 | 19.9 | 22.0 | 22.3 | 22.3 | 22.7 | 23.7 | 23.8 |
| 25 | Equipment | 203.9 | 198.0 | 221.9 | 247.3 | 250.0 | 248.6 | 250.0 | 256.7 | 257.3 |
| 26 | Loans | 51.5 | 50.4 | 52.2 | 55.9 | 56.7 | 54.8 | 54.3 | 55.8 | 55.7 |
| 27 | Leases | 152.3 | 147.6 | 169.7 | 191.5 | 193.3 | 193.9 | 195.8 | 200.9 | 201.6 |
| 28 | Other business receivables ⁶ | 51.1 | 69.9 | 95.5 | 106.6 | 109.7 | 109.4 | 108.3 | 104.9 | 104.3 |
| | Securitized assets ⁴ | | | | | | | | | |
| 29 | Motor vehicles | 33.0 | 29.2 | 31.5 | 32.0 | 31.7 | 29.8 | 29.6 | 29.9 ^f | 30.1 |
| 30 | Retail loans | 2.4 | 2.6 | 2.9 | 3.0 | 2.9 | 2.8 | 2.7 | 2.4 | 2.3 |
| 31 | Wholesale loans | 30.5 | 24.7 | 26.4 | 26.7 | 26.4 | 24.6 | 24.5 | 25.1 ^f | 25.4 |
| 32 | Leases | .0 | 1.9 | 2.1 | 2.4 | 2.4 | 2.4 | 2.4 | 2.4 | 2.4 |
| 33 | Equipment | 10.7 | 13.0 | 14.6 | 21.5 | 22.3 | 22.5 | 22.4 | 21.4 | 21.7 |
| 34 | Loans | 4.2 | 6.6 | 7.9 | 15.0 | 15.8 | 16.0 | 15.9 | 15.1 | 14.9 |
| 35 | Leases | 6.5 | 6.4 | 6.7 | 6.5 | 6.4 | 6.5 | 6.5 | 6.4 | 6.7 |
| 36 | Other business receivables ⁶ | 4.0 | 6.8 | 8.4 | 8.4 | 6.6 | 6.8 | 6.8 | 5.8 | 5.8 |

NOTE: This table has been revised to incorporate several changes resulting from the benchmarking of finance company receivables to the June 1996 Survey of Finance Companies. In that benchmark survey, and in the monthly surveys that have followed, more detailed breakdowns have been obtained for some components. In addition, previously unavailable data on securitized real estate loans are now included in this table. The new information has resulted in some reclassification of receivables among the three major categories (consumer, real estate, and business) and in discontinuities in some component series between May and June 1996.

Includes finance company subsidiaries of bank holding companies but not of retailers and banks. Data in this table also appear in the Board's G.20 (422) monthly statistical release. For ordering address, see inside front cover.

1. Owned receivables are those carried on the balance sheet of the institution. Managed receivables are outstanding balances of pools upon which securities have been issued; these balances are no longer carried on the balance sheets of the loan originator. Data are shown

before deductions for unearned income and losses. Components may not sum to totals because of rounding.

2. Excludes revolving credit reported as held by depository institutions that are subsidiaries of finance companies.

3. Includes personal cash loans, mobile home loans, and loans to purchase other types of consumer goods, such as appliances, apparel, boats, and recreation vehicles.

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

5. Credit arising from transactions between manufacturers and dealers, that is, floor plan financing.

6. Includes loans on commercial accounts receivable, factored commercial accounts, and receivable dealer capital; small loans used primarily for business or farm purposes; and wholesale and lease paper for mobile homes, campers, and travel trailers.

1.53 MORTGAGE MARKETS Mortgages on New Homes

Millions of dollars except as noted

| Item | 1997 | 1998 | 1999 | 2000 | | | | | | |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | | | | May | June | July | Aug. | Sept. | Oct. | Nov. |
| Terms and yields in primary and secondary markets | | | | | | | | | | |
| PRIMARY MARKETS | | | | | | | | | | |
| Terms ¹ | | | | | | | | | | |
| 1 Purchase price (thousands of dollars) | 180.1 | 195.2 | 210.7 | 232.2 | 238.6 | 235.8 | 237.0 | 241.9 | 240.2 | 247.2 |
| 2 Amount of loan (thousands of dollars) | 140.3 | 151.1 | 161.7 | 176.3 | 178.3 | 178.3 | 179.7 | 182.5 | 180.4 | 184.2 |
| 3 Loan-to-price ratio (percent) | 80.4 | 80.0 | 78.7 | 78.0 | 76.9 | 77.7 | 77.7 | 77.1 | 77.2 | 76.2 |
| 4 Maturity (years) | 28.2 | 28.4 | 28.8 | 29.2 | 29.2 | 29.3 | 29.3 | 29.2 | 29.2 | 29.2 |
| 5 Fees and charges (percent of loan amount) ² | 1.02 | .89 | .77 | .71 | .69 | .66 | .68 | .70 | .69 | .69 |
| Yield (percent per year) | | | | | | | | | | |
| 6 Contract rate ³ | 7.57 | 6.95 | 6.94 | 7.44 | 7.40 | 7.41 | 7.44 | 7.41 | 7.43 | 7.36 |
| 7 Effective rate ^{3,4} | 7.73 | 7.08 | 7.06 | 7.55 | 7.50 | 7.51 | 7.54 | 7.52 | 7.53 | 7.47 |
| 8 Contract rate (HUD series) ⁴ | 7.76 | 7.00 | 7.45 | 8.26 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| SECONDARY MARKETS | | | | | | | | | | |
| Yield (percent per year) | | | | | | | | | | |
| 9 FHA mortgages (Section 203) ⁵ | 7.89 | 7.04 | 7.74 | 8.58 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 10 GNMA securities ⁶ | 7.26 | 6.43 | 7.03 | 8.06 | 7.69 | 7.59 | 7.44 | 7.43 | 7.30 | 7.22 |
| Activity in secondary markets | | | | | | | | | | |
| FEDERAL NATIONAL MORTGAGE ASSOCIATION | | | | | | | | | | |
| Mortgage holdings (end of period) | | | | | | | | | | |
| 11 Total | 316,678 | 414,515 | 523,941 | 545,803 | 552,166 | 561,045 | 568,187 | 574,087 | 586,756 | 598,951 |
| 12 FHA/VA insured | 31,925 | 33,770 | 55,318 | 59,140 | 59,703 | 60,397 | 60,150 | 59,961 | 60,329 | n.a. |
| 13 Conventional | 284,753 | 380,745 | 468,623 | 486,663 | 492,463 | 500,648 | 508,037 | 514,126 | 526,427 | n.a. |
| 14 Mortgage transactions purchased (during period) | 70,465 | 188,448 | 195,210 | 12,872 | 12,842 | 15,128 | 13,352 | 11,501 | 18,444 | 17,322 |
| Mortgage commitments (during period) | | | | | | | | | | |
| 15 Issued ⁷ | 69,965 | 193,795 | 187,948 | 10,450 | 11,825 | 16,660 | 14,253 | 16,143 | 17,435 | 15,287 |
| 16 To sell ⁸ | 1,298 | 1,880 | 5,900 | 1,594 | 1,254 | 436 | 236 | 693 | 268 | 676 |
| FEDERAL HOME LOAN MORTGAGE CORPORATION | | | | | | | | | | |
| Mortgage holdings (end of period) ⁸ | | | | | | | | | | |
| 17 Total | 164,421 | 255,010 | 324,443 | 347,370 | 350,836 | 354,020 | 357,002 | 361,624 | 365,198 | 372,819 |
| 18 FHA/VA insured | 177 | 785 | 1,836 | 3,116 | 2,892 | 2,858 | 2,903 | 3,517 | 3,530 | 3,321 |
| 19 Conventional | 164,244 | 254,225 | 322,607 | 344,254 | 347,944 | 351,162 | 354,099 | 358,107 | 361,668 | 369,498 |
| Mortgage transactions (during period) | | | | | | | | | | |
| 20 Purchases | 117,401 | 267,402 | 239,793 | 15,741 | 12,271 | 10,912 | 16,056 | 21,748 | 16,195 | 19,402 |
| 21 Sales | 114,258 | 250,565 | 233,031 | 15,261 | 11,806 | 10,539 | 15,558 | 21,189 | 15,614 | 18,823 |
| 22 Mortgage commitments contracted (during period) ⁹ | 120,089 | 281,899 | 228,432 | 13,807 | 13,596 | 10,803 | 17,468 | 19,481 | 17,915 | 20,012 |

1. Weighted averages based on sample surveys of mortgages originated by major institutional lender groups for purchase of newly built homes; compiled by the Federal Housing Finance 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 rate on loans closed for purchase of newly built homes, assuming prepayment at the end of ten years.

4. Average contract rate on new commitments for conventional first mortgages; from U.S. Department of Housing and Urban Development (HUD). Based on transactions on the first day of the subsequent month.

5. Average gross yield on thirty-year, minimum-downpayment first mortgages insured by the Federal Housing Administration (FHA) for immediate delivery in the private secondary market. Based on transactions on first day of subsequent month.

6. Average net yields to investors on fully modified pass-through securities backed by mortgages and guaranteed by the Government National Mortgage Association (GNMA), assuming prepayment in twelve years on pools of thirty-year mortgages insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs.

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

8. Includes participation loans as well as whole loans.

9. Includes conventional and government-underwritten loans. The Federal Home Loan Mortgage Corporation's mortgage commitments and mortgage transactions include activity under mortgage securities swap programs, whereas the corresponding data for FNMA exclude swap activity.

1.54 MORTGAGE DEBT OUTSTANDING¹

Millions of dollars, end of period

| Type of holder and property | 1996 | 1997 | 1998 | 1999 | | | 2000 | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | | | | Q2 | Q3 | Q4 | Q1 | Q2 |
| 1 All holders | 4,865,412 | 5,197,838 | 5,722,645 | 6,015,365 | 6,224,771 | 6,375,447 | 6,489,770 | 6,659,097 |
| <i>By type of property</i> | | | | | | | | |
| 2 One- to four-family residences | 3,716,055 | 3,967,842 | 4,353,048 | 4,559,021 | 4,690,310 | 4,786,609 | 4,862,747 | 4,982,853 |
| 3 Multifamily residences | 288,579 | 301,838 | 329,813 | 348,658 | 359,323 | 373,189 | 381,699 | 392,919 |
| 4 Nonfarm, nonresidential | 773,643 | 837,859 | 943,278 | 1,008,048 | 1,073,743 | 1,112,686 | 1,141,577 | 1,175,641 |
| 5 Farm | 87,134 | 90,299 | 96,506 | 99,638 | 101,395 | 102,962 | 103,748 | 107,685 |
| <i>By type of holder</i> | | | | | | | | |
| 6 Major financial institutions | 1,981,886 | 2,083,881 | 2,194,813 | 2,242,431 | 2,321,356 | 2,394,923 | 2,456,786 | 2,551,751 |
| 7 Commercial banks ² | 1,145,389 | 1,245,315 | 1,337,217 | 1,361,365 | 1,418,819 | 1,495,502 | 1,546,816 | 1,614,307 |
| 8 One- to four-family | 677,603 | 745,510 | 797,492 | 790,372 | 827,291 | 879,552 | 904,581 | 948,496 |
| 9 Multifamily | 45,451 | 49,670 | 54,116 | 60,529 | 63,964 | 67,591 | 72,431 | 75,713 |
| 10 Nonfarm, nonresidential | 397,452 | 423,148 | 456,574 | 479,930 | 496,246 | 516,520 | 537,131 | 556,382 |
| 11 Farm | 24,883 | 26,986 | 29,035 | 30,536 | 31,320 | 31,839 | 32,673 | 33,717 |
| 12 Savings institutions ³ | 628,335 | 631,726 | 643,957 | 656,518 | 676,346 | 668,634 | 680,745 | 701,992 |
| 13 One- to four-family | 513,712 | 520,682 | 533,918 | 544,962 | 560,622 | 549,072 | 560,046 | 578,641 |
| 14 Multifamily | 61,570 | 59,540 | 56,821 | 55,016 | 57,282 | 59,138 | 57,759 | 59,142 |
| 15 Nonfarm, nonresidential | 52,723 | 51,150 | 52,801 | 56,096 | 57,983 | 59,948 | 62,447 | 63,691 |
| 16 Farm | 331 | 354 | 417 | 443 | 459 | 475 | 493 | 518 |
| 17 Life insurance companies | 208,162 | 206,840 | 213,640 | 224,548 | 226,190 | 230,787 | 229,225 | 235,452 |
| 18 One- to four-family | 6,977 | 7,187 | 6,590 | 7,292 | 7,432 | 5,934 | 5,874 | 4,826 |
| 19 Multifamily | 30,750 | 30,402 | 31,522 | 31,800 | 31,998 | 32,818 | 32,602 | 33,669 |
| 20 Nonfarm, nonresidential | 160,315 | 158,779 | 164,004 | 173,495 | 174,571 | 179,048 | 177,870 | 182,514 |
| 21 Farm | 10,120 | 10,472 | 11,024 | 11,961 | 12,189 | 12,987 | 12,879 | 14,444 |
| 22 Federal and related agencies | 295,192 | 286,194 | 293,613 | 289,519 | 322,572 | 322,352 | 323,145 | 334,715 |
| 23 Government National Mortgage Association | 2 | 8 | 7 | 8 | 8 | 7 | 7 | 7 |
| 24 One- to four-family | 2 | 8 | 7 | 8 | 8 | 7 | 7 | 7 |
| 25 Multifamily | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 26 Farmers Home Administration ⁴ | 41,596 | 41,195 | 40,851 | 40,766 | 73,705 | 73,871 | 72,899 | 72,896 |
| 27 One- to four-family | 17,303 | 17,253 | 16,895 | 16,653 | 16,583 | 16,506 | 16,456 | 16,435 |
| 28 Multifamily | 11,685 | 11,720 | 11,739 | 11,735 | 11,745 | 11,741 | 11,732 | 11,729 |
| 29 Nonfarm, nonresidential | 6,841 | 7,370 | 7,705 | 7,943 | 41,068 | 41,355 | 40,509 | 40,554 |
| 30 Farm | 5,768 | 4,852 | 4,513 | 4,435 | 4,308 | 4,268 | 4,202 | 4,179 |
| 31 Federal Housing and Veterans' Administrations | 6,244 | 3,811 | 3,674 | 3,490 | 3,889 | 3,712 | 3,794 | 3,845 |
| 32 One- to four-family | 3,524 | 1,767 | 1,849 | 1,623 | 2,013 | 1,851 | 1,847 | 1,832 |
| 33 Multifamily | 2,719 | 2,044 | 1,825 | 1,867 | 1,876 | 1,861 | 1,947 | 2,013 |
| 34 Resolution Trust Corporation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 35 One- to four-family | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 36 Multifamily | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 37 Nonfarm, nonresidential | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 38 Farm | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 39 Federal Deposit Insurance Corporation | 2,431 | 724 | 361 | 189 | 163 | 152 | 98 | 72 |
| 40 One- to four-family | 365 | 109 | 54 | 28 | 24 | 23 | 15 | 11 |
| 41 Multifamily | 413 | 123 | 61 | 32 | 28 | 26 | 17 | 12 |
| 42 Nonfarm, nonresidential | 1,653 | 492 | 245 | 129 | 111 | 103 | 67 | 49 |
| 43 Farm | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 44 Federal National Mortgage Association | 168,813 | 161,308 | 157,675 | 155,637 | 153,172 | 151,500 | 150,312 | 155,364 |
| 45 One- to four-family | 155,008 | 149,831 | 147,594 | 145,033 | 142,982 | 141,195 | 139,986 | 144,335 |
| 46 Multifamily | 13,805 | 11,477 | 10,081 | 10,604 | 10,190 | 10,305 | 10,326 | 11,029 |
| 47 Federal Land Banks | 29,602 | 30,657 | 32,983 | 33,666 | 34,217 | 34,187 | 34,142 | 34,820 |
| 48 One- to four-family | 1,742 | 1,804 | 1,941 | 1,981 | 2,013 | 2,012 | 2,009 | 2,039 |
| 49 Farm | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 50 Federal Home Loan Mortgage Corporation | 46,504 | 48,454 | 57,085 | 54,282 | 55,695 | 56,676 | 57,009 | 56,972 |
| 51 One- to four-family | 41,758 | 42,629 | 49,106 | 43,574 | 44,010 | 44,321 | 43,384 | 42,892 |
| 52 Multifamily | 4,746 | 5,825 | 7,979 | 10,708 | 11,685 | 12,355 | 13,625 | 14,080 |
| 53 Mortgage pools or trusts ⁵ | 4,865,412 | 5,197,838 | 5,722,645 | 6,015,365 | 6,224,771 | 6,375,447 | 6,489,770 | 6,659,097 |
| 54 Government National Mortgage Association | 506,246 | 536,879 | 537,446 | 553,196 | 569,038 | 582,263 | 589,203 | 590,903 |
| 55 One- to four-family | 494,064 | 523,225 | 522,498 | 537,287 | 552,670 | 565,189 | 571,517 | 572,856 |
| 56 Multifamily | 12,182 | 13,654 | 14,948 | 15,909 | 16,368 | 17,074 | 17,686 | 18,047 |
| 57 Federal Home Loan Mortgage Corporation | 554,260 | 579,385 | 646,459 | 718,085 | 738,581 | 749,081 | 757,106 | 768,641 |
| 58 One- to four-family | 551,513 | 576,846 | 643,465 | 714,844 | 735,088 | 744,619 | 752,607 | 763,890 |
| 59 Multifamily | 2,747 | 2,539 | 2,994 | 3,241 | 3,493 | 4,462 | 4,499 | 4,751 |
| 60 Federal National Mortgage Association | 650,779 | 709,582 | 834,517 | 911,435 | 938,484 | 960,883 | 975,815 | 995,815 |
| 61 One- to four-family | 633,209 | 687,981 | 804,204 | 877,863 | 903,531 | 924,941 | 938,898 | 957,584 |
| 62 Multifamily | 17,570 | 21,601 | 30,313 | 33,572 | 34,953 | 35,942 | 36,917 | 38,231 |
| 63 Farmers Home Administration ⁴ | 3 | 2 | 1 | 1 | 0 | 0 | 0 | 0 |
| 64 One- to four-family | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 65 Multifamily | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 66 Nonfarm, nonresidential | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 67 Farm | 3 | 2 | 1 | 1 | 0 | 0 | 0 | 0 |
| 68 Private mortgage conduits | 329,559 | 413,502 | 571,340 | 627,402 | 645,084 | 662,565 | 678,156 | 686,037 |
| 69 One- to four-family ⁶ | 258,800 | 316,400 | 412,700 | 447,938 | 455,276 | 462,600 | 471,390 | 471,000 |
| 70 Multifamily | 16,369 | 21,591 | 34,323 | 39,435 | 40,936 | 42,628 | 43,835 | 44,931 |
| 71 Nonfarm, nonresidential | 54,390 | 75,511 | 124,317 | 140,029 | 148,873 | 157,337 | 162,930 | 170,106 |
| 72 Farm | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 73 Individuals and others ⁷ | 547,486 | 588,413 | 644,456 | 673,297 | 689,656 | 703,379 | 709,560 | 731,235 |
| 74 One- to four-family | 360,474 | 376,574 | 413,770 | 428,202 | 439,219 | 446,771 | 449,496 | 467,572 |
| 75 Multifamily | 68,572 | 71,651 | 73,081 | 74,090 | 74,629 | 77,016 | 78,074 | 79,272 |
| 76 Nonfarm, nonresidential | 100,269 | 121,409 | 137,632 | 150,428 | 154,892 | 158,375 | 160,622 | 162,345 |
| 77 Farm | 18,169 | 18,779 | 19,974 | 20,577 | 20,916 | 21,217 | 21,368 | 22,046 |

1. Multifamily debt refers to loans on structures of five or more units.

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

3. Includes savings banks and savings and loan associations.

4. FmHA-guaranteed securities sold to the Federal Financing Bank were reallocated from FmHA mortgage pools to FmHA mortgage holdings in 1986:Q4 because of accounting changes by the Farmers Home Administration.

5. Outstanding principal balances of mortgage-backed securities insured or guaranteed by the agency indicated.

6. Includes securitized home equity loans.

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 finance companies.

SOURCE: Based on data from various institutional and government sources. Separation of nonfarm mortgage debt by type of property, if not reported directly, and interpolations and extrapolations, when required for some quarters, are estimated in part by the Federal Reserve. Line 69 from Inside Mortgage Securities and other sources.

1.55 CONSUMER CREDIT¹

Millions of dollars, amounts outstanding, end of period

| Holder and type of credit | 1997 | 1998 | 1999 | 2000 | | | | | |
|---|-------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | | | | May | June | July | Aug. | Sept. | Oct. |
| | Seasonally adjusted | | | | | | | | |
| 1 Total | 1,234,461 | 1,301,023 | 1,393,657 | 1,447,368 | 1,462,821 | 1,470,768 | 1,484,081 | 1,492,934 | 1,509,568 |
| 2 Revolving | 531,163 | 560,504 | 595,610 | 628,764 | 634,652 | 638,406 | 645,121 | 649,297 | 656,666 |
| 3 Nonrevolving ² | 703,297 | 740,519 | 798,047 | 818,604 | 828,170 | 832,363 | 838,961 | 843,637 | 852,902 |
| | Not seasonally adjusted | | | | | | | | |
| 4 Total | 1,264,103 | 1,331,742 | 1,426,151 | 1,434,251 | 1,454,035 | 1,463,292 | 1,486,048 | 1,495,627 | 1,513,688 |
| By major holder | | | | | | | | | |
| 5 Commercial banks | 512,563 | 508,932 | 499,758 | 502,030 | 506,245 | 506,254 | 520,431 | 521,767 | 521,515 |
| 6 Finance companies | 160,022 | 168,491 | 181,573 | 187,610 | 190,268 | 194,438 | 196,555 | 197,276 | 200,815 |
| 7 Credit unions | 152,362 | 155,406 | 167,921 | 173,471 | 176,030 | 178,034 | 180,679 | 181,597 | 183,010 |
| 8 Savings institutions | 47,172 | 51,611 | 61,527 | 60,289 | 60,951 | 61,493 | 62,037 | 62,580 | 62,815 |
| 9 Nonfinancial business | 78,927 | 74,877 | 80,311 | 73,523 | 73,500 | 71,956 | 73,030 | 72,091 | 70,842 |
| 10 Pools of securitized assets ³ | 313,057 | 372,425 | 435,061 | 437,328 | 447,041 | 451,117 | 453,316 | 460,316 | 474,691 |
| By major type of credit ⁴ | | | | | | | | | |
| 11 Revolving | 555,858 | 586,528 | 623,245 | 621,127 | 627,909 | 630,633 | 641,298 | 645,820 | 654,678 |
| 12 Commercial banks | 219,826 | 210,346 | 189,352 | 192,352 | 194,793 | 194,496 | 204,016 | 202,362 | 201,874 |
| 13 Finance companies | 38,608 | 32,309 | 33,814 | 31,628 | 33,063 | 33,565 | 33,558 | 35,405 | 37,147 |
| 14 Credit unions | 19,552 | 19,930 | 20,641 | 19,930 | 20,172 | 20,476 | 20,796 | 20,783 | 20,824 |
| 15 Savings institutions | 11,441 | 12,450 | 15,838 | 15,295 | 15,455 | 15,745 | 16,036 | 16,327 | 16,505 |
| 16 Nonfinancial business | 44,966 | 39,166 | 42,783 | 37,766 | 37,098 | 36,078 | 36,669 | 35,817 | 34,495 |
| 17 Pools of securitized assets ³ | 221,465 | 272,327 | 320,817 | 324,156 | 327,328 | 330,273 | 330,223 | 335,126 | 343,833 |
| 18 Nonrevolving | 708,245 | 745,214 | 802,906 | 813,124 | 826,126 | 832,659 | 844,750 | 849,807 | 859,010 |
| 19 Commercial banks | 292,737 | 298,586 | 310,406 | 309,678 | 311,452 | 311,758 | 316,415 | 319,405 | 319,641 |
| 20 Finance companies | 121,414 | 136,182 | 147,759 | 155,982 | 157,205 | 160,873 | 162,997 | 161,871 | 163,668 |
| 21 Credit unions | 132,810 | 135,476 | 147,280 | 153,541 | 155,858 | 157,558 | 159,883 | 160,814 | 162,186 |
| 22 Savings institutions | 35,731 | 39,161 | 45,689 | 44,994 | 45,496 | 45,748 | 46,001 | 46,253 | 46,310 |
| 23 Nonfinancial business | 33,961 | 35,711 | 37,528 | 35,757 | 36,402 | 35,878 | 36,361 | 36,274 | 36,347 |
| 24 Pools of securitized assets ³ | 91,592 | 100,098 | 114,244 | 113,172 | 119,713 | 120,844 | 123,093 | 125,190 | 130,858 |

1. The Board's series on amounts of credit covers most short- and intermediate-term credit extended to individuals, excluding loans secured by real estate. Data in this table also appear in the Board's G.19 (421) monthly statistical release. For ordering address, see inside front cover.

2. Comprises motor vehicle loans, mobile home loans, and all other loans that are not included in revolving credit, such as loans for education, boats, trailers, or vacations. These loans may be secured or unsecured.

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

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

1.56 TERMS OF CONSUMER CREDIT¹

Percent per year except as noted

| Item | 1997 | 1998 | 1999 | 2000 | | | | | | |
|-------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | | | | Apr. | May | June | July | Aug. | Sept. | Oct. |
| INTEREST RATES | | | | | | | | | | |
| <i>Commercial banks²</i> | | | | | | | | | | |
| 1 48-month new car | 9.02 | 8.72 | 8.44 | n.a. | 9.21 | n.a. | n.a. | 9.62 | n.a. | n.a. |
| 2 24-month personal | 13.90 | 13.74 | 13.39 | n.a. | 13.88 | n.a. | n.a. | 13.85 | n.a. | n.a. |
| <i>Credit card plan</i> | | | | | | | | | | |
| 3 All accounts | 15.77 | 15.71 | 15.21 | n.a. | 15.39 | n.a. | n.a. | 15.98 | n.a. | n.a. |
| 4 Accounts assessed interest | 15.57 | 15.59 | 14.81 | n.a. | 14.74 | n.a. | n.a. | 15.35 | n.a. | n.a. |
| <i>Auto finance companies</i> | | | | | | | | | | |
| 5 New car | 7.12 | 6.30 | 6.66 | 6.38 | 6.51 | 6.40 | 6.55 | 7.46 | 7.16 | 4.74 |
| 6 Used car | 13.27 | 12.64 | 12.60 | 13.52 | 13.47 | 13.58 | 13.64 | 13.70 | 13.91 | 13.87 |
| OTHER TERMS ³ | | | | | | | | | | |
| <i>Maturity (months)</i> | | | | | | | | | | |
| 7 New car | 54.1 | 52.1 | 52.7 | 53.8 | 53.5 | 55.6 | 55.6 | 55.7 | 55.9 | 57.6 |
| 8 Used car | 51.0 | 53.5 | 55.9 | 57.1 | 57.1 | 57.3 | 57.2 | 57.2 | 57.0 | 57.0 |
| <i>Loan-to-value ratio</i> | | | | | | | | | | |
| 9 New car | 92 | 92 | 92 | 93 | 93 | 92 | 92 | 92 | 91 | 93 |
| 10 Used car | 99 | 99 | 99 | 98 | 99 | 99 | 100 | 100 | 100 | 100 |
| <i>Amount financed (dollars)</i> | | | | | | | | | | |
| 11 New car | 18,077 | 19,083 | 19,880 | 20,542 | 20,621 | 20,349 | 20,406 | 20,664 | 21,010 | 22,069 |
| 12 Used car | 12,281 | 12,691 | 13,642 | 13,871 | 14,132 | 14,245 | 14,269 | 14,166 | 13,950 | 13,978 |

1. The Board's series on amounts of credit covers most short- and intermediate-term credit extended to individuals. Data in this table also appear in the Board's G.19 (421) monthly statistical release. For ordering address, see inside front cover.

2. Data are available for only the second month of each quarter.

3. At auto finance companies.

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS¹

Billions of dollars; quarterly data at seasonally adjusted annual rates

| Transaction category or sector | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | | | | 2000 | | |
|--|-------|-------|-------|-------|---------|---------|---------|---------|---------|---------|---------|--------|
| | | | | | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| Nonfinancial sectors | | | | | | | | | | | | |
| 1 Total net borrowing by domestic nonfinancial sectors | 559.3 | 711.3 | 731.4 | 804.3 | 1,042.9 | 1,277.7 | 938.8 | 1,170.1 | 1,094.8 | 940.7 | 958.3 | 758.5 |
| By sector and instrument | | | | | | | | | | | | |
| 2 Federal government | 155.9 | 144.4 | 145.0 | 23.1 | -52.6 | -83.4 | -98.5 | -71.4 | -31.5 | -215.5 | -414.0 | -219.0 |
| 3 Treasury securities | 155.7 | 142.9 | 146.6 | 23.2 | -54.6 | -81.9 | -99.1 | -71.5 | -31.5 | -213.5 | -415.8 | -216.6 |
| 4 Budget agency securities and mortgages | .2 | 1.5 | -1.6 | -.1 | 2.0 | -1.5 | .6 | .0 | .0 | -2.1 | 1.8 | -2.4 |
| 5 Nonfederal | 403.4 | 566.9 | 586.3 | 781.2 | 1,095.5 | 1,361.2 | 1,037.3 | 1,241.6 | 1,126.3 | 1,156.3 | 1,372.3 | 977.5 |
| By instrument | | | | | | | | | | | | |
| 6 Commercial paper | 21.4 | 18.1 | -.9 | 13.7 | 24.4 | 58.3 | -2.6 | 49.8 | 44.0 | 36.2 | 116.9 | 62.5 |
| 7 Municipal securities and loans | -35.9 | -48.2 | 2.6 | 71.4 | 96.8 | 92.1 | 56.8 | 71.3 | 52.5 | 8.9 | 34.0 | 29.8 |
| 8 Corporate bonds | 23.3 | 91.1 | 116.3 | 150.5 | 218.7 | 274.0 | 287.6 | 202.8 | 155.2 | 186.2 | 153.8 | 184.4 |
| 9 Bank loans n.e.c. | 75.2 | 103.7 | 70.5 | 106.5 | 108.2 | 86.0 | 24.0 | 112.3 | 108.6 | 131.9 | 163.1 | 32.0 |
| 10 Other loans and advances | 34.0 | 67.2 | 33.5 | 69.1 | 74.3 | 148.0 | 2.3 | 79.2 | 55.4 | 162.1 | 104.3 | -17.3 |
| 11 Mortgages | 160.5 | 196.0 | 275.7 | 317.5 | 505.5 | 572.2 | 607.8 | 650.0 | 601.1 | 488.9 | 665.7 | 565.7 |
| 12 Home | 183.2 | 180.7 | 242.5 | 252.3 | 386.9 | 411.2 | 440.1 | 479.4 | 398.3 | 343.9 | 496.6 | 443.4 |
| 13 Multifamily residential | -3.6 | 5.8 | 9.4 | 8.3 | 20.3 | 35.5 | 33.1 | 44.2 | 47.9 | 32.3 | 43.9 | 23.6 |
| 14 Commercial | -21.3 | 7.9 | 21.3 | 53.7 | 92.0 | 122.0 | 125.6 | 119.4 | 152.4 | 105.8 | 116.3 | 90.8 |
| 15 Farm | 2.2 | 1.6 | 2.6 | 3.2 | 6.2 | 3.6 | 9.0 | 7.0 | 2.5 | 6.9 | 8.9 | 7.9 |
| 16 Consumer credit | 124.9 | 138.9 | 88.8 | 52.5 | 67.6 | 130.5 | 61.4 | 76.2 | 109.5 | 142.0 | 134.6 | 120.4 |
| By borrowing sector | | | | | | | | | | | | |
| 17 Household | 318.5 | 363.2 | 358.1 | 345.8 | 488.1 | 562.7 | 526.4 | 589.5 | 513.6 | 534.7 | 650.4 | 564.8 |
| 18 Nonfinancial business | 131.2 | 255.1 | 235.0 | 379.3 | 527.1 | 718.8 | 467.2 | 599.6 | 579.1 | 617.8 | 701.1 | 387.5 |
| 19 Corporate | 123.7 | 228.0 | 148.8 | 266.1 | 416.3 | 625.2 | 371.6 | 468.2 | 456.1 | 500.5 | 581.4 | 292.7 |
| 20 Nonfarm noncorporate | 3.1 | 24.3 | 81.4 | 107.0 | 103.2 | 88.6 | 93.9 | 122.9 | 117.4 | 102.5 | 111.4 | 87.2 |
| 21 Farm | 4.4 | 2.9 | 4.8 | 6.2 | 7.7 | 4.9 | 1.7 | 8.5 | 5.6 | 14.7 | 8.3 | 7.6 |
| 22 State and local government | -46.2 | -51.5 | -6.8 | 56.1 | 80.3 | 79.8 | 43.6 | 52.5 | 33.6 | 3.8 | 20.8 | 25.2 |
| 23 Foreign net borrowing in United States | -13.9 | 78.5 | 88.4 | 71.8 | 43.3 | 30.7 | -24.5 | 77.3 | 17.6 | 116.9 | -10.9 | 61.6 |
| 24 Commercial paper | -26.1 | 13.5 | 11.3 | 3.7 | 7.8 | 18.0 | -27.5 | 41.1 | 33.6 | 56.7 | 10.9 | 5.9 |
| 25 Bonds | 12.2 | 57.1 | 67.0 | 61.4 | 34.8 | 15.4 | .2 | 44.0 | -2.7 | 45.7 | -29.6 | 36.0 |
| 26 Bank loans n.e.c. | 1.4 | 8.5 | 9.1 | 8.5 | 6.7 | .9 | 5.6 | -6.6 | 2.3 | 15.4 | 5.7 | 11.8 |
| 27 Other loans and advances | -1.4 | -.5 | 1.0 | -1.8 | -6.0 | -3.5 | -2.8 | -1.1 | -15.5 | -.9 | 2.0 | 7.8 |
| 28 Total domestic plus foreign | 545.3 | 789.8 | 819.8 | 876.1 | 1,086.2 | 1,308.5 | 914.3 | 1,247.5 | 1,112.4 | 1,057.6 | 947.4 | 820.1 |
| Financial sectors | | | | | | | | | | | | |
| 29 Total net borrowing by financial sectors | 468.4 | 453.9 | 545.8 | 653.7 | 1,073.9 | 1,228.8 | 995.3 | 1,064.2 | 1,063.4 | 618.3 | 817.0 | 715.4 |
| By instrument | | | | | | | | | | | | |
| 30 Federal government-related | 287.5 | 204.1 | 231.5 | 212.8 | 470.9 | 589.5 | 576.6 | 651.6 | 550.3 | 249.2 | 370.4 | 504.4 |
| 31 Government-sponsored enterprise securities | 176.9 | 105.9 | 90.4 | 98.4 | 278.3 | 193.0 | 304.7 | 407.1 | 367.9 | 104.9 | 248.9 | 279.3 |
| 32 Mortgage pool securities | 115.4 | 98.2 | 141.1 | 114.5 | 192.6 | 396.6 | 271.9 | 244.5 | 182.4 | 144.3 | 121.6 | 225.1 |
| 33 Loans from U.S. government | -4.8 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 34 Private | 180.9 | 249.8 | 314.4 | 440.9 | 603.0 | 639.2 | 418.8 | 412.6 | 513.0 | 369.2 | 446.6 | 211.0 |
| 35 Open market paper | 40.5 | 42.7 | 92.2 | 166.7 | 161.0 | 78.7 | 57.3 | 89.9 | 479.0 | 130.9 | 77.4 | 65.2 |
| 36 Corporate bonds | 121.8 | 195.9 | 173.8 | 210.5 | 296.9 | 473.8 | 254.8 | 179.5 | -21.0 | 166.5 | 230.7 | 177.2 |
| 37 Bank loans n.e.c. | -13.7 | 2.5 | 12.6 | 13.2 | 30.1 | -6.7 | 11.0 | -5.9 | -55.6 | .3 | 5.4 | -.7 |
| 38 Other loans and advances | 22.6 | 3.4 | 27.9 | 35.6 | 90.2 | 73.3 | 107.9 | 139.8 | 107.5 | 64.4 | 123.1 | -36.7 |
| 39 Mortgages | 9.8 | 5.3 | 7.9 | 14.9 | 24.8 | 20.1 | -12.3 | 9.4 | 3.2 | 7.0 | 10.0 | 6.0 |
| By borrowing sector | | | | | | | | | | | | |
| 40 Commercial banking | 20.1 | 22.5 | 13.0 | 46.1 | 72.9 | 46.1 | 61.5 | 107.0 | 54.1 | 72.4 | 113.2 | 17.4 |
| 41 Savings institutions | 12.8 | 2.6 | 25.5 | 19.7 | 52.2 | 75.2 | 59.2 | 51.9 | 5.8 | 40.6 | 59.1 | -17.2 |
| 42 Credit unions | .2 | -.1 | .1 | .1 | .6 | 1.5 | 1.4 | 2.8 | 3.3 | -2.9 | .9 | 1.1 |
| 43 Life insurance companies | .3 | -.1 | 1.1 | .2 | .7 | 3.3 | 3.0 | 1.1 | -4.4 | -.7 | -1.1 | -.3 |
| 44 Government-sponsored enterprises | 172.1 | 105.9 | 90.4 | 98.4 | 278.3 | 193.0 | 304.7 | 407.1 | 367.9 | 104.9 | 248.9 | 279.3 |
| 45 Federally related mortgage pools | 115.4 | 98.2 | 141.1 | 114.5 | 192.6 | 396.6 | 271.9 | 244.5 | 182.4 | 144.3 | 121.6 | 225.1 |
| 46 Issuers of asset-backed securities (ABSs) | 76.5 | 142.4 | 150.8 | 202.2 | 321.4 | 289.7 | 301.5 | 220.5 | 124.2 | 166.0 | 154.8 | 136.8 |
| 47 Finance companies | 48.6 | 50.2 | 45.9 | 48.7 | 43.0 | 77.0 | 90.5 | -17.2 | 99.2 | 52.3 | 103.9 | 96.9 |
| 48 Mortgage companies | -11.5 | -2.2 | 4.1 | -4.6 | 1.6 | -4.6 | 5.1 | -6.1 | 6.2 | -3.0 | 2.7 | -.3 |
| 49 Real estate investment trusts (REITs) | 10.2 | 4.5 | 11.9 | 39.6 | 62.7 | 25.6 | -19.7 | 7.9 | 11.3 | 11.5 | 9.8 | -2.4 |
| 50 Brokers and dealers | .5 | -5.0 | -2.0 | 8.1 | 7.2 | -31.1 | -17.4 | 16.9 | -37.3 | 44.4 | -.7 | 25.2 |
| 51 Funding corporations | 23.1 | 34.9 | 64.1 | 80.7 | 40.7 | 156.5 | -66.2 | 27.9 | 250.6 | -11.4 | 4.0 | -46.2 |

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS¹—Continued

Billions of dollars; quarterly data at seasonally adjusted annual rates

| Transaction category or sector | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | | | | 2000 | | |
|---|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | | | | | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| | All sectors | | | | | | | | | | | |
| 52 Total net borrowing, all sectors | 1,013.8 | 1,243.8 | 1,365.6 | 1,529.8 | 2,160.1 | 2,537.2 | 1,909.6 | 2,311.7 | 2,175.8 | 1,676.0 | 1,764.4 | 1,535.5 |
| 53 Open market paper | 35.7 | 74.3 | 102.6 | 184.1 | 193.1 | 155.1 | 27.2 | 180.7 | 556.6 | 223.7 | 205.1 | 133.6 |
| 54 U.S. government securities | 448.1 | 348.5 | 376.5 | 235.9 | 418.3 | 506.1 | 478.1 | 580.1 | 518.9 | 33.6 | -43.5 | 285.4 |
| 55 Municipal securities | -35.9 | -48.2 | 2.6 | 71.4 | 96.8 | 92.1 | 56.8 | 71.3 | 52.5 | 8.9 | 34.0 | 29.8 |
| 56 Corporate and foreign bonds | 157.3 | 344.1 | 357.0 | 422.4 | 550.4 | 763.1 | 542.6 | 426.3 | 131.5 | 398.4 | 355.0 | 397.7 |
| 57 Bank loans n.e.c. | 62.9 | 114.7 | 92.1 | 128.2 | 145.0 | 80.1 | 40.6 | 99.8 | 55.2 | 147.7 | 174.2 | 43.1 |
| 58 Other loans and advances | 50.4 | 70.1 | 62.5 | 102.8 | 158.5 | 217.8 | 107.5 | 217.9 | 147.3 | 225.7 | 229.4 | -46.2 |
| 59 Mortgages | 170.3 | 201.3 | 283.6 | 332.4 | 530.3 | 592.4 | 595.6 | 659.4 | 604.3 | 496.0 | 675.6 | 571.7 |
| 60 Consumer credit | 124.9 | 138.9 | 88.8 | 52.5 | 67.6 | 130.5 | 61.4 | 76.2 | 109.5 | 142.0 | 134.6 | 120.4 |
| | Funds raised through mutual funds and corporate equities | | | | | | | | | | | |
| 61 Total net issues | 113.4 | 131.5 | 231.9 | 181.2 | 100.0 | 154.2 | 178.5 | 120.4 | 172.8 | 409.3 | 115.0 | 150.0 |
| 62 Corporate equities | 12.8 | -16.0 | -5.7 | -83.9 | -174.6 | -86.4 | -33.9 | -7.0 | 0 | 103.2 | -122.6 | -111.5 |
| 63 Nonfinancial corporations | -44.9 | -58.3 | -69.5 | -114.4 | -267.0 | -52.1 | -338.4 | -128.4 | -55.0 | 60.8 | -248.8 | -87.6 |
| 64 Foreign shares purchased by U.S. residents | 48.1 | 50.4 | 82.8 | 57.6 | 101.2 | -19.8 | 284.4 | 121.7 | 71.3 | 63.3 | 135.0 | 13.0 |
| 65 Financial corporations | 9.6 | -8.1 | -19.0 | -27.1 | -8.9 | -14.5 | 20.2 | -3 | -16.3 | -20.8 | -8.8 | -36.9 |
| 66 Mutual fund shares | 100.6 | 147.4 | 237.6 | 265.1 | 274.6 | 240.6 | 212.4 | 127.5 | 172.8 | 306.1 | 237.6 | 261.5 |

1. Data in this table also appear in the Board's Z.1 (780) quarterly statistical release, tables F.2 through F.4. For ordering address, see inside front cover.

1.58 SUMMARY OF FINANCIAL TRANSACTIONS¹

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

| Transaction category or sector | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | | | | 2000 | | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | | | | | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| NET LENDING IN CREDIT MARKETS ² | | | | | | | | | | | | |
| 1 Total net lending in credit markets | 1,013.8 | 1,243.8 | 1,365.6 | 1,529.8 | 2,160.1 | 2,537.2 | 1,909.6 | 2,311.7 | 2,175.8 | 1,676.0 | 1,764.4 | 1,535.5 |
| 2 Domestic nonfederal nonfinancial sectors | 210.0 | -61.3 | 80.5 | 17.1 | 131.8 | 472.8 | 328.4 | 230.0 | -6.4 | -143.9 | 137.1 | -323.2 |
| 3 Household | 246.8 | 34.1 | 128.7 | 31.8 | -16.7 | 270.5 | 247.7 | 221.8 | 8.1 | -239.1 | 88.6 | -299.2 |
| 4 Nonfinancial corporate business | 17.7 | -8.8 | -10.2 | -12.7 | 14.0 | 67.0 | -1.4 | 49.8 | -18.3 | 90.4 | 4.3 | -9.0 |
| 5 Nonfarm noncorporate business | .6 | 4.7 | -4.3 | -2.1 | .1 | 2.8 | 1.2 | .8 | 1.4 | 2.6 | 2.8 | 3.8 |
| 6 State and local governments | -55.0 | -91.4 | -33.7 | .1 | 134.5 | 132.5 | 81.0 | -42.4 | 2.4 | 2.3 | 41.4 | -19.0 |
| 7 Federal government | -27.4 | -2 | -7.4 | 5.1 | 13.5 | 17.0 | 6.7 | 11.2 | -11.8 | 6.2 | 7.8 | 15.6 |
| 8 Rest of the world | 132.3 | 273.9 | 414.4 | 311.3 | 254.2 | 256.9 | 61.6 | 385.3 | 138.7 | 334.9 | 185.6 | 199.4 |
| 9 Financial sectors | 698.8 | 1,031.4 | 878.1 | 1,196.3 | 1,760.6 | 1,790.6 | 1,512.8 | 1,685.2 | 2,055.3 | 1,478.7 | 1,433.9 | 1,643.8 |
| 10 Monetary authority | 31.5 | 12.7 | 12.3 | 38.3 | 21.1 | 64.5 | 59.8 | 20.6 | -42.2 | 103.4 | -3.9 | 27.3 |
| 11 Commercial banking | 163.4 | 265.9 | 187.5 | 324.3 | 305.2 | 68.1 | 166.6 | 449.4 | 548.7 | 377.1 | 484.6 | 370.2 |
| 12 U.S.-chartered banks | 148.1 | 186.5 | 119.6 | 274.9 | 312.0 | 131.5 | 259.4 | 421.9 | 457.7 | 409.2 | 505.6 | 333.1 |
| 13 Foreign banking offices in United States | 11.2 | 75.4 | 63.3 | 40.2 | -11.9 | -53.1 | -102.5 | 33.2 | 42.0 | 4.8 | -29.9 | 31.5 |
| 14 Bank holding companies | .9 | -3 | 3.9 | 5.4 | -9 | -6.0 | .4 | -12.4 | 42.6 | -42.2 | 3.5 | -6.7 |
| 15 Banks in U.S.-affiliated areas | 3.3 | 4.2 | .7 | 3.7 | 6.0 | -4.4 | 9.2 | 6.6 | 6.3 | 5.4 | 5.4 | 12.3 |
| 16 Savings institutions | 6.7 | -7.6 | 19.9 | -4.7 | 36.3 | 111.0 | 85.3 | 58.1 | 20.2 | 50.2 | 73.0 | 56.5 |
| 17 Credit unions | 28.1 | 16.2 | 25.5 | 16.8 | 19.0 | 30.9 | 32.7 | 27.5 | 18.8 | 35.6 | 36.6 | 41.8 |
| 18 Bank personal trusts and estates | 7.1 | -8.3 | -7.7 | -25.0 | -12.8 | 27.8 | 27.8 | 27.8 | 27.8 | 21.9 | 16.8 | 20.6 |
| 19 Life insurance companies | 72.0 | 100.0 | 69.6 | 104.8 | 76.9 | 78.4 | 68.2 | 36.8 | 30.7 | 57.2 | 52.0 | 51.4 |
| 20 Other insurance companies | 24.9 | 21.5 | 22.5 | 25.2 | 20.4 | -19.7 | 26.7 | -14.4 | -9.4 | -14.0 | -18.1 | 8.7 |
| 21 Private pension funds | 45.0 | 20.2 | -5.8 | 19.5 | 57.8 | 57.5 | 86.6 | 32.0 | 54.0 | 46.1 | 22.8 | 55.5 |
| 22 State and local government retirement funds | 30.9 | 33.6 | 37.3 | 63.8 | 71.5 | 76.0 | 25.1 | 40.0 | 58.2 | 55.3 | 20.7 | 35.4 |
| 23 Money market mutual funds | 30.0 | 86.5 | 88.8 | 87.5 | 244.0 | 215.7 | -67.0 | 224.8 | 354.5 | 208.8 | -156.2 | 244.9 |
| 24 Mutual funds | -7.1 | 52.5 | 48.9 | 80.9 | 124.8 | 97.4 | 117.2 | -13.0 | -12.7 | -77.8 | 63.7 | 56.5 |
| 25 Closed-end funds | -3.7 | 10.5 | 4.7 | -2.9 | 4.5 | 3.1 | 3.1 | 3.1 | 3.1 | 3.1 | 3.1 | 3.1 |
| 26 Government-sponsored enterprises | 117.8 | 86.7 | 84.2 | 94.3 | 261.7 | 189.1 | 251.5 | 280.7 | 221.0 | 138.2 | 229.7 | 208.3 |
| 27 Federally related mortgage pools | 115.4 | 98.2 | 141.1 | 114.5 | 192.6 | 396.6 | 271.9 | 244.5 | 182.4 | 144.3 | 121.6 | 225.1 |
| 28 Asset-backed securities issuers (ABSs) | 69.4 | 120.6 | 120.5 | 163.8 | 281.7 | 272.1 | 284.8 | 212.0 | 94.4 | 145.3 | 120.3 | 101.6 |
| 29 Finance companies | 48.3 | 49.9 | 18.4 | 21.9 | 51.9 | 85.3 | 88.1 | 91.7 | 114.4 | 132.9 | 138.9 | 81.4 |
| 30 Mortgage companies | -24.0 | -3.4 | 8.2 | -9.1 | 3.2 | -9.1 | 10.2 | -12.1 | 12.3 | -6.0 | 5.5 | -5 |
| 31 Real estate investment trusts (REITs) | -.7 | 1.4 | 4.4 | 20.2 | -5.1 | 1.7 | -2.2 | -2.7 | -7.0 | -16.3 | -2.5 | 3.6 |
| 32 Brokers and dealers | -44.2 | 90.1 | -15.7 | 14.9 | 6.8 | 34.6 | -119.7 | -22.2 | -15.9 | 106.9 | 38.0 | 183.5 |
| 33 Funding corporations | -12.1 | -15.7 | 13.6 | 47.4 | -1.0 | 9.5 | 96.2 | .6 | 401.9 | -33.5 | 187.5 | -124.1 |
| RELATION OF LIABILITIES TO FINANCIAL ASSETS | | | | | | | | | | | | |
| 34 Net flows through credit markets | 1,013.8 | 1,243.8 | 1,365.6 | 1,529.8 | 2,160.1 | 2,537.2 | 1,909.6 | 2,311.7 | 2,175.8 | 1,676.0 | 1,764.4 | 1,535.5 |
| Other financial sources | | | | | | | | | | | | |
| 35 Official foreign exchange | -5.8 | 8.8 | -6.3 | .7 | 6.6 | -14.0 | -5.4 | -8.5 | -7.0 | 1.5 | -10.2 | -9 |
| 36 Special drawing rights certificates | .0 | 2.2 | -.5 | -.5 | .0 | -4.0 | .0 | -4.0 | -4.0 | .0 | -8.0 | -4.0 |
| 37 Treasury currency | .7 | .7 | .6 | -.7 | -.8 | .0 | -2.1 | -4.1 | .0 | -2.2 | -2.3 | -4.2 |
| 38 Foreign deposits | 52.9 | 35.3 | 85.9 | 108.9 | 2.0 | 113.7 | 110.1 | 69.4 | 52.7 | 258.5 | -1.1 | 51.4 |
| 39 Net interbank transactions | 89.8 | 10.0 | -51.6 | -19.7 | -32.3 | 48.3 | 93.4 | -30.8 | -40.7 | -71.1 | 177.7 | -61.8 |
| 40 Checkable deposits and currency | -9.7 | -12.8 | 15.7 | 41.2 | 47.4 | 63.6 | 37.5 | 139.3 | 365.2 | -219.1 | -65.0 | 49.0 |
| 41 Small time and savings deposits | -39.9 | 96.6 | 97.2 | 97.1 | 152.4 | -74.8 | 106.6 | 119.1 | 28.0 | 104.3 | 130.3 | 235.7 |
| 42 Large time deposits | 19.6 | 65.6 | 114.0 | 122.5 | 92.1 | 18.0 | 42.4 | 102.7 | 359.4 | 149.2 | 108.4 | 145.3 |
| 43 Money market fund shares | 40.5 | 141.2 | 145.4 | 155.9 | 287.2 | 221.3 | 115.3 | 174.3 | 485.5 | 241.0 | 48.2 | 241.9 |
| 44 Security repurchase agreements | 78.2 | 110.5 | 41.4 | 120.9 | 91.3 | 258.0 | -26.1 | 135.9 | 319.0 | 276.1 | 130.4 | 240.5 |
| 45 Corporate equities | 12.8 | -16.0 | -5.7 | -83.9 | -174.6 | -86.4 | -33.9 | -7.0 | .0 | 103.2 | -122.6 | -111.5 |
| 46 Mutual fund shares | 100.6 | 147.4 | 237.6 | 265.1 | 274.6 | 240.6 | 212.4 | 127.5 | 172.8 | 306.1 | 237.6 | 261.5 |
| 47 Trade payables | 120.0 | 128.9 | 114.1 | 131.2 | 27.0 | 121.7 | 225.3 | 231.5 | 160.1 | 244.3 | 114.7 | 160.2 |
| 48 Security credit | -.1 | 26.7 | 52.4 | 111.0 | 103.3 | -62.2 | 139.7 | 18.9 | 277.8 | 566.3 | -99.8 | 58.9 |
| 49 Life insurance reserves | 35.5 | 45.8 | 44.5 | 59.3 | 48.0 | 55.4 | 42.1 | 48.1 | 57.6 | 49.8 | 59.7 | 47.0 |
| 50 Pension fund reserves | 257.4 | 171.0 | 163.0 | 278.8 | 248.7 | 204.5 | 248.8 | 266.7 | 294.6 | 266.1 | 280.7 | 228.1 |
| 51 Taxes payable | 2.6 | 6.2 | 16.2 | 15.7 | 12.0 | -1.8 | 47.3 | .1 | 18.2 | 28.2 | 22.9 | .7 |
| 52 Investment in bank personal trusts | 17.8 | 6.4 | -5.3 | -49.9 | -42.5 | -7.2 | -7.1 | -7.2 | -6.9 | -2.9 | 7.6 | -3.6 |
| 53 Noncorporate proprietors' equity | 43.1 | 34.6 | -3.4 | -46.0 | -41.4 | -8.3 | 21.4 | -56.0 | 12.3 | -15.5 | -2.9 | 28.9 |
| 54 Miscellaneous | 278.3 | 503.8 | 537.4 | 512.5 | 844.4 | 406.7 | 1,454.9 | 507.0 | 596.3 | 870.3 | 1,120.2 | 1,242.4 |
| 55 Total financial sources | 2,108.0 | 2,756.6 | 2,957.0 | 3,350.0 | 4,105.4 | 4,030.3 | 4,732.2 | 4,134.6 | 5,316.7 | 4,830.2 | 3,875.7 | 4,341.1 |
| Liabilities not identified as assets (-) | | | | | | | | | | | | |
| 56 Treasury currency | -.2 | -.3 | -1.6 | -1.4 | -1.4 | -1.5 | -3.5 | -5.9 | -2.2 | -6.1 | -6.2 | -6.7 |
| 57 Foreign deposits | 43.0 | 25.1 | 59.6 | 107.4 | -6.4 | 49.3 | 96.8 | 27.4 | 92.5 | 189.4 | -62.6 | 21.0 |
| 58 Net interbank liabilities | -2.7 | -3.1 | -3.3 | -19.9 | 3.4 | 49.7 | -4.8 | -7.0 | -23.7 | 24.4 | -4.3 | -18.8 |
| 59 Security repurchase agreements | 73.5 | 25.7 | 4.1 | 64.3 | 61.4 | 213.5 | 54.3 | 77.8 | -217.4 | 553.2 | 5.4 | 128.8 |
| 60 Taxes payable | 16.6 | 21.1 | 23.1 | 28.0 | 13.9 | -8.8 | 25.0 | 2.7 | -5.1 | 13.4 | -1.3 | -10.0 |
| 61 Miscellaneous | 114.0 | -166.5 | -76.4 | -69.1 | -46.1 | -522.5 | -131.8 | -454.8 | -132.1 | -342.9 | -196.1 | -83.9 |
| Floats not included in assets (-) | | | | | | | | | | | | |
| 62 Federal government checkable deposits | -4.8 | -6.0 | .5 | -2.7 | 2.6 | -2.1 | -27.0 | 8.6 | -9.2 | 28.7 | -3.4 | -2.7 |
| 63 Other checkable deposits | -2.8 | -3.8 | -4.0 | -3.9 | -3.1 | -2.1 | -.9 | -.3 | .0 | .6 | 1.5 | 1.9 |
| 64 Trade credit | 27.4 | 15.6 | -21.2 | -29.4 | -42.1 | 45.6 | -63.7 | 75.3 | 119.3 | 24.5 | -74.8 | -68.6 |
| 65 Total identified to sectors as assets | 2,072.1 | 2,849.0 | 2,976.4 | 3,276.5 | 4,123.3 | 4,209.1 | 4,787.8 | 4,410.7 | 5,494.7 | 4,345.0 | 4,217.6 | 4,380.2 |

1. Data in this table also appear in the Board's Z.1 (780) quarterly statistical release, tables F.1 and F.5. For ordering address, see inside front cover.

2. Excludes corporate equities and mutual fund shares.

1.59 SUMMARY OF CREDIT MARKET DEBT OUTSTANDING¹

Billions of dollars, end of period

| Transaction category or sector | 1995 | 1996 | 1997 | 1998 | 1999 | | | | 2000 | | |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | | | | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| Nonfinancial sectors | | | | | | | | | | | |
| 1 Total credit market debt owed by domestic nonfinancial sectors | 13,712.9 | 14,444.2 | 15,247.0 | 16,289.9 | 16,605.4 | 16,784.8 | 17,105.1 | 17,445.0 | 17,677.8 | 17,853.8 | 18,054.1 |
| By sector and instrument | | | | | | | | | | | |
| 2 Federal government | 3,636.7 | 3,781.8 | 3,804.9 | 3,752.2 | 3,759.7 | 3,651.7 | 3,632.7 | 3,681.0 | 3,653.5 | 3,464.0 | 3,410.3 |
| 3 Treasury securities | 3,608.5 | 3,755.1 | 3,778.3 | 3,723.7 | 3,731.6 | 3,623.4 | 3,604.5 | 3,652.8 | 3,625.8 | 3,435.7 | 3,382.7 |
| 4 Budget agency securities and mortgages | 28.2 | 26.6 | 26.5 | 28.5 | 28.1 | 28.3 | 28.3 | 28.3 | 27.8 | 28.2 | 27.6 |
| 5 Nonfederal | 10,076.1 | 10,662.5 | 11,442.1 | 12,537.7 | 12,845.7 | 13,133.1 | 13,472.4 | 13,763.9 | 14,024.3 | 14,389.9 | 14,643.8 |
| By instrument | | | | | | | | | | | |
| 6 Commercial paper | 157.4 | 156.4 | 168.6 | 193.0 | 223.9 | 232.4 | 239.3 | 230.3 | 260.8 | 296.8 | 307.0 |
| 7 Municipal securities and loans | 1,293.5 | 1,296.0 | 1,367.5 | 1,464.3 | 1,491.0 | 1,510.0 | 1,518.6 | 1,532.5 | 1,539.2 | 1,551.6 | 1,550.3 |
| 8 Corporate bonds | 1,344.1 | 1,460.4 | 1,610.9 | 1,829.6 | 1,898.1 | 1,970.0 | 2,020.7 | 2,059.5 | 2,106.0 | 2,144.5 | 2,190.6 |
| 9 Bank loans n.e.c. | 863.6 | 934.1 | 1,040.5 | 1,148.8 | 1,165.2 | 1,178.5 | 1,202.9 | 1,231.5 | 1,259.1 | 1,307.2 | 1,311.7 |
| 10 Other loans and advances | 736.9 | 770.4 | 839.5 | 913.8 | 957.4 | 956.0 | 969.8 | 985.3 | 1,032.4 | 1,056.2 | 1,057.1 |
| 11 Mortgages | 4,557.9 | 4,833.6 | 5,151.1 | 5,656.6 | 5,790.9 | 5,945.9 | 6,151.0 | 6,298.7 | 6,410.8 | 6,579.6 | 6,731.6 |
| 12 Home | 3,510.5 | 3,719.2 | 3,971.5 | 4,358.4 | 4,451.1 | 4,564.1 | 4,693.6 | 4,790.7 | 4,866.5 | 4,993.0 | 5,114.4 |
| 13 Multifamily residential | 265.5 | 278.6 | 286.9 | 307.3 | 316.4 | 324.6 | 335.7 | 347.7 | 355.7 | 366.7 | 372.6 |
| 14 Commercial | 697.3 | 748.7 | 802.3 | 894.4 | 926.1 | 957.5 | 1,020.3 | 1,058.4 | 1,084.8 | 1,113.9 | 1,136.6 |
| 15 Farm | 84.6 | 87.1 | 90.3 | 96.5 | 97.4 | 99.6 | 101.4 | 102.0 | 103.7 | 106.0 | 107.9 |
| 16 Consumer credit | 1,122.8 | 1,211.6 | 1,264.1 | 1,331.7 | 1,319.3 | 1,340.4 | 1,370.1 | 1,426.2 | 1,416.0 | 1,454.0 | 1,495.6 |
| By borrowing sector | | | | | | | | | | | |
| 17 Household | 4,898.2 | 5,222.7 | 5,568.8 | 6,056.9 | 6,138.8 | 6,282.3 | 6,448.5 | 6,605.2 | 6,678.8 | 6,851.5 | 7,024.3 |
| 18 Nonfinancial business | 4,107.7 | 4,376.4 | 4,753.9 | 5,281.0 | 5,483.8 | 5,612.6 | 5,781.5 | 5,906.6 | 6,088.3 | 6,272.7 | 6,356.1 |
| 19 Corporate | 2,913.1 | 3,095.6 | 3,359.8 | 3,776.1 | 3,957.9 | 4,059.5 | 4,195.9 | 4,290.7 | 4,445.5 | 4,596.8 | 4,656.9 |
| 20 Nonfarm noncorporate | 1,049.5 | 1,130.9 | 1,237.9 | 1,341.1 | 1,363.5 | 1,387.0 | 1,417.0 | 1,446.8 | 1,472.7 | 1,500.6 | 1,521.7 |
| 21 Farm | 145.1 | 149.9 | 156.1 | 163.8 | 162.4 | 166.1 | 168.6 | 169.0 | 170.1 | 175.3 | 177.5 |
| 22 State and local government | 1,070.2 | 1,063.4 | 1,119.5 | 1,199.8 | 1,223.2 | 1,238.2 | 1,242.4 | 1,252.1 | 1,257.3 | 1,265.7 | 1,263.5 |
| 23 Foreign credit market debt held in United States | 453.7 | 542.2 | 608.0 | 651.4 | 659.2 | 652.7 | 672.9 | 676.9 | 704.6 | 698.8 | 720.7 |
| 24 Commercial paper | 56.2 | 67.5 | 65.1 | 72.9 | 77.2 | 70.1 | 81.8 | 89.2 | 101.6 | 101.2 | 109.8 |
| 25 Bonds | 299.4 | 366.3 | 427.7 | 462.5 | 466.3 | 466.4 | 477.4 | 476.7 | 488.1 | 480.7 | 489.7 |
| 26 Bank loans n.e.c. | 34.6 | 43.7 | 52.1 | 58.9 | 59.1 | 60.5 | 58.8 | 59.4 | 63.3 | 64.7 | 67.6 |
| 27 Other loans and advances | 63.6 | 64.7 | 63.0 | 57.2 | 56.5 | 55.8 | 55.0 | 51.7 | 51.7 | 52.1 | 53.5 |
| 28 Total credit market debt owed by nonfinancial sectors, domestic and foreign | 14,166.5 | 14,986.4 | 15,855.0 | 16,941.3 | 17,264.6 | 17,437.5 | 17,778.0 | 18,121.9 | 18,382.5 | 18,552.6 | 18,774.8 |
| Financial sectors | | | | | | | | | | | |
| 29 Total credit market debt owed by financial sectors | 4,278.8 | 4,824.6 | 5,445.2 | 6,519.1 | 6,809.0 | 7,073.3 | 7,346.8 | 7,607.0 | 7,744.5 | 7,964.5 | 8,155.8 |
| By instrument | | | | | | | | | | | |
| 30 Federal government-related | 2,376.8 | 2,608.3 | 2,821.1 | 3,292.0 | 3,434.1 | 3,580.7 | 3,745.9 | 3,884.0 | 3,940.3 | 4,035.5 | 4,164.5 |
| 31 Government-sponsored enterprise securities | 806.5 | 896.9 | 995.3 | 1,273.6 | 1,321.8 | 1,398.0 | 1,499.8 | 1,591.7 | 1,618.0 | 1,680.2 | 1,750.0 |
| 32 Mortgage pool securities | 1,570.3 | 1,711.4 | 1,825.8 | 2,018.4 | 2,112.3 | 2,182.7 | 2,246.1 | 2,292.3 | 2,322.3 | 2,355.4 | 2,414.5 |
| 33 Loans from U.S. government | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 34 Private | 1,901.9 | 2,216.3 | 2,624.1 | 3,227.1 | 3,374.9 | 3,492.6 | 3,601.0 | 3,723.0 | 3,804.2 | 3,928.9 | 3,991.3 |
| 35 Open market paper | 486.9 | 579.1 | 745.7 | 906.7 | 926.4 | 940.9 | 963.4 | 1,082.9 | 1,115.7 | 1,135.2 | 1,151.6 |
| 36 Corporate bonds | 1,204.7 | 1,378.4 | 1,555.9 | 1,852.8 | 1,968.6 | 2,042.8 | 2,091.1 | 2,074.6 | 2,114.2 | 2,183.2 | 2,234.6 |
| 37 Bank loans n.e.c. | 51.4 | 64.0 | 77.2 | 107.2 | 104.1 | 106.8 | 105.2 | 92.9 | 91.4 | 92.7 | 92.5 |
| 38 Other loans and advances | 135.0 | 162.9 | 198.5 | 288.7 | 299.1 | 328.6 | 365.4 | 395.8 | 404.4 | 436.9 | 430.2 |
| 39 Mortgages | 24.1 | 31.9 | 46.8 | 71.6 | 76.6 | 73.6 | 75.9 | 76.7 | 78.5 | 81.0 | 82.5 |
| By borrowing sector | | | | | | | | | | | |
| 40 Commercial banks | 102.6 | 113.6 | 140.6 | 188.6 | 187.5 | 202.7 | 224.2 | 230.0 | 242.2 | 265.4 | 263.6 |
| 41 Bank holding companies | 148.0 | 150.0 | 168.6 | 193.5 | 202.6 | 205.5 | 211.8 | 219.3 | 221.4 | 229.3 | 236.9 |
| 42 Savings institutions | 115.0 | 140.5 | 160.3 | 212.4 | 226.9 | 241.6 | 255.4 | 260.4 | 266.9 | 280.7 | 277.5 |
| 43 Credit unions | .4 | .4 | .6 | 1.1 | 1.5 | 1.8 | 2.5 | 3.4 | 2.6 | 2.9 | 3.1 |
| 44 Life insurance companies | .5 | 1.6 | 1.8 | 2.5 | 3.3 | 4.0 | 4.3 | 3.2 | 3.0 | 2.7 | 2.7 |
| 45 Government-sponsored enterprises | 806.5 | 896.9 | 995.3 | 1,273.6 | 1,321.8 | 1,398.0 | 1,499.8 | 1,591.7 | 1,618.0 | 1,680.2 | 1,750.0 |
| 46 Federally related mortgage pools | 1,570.3 | 1,711.4 | 1,825.8 | 2,018.4 | 2,112.3 | 2,182.7 | 2,246.1 | 2,292.3 | 2,322.3 | 2,355.4 | 2,414.5 |
| 47 Issuers of asset-backed securities (ABSs) | 712.5 | 863.3 | 1,076.6 | 1,398.0 | 1,463.1 | 1,539.9 | 1,599.1 | 1,632.0 | 1,665.8 | 1,706.4 | 1,749.0 |
| 48 Brokers and dealers | 29.3 | 27.3 | 35.3 | 42.5 | 34.8 | 30.4 | 34.6 | 25.3 | 36.4 | 36.2 | 42.5 |
| 49 Finance companies | 483.9 | 529.8 | 554.5 | 597.5 | 614.4 | 639.2 | 628.5 | 659.9 | 670.7 | 699.2 | 716.5 |
| 50 Mortgage companies | 16.5 | 20.6 | 16.0 | 17.7 | 16.5 | 17.8 | 16.3 | 17.8 | 17.1 | 17.8 | 17.7 |
| 51 Real estate investment trusts (REITs) | 44.6 | 56.5 | 96.1 | 158.8 | 165.2 | 160.3 | 162.2 | 165.1 | 167.9 | 170.4 | 169.8 |
| 52 Funding corporations | 248.6 | 312.7 | 373.7 | 414.4 | 459.1 | 449.5 | 462.0 | 506.6 | 510.1 | 517.9 | 512.0 |
| All sectors | | | | | | | | | | | |
| 53 Total credit market debt, domestic and foreign | 18,445.3 | 19,811.0 | 21,300.2 | 23,460.4 | 24,073.5 | 24,510.8 | 25,124.9 | 25,728.9 | 26,126.9 | 26,517.1 | 26,930.6 |
| 54 Open market paper | 700.4 | 803.0 | 979.4 | 1,172.6 | 1,227.6 | 1,243.3 | 1,284.5 | 1,402.4 | 1,478.1 | 1,533.3 | 1,568.3 |
| 55 U.S. government securities | 6,013.6 | 6,390.0 | 6,626.0 | 7,044.3 | 7,193.8 | 7,232.4 | 7,378.6 | 7,565.0 | 7,593.8 | 7,499.5 | 7,574.8 |
| 56 Municipal securities | 1,293.5 | 1,296.0 | 1,367.5 | 1,464.3 | 1,491.0 | 1,510.0 | 1,518.6 | 1,532.5 | 1,539.2 | 1,551.6 | 1,550.3 |
| 57 Corporate and foreign bonds | 2,848.1 | 3,205.1 | 3,594.5 | 4,144.9 | 4,333.0 | 4,479.2 | 4,589.1 | 4,610.8 | 4,708.3 | 4,808.3 | 4,914.9 |
| 58 Bank loans n.e.c. | 949.6 | 1,041.7 | 1,169.8 | 1,314.9 | 1,328.3 | 1,345.7 | 1,366.9 | 1,383.8 | 1,413.7 | 1,464.6 | 1,471.7 |
| 59 Other loans and advances | 935.4 | 998.0 | 1,101.0 | 1,259.6 | 1,313.0 | 1,340.3 | 1,390.1 | 1,432.7 | 1,488.5 | 1,545.2 | 1,540.8 |
| 60 Mortgages | 4,581.9 | 4,865.5 | 5,197.9 | 5,728.2 | 5,867.6 | 6,019.5 | 6,226.9 | 6,375.5 | 6,489.3 | 6,660.6 | 6,814.1 |
| 61 Consumer credit | 1,122.8 | 1,211.6 | 1,264.1 | 1,331.7 | 1,319.3 | 1,340.4 | 1,370.1 | 1,426.2 | 1,416.0 | 1,454.0 | 1,495.6 |

1. Data in this table also appear in the Board's Z.1 (780) quarterly statistical release, tables L.2 through L.4. For ordering address, see inside front cover.

1.60 SUMMARY OF FINANCIAL ASSETS AND LIABILITIES¹

Billions of dollars except as noted, end of period

| Transaction category or sector | 1995 | 1996 | 1997 | 1998 | 1999 | | | | 2000 | | |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | | | | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| CREDIT MARKET DEBT OUTSTANDING ² | | | | | | | | | | | |
| 1 Total credit market assets | 18,445.3 | 19,811.0 | 21,300.2 | 23,460.4 | 24,073.5 | 24,510.8 | 25,124.9 | 25,728.9 | 26,126.9 | 26,517.1 | 26,930.6 |
| 2 Domestic nonfederal nonfinancial sectors | 2,905.5 | 3,031.3 | 3,004.7 | 3,108.2 | 3,199.5 | 3,255.5 | 3,311.9 | 3,434.5 | 3,368.4 | 3,377.1 | 3,303.4 |
| 3 Household | 1,944.3 | 2,118.3 | 2,106.4 | 2,061.4 | 2,124.7 | 2,155.3 | 2,208.2 | 2,318.5 | 2,252.7 | 2,244.2 | 2,174.1 |
| 4 Nonfinancial corporate business | 280.4 | 270.2 | 257.5 | 271.5 | 266.1 | 268.5 | 284.7 | 295.7 | 294.7 | 298.3 | 300.8 |
| 5 Nonfarm noncorporate business | 42.3 | 38.0 | 35.9 | 35.9 | 36.6 | 36.9 | 37.1 | 37.5 | 38.1 | 38.8 | 39.8 |
| 6 State and local governments | 638.6 | 604.8 | 605.0 | 739.4 | 772.1 | 794.8 | 781.9 | 782.8 | 782.9 | 795.8 | 788.7 |
| 7 Federal government | 207.5 | 200.2 | 205.5 | 219.1 | 223.3 | 225.0 | 260.7 | 258.0 | 259.6 | 261.5 | 265.4 |
| 8 Rest of the world | 1,531.1 | 1,926.6 | 2,257.3 | 2,539.8 | 2,608.3 | 2,621.3 | 2,718.1 | 2,678.0 | 2,765.9 | 2,809.7 | 2,860.0 |
| 9 Financial sectors | 13,801.1 | 14,652.9 | 15,832.7 | 17,593.3 | 18,042.4 | 18,409.0 | 18,834.0 | 19,358.4 | 19,733.1 | 20,068.7 | 20,501.8 |
| 10 Monetary authority | 380.8 | 393.1 | 431.4 | 452.5 | 466.0 | 485.1 | 489.3 | 478.1 | 501.9 | 505.1 | 511.5 |
| 11 Commercial banking | 3,520.1 | 3,707.7 | 4,031.9 | 4,335.7 | 4,338.4 | 4,383.4 | 4,488.3 | 4,643.9 | 4,725.0 | 4,847.4 | 4,931.2 |
| 12 U.S.-chartered banks | 3,056.1 | 3,175.8 | 3,450.7 | 3,761.2 | 3,782.9 | 3,847.6 | 3,944.3 | 4,078.9 | 4,171.3 | 4,295.4 | 4,368.3 |
| 13 Foreign banking offices in United States | 412.6 | 475.8 | 516.1 | 504.2 | 487.8 | 465.7 | 475.3 | 484.1 | 482.0 | 478.1 | 487.6 |
| 14 Bank holding companies | 18.0 | 22.0 | 27.4 | 26.5 | 25.0 | 25.1 | 22.0 | 32.7 | 22.1 | 23.0 | 21.3 |
| 15 Banks in U.S.-affiliated areas | 33.4 | 34.1 | 37.8 | 43.8 | 42.7 | 45.0 | 46.7 | 48.3 | 49.6 | 51.0 | 54.0 |
| 16 Savings institutions | 913.3 | 933.2 | 928.5 | 964.8 | 990.8 | 1,011.4 | 1,030.8 | 1,033.4 | 1,044.5 | 1,061.7 | 1,080.9 |
| 17 Credit unions | 263.0 | 288.5 | 305.3 | 324.2 | 330.2 | 341.0 | 348.5 | 351.7 | 359.0 | 370.8 | 381.9 |
| 18 Bank personal trusts and estates | 239.7 | 232.0 | 207.0 | 194.1 | 201.1 | 208.0 | 215.0 | 222.0 | 227.4 | 231.7 | 236.8 |
| 19 Life insurance companies | 1,587.5 | 1,657.0 | 1,751.1 | 1,828.0 | 1,853.5 | 1,869.6 | 1,880.4 | 1,886.0 | 1,901.5 | 1,913.4 | 1,927.9 |
| 20 Other insurance companies | 468.7 | 491.2 | 515.3 | 535.7 | 530.8 | 537.5 | 533.9 | 531.6 | 528.0 | 523.5 | 525.7 |
| 21 Private pension funds | 633.1 | 627.3 | 646.8 | 704.7 | 719.0 | 740.7 | 748.7 | 762.2 | 773.7 | 779.4 | 793.3 |
| 22 State and local government retirement funds | 531.0 | 568.2 | 632.0 | 703.6 | 722.6 | 728.9 | 738.9 | 753.4 | 767.2 | 772.4 | 781.3 |
| 23 Money market mutual funds | 545.5 | 634.3 | 721.9 | 965.9 | 1,036.2 | 1,001.8 | 1,049.7 | 1,147.8 | 1,217.1 | 1,159.4 | 1,212.5 |
| 24 Mutual funds | 771.3 | 820.2 | 901.1 | 1,025.9 | 1,050.8 | 1,083.7 | 1,083.0 | 1,073.1 | 1,053.7 | 1,073.9 | 1,090.6 |
| 25 Closed-end funds | 96.4 | 101.1 | 98.3 | 102.8 | 103.6 | 104.3 | 105.1 | 105.9 | 106.7 | 107.4 | 108.2 |
| 26 Government-sponsored enterprises | 750.0 | 807.9 | 902.2 | 1,163.9 | 1,203.1 | 1,268.4 | 1,340.2 | 1,399.5 | 1,426.4 | 1,485.3 | 1,546.7 |
| 27 Federally related mortgage pools | 1,570.3 | 1,711.4 | 1,825.8 | 2,018.4 | 2,112.3 | 2,182.7 | 2,246.1 | 2,292.3 | 2,322.3 | 2,355.4 | 2,414.5 |
| 28 Asset-backed securities issuers (ABSs) | 653.4 | 773.9 | 937.7 | 1,219.4 | 1,280.1 | 1,352.7 | 1,409.8 | 1,435.3 | 1,463.9 | 1,495.8 | 1,529.6 |
| 29 Finance companies | 526.2 | 544.5 | 566.4 | 618.4 | 639.9 | 660.9 | 678.2 | 713.3 | 747.0 | 780.6 | 795.5 |
| 30 Mortgage companies | 33.0 | 41.2 | 32.1 | 35.3 | 33.0 | 35.6 | 32.5 | 35.6 | 34.1 | 35.5 | 35.4 |
| 31 Real estate investment trusts (REITs) | 26.0 | 30.4 | 50.6 | 45.5 | 45.9 | 45.3 | 44.7 | 42.9 | 38.8 | 38.2 | 37.3 |
| 32 Brokers and dealers | 183.4 | 167.7 | 182.6 | 189.4 | 211.4 | 162.9 | 167.0 | 158.6 | 201.1 | 189.3 | 245.2 |
| 33 Funding corporations | 108.4 | 122.0 | 164.7 | 165.2 | 173.8 | 204.9 | 204.0 | 291.9 | 293.8 | 342.7 | 315.8 |
| RELATION OF LIABILITIES TO FINANCIAL ASSETS | | | | | | | | | | | |
| 34 Total credit market debt | 18,445.3 | 19,811.0 | 21,300.2 | 23,460.4 | 24,073.5 | 24,510.8 | 25,124.9 | 25,728.9 | 26,126.9 | 26,517.1 | 26,930.6 |
| Other liabilities | | | | | | | | | | | |
| 35 Official foreign exchange | 63.7 | 53.7 | 48.9 | 60.1 | 53.6 | 50.9 | 52.1 | 50.1 | 49.4 | 46.5 | 44.9 |
| 36 Special drawing rights certificates | 10.2 | 9.7 | 9.2 | 9.2 | 8.2 | 8.2 | 7.2 | 6.2 | 6.2 | 4.2 | 3.2 |
| 37 Treasury currency | 18.3 | 17.7 | 17.0 | 16.2 | 16.2 | 15.7 | 14.6 | 14.6 | 14.1 | 13.4 | 12.4 |
| 38 Foreign deposits | 418.8 | 521.7 | 619.7 | 639.0 | 667.4 | 694.9 | 712.3 | 725.8 | 790.4 | 790.2 | 803.0 |
| 39 Net interbank liabilities | 290.7 | 240.8 | 219.4 | 189.0 | 182.0 | 207.1 | 199.6 | 204.5 | 168.1 | 215.9 | 200.2 |
| 40 Checkable deposits and currency | 1,229.1 | 1,244.8 | 1,286.1 | 1,333.4 | 1,310.5 | 1,353.1 | 1,353.8 | 1,484.8 | 1,392.9 | 1,409.7 | 1,385.7 |
| 41 Small time and savings deposits | 2,279.7 | 2,377.0 | 2,474.1 | 2,626.5 | 2,637.6 | 2,644.6 | 2,665.9 | 2,671.2 | 2,728.0 | 2,738.8 | 2,790.2 |
| 42 Large time deposits | 476.9 | 590.9 | 713.4 | 805.5 | 804.3 | 809.0 | 837.5 | 936.1 | 966.5 | 987.4 | 1,026.8 |
| 43 Money market fund shares | 741.3 | 886.7 | 1,042.5 | 1,329.7 | 1,411.7 | 1,393.5 | 1,444.9 | 1,578.8 | 1,666.0 | 1,627.1 | 1,697.8 |
| 44 Security repurchase agreements | 660.0 | 701.5 | 822.4 | 913.7 | 980.3 | 970.8 | 999.3 | 1,085.4 | 1,155.8 | 1,185.1 | 1,239.2 |
| 45 Mutual fund shares | 1,852.8 | 2,342.4 | 2,989.4 | 3,610.5 | 3,758.1 | 4,049.1 | 3,931.5 | 4,553.4 | 4,863.3 | 4,759.6 | 4,816.4 |
| 46 Security credit | 305.7 | 358.1 | 469.1 | 572.3 | 552.7 | 589.3 | 593.2 | 665.9 | 803.7 | 780.5 | 794.5 |
| 47 Life insurance reserves | 566.2 | 610.6 | 665.0 | 718.3 | 735.9 | 749.8 | 756.2 | 783.9 | 799.9 | 809.4 | 821.2 |
| 48 Pension fund reserves | 5,812.8 | 6,548.6 | 7,817.4 | 8,913.1 | 9,065.3 | 9,480.0 | 9,151.1 | 10,000.0 | 10,230.0 | 10,155.0 | 10,348.6 |
| 49 Trade payables | 1,698.0 | 1,812.1 | 1,943.3 | 1,970.3 | 1,973.9 | 2,031.1 | 2,095.1 | 2,155.0 | 2,189.6 | 2,218.8 | 2,265.7 |
| 50 Taxes payable | 107.6 | 123.8 | 139.5 | 151.5 | 158.8 | 162.4 | 167.5 | 167.5 | 182.3 | 179.5 | 185.3 |
| 51 Investment in bank personal trusts | 803.0 | 871.3 | 942.5 | 1,001.0 | 1,016.5 | 1,061.0 | 1,019.0 | 1,130.4 | 1,163.8 | 1,125.6 | 1,124.5 |
| 52 Miscellaneous | 5,953.4 | 6,349.8 | 6,699.6 | 7,268.4 | 7,267.8 | 7,459.1 | 7,468.8 | 7,812.0 | 7,984.0 | 8,235.4 | 8,696.4 |
| 53 Total liabilities | 41,733.4 | 45,472.1 | 50,218.5 | 55,588.1 | 56,674.4 | 58,240.5 | 58,594.5 | 61,754.5 | 63,280.9 | 63,799.2 | 65,186.6 |
| Financial assets not included in liabilities (+) | | | | | | | | | | | |
| 54 Gold and special drawing rights | 22.1 | 21.4 | 21.1 | 21.6 | 20.7 | 20.8 | 21.3 | 21.4 | 21.4 | 21.5 | 21.4 |
| 55 Corporate equities | 8,495.7 | 10,255.8 | 13,201.3 | 15,427.8 | 15,919.1 | 17,060.4 | 16,214.9 | 19,576.3 | 20,232.0 | 19,246.8 | 19,047.1 |
| 56 Household equity in noncorporate business | 3,683.6 | 3,889.2 | 4,164.4 | 4,414.7 | 4,487.4 | 4,548.8 | 4,623.1 | 4,704.5 | 4,732.2 | 4,779.1 | 4,848.4 |
| Liabilities not identified as assets (-) | | | | | | | | | | | |
| 57 Treasury currency | -5.7 | -7.3 | -8.6 | -10.1 | -10.5 | -11.3 | -12.8 | -13.4 | -14.9 | -16.6 | -18.2 |
| 58 Foreign deposits | 360.2 | 437.0 | 538.3 | 548.2 | 560.5 | 584.7 | 591.5 | 615.0 | 662.4 | 646.7 | 652.0 |
| 59 Net interbank transactions | -9.0 | -10.6 | -32.2 | -27.0 | -11.3 | -10.6 | -13.2 | -25.5 | -13.9 | -11.6 | -17.7 |
| 60 Security repurchase agreements | 107.4 | 111.5 | 175.8 | 237.2 | 296.7 | 308.2 | 327.7 | 269.3 | 414.2 | 413.9 | 445.0 |
| 61 Taxes payable | 62.4 | 76.9 | 92.6 | 102.0 | 89.8 | 112.2 | 96.4 | 95.5 | 90.8 | 102.5 | 94.9 |
| 62 Miscellaneous | -1,052.2 | -1,512.3 | -1,868.4 | -2,404.7 | -2,618.2 | -2,651.5 | -2,957.4 | -2,847.2 | -2,992.2 | -2,980.4 | -2,787.4 |
| Floats not included in assets (-) | | | | | | | | | | | |
| 63 Federal government checkable deposits | 3.1 | -1.6 | -8.1 | -3.9 | -7.2 | -12.4 | -10.2 | -9.9 | -6.5 | -5.2 | -7.8 |
| 64 Other checkable deposits | 34.2 | 30.1 | 26.2 | 23.1 | 18.9 | 22.1 | 14.5 | 22.3 | 18.7 | 22.5 | 15.5 |
| 65 Trade credit | 196.8 | 174.6 | 135.5 | 94.5 | 56.3 | 19.4 | 37.0 | 136.1 | 92.3 | 51.4 | 34.5 |
| 66 Total identified to sectors as assets | 54,237.8 | 60,340.1 | 68,554.3 | 76,892.9 | 78,726.6 | 81,509.7 | 81,380.2 | 87,814.5 | 90,015.5 | 89,623.3 | 90,692.7 |

1. Data in this table also appear in the Board's Z.1 (780) quarterly statistical release, tables L.1 and L.5. For ordering address, see inside front cover.

2. Excludes corporate equities and mutual fund shares.

2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

Monthly data seasonally adjusted, and indexes 1992=100, except as noted

| Measure | 1997 | 1998 | 1999 | 2000 | | | | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|-------------------|--------------------|-------|-------------------|
| | | | | Mar. | Apr. | May | June | July ^f | Aug. ^f | Sept. ^f | Oct. | Nov. ^p |
| 1 Industrial production ¹ | 127.7 ^f | 134.0 ^f | 139.6 ^f | 145.2 ^f | 146.3 ^f | 147.2 ^f | 147.9 ^f | 147.6 | 148.6 | 149.1 | 148.9 | 148.6 |
| Market groupings | | | | | | | | | | | | |
| 2 Products, total | 121.5 ^f | 127.2 ^f | 131.2 ^f | 134.4 ^f | 135.3 ^f | 135.5 ^f | 136.0 ^f | 135.8 | 136.6 | 136.9 | 136.4 | 136.4 |
| 3 Final, total | 123.2 ^f | 129.3 ^f | 133.3 ^f | 136.0 ^f | 137.2 ^f | 137.5 ^f | 138.3 ^f | 138.1 | 139.2 | 139.4 | 138.8 | 139.0 |
| 4 Consumer goods | 115.9 ^f | 118.4 ^f | 120.8 ^f | 122.2 ^f | 123.2 ^f | 123.5 ^f | 124.2 ^f | 122.9 | 123.8 | 124.1 | 123.0 | 123.2 |
| 5 Equipment | 135.4 ^f | 147.1 ^f | 153.8 ^f | 161.3 ^f | 162.8 ^f | 163.1 ^f | 164.3 ^f | 166.3 | 167.9 | 167.9 | 168.4 | 168.7 |
| 6 Intermediate | 116.3 ^f | 121.0 ^f | 125.1 ^f | 129.5 ^f | 129.3 ^f | 129.4 ^f | 129.0 ^f | 128.7 | 128.8 | 129.1 | 129.2 | 128.3 |
| 7 Materials | 138.0 ^f | 145.7 ^f | 154.5 ^f | 164.7 ^f | 166.1 ^f | 168.4 ^f | 169.4 ^f | 169.0 | 170.5 | 171.5 | 171.7 | 170.8 |
| Industry groupings | | | | | | | | | | | | |
| 8 Manufacturing | 130.8 ^f | 138.2 ^f | 144.8 ^f | 151.3 ^f | 152.2 ^f | 153.1 ^f | 153.8 ^f | 153.7 | 154.6 | 155.2 | 155.1 | 154.4 |
| 9 Capacity utilization, manufacturing (percent) ² .. | 82.7 ^f | 81.3 ^f | 80.5 ^f | 81.6 ^f | 81.8 ^f | 81.9 ^f | 82.0 ^f | 81.6 | 81.7 | 81.7 | 81.4 | 80.6 |
| 10 Construction contracts ³ | 144.2 | 161.2 | 177.5 | 195.0 | 186.0 | 179.0 | 188.0 | 178.0 | 175.0 | 182.0 | 187.0 | n.a. |
| 11 Nonagricultural employment, total ⁴ | 120.3 | 123.4 | 126.2 | 128.5 | 128.9 | 129.1 | 129.1 | 129.1 | 129.0 | 129.2 | 129.3 | 129.4 |
| 12 Goods-producing, total | 101.2 | 102.7 | 102.3 | 104.3 | 104.3 | 104.1 | 104.2 | 104.4 | 103.9 | 103.9 | 104.0 | 104.0 |
| 13 Manufacturing, total | 98.3 | 98.8 | 97.0 | 97.3 | 97.3 | 97.3 | 97.3 | 97.6 | 97.0 | 96.7 | 96.7 | 96.7 |
| 14 Manufacturing, production workers | 99.6 | 99.8 | 97.8 | 97.9 | 98.0 | 97.9 | 97.9 | 98.4 | 97.5 | 97.2 | 97.1 | 97.1 |
| 15 Service-producing | 126.5 | 130.0 | 133.8 | 136.2 | 136.8 | 137.0 | 137.1 | 137.0 | 137.0 | 137.3 | 137.3 | 137.5 |
| 16 Personal income, total | 175.1 | 186.5 | 196.6 | 206.0 | 207.2 | 207.9 | 208.9 | 209.5 | 210.1 | 212.5 | 212.2 | 213.0 |
| 17 Wages and salary disbursements | 171.3 | 184.6 | 196.9 | 206.4 | 208.2 | 208.4 | 209.8 | 211.0 | 211.3 | 212.7 | 214.1 | 214.9 |
| 18 Manufacturing | 144.6 | 152.3 | 157.4 | 162.0 | 163.6 | 162.9 | 164.3 | 165.8 | 164.9 | 165.1 | 166.5 | 167.2 |
| 19 Disposable personal income ⁵ | 172.5 | 182.7 | 191.9 | 199.8 | 200.6 | 201.3 | 202.1 | 202.5 | 202.9 | 205.2 | 204.5 | 205.1 |
| 20 Retail sales ⁶ | 169.8 | 178.4 | 194.6 | 209.3 | 208.3 | 208.5 | 209.3 | 211.1 | 211.0 | 212.7 | 212.7 | 211.9 |
| Prices ⁶ | | | | | | | | | | | | |
| 21 Consumer (1982-84=100) | 160.5 | 163.0 | 166.6 | 171.2 | 171.3 | 171.5 | 172.4 | 172.8 | 172.8 | 173.7 | 174.0 | 174.1 |
| 22 Producer finished goods (1982=100) | 131.8 | 130.7 | 133.0 | 136.8 | 136.7 | 137.3 | 138.6 | 138.6 | 138.1 | 139.2 | 140.0 | 139.9 |

1. Data in this table appear in the Board's G.17 (419) monthly statistical release. The data are also available on the Board's web site, <http://www.federalreserve.gov/releases/g17>. The latest historical revision of the industrial production index and the capacity utilization rates was released in December 2000. The recent annual revision is described in an article in the March 2001 issue of the *Bulletin*. For a description of the methods of estimating industrial production and capacity utilization, see "Industrial Production and Capacity Utilization: Historical Revision and Recent Developments," *Federal Reserve Bulletin*, vol. 83 (February 1997), pp. 67-92, and the references cited therein. For details about the construction of individual industrial production series, see "Industrial Production: 1989 Developments and Historical Revision," *Federal Reserve Bulletin*, vol. 76 (April 1990), pp. 187-204.

2. Ratio of index of production to index of capacity. Based on data from the Federal Reserve, U.S. 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 from the U.S. Department of Labor, *Employment and Earnings*. Series covers employees only, excluding personnel in the armed forces.

5. Based on data from U.S. Department of Commerce, *Survey of Current Business*.

6. Based on data not seasonally adjusted. Seasonally adjusted data for changes in the price indexes can be obtained from the U.S. Department of Labor, Bureau of Labor Statistics, *Monthly Labor Review*.

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

2.11 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

Thousands of persons; monthly data seasonally adjusted

| Category | 1997 | 1998 | 1999 | 2000 | | | | | | | |
|---|---------|---------|---------|---------|---------|---------|---------|---------|--------------------|---------|-------------------|
| | | | | Apr. | May | June | July | Aug. | Sept. ¹ | Oct. | Nov. ² |
| HOUSEHOLD SURVEY DATA ¹ | | | | | | | | | | | |
| 1 Civilian labor force ² | 136,297 | 137,673 | 139,368 | 141,230 | 140,489 | 140,762 | 140,399 | 140,742 | 140,639 | 140,918 | 141,052 |
| <i>Employment</i> | | | | | | | | | | | |
| 2 Nonagricultural industries ³ | 126,159 | 128,085 | 130,207 | 132,351 | 131,417 | 131,858 | 131,450 | 131,569 | 131,821 | 132,188 | 132,219 |
| 3 Agriculture | 3,399 | 3,378 | 3,281 | 3,355 | 3,298 | 3,321 | 3,299 | 3,344 | 3,340 | 3,233 | 3,154 |
| <i>Unemployment</i> | | | | | | | | | | | |
| 4 Number | 6,739 | 6,210 | 5,880 | 5,524 | 5,774 | 5,583 | 5,650 | 5,829 | 5,477 | 5,496 | 5,679 |
| 5 Rate (percent of civilian labor force) | 4.9 | 4.5 | 4.2 | 3.9 | 4.1 | 4.0 | 4.0 | 4.1 | 3.9 | 3.9 | 4.0 |
| ESTABLISHMENT SURVEY DATA | | | | | | | | | | | |
| 6 Nonagricultural payroll employment ⁴ | 122,690 | 125,826 | 128,616 | 131,419 | 131,590 | 131,647 | 131,607 | 131,528 | 131,723 | 131,800 | 131,894 |
| 7 Manufacturing | 18,675 | 18,772 | 18,431 | 18,492 | 18,479 | 18,493 | 18,548 | 18,432 | 18,380 | 18,377 | 18,378 |
| 8 Mining | 596 | 590 | 535 | 539 | 539 | 539 | 538 | 537 | 539 | 541 | 542 |
| 9 Contract construction | 5,691 | 5,985 | 6,273 | 6,694 | 6,666 | 6,668 | 6,670 | 6,675 | 6,720 | 6,742 | 6,736 |
| 10 Transportation and public utilities | 6,408 | 6,600 | 6,792 | 6,970 | 6,962 | 6,985 | 7,010 | 6,941 | 7,037 | 7,046 | 7,062 |
| 11 Trade | 28,614 | 29,127 | 29,792 | 30,252 | 30,112 | 30,171 | 30,246 | 30,253 | 30,249 | 30,278 | 30,338 |
| 12 Finance | 7,109 | 7,407 | 7,632 | 7,610 | 7,600 | 7,588 | 7,586 | 7,608 | 7,622 | 7,637 | 7,648 |
| 13 Service | 36,040 | 37,526 | 39,000 | 40,195 | 40,220 | 40,401 | 40,403 | 40,572 | 40,685 | 40,685 | 40,750 |
| 14 Government | 19,557 | 19,819 | 20,161 | 20,667 | 21,012 | 20,802 | 20,606 | 20,510 | 20,491 | 20,494 | 20,440 |

1. Beginning January 1994, reflects redesign of current population survey and population controls from the 1990 census.

2. Persons sixteen years of age and older, including Resident Armed Forces. Monthly figures are based on sample data collected during the calendar week that contains the twelfth day; annual data are averages of monthly figures. By definition, seasonality does not exist in population figures.

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

4. Includes all full- and part-time employees who worked during, or received pay for, the pay period that includes the twelfth day of the month; excludes proprietors, self-employed persons, household and unpaid family workers, and members of the armed forces. Data are adjusted to the March 1992 benchmark, and only seasonally adjusted data are available at this time.

SOURCE: Based on data from U.S. Department of Labor, *Employment and Earnings*.

2.12 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION¹

Seasonally adjusted

| Series | 1999 | 2000 | | | 1999 | 2000 | | | 1999 | 2000 | | |
|---|-------------------|-------|-------|-----------------|-----------------------------------|-------|-------|-------|--|------|------|------|
| | Q4 | Q1 | Q2 | Q3 ^f | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| | Output (1992=100) | | | | Capacity (percent of 1992 output) | | | | Capacity utilization rate (percent) ² | | | |
| 1 Total industry | 142.1 | 144.4 | 147.1 | 148.5 | 174.1 | 176.1 | 178.1 | 180.1 | 81.6 | 82.0 | 82.6 | 82.5 |
| 2 Manufacturing | 147.6 | 150.1 | 153.0 | 154.5 | 182.4 | 184.6 | 186.9 | 189.2 | 80.9 | 81.3 | 81.9 | 81.7 |
| 3 Primary processing ³ | 169.2 | 173.5 | 178.6 | 180.3 | 200.0 | 203.0 | 206.9 | 211.2 | 84.6 | 85.4 | 86.4 | 85.4 |
| 4 Advanced processing ⁴ | 135.6 | 137.3 | 139.0 | 140.3 | 171.2 | 172.7 | 174.1 | 175.2 | 79.2 | 79.5 | 79.8 | 80.1 |
| 5 Durable goods | 181.2 | 186.7 | 192.9 | 196.6 | 223.9 | 228.5 | 233.3 | 238.3 | 81.0 | 81.7 | 82.7 | 82.5 |
| 6 Lumber and products | 122.1 | 122.4 | 120.3 | 117.0 | 146.6 | 147.0 | 147.5 | 147.9 | 83.3 | 83.3 | 81.6 | 79.1 |
| 7 Primary metals | 135.2 | 136.1 | 137.0 | 133.4 | 152.6 | 153.0 | 153.4 | 153.4 | 88.6 | 88.9 | 89.4 | 87.0 |
| 8 Iron and steel | 132.8 | 135.0 | 136.1 | 130.6 | 152.3 | 152.8 | 153.1 | 153.4 | 87.2 | 88.4 | 88.9 | 85.2 |
| 9 Nonferrous | 138.1 | 137.4 | 138.2 | 136.8 | 152.7 | 153.2 | 153.4 | 153.4 | 90.4 | 89.7 | 90.1 | 89.2 |
| 10 Industrial machinery and equipment | 228.9 | 242.2 | 249.4 | 257.2 | 286.8 | 296.3 | 304.5 | 311.1 | 79.8 | 81.7 | 81.9 | 82.7 |
| 11 Electrical machinery | 434.5 | 476.7 | 535.1 | 581.1 | 520.7 | 552.1 | 591.7 | 639.1 | 83.4 | 86.3 | 90.4 | 90.9 |
| 12 Motor vehicles and parts | 170.6 | 171.8 | 175.9 | 170.7 | 205.8 | 207.0 | 208.2 | 209.2 | 82.9 | 83.0 | 84.5 | 81.6 |
| 13 Aerospace and miscellaneous transportation equipment | 95.1 | 93.7 | 92.9 | 93.5 | 130.6 | 130.7 | 130.7 | 130.4 | 72.8 | 71.7 | 71.1 | 71.7 |
| 14 Nondurable goods | 116.2 | 116.3 | 116.7 | 116.3 | 143.4 | 143.8 | 144.1 | 144.4 | 81.0 | 80.9 | 80.9 | 80.5 |
| 15 Textile mill products | 102.8 | 104.0 | 103.3 | 100.1 | 124.8 | 124.4 | 123.9 | 123.3 | 82.4 | 83.6 | 83.4 | 81.1 |
| 16 Paper and products | 118.6 | 117.6 | 117.9 | 114.0 | 136.8 | 136.9 | 137.2 | 137.5 | 86.7 | 85.8 | 85.9 | 82.9 |
| 17 Chemicals and products | 126.2 | 124.8 | 125.8 | 125.7 | 160.9 | 161.9 | 163.0 | 164.1 | 78.4 | 77.1 | 77.2 | 76.6 |
| 18 Plastics materials | 142.5 | 141.6 | 140.9 | 137.6 | 151.5 | 151.5 | 151.6 | 151.9 | 94.0 | 93.5 | 93.0 | 90.5 |
| 19 Petroleum products | 114.6 | 116.0 | 118.3 | 117.4 | 123.1 | 123.2 | 123.2 | 123.2 | 93.2 | 94.1 | 96.0 | 95.3 |
| 20 Mining | 98.9 | 99.4 | 100.0 | 100.6 | 116.8 | 116.7 | 116.5 | 116.3 | 84.7 | 85.2 | 85.8 | 86.5 |
| 21 Utilities | 116.1 | 117.4 | 120.7 | 121.5 | 130.1 | 131.2 | 132.3 | 133.4 | 89.2 | 89.5 | 91.2 | 91.1 |
| 22 Electric | 120.0 | 120.5 | 124.3 | 124.7 | 128.2 | 129.5 | 130.9 | 132.3 | 93.6 | 93.1 | 94.9 | 94.2 |

| Series | 1973 | 1975 | Previous cycle ⁵ | | Latest cycle ⁶ | | 1999 | 2000 | | | | | |
|---|--|------|-----------------------------|------|---------------------------|------|------|------|------|-------------------|--------------------|------|-------------------|
| | High | Low | High | Low | High | Low | Nov. | June | July | Aug. ^f | Sept. ^f | Oct. | Nov. ^p |
| | Capacity utilization rate (percent) ² | | | | | | | | | | | | |
| 1 Total industry | 89.2 | 72.6 | 87.3 | 71.1 | 85.4 | 78.1 | 81.5 | 82.7 | 82.3 | 82.6 | 82.5 | 82.1 | 81.6 |
| 2 Manufacturing | 88.5 | 70.5 | 86.9 | 69.0 | 85.7 | 76.6 | 80.9 | 82.0 | 81.6 | 81.7 | 81.7 | 81.4 | 80.6 |
| 3 Primary processing ³ | 91.2 | 68.2 | 88.1 | 66.2 | 88.9 | 77.7 | 84.7 | 86.5 | 85.6 | 85.4 | 85.2 | 84.8 | 83.3 |
| 4 Advanced processing ⁴ | 87.2 | 71.8 | 86.7 | 70.4 | 84.2 | 76.1 | 79.1 | 79.9 | 79.8 | 80.2 | 80.2 | 79.9 | 79.7 |
| 5 Durable goods | 89.2 | 68.9 | 87.7 | 63.9 | 84.6 | 73.1 | 80.9 | 82.8 | 82.3 | 82.6 | 82.6 | 81.8 | 80.8 |
| 6 Lumber and products | 88.7 | 61.2 | 87.9 | 60.8 | 93.6 | 75.5 | 83.0 | 80.4 | 80.3 | 78.1 | 79.0 | 78.1 | 76.9 |
| 7 Primary metals | 100.2 | 65.9 | 94.2 | 45.1 | 92.7 | 73.7 | 88.5 | 89.0 | 87.3 | 86.3 | 87.3 | 85.2 | 83.4 |
| 8 Iron and steel | 105.8 | 66.6 | 95.8 | 37.0 | 95.2 | 71.8 | 87.9 | 88.5 | 84.8 | 84.5 | 86.2 | 83.4 | 79.7 |
| 9 Nonferrous | 90.8 | 59.8 | 91.1 | 60.1 | 89.3 | 74.2 | 89.4 | 89.7 | 90.5 | 88.5 | 88.7 | 87.5 | 87.9 |
| 10 Industrial machinery and equipment | 96.0 | 74.3 | 93.2 | 64.0 | 85.4 | 72.3 | 79.6 | 81.7 | 82.1 | 82.9 | 83.0 | 83.5 | 82.7 |
| 11 Electrical machinery | 89.2 | 64.7 | 89.4 | 71.6 | 84.0 | 75.0 | 82.9 | 91.5 | 91.8 | 90.8 | 90.2 | 88.3 | 86.6 |
| 12 Motor vehicles and parts | 93.4 | 51.3 | 95.0 | 45.5 | 89.1 | 55.9 | 83.2 | 84.5 | 78.1 | 83.1 | 83.6 | 80.5 | 78.1 |
| 13 Aerospace and miscellaneous transportation equipment | 78.4 | 67.6 | 81.9 | 66.6 | 87.3 | 79.2 | 72.9 | 71.6 | 72.7 | 71.7 | 70.6 | 71.8 | 73.4 |
| 14 Nondurable goods | 87.8 | 71.7 | 87.5 | 76.4 | 87.3 | 80.7 | 81.1 | 80.9 | 80.6 | 80.5 | 80.4 | 80.6 | 80.1 |
| 15 Textile mill products | 91.4 | 60.0 | 91.2 | 72.3 | 90.4 | 77.7 | 81.5 | 83.3 | 82.1 | 80.6 | 80.7 | 80.4 | 79.2 |
| 16 Paper and products | 97.1 | 69.2 | 96.1 | 80.6 | 93.5 | 85.0 | 86.6 | 86.5 | 83.6 | 82.3 | 82.6 | 85.0 | 83.6 |
| 17 Chemicals and products | 87.6 | 69.7 | 84.6 | 69.9 | 86.2 | 79.3 | 79.1 | 77.1 | 76.2 | 76.7 | 76.9 | 77.0 | 76.9 |
| 18 Plastics materials | 102.0 | 50.6 | 90.9 | 63.4 | 97.0 | 74.8 | 94.8 | 93.5 | 92.8 | 89.1 | 89.8 | 89.2 | 87.9 |
| 19 Petroleum products | 96.7 | 81.1 | 90.0 | 66.8 | 88.5 | 85.1 | 92.4 | 96.4 | 95.0 | 95.5 | 95.4 | 95.5 | 95.5 |
| 20 Mining | 94.3 | 88.2 | 96.0 | 80.3 | 88.0 | 87.0 | 85.1 | 86.2 | 86.3 | 86.9 | 86.3 | 86.3 | 86.5 |
| 21 Utilities | 96.2 | 82.9 | 89.1 | 75.9 | 92.6 | 83.4 | 87.2 | 91.7 | 89.5 | 91.5 | 92.2 | 90.2 | 93.2 |
| 22 Electric | 99.0 | 82.7 | 88.2 | 78.9 | 95.0 | 87.1 | 93.4 | 95.0 | 91.8 | 95.3 | 95.6 | 93.3 | 95.7 |

1. Data in this table appear in the Board's G.17 (419) monthly statistical release. The data are also available on the Board's web site, <http://www.federalreserve.gov/releases/g17>. The latest historical revision of the industrial production index and the capacity utilization rates was released in December 2000. The recent annual revision is described in an article in the March 2001 issue of the *Bulletin*. For a description of the methods of estimating industrial production and capacity utilization, see "Industrial Production and Capacity Utilization: Historical Revision and Recent Developments," *Federal Reserve Bulletin*, vol. 83 (February 1997), pp. 67-92, and the references cited therein. For details about the construction of individual industrial production series, see "Industrial Production: 1989 Developments and Historical Revision," *Federal Reserve Bulletin*, vol. 76 (April 1990), pp. 187-204.

2. Capacity utilization is calculated as the ratio of the Federal Reserve's seasonally adjusted index of industrial production to the corresponding index of capacity.

3. Primary processing includes textiles; lumber; paper; industrial chemicals; synthetic materials; fertilizer materials; petroleum products; rubber and plastics; stone, clay, and glass; primary metals; and fabricated metals.

4. Advanced processing includes foods; tobacco; apparel; furniture and fixtures; printing and publishing; chemical products such as drugs and toiletries; agricultural chemicals; leather and products; machinery; transportation equipment; instruments; and miscellaneous manufactures.

5. Monthly highs, 1978-80; monthly lows, 1982.

6. Monthly highs, 1988-89; monthly lows, 1990-91.

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value¹

Monthly data seasonally adjusted

| Group | 1992 pro- portion | 1999 avg. | 1999 | | 2000 | | | | | | | | | | |
|---|-------------------------|--------------|-------|-------|-------|---------|---------|---------|---------|---------|---------|-------------------|--------------------|---------|-------------------|
| | | | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. ^r | Sept. ^r | Oct. | Nov. ^p |
| Index (1992 = 100) | | | | | | | | | | | | | | | |
| MAJOR MARKETS | | | | | | | | | | | | | | | |
| 1 Total index | 100.0 | 139.6 | 141.9 | 142.8 | 143.6 | 144.3 | 145.2 | 146.3 | 147.2 | 147.9 | 147.6 | 148.6 | 149.1 | 148.9 | 148.6 |
| 2 Products | 60.5 | 131.2 | 131.8 | 132.7 | 133.3 | 134.2 | 134.4 | 135.3 | 135.5 | 136.0 | 135.8 | 136.6 | 136.9 | 136.4 | 136.4 |
| 3 Final products | 46.3 | 133.3 | 133.6 | 134.4 | 135.1 | 135.9 | 136.0 | 137.2 | 137.5 | 138.3 | 138.1 | 139.2 | 139.4 | 138.8 | 139.0 |
| 4 Consumer goods, total | 29.1 | 120.8 | 121.5 | 122.4 | 122.1 | 122.8 | 122.2 | 123.2 | 123.5 | 124.2 | 122.9 | 123.8 | 124.1 | 123.0 | 123.2 |
| 5 Durable consumer goods | 6.1 | 158.3 | 160.4 | 161.6 | 162.9 | 162.6 | 162.1 | 164.7 | 163.8 | 164.4 | 158.7 | 160.0 | 162.3 | 157.1 | 156.0 |
| 6 Automotive products | 2.6 | 152.6 | 155.0 | 153.3 | 156.9 | 154.8 | 155.3 | 157.6 | 157.9 | 157.8 | 149.4 | 153.8 | 156.2 | 147.8 | 146.0 |
| 7 Autos and trucks | 1.7 | 167.9 | 171.1 | 166.2 | 171.4 | 169.0 | 170.3 | 173.7 | 175.7 | 174.8 | 160.5 | 169.8 | 172.7 | 159.4 | 156.1 |
| 8 Autos, consumer | .9 | 113.6 | 117.7 | 112.0 | 116.5 | 116.3 | 115.1 | 118.5 | 119.7 | 118.1 | 113.6 | 120.3 | 120.5 | 107.7 | 103.7 |
| 9 Trucks, consumer | .7 | 223.9 | 226.3 | 222.1 | 228.2 | 223.7 | 227.3 | 230.7 | 233.7 | 233.2 | 209.8 | 221.8 | 227.1 | 212.7 | 209.7 |
| 10 Auto parts and allied goods | .9 | 129.1 | 130.2 | 132.8 | 134.3 | 132.5 | 131.9 | 132.7 | 130.6 | 131.6 | 129.1 | 130.7 | 129.3 | 129.3 | 129.8 |
| 11 Other | 3.5 | 162.9 | 164.6 | 168.7 | 167.6 | 169.1 | 167.7 | 170.6 | 168.5 | 169.8 | 166.7 | 165.2 | 167.3 | 165.2 | 164.7 |
| 12 Appliances, televisions, and air conditioners | 1.0 | 309.8 | 326.3 | 336.5 | 328.3 | 336.1 | 332.3 | 341.1 | 334.6 | 348.2 | 322.3 | 325.0 | 340.5 | 333.2 | 338.0 |
| 13 Carpeting and furniture | .8 | 127.3 | 123.2 | 128.2 | 129.2 | 129.7 | 128.3 | 131.8 | 130.8 | 130.1 | 131.5 | 128.6 | 130.7 | 129.3 | 127.2 |
| 14 Miscellaneous home goods | 1.6 | 121.0 | 121.5 | 122.8 | 122.7 | 122.7 | 122.1 | 122.7 | 121.6 | 120.5 | 121.3 | 119.7 | 118.1 | 117.3 | 116.4 |
| 15 Nondurable consumer goods | 23.0 | 112.0 | 112.4 | 113.3 | 112.7 | 113.5 | 112.9 | 113.6 | 114.1 | 114.8 | 114.5 | 115.2 | 115.2 | 114.9 | 115.3 |
| 16 Foods and tobacco | 10.3 | 109.2 | 109.6 | 109.7 | 110.3 | 110.6 | 110.8 | 110.9 | 110.3 | 110.8 | 111.0 | 111.4 | 110.4 | 110.4 | 110.0 |
| 17 Clothing | 2.4 | 87.8 | 86.9 | 86.8 | 86.3 | 87.5 | 87.2 | 87.5 | 86.8 | 85.1 | 85.6 | 84.2 | 83.3 | 82.6 | 82.0 |
| 18 Chemical products | 4.5 | 132.7 | 136.5 | 137.3 | 132.9 | 133.5 | 134.9 | 136.5 | 138.5 | 139.3 | 137.4 | 139.4 | 140.3 | 140.4 | 141.7 |
| 19 Paper products | 2.9 | 106.7 | 109.3 | 108.5 | 109.1 | 109.6 | 108.3 | 108.2 | 109.0 | 111.6 | 112.4 | 112.4 | 112.4 | 113.2 | 111.3 |
| 20 Energy | 2.9 | 114.0 | 108.3 | 113.8 | 113.1 | 116.2 | 110.7 | 113.6 | 116.0 | 117.0 | 114.9 | 117.1 | 119.3 | 117.1 | 121.7 |
| 21 Fuels | .8 | 111.4 | 110.7 | 112.1 | 108.4 | 111.0 | 114.9 | 112.1 | 113.1 | 113.4 | 112.6 | 113.1 | 115.8 | 114.1 | 116.5 |
| 22 Residential utilities | 2.1 | 114.7 | 106.4 | 114.0 | 115.1 | 118.5 | 107.4 | 113.8 | 117.1 | 118.5 | 115.6 | 119.0 | 120.7 | 118.2 | 124.2 |
| 23 Equipment | 17.2 | 153.8 | 155.3 | 155.7 | 158.7 | 159.8 | 161.3 | 162.8 | 163.1 | 164.3 | 166.3 | 167.9 | 167.9 | 168.4 | 168.7 |
| 24 Business equipment | 13.2 | 176.4 | 179.8 | 180.6 | 185.2 | 187.0 | 188.9 | 191.1 | 191.6 | 192.8 | 195.0 | 197.8 | 198.9 | 199.2 | 199.1 |
| 25 Information processing and related | 5.4 | 257.6 | 270.8 | 274.9 | 284.8 | 289.2 | 293.5 | 298.8 | 302.5 | 307.0 | 313.9 | 322.1 | 326.4 | 330.8 | 334.1 |
| 26 Computer and office equipment | 1.1 | 791.2 | 890.2 | 930.2 | 979.1 | 1,019.5 | 1,044.0 | 1,062.0 | 1,087.8 | 1,130.8 | 1,182.8 | 1,229.0 | 1,264.1 | 1,295.8 | 1,321.2 |
| 27 Industrial | 4.0 | 135.6 | 136.4 | 137.3 | 140.4 | 142.1 | 142.2 | 142.9 | 143.4 | 143.8 | 144.4 | 147.7 | 145.7 | 146.8 | 145.5 |
| 28 Transit | 2.5 | 134.8 | 132.5 | 128.8 | 130.9 | 130.6 | 131.5 | 131.3 | 129.0 | 130.1 | 127.6 | 126.8 | 127.2 | 121.4 | 122.2 |
| 29 Autos and trucks | 1.2 | 148.3 | 151.7 | 147.1 | 153.8 | 154.2 | 154.0 | 156.5 | 153.9 | 152.9 | 141.5 | 142.8 | 144.0 | 130.6 | 129.7 |
| 30 Other | 1.3 | 137.1 | 136.0 | 137.7 | 138.6 | 138.5 | 142.9 | 146.7 | 145.8 | 142.8 | 148.1 | 144.8 | 149.4 | 151.5 | 146.9 |
| 31 Defense and space equipment | 3.3 | 80.8 | 79.1 | 78.5 | 77.1 | 75.9 | 76.0 | 75.5 | 75.5 | 76.3 | 77.9 | 76.1 | 73.7 | 75.2 | 77.0 |
| 32 Oil and gas well drilling | .6 | 103.3 | 116.5 | 120.1 | 121.1 | 124.6 | 126.7 | 126.7 | 130.3 | 130.8 | 136.2 | 137.1 | 132.8 | 136.5 | 137.0 |
| 33 Manufactured homes | .2 | 159.6 | 144.1 | 142.0 | 138.5 | 133.8 | 131.7 | 127.2 | 122.9 | 121.9 | 116.8 | 115.5 | 109.3 | 96.8 | 93.2 |
| 34 Intermediate products, total | 14.2 | 125.1 | 126.3 | 127.4 | 127.8 | 128.9 | 129.5 | 129.3 | 129.4 | 129.0 | 128.7 | 128.8 | 129.1 | 129.2 | 128.3 |
| 35 Construction supplies | 5.3 | 138.5 | 140.4 | 142.2 | 142.6 | 143.4 | 144.6 | 144.4 | 143.1 | 143.4 | 143.8 | 142.7 | 143.2 | 143.0 | 141.6 |
| 36 Business supplies | 8.9 | 117.2 | 118.0 | 118.7 | 119.0 | 120.3 | 120.6 | 120.4 | 121.3 | 120.5 | 119.8 | 120.6 | 120.7 | 121.1 | 120.4 |
| 37 Materials | 39.5 | 154.5 | 160.0 | 161.0 | 162.0 | 162.4 | 164.7 | 166.1 | 168.4 | 169.4 | 169.0 | 170.5 | 171.5 | 171.7 | 170.8 |
| 38 Durable goods materials | 20.8 | 198.5 | 207.8 | 210.6 | 213.4 | 215.4 | 220.0 | 222.7 | 227.6 | 230.3 | 230.5 | 233.8 | 235.9 | 235.9 | 233.9 |
| 39 Durable consumer parts | 4.0 | 156.9 | 162.5 | 163.8 | 164.3 | 163.2 | 164.9 | 162.2 | 169.9 | 165.7 | 158.3 | 168.3 | 169.4 | 171.0 | 166.2 |
| 40 Equipment parts | 7.6 | 353.0 | 381.7 | 392.6 | 404.2 | 416.6 | 434.2 | 451.9 | 466.8 | 486.2 | 499.9 | 505.7 | 513.1 | 515.7 | 519.3 |
| 41 Other | 9.2 | 131.7 | 134.4 | 134.8 | 135.3 | 134.8 | 135.9 | 135.7 | 135.9 | 135.9 | 135.3 | 134.7 | 135.3 | 134.1 | 132.2 |
| 42 Basic metal materials | 3.1 | 125.9 | 130.1 | 131.0 | 130.7 | 128.8 | 131.1 | 131.9 | 130.8 | 130.7 | 128.5 | 127.5 | 128.8 | 126.6 | 124.4 |
| 43 Nondurable goods materials | 8.9 | 114.3 | 117.6 | 116.8 | 116.2 | 115.3 | 115.6 | 115.2 | 115.7 | 115.2 | 113.9 | 112.8 | 112.8 | 113.8 | 112.8 |
| 44 Textile materials | 1.1 | 100.9 | 102.0 | 100.7 | 100.4 | 101.9 | 102.2 | 101.1 | 100.9 | 101.7 | 97.9 | 99.3 | 97.4 | 97.8 | 96.5 |
| 45 Paper materials | 1.8 | 117.0 | 119.0 | 118.4 | 118.2 | 116.7 | 118.1 | 118.7 | 117.5 | 118.1 | 114.9 | 112.8 | 113.8 | 117.3 | 115.3 |
| 46 Chemical materials | 3.9 | 116.5 | 121.9 | 120.1 | 119.7 | 118.6 | 118.6 | 118.1 | 119.8 | 118.4 | 117.0 | 116.8 | 116.2 | 116.1 | 115.4 |
| 47 Other | 2.1 | 113.7 | 114.3 | 116.1 | 114.6 | 113.0 | 113.5 | 112.6 | 112.4 | 112.3 | 113.7 | 110.2 | 111.8 | 113.5 | 112.5 |
| 48 Energy materials | 9.7 | 103.1 | 103.3 | 103.1 | 102.6 | 102.1 | 102.5 | 103.5 | 103.3 | 103.1 | 102.9 | 104.2 | 104.4 | 103.9 | 104.9 |
| 49 Primary energy | 6.3 | 98.9 | 99.4 | 98.5 | 97.2 | 96.2 | 97.7 | 98.8 | 98.3 | 98.4 | 98.7 | 98.9 | 98.7 | 98.2 | 98.8 |
| 50 Converted fuel materials | 3.3 | 111.4 | 111.1 | 112.5 | 113.9 | 114.6 | 112.3 | 113.0 | 113.7 | 112.4 | 110.8 | 115.1 | 116.7 | 116.3 | 118.5 |
| SPECIAL AGGREGATES | | | | | | | | | | | | | | | |
| 51 Total excluding autos and trucks | 97.1 | 139.0 | 141.3 | 142.4 | 143.0 | 143.8 | 144.8 | 145.7 | 146.7 | 147.5 | 147.5 | 148.4 | 148.9 | 149.1 | 148.8 |
| 52 Total excluding motor vehicles and parts | 95.1 | 138.3 | 140.5 | 141.5 | 142.2 | 143.0 | 143.9 | 144.9 | 145.8 | 146.5 | 146.9 | 147.4 | 147.9 | 148.0 | 147.9 |
| 53 Total excluding computer and office equipment | 98.2 | 134.1 | 135.9 | 136.7 | 137.2 | 137.8 | 138.6 | 139.6 | 140.4 | 141.0 | 140.5 | 141.4 | 141.8 | 141.5 | 141.1 |
| 54 Consumer goods excluding autos and trucks | 27.4 | 118.3 | 118.8 | 120.0 | 119.5 | 120.3 | 119.6 | 120.5 | 120.7 | 121.5 | 120.9 | 121.3 | 121.5 | 121.0 | 121.4 |
| 55 Consumer goods excluding energy | 26.2 | 121.6 | 123.1 | 123.5 | 123.2 | 123.5 | 123.6 | 124.4 | 124.4 | 125.0 | 123.9 | 124.5 | 124.6 | 123.7 | 123.2 |
| 56 Business equipment excluding autos and trucks | 12.0 | 179.7 | 183.1 | 184.5 | 188.9 | 190.8 | 193.1 | 195.2 | 196.1 | 197.6 | 201.5 | 204.5 | 205.6 | 207.7 | 207.7 |
| 57 Business equipment excluding computer and office equipment | 12.1 | 149.8 | 150.5 | 150.3 | 153.6 | 154.4 | 155.7 | 157.4 | 157.3 | 157.6 | 158.6 | 160.3 | 160.6 | 160.3 | 159.7 |
| 58 Materials excluding energy | 29.8 | 170.6 | 177.8 | 179.3 | 180.8 | 181.5 | 184.6 | 186.0 | 189.3 | 190.7 | 190.3 | 191.8 | 193.1 | 193.6 | 191.9 |

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value¹—Continued

Monthly data seasonally adjusted

| Group | SIC ² code | 1992 proportion | 1999 avg. | 1999 | | 2000 | | | | | | | | | | | | |
|---|-----------------------|-----------------|-----------|--------------------|---------|---------|---------|---------|---------|---------|---------|---------|-------------------|--------------------|---------|-------------------|--|--|
| | | | | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. ³ | Sept. ⁴ | Oct. | Nov. ⁵ | | |
| | | | | Index (1992 = 100) | | | | | | | | | | | | | | |
| MAJOR INDUSTRIES | | | | | | | | | | | | | | | | | | |
| 59 Total index | | 100.0 | 139.6 | 141.9 | 142.8 | 143.6 | 144.3 | 145.2 | 146.3 | 147.2 | 147.9 | 147.6 | 148.6 | 149.1 | 148.9 | 148.6 | | |
| 60 Manufacturing | | 85.4 | 144.8 | 147.5 | 148.4 | 149.2 | 149.9 | 151.3 | 152.2 | 153.1 | 153.8 | 153.7 | 154.6 | 155.2 | 155.1 | 154.4 | | |
| 61 Primary processing | | 26.5 | 163.3 | 169.4 | 170.9 | 171.9 | 173.0 | 175.5 | 177.1 | 178.7 | 180.1 | 179.4 | 180.3 | 181.3 | 181.7 | 179.8 | | |
| 62 Advanced processing | | 58.9 | 133.6 | 135.5 | 135.9 | 136.8 | 137.1 | 137.9 | 138.5 | 139.1 | 139.4 | 139.5 | 140.5 | 140.8 | 140.6 | 140.4 | | |
| 63 Durable goods | | 45.0 | 175.6 | 181.0 | 182.6 | 185.1 | 186.3 | 188.9 | 191.0 | 193.0 | 194.6 | 194.7 | 196.9 | 198.3 | 197.7 | 196.9 | | |
| 64 Lumber and products | 24 | 2.0 | 122.4 | 121.7 | 122.8 | 122.9 | 122.3 | 121.9 | 121.6 | 120.5 | 118.7 | 118.6 | 115.5 | 117.0 | 115.7 | 114.1 | | |
| 65 Furniture and fixtures | 25 | 1.4 | 137.0 | 137.5 | 138.9 | 138.9 | 140.7 | 139.3 | 140.7 | 143.0 | 141.9 | 142.6 | 143.8 | 145.9 | 144.3 | 143.6 | | |
| 66 Stone, clay, and glass products | 32 | 2.1 | 131.6 | 134.2 | 133.4 | 132.8 | 133.6 | 134.4 | 132.9 | 134.2 | 134.6 | 136.3 | 136.1 | 136.5 | 136.1 | 134.4 | | |
| 67 Primary metals | 33 | 3.1 | 130.4 | 135.0 | 136.6 | 136.3 | 134.7 | 137.1 | 137.8 | 136.7 | 136.4 | 133.9 | 132.4 | 134.0 | 130.8 | 128.1 | | |
| 68 Iron and steel | 331.2 | 1.7 | 126.7 | 133.9 | 135.4 | 134.8 | 133.5 | 136.9 | 136.8 | 135.9 | 135.5 | 129.9 | 129.7 | 132.3 | 128.0 | 122.4 | | |
| 69 Raw steel | 331PT | .1 | 116.5 | 126.4 | 127.4 | 126.4 | 121.7 | 125.8 | 127.3 | 127.1 | 128.2 | 126.4 | 123.9 | 117.7 | 115.6 | 111.0 | | |
| 70 Nonferrous | 333-6.9 | 1.4 | 135.0 | 136.5 | 138.3 | 138.3 | 136.4 | 137.6 | 139.1 | 137.9 | 137.6 | 138.8 | 135.7 | 136.1 | 134.3 | 134.9 | | |
| 71 Fabricated metal products | 34 | 5.0 | 131.9 | 133.6 | 133.3 | 134.9 | 135.8 | 135.6 | 135.9 | 136.2 | 135.7 | 136.1 | 136.3 | 136.0 | 135.7 | 134.6 | | |
| 72 Industrial machinery and equipment | 35 | 8.0 | 219.0 | 228.3 | 232.8 | 238.7 | 242.1 | 245.8 | 247.2 | 249.9 | 250.9 | 253.9 | 257.9 | 259.9 | 263.2 | 262.2 | | |
| 73 Computer and office equipment | 357 | 1.8 | 936.6 | 1,049.0 | 1,094.0 | 1,149.5 | 1,195.9 | 1,224.7 | 1,245.1 | 1,272.3 | 1,316.2 | 1,370.4 | 1,421.6 | 1,464.2 | 1,498.8 | 1,526.2 | | |
| 74 Electrical machinery | 36 | 7.3 | 399.4 | 431.7 | 445.5 | 460.2 | 474.8 | 495.2 | 516.5 | 533.8 | 555.0 | 571.2 | 580.0 | 591.9 | 595.5 | 600.9 | | |
| 75 Transportation equipment | 37 | 9.5 | 131.4 | 132.0 | 130.7 | 132.0 | 130.7 | 131.9 | 132.1 | 133.6 | 133.5 | 128.0 | 132.4 | 132.2 | 130.0 | 128.8 | | |
| 76 Motor vehicles and parts | 371 | 4.9 | 165.8 | 171.1 | 169.4 | 172.7 | 170.3 | 172.5 | 174.1 | 177.6 | 176.1 | 163.1 | 173.9 | 175.2 | 168.9 | 164.1 | | |
| 77 Autos and light trucks | 371PT | 2.6 | 153.8 | 157.0 | 152.2 | 157.1 | 155.1 | 156.0 | 159.2 | 161.1 | 160.1 | 147.8 | 156.4 | 158.8 | 146.1 | 142.7 | | |
| 78 Aerospace and miscellaneous transportation equipment | 372-6.9 | 4.6 | 98.9 | 95.2 | 94.2 | 93.8 | 93.5 | 93.7 | 92.7 | 92.3 | 93.6 | 94.9 | 93.5 | 92.0 | 93.5 | 95.5 | | |
| 79 Instruments | 38 | 5.4 | 119.7 | 121.3 | 120.8 | 120.6 | 119.7 | 120.2 | 121.5 | 121.3 | 122.2 | 122.6 | 123.3 | 123.3 | 122.6 | 122.8 | | |
| 80 Miscellaneous | 39 | 1.3 | 127.4 | 129.8 | 130.9 | 131.6 | 130.9 | 130.6 | 130.9 | 130.7 | 130.5 | 132.1 | 130.8 | 130.9 | 131.0 | 129.8 | | |
| 81 Nondurable goods | | 40.4 | 115.4 | 116.3 | 116.5 | 116.0 | 116.3 | 116.6 | 116.7 | 116.7 | 116.7 | 116.3 | 116.3 | 116.2 | 116.6 | 115.9 | | |
| 82 Foods | 20 | 9.4 | 112.5 | 113.2 | 113.0 | 113.3 | 114.1 | 114.9 | 114.7 | 114.2 | 114.9 | 115.0 | 115.1 | 114.6 | 114.9 | 114.6 | | |
| 83 Tobacco products | 21 | 1.6 | 97.1 | 96.1 | 97.8 | 99.8 | 97.4 | 94.3 | 95.6 | 95.3 | 93.8 | 95.8 | 96.6 | 94.5 | 93.3 | 91.7 | | |
| 84 Textile mill products | 22 | 1.8 | 104.0 | 101.7 | 103.4 | 103.6 | 103.8 | 104.4 | 104.4 | 102.6 | 103.1 | 101.4 | 99.4 | 99.4 | 98.9 | 97.3 | | |
| 85 Apparel products | 23 | 2.2 | 94.8 | 94.0 | 94.0 | 93.4 | 94.3 | 94.1 | 94.6 | 93.0 | 91.2 | 92.0 | 90.7 | 89.7 | 89.0 | 88.4 | | |
| 86 Paper and products | 26 | 3.6 | 117.2 | 118.4 | 118.8 | 117.5 | 117.4 | 117.8 | 118.4 | 116.5 | 118.8 | 114.9 | 113.3 | 113.7 | 117.1 | 115.3 | | |
| 87 Printing and publishing | 27 | 6.7 | 106.8 | 108.8 | 108.6 | 108.9 | 108.9 | 109.7 | 109.1 | 109.9 | 109.1 | 110.0 | 110.4 | 110.8 | 111.3 | 110.1 | | |
| 88 Chemicals and products | 28 | 9.9 | 126.1 | 127.3 | 127.0 | 124.8 | 124.9 | 124.9 | 125.2 | 126.3 | 125.9 | 124.8 | 125.9 | 126.4 | 126.7 | 126.8 | | |
| 89 Petroleum products | 29 | 1.4 | 115.3 | 113.7 | 115.4 | 113.7 | 115.5 | 118.9 | 117.2 | 118.9 | 118.8 | 117.0 | 117.6 | 117.5 | 117.6 | 117.6 | | |
| 90 Rubber and plastic products | 30 | 3.5 | 139.7 | 141.4 | 142.7 | 143.2 | 143.2 | 143.0 | 143.5 | 142.6 | 143.5 | 144.4 | 142.1 | 141.6 | 141.2 | 139.5 | | |
| 91 Leather and products | 31 | .3 | 72.9 | 71.0 | 70.5 | 72.1 | 71.4 | 70.6 | 70.0 | 70.5 | 69.3 | 70.0 | 68.8 | 69.6 | 68.2 | 69.0 | | |
| 92 Mining | | 6.9 | 98.0 | 99.4 | 98.7 | 98.6 | 99.1 | 100.4 | 99.9 | 99.6 | 100.4 | 100.5 | 101.0 | 100.3 | 100.2 | 100.3 | | |
| 93 Metal | 10 | .5 | 99.9 | 98.7 | 98.6 | 101.3 | 99.1 | 99.7 | 98.8 | 95.7 | 97.5 | 92.9 | 95.8 | 95.2 | 95.3 | 93.6 | | |
| 94 Coal | 12 | 1.0 | 107.8 | 108.7 | 108.2 | 106.8 | 102.6 | 110.1 | 112.6 | 112.2 | 113.6 | 110.3 | 109.3 | 107.0 | 110.2 | 108.6 | | |
| 95 Oil and gas extraction | 13 | 4.8 | 92.5 | 94.2 | 93.4 | 93.5 | 94.0 | 94.6 | 94.0 | 94.3 | 94.8 | 95.7 | 96.3 | 95.7 | 95.3 | 95.7 | | |
| 96 Stone and earth minerals | 14 | .6 | 124.9 | 126.4 | 126.3 | 124.9 | 131.7 | 133.4 | 130.4 | 123.9 | 127.7 | 124.4 | 125.0 | 124.1 | 124.1 | 122.7 | | |
| 97 Utilities | | 7.7 | 117.1 | 113.5 | 117.4 | 117.8 | 119.5 | 114.7 | 118.7 | 121.6 | 121.7 | 119.1 | 122.1 | 123.4 | 120.9 | 125.3 | | |
| 98 Electric | 491,493PT | 6.2 | 120.2 | 119.7 | 121.2 | 120.8 | 121.0 | 119.7 | 122.8 | 125.2 | 124.8 | 121.1 | 126.1 | 127.0 | 124.3 | 128.1 | | |
| 99 Gas | 492,493PT | 1.6 | 106.1 | 92.8 | 104.1 | 106.8 | 113.1 | 98.3 | 104.4 | 108.7 | 110.5 | 111.0 | 108.4 | 110.6 | 108.8 | 114.5 | | |
| SPECIAL AGGREGATES | | | | | | | | | | | | | | | | | | |
| 100 Manufacturing excluding motor vehicles and parts | | 80.5 | 143.6 | 146.2 | 147.2 | 147.9 | 148.7 | 150.1 | 151.0 | 151.7 | 152.6 | 153.2 | 153.5 | 154.1 | 154.4 | 153.9 | | |
| 101 Manufacturing excluding computer and office equipment | | 83.6 | 138.4 | 140.6 | 141.2 | 141.9 | 142.3 | 143.6 | 144.4 | 145.2 | 145.8 | 145.4 | 146.2 | 146.6 | 146.5 | 145.6 | | |
| 102 Computers, communications equipment, and semiconductors | | 5.9 | 777.6 | 869.9 | 905.9 | 955.1 | 999.4 | 1,048.5 | 1,097.8 | 1,140.2 | 1,193.1 | 1,248.0 | 1,281.6 | 1,311.9 | 1,334.0 | 1,353.6 | | |
| 103 Manufacturing excluding computers and semiconductors | | 81.1 | 125.5 | 126.6 | 126.9 | 127.1 | 127.1 | 127.8 | 128.0 | 128.4 | 128.4 | 127.7 | 128.2 | 128.4 | 128.2 | 127.4 | | |
| 104 Manufacturing excluding computers, communications equipment, and semiconductors | | 79.5 | 123.0 | 124.1 | 124.3 | 124.3 | 124.3 | 124.9 | 125.1 | 125.4 | 125.3 | 124.5 | 124.9 | 125.1 | 124.8 | 123.9 | | |
| Gross value (billions of 1992 dollars, annual rates) | | | | | | | | | | | | | | | | | | |
| Major Markets | | | | | | | | | | | | | | | | | | |
| 105 Products, total | | 2,001.9 | 2,784.6 | 2,795.0 | 2,812.2 | 2,828.5 | 2,846.9 | 2,853.1 | 2,868.9 | 2,872.7 | 2,883.5 | 2,865.7 | 2,882.9 | 2,892.7 | 2,872.3 | 2,870.3 | | |
| 106 Final | | 1,552.1 | 2,142.0 | 2,146.0 | 2,156.4 | 2,170.2 | 2,183.5 | 2,186.3 | 2,202.8 | 2,205.6 | 2,218.6 | 2,202.8 | 2,220.5 | 2,228.6 | 2,206.6 | 2,211.0 | | |
| 107 Consumer goods | | 1,049.6 | 1,322.9 | 1,328.0 | 1,337.2 | 1,334.8 | 1,342.3 | 1,338.5 | 1,347.2 | 1,349.8 | 1,357.8 | 1,338.7 | 1,348.7 | 1,356.2 | 1,338.3 | 1,342.0 | | |
| 108 Equipment | | 502.5 | 813.1 | 821.3 | 822.1 | 840.3 | 846.2 | 854.0 | 862.2 | 862.2 | 867.3 | 872.8 | 880.8 | 880.8 | 877.8 | 878.2 | | |
| 109 Intermediate | | 449.9 | 642.5 | 648.1 | 654.7 | 657.2 | 662.3 | 665.6 | 665.0 | 666.0 | 665.9 | 661.8 | 661.5 | 663.2 | 664.6 | 658.5 | | |

1. Data in this table appear in the Board's G.17 (419) monthly statistical release. The data are also available on the Board's web site, <http://www.federalreserve.gov/releases/g17>. The latest historical revision of the industrial production index and the capacity utilization rates was released in December 2000. The recent annual revision is described in an article in the March 2001 issue of the *Bulletin*. For a description of the methods of estimating industrial production and capacity utilization, see "Industrial Production and Capacity Utilization:

Historical Revision and Recent Developments," *Federal Reserve Bulletin*, vol. 83 (February 1997), pp. 67-92, and the references cited therein. For details about the construction of individual industrial production series, see "Industrial Production: 1989 Developments and Historical Revision," *Federal Reserve Bulletin*, vol. 76 (April 1990), pp. 187-204.

2. Standard industrial classification.

2.14 HOUSING AND CONSTRUCTION

Monthly figures at seasonally adjusted annual rates except as noted

| Item | 1997 | 1998 | 1999 | 2000 | | | | | | | | | |
|--|---------|---------|---------|---|---------|---------|---------|---------|---------|---------|------------------|---------|------------------|
| | | | | Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sept. | Oct. |
| | | | | Private residential real estate activity (thousands of units except as noted) | | | | | | | | | |
| NEW UNITS | | | | | | | | | | | | | |
| 1 Permits authorized | 1,441 | 1,612 | 1,664 | 1,762 | 1,661 | 1,597 | 1,559 | 1,511 | 1,528 | 1,511 | 1,486 | 1,518 | 1,546 |
| 2 One-family | 1,062 | 1,188 | 1,247 | 1,317 | 1,223 | 1,238 | 1,164 | 1,150 | 1,127 | 1,117 | 1,140 | 1,157 | 1,191 |
| 3 Two-family or more | 379 | 425 | 417 | 445 | 438 | 359 | 395 | 361 | 401 | 394 | 346 | 361 | 355 |
| 4 Started | 1,474 | 1,617 | 1,667 | 1,744 | 1,822 | 1,630 | 1,652 | 1,591 | 1,571 | 1,527 | 1,519 | 1,537 | 1,528 |
| 5 One-family | 1,134 | 1,271 | 1,335 | 1,361 | 1,324 | 1,327 | 1,310 | 1,258 | 1,227 | 1,201 | 1,229 | 1,226 | 1,225 |
| 6 Two-family or more | 340 | 346 | 332 | 383 | 498 | 303 | 342 | 333 | 344 | 326 | 290 | 311 | 303 |
| 7 Under construction at end of period ¹ | 847 | 971 | 993 | 1,033 | 1,041 | 1,031 | 1,029 | 1,023 | 1,024 | 1,020 | 1,016 | 1,011 | 1,009 |
| 8 One-family | 555 | 659 | 679 | 712 | 712 | 706 | 703 | 697 | 696 | 691 | 692 | 690 | 693 |
| 9 Two-family or more | 292 | 312 | 314 | 321 | 329 | 325 | 326 | 326 | 328 | 329 | 324 ² | 321 | 316 |
| 10 Completed | 1,400 | 1,474 | 1,636 | 1,599 | 1,732 | 1,728 | 1,660 | 1,705 | 1,545 | 1,531 | 1,612 | 1,569 | 1,555 |
| 11 One-family | 1,116 | 1,160 | 1,307 | 1,296 | 1,382 | 1,375 | 1,354 | 1,377 | 1,222 | 1,216 | 1,266 | 1,225 | 1,208 |
| 12 Two-family or more | 284 | 315 | 329 | 303 | 350 | 353 | 306 | 328 | 323 | 315 | 346 | 344 | 347 ² |
| 13 Mobile homes shipped | 354 | 374 | 348 | 307 | 291 | 287 | 271 | 265 | 262 | 251 | 249 | 231 | 213 |
| Merchant builder activity in one-family units | | | | | | | | | | | | | |
| 14 Number sold | 804 | 886 | 907 | 927 | 905 | 947 | 865 | 875 | 827 | 914 | 852 | 953 | 928 |
| 15 Number for sale at end of period ¹ | 287 | 300 | 326 | 321 | 309 | 321 | 305 | 308 | 312 | 311 | 313 | 311 | 317 |
| Price of units sold (thousands of dollars) ² | | | | | | | | | | | | | |
| 16 Median | 146.0 | 152.5 | 160.0 | 163.0 | 162.3 | 165.7 | 163.1 | 165.0 | 159.9 | 168.6 | 165.0 | 169.9 | 174.9 |
| 17 Average | 176.2 | 181.9 | 195.8 | 200.1 | 199.6 | 205.3 | 207.5 | 200.1 | 197.7 | 202.4 | 199.3 | 204.3 | 218.4 |
| EXISTING UNITS (one-family) | | | | | | | | | | | | | |
| 18 Number sold | 4,382 | 4,970 | 5,197 | 4,450 | 4,760 | 5,200 | 4,880 | 5,090 | 5,310 | 4,820 | 5,280 | 5,160 | 4,960 |
| Price of units sold (thousands of dollars) ² | | | | | | | | | | | | | |
| 19 Median | 121.8 | 128.4 | 133.3 | 132.2 | 133.7 | 134.7 | 136.1 | 137.6 | 140.2 | 143.3 | 143.2 | 141.6 | 138.2 |
| 20 Average | 150.5 | 159.1 | 168.3 | 168.9 | 168.1 | 171.5 | 173.3 | 176.0 | 178.9 | 177.7 | 183.0 | 178.6 | 177.8 |
| Value of new construction (millions of dollars) ³ | | | | | | | | | | | | | |
| CONSTRUCTION | | | | | | | | | | | | | |
| 21 Total put in place | 656,084 | 710,104 | 765,719 | 806,099 | 816,012 | 829,517 | 816,156 | 811,816 | 798,860 | 786,390 | 802,723 | 818,021 | 824,960 |
| 22 Private | 501,426 | 550,983 | 592,037 | 614,584 | 629,590 | 637,743 | 629,491 | 629,820 | 624,383 | 612,031 | 617,988 | 630,529 | 639,183 |
| 23 Residential | 289,101 | 314,058 | 348,584 | 365,149 | 368,745 | 372,118 | 368,948 | 367,653 | 363,756 | 347,488 | 350,489 | 353,003 | 360,537 |
| 24 Nonresidential | 212,325 | 236,925 | 243,454 | 249,435 | 260,845 | 265,625 | 260,543 | 262,167 | 260,627 | 264,543 | 267,499 | 277,526 | 278,646 |
| 25 Industrial buildings | 36,696 | 40,464 | 35,016 | 33,947 | 38,538 | 39,030 | 38,670 | 39,814 | 39,951 | 42,165 | 41,552 | 42,378 | 44,579 |
| 26 Commercial buildings | 86,151 | 95,753 | 103,759 | 107,961 | 115,440 | 116,030 | 115,042 | 113,381 | 112,834 | 112,167 | 115,497 | 118,807 | 120,001 |
| 27 Other buildings | 37,193 | 39,607 | 41,279 | 43,350 | 45,553 | 45,808 | 44,136 | 45,540 | 44,559 | 45,772 | 46,765 | 47,458 | 47,449 |
| 28 Public utilities and other | 52,287 | 61,101 | 63,400 | 64,177 | 61,314 | 64,757 | 62,695 | 63,432 | 63,283 | 64,439 | 63,685 | 68,883 | 66,617 |
| 29 Public | 154,657 | 159,121 | 173,682 | 191,515 | 186,422 | 191,774 | 186,665 | 181,995 | 174,477 | 174,359 | 184,735 | 187,492 | 185,777 |
| 30 Military | 2,561 | 2,538 | 2,122 | 1,782 | 3,011 | 2,249 | 2,180 | 2,246 | 2,157 | 2,102 | 2,318 | 2,420 | 1,873 |
| 31 Highway | 43,886 | 48,339 | 54,447 | 63,368 | 53,145 | 59,007 | 55,923 | 51,966 | 48,148 | 49,664 | 52,658 | 52,874 | 47,353 |
| 32 Conservation and development | 5,708 | 5,421 | 6,002 | 6,223 | 6,975 | 6,494 | 5,840 | 5,363 | 5,832 | 4,864 | 5,614 | 5,972 | 6,792 |
| 33 Other | 102,502 | 102,823 | 111,110 | 120,142 | 123,291 | 124,024 | 122,722 | 122,420 | 118,340 | 117,729 | 124,145 | 126,226 | 129,759 |

1. Not at annual rates.

2. Not seasonally adjusted.

3. Recent data on value of new construction may not be strictly comparable with data for 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 Census Bureau in July 1976.

SOURCE: Bureau of the Census 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 19,000 jurisdictions beginning in 1994.

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 (annual rate) | | | | Change from 1 month earlier | | | | | Index level, Nov. 2000 ¹ |
|---|-------------------------------|-----------|--|------|-------|-------|-----------------------------|-------------------|-------|------|------|-------------------------------------|
| | 1999 Nov. | 2000 Nov. | 1999 Dec. | 2000 | | | 2000 | | | | | |
| | | | | Mar. | June | Sept. | July | Aug. | Sept. | Oct. | Nov. | |
| CONSUMER PRICES ² (1982-84=100) | | | | | | | | | | | | |
| 1 All items | 2.6 | 3.4 | 2.4 | 6.1 | 2.6 | 2.8 | .2 | -.1 | .5 | .2 | .2 | 174.1 |
| 2 Food | 1.9 | 2.2 | 2.2 | 1.7 | 2.7 | 3.9 | .5 | .2 | .2 | .1 | .0 | 168.9 |
| 3 Energy items | 10.6 | 16.0 | 7.8 | 50.5 | 6.6 | 3.5 | .1 | -2.9 | 3.8 | .2 | .1 | 129.0 |
| 4 All items less food and energy | 2.1 | 2.6 | 1.8 | 3.4 | 2.2 | 2.7 | .2 | .2 | .3 | .2 | .3 | 183.0 |
| 5 Commodities | .8 | .7 | -.6 | .3 | .0 | 1.7 | .0 | -.1 | .5 | -.1 | .3 | 146.0 |
| 6 Services | 2.7 | 3.4 | 3.1 | 4.7 | 3.0 | 3.0 | .3 | .3 | .1 | .2 | .3 | 204.2 |
| PRODUCER PRICES (1982=100) | | | | | | | | | | | | |
| 7 Finished goods | 3.1 | 3.7 | .9 | 7.9 | 2.3 | 2.0 | .1 ^f | -.4 ^f | .9 | .4 | .1 | 139.9 |
| 8 Consumer foods | .4 | 2.0 | -2.0 | 3.6 | 2.7 | -2.3 | -.1 ^f | -.8 ^f | .4 | .8 | .2 | 138.1 |
| 9 Consumer energy | 14.8 | 18.8 | 5.9 | 51.8 | 8.3 | 8.6 | -.2 ^f | -1.4 ^f | 3.7 | 1.4 | .4 | 99.3 |
| 10 Other consumer goods | 2.9 | 1.0 | 1.1 | .8 | 1.0 | 2.1 | .1 | .1 | .4 | .0 | -.1 | 155.0 |
| 11 Capital equipment | .1 | 1.1 | 1.2 | .9 | 1.2 | 1.7 | .1 ^f | .1 ^f | .2 | .0 | .0 | 139.8 |
| Intermediate materials | | | | | | | | | | | | |
| 12 Excluding foods and feeds | 3.1 | 4.4 | 3.6 | 9.5 | 3.1 | 3.1 | .4 ^f | -.3 ^f | .7 | .2 | -.2 | 131.5 |
| 13 Excluding energy | 1.5 | 1.7 | 2.1 | 4.2 | 2.7 | .3 | .2 | -.1 | .0 | .0 | -.1 | 136.7 |
| Crude materials | | | | | | | | | | | | |
| 14 Foods | -2.8 | 1.0 | -3.6 | 21.5 | -10.4 | -14.0 | -2.9 | -4.5 | 3.9 | 3.5 | 1.3 | 100.5 |
| 15 Energy | 47.8 | 36.3 | -27.9 | 84.9 | 163.6 | 11.8 | -2.3 ^f | -2.7 ^f | 8.1 | 4.6 | -4.1 | 134.8 |
| 16 Other | 9.5 | -3.4 | 26.2 | 9.9 | -10.7 | -10.5 | -1.6 ^f | -1.4 ^f | .3 | -.6 | -2.3 | 137.7 |

1. Not seasonally adjusted.

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

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics.

2.16 GROSS DOMESTIC PRODUCT AND INCOME

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

| Account | 1997 | 1998 | 1999 | 1999 | | 2000 | | |
|---|---------|---------|---------|---------|---------|---------|---------|-----------------|
| | | | | Q3 | Q4 | Q1 | Q2 | Q3 ¹ |
| GROSS DOMESTIC PRODUCT | | | | | | | | |
| 1 Total | 8,318.4 | 8,790.2 | 9,299.2 | 9,340.9 | 9,559.7 | 9,752.7 | 9,945.7 | 10,039.4 |
| By source | | | | | | | | |
| 2 Personal consumption expenditures | 5,529.3 | 5,850.9 | 6,268.7 | 6,319.9 | 6,446.2 | 6,621.7 | 6,706.3 | 6,810.8 |
| 3 Durable goods | 642.5 | 693.9 | 761.3 | 767.2 | 787.6 | 826.3 | 814.3 | 824.7 |
| 4 Nondurable goods | 1,641.6 | 1,707.6 | 1,845.5 | 1,860.0 | 1,910.2 | 1,963.9 | 1,997.6 | 2,031.5 |
| 5 Services | 3,245.2 | 3,449.3 | 3,661.9 | 3,692.7 | 3,748.5 | 3,831.6 | 3,894.4 | 3,954.6 |
| 6 Gross private domestic investment | 1,390.5 | 1,549.9 | 1,650.1 | 1,659.1 | 1,723.7 | 1,755.7 | 1,852.6 | 1,869.3 |
| 7 Fixed investment | 1,327.7 | 1,472.9 | 1,606.8 | 1,622.4 | 1,651.0 | 1,725.8 | 1,780.5 | 1,803.0 |
| 8 Nonresidential | 999.4 | 1,107.5 | 1,203.1 | 1,216.8 | 1,242.2 | 1,308.5 | 1,359.2 | 1,390.6 |
| 9 Structures | 255.8 | 283.2 | 285.6 | 281.2 | 290.4 | 308.9 | 315.1 | 330.1 |
| 10 Producers' durable equipment | 743.6 | 824.3 | 917.4 | 935.6 | 951.8 | 999.6 | 1,044.1 | 1,060.5 |
| 11 Residential structures | 328.2 | 365.4 | 403.8 | 405.6 | 408.8 | 417.3 | 421.3 | 412.4 |
| 12 Change in business inventories | 62.9 | 77.0 | 43.3 | 36.7 | 72.7 | 29.9 | 72.0 | 66.4 |
| 13 Nonfarm | 60.0 | 76.4 | 43.6 | 42.0 | 71.8 | 32.4 | 72.2 | 67.5 |
| 14 Net exports of goods and services | -89.3 | -151.5 | -254.0 | -280.5 | -299.1 | -335.2 | -355.4 | -389.5 |
| 15 Exports | 966.4 | 966.0 | 990.2 | 999.5 | 1,031.0 | 1,051.9 | 1,092.9 | 1,130.8 |
| 16 Imports | 1,055.8 | 1,117.5 | 1,244.2 | 1,280.0 | 1,330.1 | 1,387.1 | 1,448.3 | 1,520.3 |
| 17 Government consumption expenditures and gross investment | 1,487.9 | 1,540.9 | 1,634.4 | 1,642.4 | 1,688.8 | 1,710.4 | 1,742.2 | 1,748.8 |
| 18 Federal | 538.2 | 540.6 | 568.6 | 570.4 | 591.6 | 580.1 | 604.5 | 594.2 |
| 19 State and local | 949.7 | 1,000.3 | 1,065.8 | 1,072.1 | 1,097.3 | 1,130.4 | 1,137.7 | 1,154.6 |
| By major type of product | | | | | | | | |
| 20 Final sales, total | 8,255.5 | 8,713.2 | 9,255.9 | 9,304.2 | 9,486.9 | 9,722.8 | 9,873.7 | 9,973.1 |
| 21 Goods | 3,082.5 | 3,239.3 | 3,467.0 | 3,490.6 | 3,566.0 | 3,680.3 | 3,734.1 | 3,776.5 |
| 22 Durable | 1,436.2 | 1,532.3 | 1,651.1 | 1,669.4 | 1,701.8 | 1,773.7 | 1,809.6 | 1,830.6 |
| 23 Nondurable | 1,646.4 | 1,707.1 | 1,815.8 | 1,821.1 | 1,864.1 | 1,906.6 | 1,924.5 | 1,945.9 |
| 24 Services | 4,442.1 | 4,673.0 | 4,934.6 | 4,965.2 | 5,050.3 | 5,135.2 | 5,231.4 | 5,281.6 |
| 25 Structures | 730.9 | 800.9 | 854.3 | 848.5 | 870.7 | 907.4 | 908.2 | 915.0 |
| 26 Change in business inventories | 62.9 | 77.0 | 43.3 | 36.7 | 72.7 | 29.9 | 72.0 | 66.4 |
| 27 Durable goods | 33.1 | 45.8 | 27.2 | 27.6 | 47.5 | 20.7 | 48.3 | 39.2 |
| 28 Nondurable goods | 29.8 | 31.2 | 16.1 | 9.1 | 25.2 | 9.2 | 23.7 | 27.2 |
| MEMO | | | | | | | | |
| 29 Total GDP in chained 1996 dollars | 8,159.5 | 8,515.7 | 8,875.8 | 8,905.8 | 9,084.1 | 9,191.8 | 9,318.9 | 9,369.5 |
| NATIONAL INCOME | | | | | | | | |
| 30 Total | 6,618.4 | 7,038.1 | 7,469.7 | 7,493.1 | 7,680.7 | 7,833.5 | 7,983.2 | 8,088.5 |
| 31 Compensation of employees | 4,651.3 | 4,984.2 | 5,299.8 | 5,340.9 | 5,421.1 | 5,512.2 | 5,603.5 | 5,679.6 |
| 32 Wages and salaries | 3,886.0 | 4,192.8 | 4,475.1 | 4,512.2 | 4,583.5 | 4,660.4 | 4,740.1 | 4,804.9 |
| 33 Government and government enterprises | 664.3 | 692.7 | 724.4 | 727.5 | 734.5 | 749.9 | 760.2 | 765.4 |
| 34 Other | 3,221.7 | 3,500.1 | 3,750.7 | 3,784.7 | 3,849.0 | 3,910.5 | 3,980.0 | 4,039.5 |
| 35 Supplement to wages and salaries | 765.3 | 791.4 | 824.6 | 828.7 | 837.7 | 851.8 | 863.3 | 874.7 |
| 36 Employer contributions for social insurance | 289.9 | 305.9 | 323.6 | 325.9 | 330.3 | 337.8 | 342.9 | 347.1 |
| 37 Other labor income | 475.4 | 485.5 | 501.0 | 502.8 | 507.4 | 514.0 | 520.5 | 527.6 |
| 38 Proprietors' income ¹ | 581.2 | 620.7 | 663.5 | 659.7 | 689.6 | 693.9 | 709.5 | 724.8 |
| 39 Business and professional ¹ | 551.5 | 595.2 | 638.2 | 644.2 | 657.9 | 674.8 | 688.1 | 693.1 |
| 40 Farm ¹ | 29.7 | 25.4 | 25.3 | 15.5 | 31.7 | 19.1 | 21.5 | 31.7 |
| 41 Rental income of persons ² | 128.3 | 135.4 | 143.4 | 136.6 | 146.2 | 145.6 | 140.8 | 138.1 |
| 42 Corporate profits ¹ | 833.8 | 815.0 | 856.0 | 842.0 | 893.2 | 936.3 | 963.6 | 970.3 |
| 43 Profits before tax ³ | 792.4 | 758.2 | 823.0 | 819.0 | 870.7 | 920.7 | 942.5 | 945.1 |
| 44 Inventory valuation adjustment | 8.4 | 17.0 | -9.1 | -19.7 | -19.2 | -25.0 | -13.6 | -4.5 |
| 45 Capital consumption adjustment | 32.9 | 39.9 | 42.1 | 42.7 | 41.6 | 40.6 | 34.7 | 29.7 |
| 46 Net interest | 423.9 | 482.7 | 507.1 | 513.8 | 530.6 | 545.4 | 565.9 | 575.7 |

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: U.S. Department of Commerce. *Survey of Current Business*.

2.17 PERSONAL INCOME AND SAVING

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

| Account | 1997 | 1998 | 1999 | 1999 | | 2000 | | |
|---|----------|----------|----------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------|
| | | | | Q3 | Q4 | Q1 | Q2 | Q3 ^f |
| PERSONAL INCOME AND SAVING | | | | | | | | |
| 1 Total personal income | 6,937.0 | 7,391.0 | 7,789.6 | 7,828.5 | 7,972.3 | 8,105.8 | 8,242.1 | 8,349.0 |
| 2 Wage and salary disbursements | 3,888.9 | 4,190.7 | 4,470.0 | 4,507.0 | 4,578.3 | 4,660.4 | 4,740.1 | 4,804.9 |
| 3 Commodity-producing industries | 975.1 | 1,038.6 | 1,089.2 | 1,097.8 | 1,111.2 | 1,130.9 | 1,147.1 | 1,161.4 |
| 4 Manufacturing | 718.4 | 756.6 | 782.4 | 789.0 | 795.1 | 802.8 | 813.1 | 821.4 |
| 5 Distributive industries | 879.6 | 949.1 | 1,020.3 | 1,029.9 | 1,049.4 | 1,070.9 | 1,095.7 | 1,118.1 |
| 6 Service industries | 1,369.9 | 1,510.3 | 1,636.0 | 1,651.8 | 1,683.2 | 1,708.6 | 1,737.2 | 1,760.1 |
| 7 Government and government enterprises | 664.3 | 692.7 | 724.4 | 727.5 | 734.5 | 749.9 | 760.2 | 765.4 |
| 8 Other labor income | 475.4 | 485.5 | 501.0 | 502.8 | 507.4 | 514.0 | 520.5 | 527.6 |
| 9 Proprietors' income ¹ | 581.2 | 620.7 | 663.5 | 659.7 | 689.6 | 693.9 | 709.5 | 724.8 |
| 10 Business and professional | 551.5 | 595.2 | 638.2 | 644.2 | 657.9 | 674.8 | 688.1 | 693.1 |
| 11 Farm ¹ | 29.7 | 25.4 | 25.3 | 15.5 | 31.7 | 19.1 | 21.5 | 31.7 |
| 12 Rental income of persons ² | 128.3 | 135.4 | 143.4 | 136.6 | 146.2 | 145.6 | 140.8 | 138.1 |
| 13 Dividends | 334.9 | 351.1 | 370.3 | 373.5 | 380.2 | 386.9 | 392.6 | 399.7 |
| 14 Personal interest income | 864.0 | 940.8 | 963.7 | 969.4 | 989.0 | 1,011.6 | 1,031.3 | 1,042.9 |
| 15 Transfer payments | 962.2 | 983.0 | 1,016.2 | 1,020.3 | 1,027.4 | 1,046.9 | 1,066.1 | 1,074.2 |
| 16 Old-age survivors, disability, and health insurance benefits | 565.8 | 578.0 | 588.0 | 589.7 | 592.8 | 607.9 | 624.3 | 627.2 |
| 17 LESS: Personal contributions for social insurance | 297.9 | 316.2 | 338.5 | 341.0 | 345.9 | 353.4 | 358.8 | 363.1 |
| 18 EQUALS: Personal income | 6,937.0 | 7,391.0 | 7,789.6 | 7,828.5 | 7,972.3 | 8,105.8 | 8,242.1 | 8,349.0 |
| 19 LESS: Personal tax and nontax payments | 968.8 | 1,070.9 | 1,152.0 | 1,164.0 | 1,197.3 | 1,239.3 | 1,277.2 | 1,308.1 |
| 20 EQUALS: Disposable personal income | 5,968.2 | 6,320.0 | 6,637.7 | 6,664.5 | 6,775.0 | 6,866.5 | 6,964.9 | 7,040.9 |
| 21 LESS: Personal outlays | 5,715.3 | 6,054.7 | 6,490.1 | 6,543.3 | 6,674.1 | 6,855.6 | 6,944.3 | 7,054.7 |
| 22 EQUALS: Personal saving | 252.9 | 265.4 | 147.6 | 121.1 | 101.0 | 11.0 | 20.6 | -13.8 |
| MEMO | | | | | | | | |
| Per capita (chained 1996 dollars) | | | | | | | | |
| 23 Gross domestic product | 30,434.4 | 31,474.2 | 32,512.4 | 32,586.0 ^f | 33,153.5 ^f | 33,485.6 | 33,874.7 ^f | 33,984.3 |
| 24 Personal consumption expenditures | 20,230.9 | 20,988.5 | 21,900.7 | 22,004.4 | 22,266.4 | 22,635.5 ^f | 22,757.7 ^f | 22,959.1 |
| 25 Disposable personal income | 21,838.0 | 22,672.0 | 23,191.0 | 23,203.0 | 23,404.0 | 23,472.0 | 23,639.0 | 23,732.0 |
| 26 Saving rate (percent) | 4.2 | 4.2 | 2.2 | 1.8 | 1.5 | .2 | .3 | -2 |
| GROSS SAVING | | | | | | | | |
| 27 Gross saving | 1,502.3 | 1,654.4 | 1,717.6 | 1,716.8 | 1,746.3 | 1,777.0 | 1,844.5 | 1,854.7 |
| 28 Gross private saving | 1,343.7 | 1,375.7 | 1,343.5 | 1,321.1 | 1,331.4 | 1,279.2 | 1,328.8 | 1,319.2 |
| 29 Personal saving | 252.9 | 265.4 | 147.6 | 121.1 | 101.0 | 11.0 | 20.6 | -13.8 |
| 30 Undistributed corporate profits ¹ | 261.3 | 218.9 | 229.4 | 214.0 | 241.7 | 262.7 | 278.5 | 279.6 |
| 31 Corporate inventory valuation adjustment | 8.4 | 17.0 | -9.1 | -19.7 | -19.2 | -25.0 | -13.6 | -4.5 |
| Capital consumption allowances | | | | | | | | |
| 32 Corporate | 581.5 | 624.3 | 676.9 | 687.7 | 694.8 | 711.5 | 731.1 | 750.0 |
| 33 Noncorporate | 250.9 | 265.1 | 284.5 | 293.1 | 288.7 | 294.1 | 298.7 | 303.3 |
| 34 Gross government saving | 158.6 | 278.7 | 374.1 | 395.7 | 414.9 | 497.7 | 515.7 | 535.5 |
| 35 Federal | 33.4 | 137.4 | 217.3 | 240.6 | 238.4 | 333.0 | 339.9 | 354.1 |
| 36 Consumption of fixed capital | 86.8 | 88.4 | 92.8 | 93.4 | 95.0 | 97.2 | 98.9 | 100.8 |
| 37 Current surplus or deficit (-), national accounts | -53.3 | 49.0 | 124.4 | 147.3 | 143.3 | 235.8 | 240.9 | 253.3 |
| 38 State and local | 125.2 | 141.3 | 156.8 | 155.1 | 176.6 | 164.7 | 175.8 | 181.4 |
| 39 Consumption of fixed capital | 94.2 | 99.5 | 106.8 | 107.7 | 109.9 | 112.7 | 115.6 | 118.2 |
| 40 Current surplus or deficit (-), national accounts | 31.0 | 41.7 | 50.0 | 47.4 | 66.6 | 52.0 | 60.1 | 63.2 |
| 41 Gross investment | 1,532.1 | 1,629.6 | 1,645.6 | 1,627.3 | 1,678.5 | 1,699.3 | 1,771.9 | 1,752.8 |
| 42 Gross private domestic investment | 1,390.5 | 1,549.9 | 1,650.1 | 1,659.1 | 1,723.7 | 1,755.7 | 1,852.6 | 1,869.3 |
| 43 Gross government investment | 264.6 | 278.8 | 308.7 | 308.0 | 324.4 | 334.2 | 331.9 | 333.6 |
| 44 Net foreign investment | -123.1 | -199.1 | -313.2 | -339.8 | -369.6 | -390.7 | -412.5 | -450.1 |
| 45 Statistical discrepancy | 29.7 | -24.8 | -71.9 | -89.5 | -67.8 | -77.7 | -72.5 | -101.8 |

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

SOURCE: U.S. Department of Commerce, *Survey of Current Business*.

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars; quarterly data seasonally adjusted except as noted¹

| Item credits or debits | 1997 | 1998 | 1999 | 1999 | | 2000 | | |
|---|------------|------------|------------|----------|----------|----------|-----------------|-----------------|
| | | | | Q3 | Q4 | Q1 | Q2 ^f | Q3 ^p |
| 1 Balance on current account | -140,540 | -217,138 | -331,479 | -89,649 | -96,223 | -101,505 | -104,971 | -113,773 |
| 2 Balance on goods and services | -105,932 | -166,898 | -264,971 | -72,718 | -76,280 | -85,117 | -88,598 | -96,503 |
| 3 Exports | 936,937 | 932,977 | 956,242 | 241,969 | 249,653 | 255,977 | 265,969 | 274,657 |
| 4 Imports | -1,042,869 | -1,099,875 | -1,221,213 | -314,687 | -325,933 | -341,094 | -354,567 | -371,160 |
| 5 Income, net | 6,186 | -6,211 | -18,483 | -5,535 | -5,683 | -4,364 | -4,103 | -4,518 |
| 6 Investment, net | 11,050 | -1,036 | -13,102 | -4,193 | -4,319 | -2,987 | -2,706 | -3,172 |
| 7 Direct | 71,935 | 67,728 | 62,704 | 15,701 | 16,275 | 17,068 | 19,015 | 21,558 |
| 8 Portfolio | -60,885 | -68,764 | -75,806 | -19,894 | -20,594 | -20,055 | -21,721 | -24,730 |
| 9 Compensation of employees | -4,864 | -3,175 | -5,381 | -1,342 | -1,364 | -1,377 | -1,397 | -1,346 |
| 10 Unilateral current transfers, net | -40,794 | -44,029 | -48,025 | -11,396 | -14,260 | -12,024 | -12,270 | -12,752 |
| 11 Change in U.S. government assets other than official reserve assets, net (increase, -) | 68 | -422 | 2,751 | -686 | 3,711 | -131 | 574 | 110 |
| 12 Change in U.S. official reserve assets (increase, -) | -1,010 | -6,783 | 8,747 | 1,951 | 1,569 | -554 | 2,020 | -346 |
| 13 Gold | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14 Special drawing rights (SDRs) | -350 | -147 | 10 | -184 | -178 | -180 | -180 | -182 |
| 15 Reserve position in International Monetary Fund | -3,575 | -5,119 | 5,484 | 2,268 | 1,800 | -237 | 2,328 | 1,300 |
| 16 Foreign currencies | 2,915 | -1,517 | 3,253 | -133 | -53 | -137 | -128 | -1,464 |
| 17 Change in U.S. private assets abroad (increase, -) | -487,998 | -328,231 | -441,685 | -124,174 | -120,162 | -178,273 | -93,870 | -76,968 |
| 18 Bank-reported claims ² | -141,118 | -35,572 | -69,862 | -11,259 | -45,304 | -55,511 | -18,320 | -11,383 |
| 19 Nonbank-reported claims | -122,888 | -10,612 | -92,328 | -27,943 | -24,428 | -52,563 | -36,507 | 931 |
| 20 U.S. purchases of foreign securities, net | -118,976 | -135,995 | -128,594 | -41,420 | -17,150 | -27,236 | -38,196 | -30,428 |
| 21 U.S. direct investments abroad, net | -105,016 | -146,052 | -150,901 | -43,552 | -33,280 | -42,963 | -37,487 | -36,088 |
| 22 Change in foreign official assets in United States (increase, +) | 18,876 | -20,127 | 42,864 | 12,191 | 27,495 | 22,015 | 6,346 | 11,625 |
| 23 U.S. Treasury securities | -6,690 | -9,921 | 12,177 | 12,963 | 5,122 | 16,198 | -4,000 | -9,001 |
| 24 Other U.S. government obligations | 4,529 | 6,332 | 20,350 | 1,835 | 6,730 | 8,107 | 10,334 | 14,272 |
| 25 Other U.S. government liabilities ³ | -1,041 | -3,550 | -3,255 | -760 | 89 | -644 | -781 | 620 |
| 26 Other U.S. liabilities reported by U.S. banks ⁴ | 22,286 | -9,501 | 12,692 | -2,032 | 14,427 | -2,577 | -111 | 6,339 |
| 27 Other foreign official assets ⁵ | -208 | -3,487 | 900 | 185 | 1,127 | 931 | 904 | 635 |
| 28 Change in foreign private assets in United States (increase, +) | 738,086 | 502,362 | 710,700 | 182,019 | 157,072 | 214,520 | 238,803 | 188,544 |
| 29 U.S. bank-reported liabilities ² | 149,026 | 39,769 | 67,403 | 24,585 | 19,618 | -8,824 | 46,943 | 13,981 |
| 30 U.S. nonbank-reported liabilities | 113,921 | -7,001 | 34,298 | -8,085 | 792 | 58,061 | 24,038 | 2,633 |
| 31 Foreign private purchases of U.S. Treasury securities, net | 146,433 | 48,581 | -20,464 | 9,639 | -17,191 | -9,248 | -20,597 | -12,642 |
| 32 U.S. currency flows | 24,782 | 16,622 | 22,407 | 4,697 | 12,213 | -6,847 | 989 | 757 |
| 33 Foreign purchases of other U.S. securities, net | 197,892 | 218,075 | 331,523 | 95,620 | 92,250 | 132,416 | 87,107 | 118,882 |
| 34 Foreign direct investments in United States, net | 106,032 | 186,316 | 275,533 | 55,563 | 49,390 | 48,962 | 100,323 | 64,933 |
| 35 Capital account transactions, net ⁵ | 350 | 637 | -3,500 | 171 | -3,993 | 166 | 170 | 165 |
| 36 Discrepancy | -127,832 | 69,702 | 11,602 | 18,177 | 30,531 | 43,762 | -47,924 | -9,357 |
| 37 Due to seasonal adjustment | .. | .. | .. | -9,739 | 5,738 | 5,724 | 2,515 | 9,691 |
| 38 Before seasonal adjustment | -127,832 | 69,702 | 11,602 | 27,916 | 24,793 | 38,038 | -45,409 | 334 |
| MEMO | | | | | | | | |
| Changes in official assets | | | | | | | | |
| 39 U.S. official reserve assets (increase, -) | -1,010 | -6,783 | 8,747 | 1,951 | 1,569 | -554 | 2,020 | -346 |
| 40 Foreign official assets in United States, excluding line 25 (increase, +) | 19,917 | -16,577 | 46,119 | 12,951 | 27,406 | 22,659 | 7,127 | 12,245 |
| 41 Change in Organization of Petroleum Exporting Countries official assets in United States (part of line 22) | 12,124 | -11,531 | 1,331 | -783 | -1,673 | 6,109 | 1,913 | 3,450 |

1. Seasonal factors are not calculated for lines 11-16, 18-20, 22-35, and 38-41.

2. Reporting banks included all types of depository institutions as well as some brokers and dealers.

3. Associated primarily with military sales contracts and other transactions arranged with or through foreign official agencies.

4. Consists of investments in U.S. corporate stocks and in debt securities of private

corporations and state and local governments.

5. Consists of capital transfers (such as those of accompanying migrants entering or leaving the country and debt forgiveness) and the acquisition and disposal of nonproduced nonfinancial assets.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*.

3.11 U.S. FOREIGN TRADE¹

Millions of dollars; monthly data seasonally adjusted

| Item | 1997 | 1998 | 1999 | 2000 | | | | | | |
|-------------------------------------|-----------|-----------|-----------|-------------------|------------------|-------------------|-------------------|-------------------|----------|-------------------|
| | | | | Apr. ^f | May ^f | June ^f | July ^f | Aug. ^f | Sept. | Oct. ^g |
| 1 Goods and services, balance | -105,932 | -166,898 | -264,971 | -29,171 | -29,604 | -29,826 | -31,824 | -30,059 | -33,741 | -33,184 |
| 2 Merchandise | -196,665 | -246,854 | -345,559 | -36,894 | -36,475 | -36,862 | -38,524 | -36,684 | -39,329 | -39,488 |
| 3 Services | 90,733 | 79,956 | 80,588 | 7,723 | 6,871 | 7,036 | 6,700 | 6,625 | 5,588 | 6,304 |
| 4 Goods and services, exports | 936,937 | 932,977 | 956,242 | 87,606 | 87,074 | 91,288 | 89,655 | 92,868 | 92,654 | 91,231 |
| 5 Merchandise | 679,702 | 670,324 | 684,358 | 62,566 | 62,749 | 66,468 | 65,096 | 67,973 | 67,836 | 66,431 |
| 6 Services | 257,235 | 262,653 | 271,884 | 25,040 | 24,325 | 24,820 | 24,559 | 24,895 | 24,818 | 24,800 |
| 7 Goods and services, imports | 1,042,869 | 1,099,875 | 1,221,213 | -116,777 | -116,678 | -121,114 | -121,479 | -122,927 | -126,395 | -124,415 |
| 8 Merchandise | 876,367 | 917,178 | 1,029,917 | -99,460 | -99,224 | -103,330 | -103,620 | -104,657 | -107,165 | -105,919 |
| 9 Services | 166,502 | 182,697 | 191,296 | -17,317 | -17,454 | -17,784 | -17,859 | -18,270 | -19,230 | -18,496 |

1. Data show monthly values consistent with quarterly figures in the U.S. balance of payments accounts.

SOURCE: FT900, U.S. Department of Commerce, Bureau of the Census and Bureau of Economic Analysis.

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

| Asset | 1997 | 1998 | 1999 | 2000 | | | | | | | |
|--|---------------------|---------------------|---------------------|--------|---------------------|--------|--------|--------|--------|--------|-------------------|
| | | | | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. ^g |
| 1 Total | 69,954 | 81,761 ^c | 71,516 | 67,160 | 67,955 ^c | 66,516 | 65,333 | 66,256 | 65,257 | 65,523 | 67,647 |
| 2 Gold stock ¹ | 11,047 ^c | 11,046 ^c | 11,048 ^c | 11,048 | 11,046 ^c | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 | 11,046 |
| 3 Special drawing rights ^{2,3} | 10,027 | 10,603 | 10,336 | 10,310 | 10,444 | 10,257 | 10,371 | 10,316 | 10,169 | 10,369 | 10,539 |
| 4 Reserve position in International Monetary Fund ⁴ | 18,071 | 24,111 | 17,950 | 15,373 | 15,428 | 15,083 | 13,798 | 13,685 | 13,528 | 13,491 | 14,824 |
| 5 Foreign currencies ⁴ | 30,809 | 36,001 | 32,182 | 30,429 | 31,037 | 30,130 | 30,118 | 31,209 | 30,514 | 30,617 | 31,238 |

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, line 3. Gold stock is valued at \$42.22 per fine troy ounce.

2. Special drawing rights (SDRs) are valued according to a technique adopted by the International Monetary Fund (IMF) in July 1974. Values are based on a weighted average of exchange rates for the currencies of member countries. From July 1974 through December 1980, sixteen currencies were used; since January 1981, five currencies have been used. U.S.

SDR holdings and reserve positions in the IMF also have been valued on this basis since July 1974.

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

| Asset | 1997 | 1998 | 1999 | 2000 | | | | | | | |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------------------|
| | | | | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. ^g |
| 1 Deposits | 457 | 167 | 71 | 110 | 104 | 76 | 78 | 139 | 115 | 104 | 215 |
| <i>Held in custody</i> | | | | | | | | | | | |
| 2 U.S. Treasury securities ² | 620,885 | 607,574 | 632,482 | 623,553 | 627,081 | 624,177 | 628,001 | 611,641 | 595,591 | 591,071 | 594,094 |
| 3 Earmarked gold ³ | 10,763 | 10,343 | 9,933 | 9,711 | 9,688 | 9,688 | 9,674 | 9,620 | 9,565 | 9,505 | 9,451 |

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, in each case measured at face (not market) value.

3. Held in foreign and international accounts and valued at \$42.22 per fine troy ounce; not included in the gold stock of the United States.

3.15 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

| Item | 1998 | 1999 | 2000 | | | | | | |
|--|---------|---------|-------------------|------------------|-------------------|-------------------|-------------------|---------|-------------------|
| | | | Apr. ^r | May ^r | June ^r | July ^r | Aug. ^r | Sept. | Oct. ^p |
| 1 Total ¹ | 759,928 | 806,288 | 834,154 | 826,302 | 836,075 | 846,739 | 849,469 | 848,840 | 849,860 |
| By type | | | | | | | | | |
| 2 Liabilities reported by banks in the United States ² | 125,883 | 138,817 | 137,724 | 135,802 | 136,129 | 139,627 | 136,989 | 143,010 | 145,902 |
| 3 U.S. Treasury bills and certificates ³ | 134,177 | 156,177 | 157,607 | 148,820 | 157,190 | 160,093 | 159,781 | 155,498 | 155,101 |
| 4 U.S. Treasury bonds and notes | | | | | | | | | |
| 5 Marketable | 432,127 | 422,266 | 436,640 | 435,235 | 433,823 | 433,184 | 433,633 | 427,007 | 419,857 |
| 6 Nonmarketable ⁴ | 6,074 | 6,111 | 5,770 | 5,808 | 5,740 | 5,180 | 5,213 | 5,247 | 5,280 |
| 7 U.S. securities other than U.S. Treasury securities ⁵ | 61,667 | 82,917 | 96,413 | 100,637 | 103,193 | 108,655 | 113,853 | 118,078 | 123,720 |
| By area | | | | | | | | | |
| 8 Europe | 256,026 | 244,805 | 249,685 | 250,306 | 253,416 | 257,712 | 255,635 | 257,498 | 263,601 |
| 9 Canada | 10,552 | 12,503 | 13,338 | 13,027 | 13,542 | 13,728 | 12,992 | 13,121 | 12,932 |
| 10 Latin America and Caribbean | 79,503 | 73,518 | 72,407 | 69,508 | 71,220 | 73,344 | 76,347 | 77,542 | 77,500 |
| 11 Asia | 400,631 | 463,673 | 486,133 | 482,134 | 485,424 | 487,417 | 490,110 | 486,890 | 481,344 |
| 12 Africa | 10,059 | 7,523 | 8,024 | 7,709 | 7,849 | 8,656 | 8,707 | 8,466 | 8,323 |
| 13 Other countries | 3,157 | 4,266 | 4,567 | 3,618 | 4,624 | 5,882 | 5,678 | 5,323 | 6,160 |

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 and Treasury bills issued to official institutions of foreign countries.
 4. Excludes notes issued to foreign official nonreserve agencies. Includes current value of zero-coupon Treasury bond issues to foreign governments as follows: Mexico, beginning March 1988, 20-year maturity issue and beginning March 1990, 30-year maturity issue;

Venezuela, beginning December 1990, 30-year maturity issue; Argentina, beginning April 1993, 30-year maturity issue.

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

SOURCE: Based on U.S. Department of the Treasury data and on data reported to the department by banks (including Federal Reserve Banks) and securities dealers in the United States, and on the 1994 benchmark survey of foreign portfolio investment in the United States.

3.16 LIABILITIES TO, AND CLAIMS ON, FOREIGNERS Reported by Banks in the United States¹
Payable in Foreign Currencies

Millions of dollars, end of period

| Item | 1996 | 1997 | 1998 | 1999 | 2000 | | |
|--|---------|---------|---------|--------|--------|-------------------|--------|
| | | | | Dec. | Mar. | June ^r | Sept. |
| 1 Banks' liabilities | 103,383 | 117,524 | 101,125 | 88,537 | 85,649 | 85,842 | 78,872 |
| 2 Banks' claims | 66,018 | 83,038 | 78,162 | 67,365 | 63,492 | 67,862 | 60,355 |
| 3 Deposits | 22,467 | 28,661 | 45,985 | 34,426 | 32,967 | 31,224 | 25,847 |
| 4 Other claims | 43,551 | 54,377 | 32,177 | 32,939 | 30,525 | 36,638 | 34,508 |
| 5 Claims of banks' domestic customers ² | 10,978 | 8,191 | 20,718 | 20,826 | 21,753 | 18,802 | 19,123 |

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

| Item | 1997 | 1998 | 1999 | 2000 | | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------------------|-----------|------------------------|
| | | | | Apr. | May | June | July | Aug. | Sept. | Oct. ² |
| BY HOLDER AND TYPE OF LIABILITY | | | | | | | | | | |
| 1 Total, all foreigners | 1,283,027 | 1,347,837 | 1,413,622 | 1,408,223 | 1,457,629 | 1,456,560 | 1,486,568 | 1,449,693 ^f | 1,453,644 | 1,502,805 ^f |
| 2 Banks' own liabilities | 882,980 | 884,939 | 976,400 | 976,662 | 1,036,677 | 1,017,559 | 1,056,717 | 1,018,631 ^f | 1,027,139 | 1,073,381 ^f |
| 3 Demand deposits | 31,344 | 29,558 | 42,884 | 30,202 | 29,097 | 30,719 | 34,914 | 30,101 | 31,964 | 29,500 |
| 4 Time deposits ² | 198,546 | 151,761 | 163,595 | 182,657 | 176,927 | 182,787 | 186,483 | 184,820 | 184,822 | 185,520 |
| 5 Other ³ | 168,011 | 140,752 | 162,749 | 165,626 | 179,090 | 175,905 | 178,711 | 179,177 | 174,458 | 194,516 |
| 6 Own foreign offices ⁴ | 485,079 | 562,868 | 607,172 | 598,177 | 651,563 | 628,148 | 656,609 | 624,533 ^f | 635,895 | 663,845 |
| 7 Banks' custodial liabilities ⁵ | 400,047 | 462,898 | 437,222 | 431,561 | 420,952 | 439,001 | 429,851 | 431,062 | 426,505 | 429,424 |
| 8 U.S. Treasury bills and certificates ⁶ | 193,239 | 183,494 | 185,736 | 184,159 | 174,310 | 180,951 | 182,699 | 180,925 | 174,604 | 173,984 |
| 9 Other negotiable and readily transferable instruments ⁷ | 93,641 | 141,699 | 132,575 | 124,207 | 123,580 | 124,670 | 120,624 | 119,212 | 120,296 | 122,525 |
| 10 Other ⁸ | 113,167 | 137,705 | 118,911 | 123,195 | 123,062 | 133,380 | 126,528 | 130,925 | 131,605 | 132,915 |
| 11 Nonmonetary international and regional organizations ⁸ | 11,690 | 11,883 | 15,276 | 20,590 | 22,807 | 21,366 | 16,689 | 14,630 | 15,658 | 17,104 |
| 12 Banks' own liabilities | 11,486 | 10,850 | 14,357 | 19,800 | 22,109 | 20,924 | 16,294 | 14,377 | 15,404 | 16,751 |
| 13 Demand deposits | 16 | 172 | 98 | 58 | 36 | 34 | 30 | 26 | 19 | 48 |
| 14 Time deposits ² | 5,466 | 5,793 | 10,349 | 11,338 | 11,393 | 12,545 | 10,305 | 9,062 | 7,627 | 5,925 |
| 15 Other ³ | 6,004 | 4,885 | 3,910 | 8,404 | 10,680 | 8,345 | 5,959 | 5,289 | 7,758 | 10,778 |
| 16 Banks' custodial liabilities ⁵ | 204 | 1,033 | 919 | 790 | 698 | 442 | 395 | 253 | 254 | 353 |
| 17 U.S. Treasury bills and certificates ⁶ | 69 | 636 | 680 | 623 | 582 | 432 | 371 | 217 | 223 | 215 |
| 18 Other negotiable and readily transferable instruments ⁷ | 133 | 397 | 233 | 77 | 113 | 10 | 21 | 26 | 26 | 138 |
| 19 Other ⁸ | 2 | 0 | 6 | 90 | 3 | 0 | 3 | 10 | 5 | 0 |
| 20 Official institutions ⁹ | 283,685 | 260,060 | 294,994 | 295,331 | 284,622 | 293,319 | 299,720 | 296,770 | 298,508 | 301,003 |
| 21 Banks' own liabilities | 102,028 | 80,256 | 97,615 | 87,379 | 87,931 | 88,449 | 92,739 | 90,985 | 95,049 | 102,104 |
| 22 Demand deposits | 2,314 | 3,003 | 3,341 | 2,620 | 2,781 | 2,887 | 4,063 | 4,573 | 5,213 | 4,361 |
| 23 Time deposits ² | 41,396 | 29,506 | 28,942 | 36,587 | 31,645 | 33,520 | 34,641 | 32,009 | 36,679 | 34,015 |
| 24 Other ³ | 58,318 | 47,747 | 65,332 | 48,172 | 53,505 | 52,042 | 54,035 | 54,403 | 53,157 | 63,728 |
| 25 Banks' custodial liabilities ⁵ | 181,657 | 179,804 | 197,379 | 207,952 | 196,691 | 204,870 | 206,981 | 205,785 | 203,459 | 198,899 |
| 26 U.S. Treasury bills and certificates ⁶ | 148,301 | 134,177 | 156,177 | 157,607 | 148,820 | 157,190 | 160,093 | 159,781 | 155,498 | 155,101 |
| 27 Other negotiable and readily transferable instruments ⁷ | 33,151 | 44,953 | 41,152 | 50,118 | 47,734 | 47,611 | 46,363 | 45,644 | 47,660 | 43,753 |
| 28 Other ⁸ | 205 | 674 | 50 | 227 | 137 | 69 | 525 | 360 | 301 | 45 |
| 29 Banks ¹⁰ | 815,247 | 885,336 | 905,347 | 892,804 | 941,920 | 930,663 | 961,456 | 926,392 ^f | 927,116 | 963,227 |
| 30 Banks' own liabilities | 641,447 | 676,057 | 733,381 | 732,303 | 781,795 | 759,887 | 798,322 | 759,304 ^f | 762,409 | 796,950 |
| 31 Unaffiliated foreign banks | 156,368 | 113,189 | 126,209 | 134,126 | 130,232 | 131,739 | 141,713 | 134,771 | 126,514 | 133,105 |
| 32 Demand deposits | 16,767 | 14,071 | 17,583 | 14,404 | 13,254 | 14,543 | 17,508 | 11,959 | 12,918 | 12,160 |
| 33 Time deposits ² | 83,433 | 45,904 | 48,140 | 57,240 | 55,167 | 58,095 | 60,703 | 62,841 | 59,958 | 64,467 |
| 34 Other ³ | 56,168 | 53,214 | 60,486 | 62,482 | 61,811 | 59,101 | 63,502 | 59,971 | 53,638 | 56,478 |
| 35 Own foreign offices ⁴ | 485,079 | 562,868 | 607,172 | 598,177 | 651,563 | 628,148 | 656,609 | 624,533 ^f | 635,895 | 663,845 |
| 36 Banks' custodial liabilities ⁵ | 173,800 | 209,279 | 171,966 | 160,501 | 160,125 | 170,776 | 163,134 | 167,088 | 164,707 | 166,277 |
| 37 U.S. Treasury bills and certificates ⁶ | 31,915 | 35,359 | 16,875 | 13,931 | 14,179 | 13,239 | 12,657 | 12,251 | 10,667 | 9,972 |
| 38 Other negotiable and readily transferable instruments ⁷ | 35,393 | 45,332 | 45,695 | 33,790 | 33,667 | 34,657 | 34,018 | 33,893 | 32,679 | 34,232 |
| 39 Other ⁸ | 106,492 | 128,588 | 109,396 | 112,780 | 112,279 | 122,880 | 116,459 | 120,944 | 121,361 | 122,073 |
| 40 Other foreigners | 172,405 | 190,558 | 198,005 | 199,498 | 208,280 | 211,212 | 208,743 | 211,901 | 212,362 | 221,471 |
| 41 Banks' own liabilities | 128,019 | 117,776 | 131,047 | 137,180 | 144,842 | 148,299 | 149,362 | 153,965 | 154,277 | 157,576 |
| 42 Demand deposits | 12,247 | 12,312 | 21,862 | 13,120 | 13,026 | 13,255 | 13,313 | 13,543 | 13,814 | 12,931 |
| 43 Time deposits ² | 68,251 | 70,558 | 76,164 | 77,492 | 78,722 | 78,627 | 80,834 | 80,908 | 80,558 | 81,113 |
| 44 Other ³ | 47,521 | 34,906 | 33,021 | 46,568 | 53,094 | 56,417 | 55,215 | 59,514 | 59,905 | 63,532 |
| 45 Banks' custodial liabilities ⁵ | 44,386 | 72,782 | 66,958 | 62,318 | 63,438 | 62,913 | 59,381 | 57,936 | 58,085 | 63,895 |
| 46 U.S. Treasury bills and certificates ⁶ | 12,954 | 13,322 | 12,004 | 11,998 | 10,729 | 10,090 | 9,579 | 8,676 | 8,216 | 8,696 |
| 47 Other negotiable and readily transferable instruments ⁷ | 24,964 | 51,017 | 45,495 | 40,222 | 42,066 | 42,392 | 40,261 | 39,649 | 39,931 | 44,402 |
| 48 Other ⁸ | 6,468 | 8,443 | 9,459 | 10,098 | 10,643 | 10,431 | 9,541 | 9,611 | 9,938 | 10,797 |
| MEMO | | | | | | | | | | |
| 49 Negotiable time certificates of deposit in custody for foreigners | 16,083 | 27,026 | 30,345 | 26,087 | 27,238 | 26,571 | 26,186 | 25,911 | 25,991 | 27,164 |

1. Reporting banks include all types of depository institutions as well as some brokers and dealers. Excludes bonds and notes of maturities longer than one year.

2. Excludes negotiable time certificates of deposit, which are included in "Other negotiable and readily transferable instruments."

3. Includes borrowing under repurchase agreements.

4. For U.S. banks, includes amounts owed to own foreign branches and foreign subsidiaries consolidated in quarterly Consolidated Reports of Condition filed with bank regulatory agencies. For agencies, branches, and majority-owned subsidiaries of foreign banks, consists principally of amounts owed to the head office or parent foreign bank, and to foreign branches, agencies, or wholly owned subsidiaries of the 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 for foreign customers.

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, the Inter-American Development Bank, and the Asian Development Bank. Excludes "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 LIABILITIES TO FOREIGNERS Reported by Banks in the United States¹—Continued
Payable in U.S. dollars

Millions of dollars, end of period

| Item | 1997 | 1998 | 1999 | 2000 | | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------------------|-----------|-------------------|
| | | | | Apr. | May | June | July | Aug. | Sept. | Oct. ^P |
| AREA | | | | | | | | | | |
| 50 Total, all foreigners | 1,283,027 | 1,347,837 | 1,413,622 | 1,408,223 | 1,457,629 | 1,456,560 | 1,486,568 | 1,449,693 ^r | 1,453,644 | 1,502,805 |
| 51 Foreign countries | 1,271,337 | 1,335,954 | 1,398,346 | 1,387,633 | 1,434,822 | 1,435,194 | 1,469,919 | 1,435,063 ^r | 1,437,986 | 1,485,701 |
| 52 Europe | 419,672 | 427,375 | 448,070 | 433,782 | 435,694 | 448,745 | 481,802 | 455,479 ^r | 459,595 | 479,894 |
| 53 Austria | 2,717 | 3,178 | 2,789 | 2,302 | 2,468 | 2,697 | 3,239 | 2,783 | 2,541 | 2,037 |
| 54 Belgium and Luxembourg | 41,007 | 42,818 | 44,692 | 33,100 | 31,656 | 31,246 | 33,282 | 31,281 | 29,828 | 29,438 |
| 55 Denmark | 1,514 | 1,437 | 2,196 | 2,601 | 3,629 | 3,444 | 3,521 | 3,689 | 3,429 | 3,001 |
| 56 Finland | 2,246 | 1,862 | 1,658 | 1,744 | 1,529 | 1,380 | 1,751 | 1,618 | 1,512 | 1,418 |
| 57 France | 46,607 | 44,616 | 49,790 | 45,324 | 43,577 | 42,105 | 42,379 | 42,723 | 39,693 | 41,065 |
| 58 Germany | 23,737 | 21,357 | 24,748 | 23,710 | 24,875 | 28,943 | 26,484 | 25,893 | 26,212 | 28,658 |
| 59 Greece | 1,552 | 2,066 | 3,748 | 3,188 | 3,030 | 2,765 | 2,917 | 3,455 | 3,331 | 3,420 |
| 60 Italy | 11,378 | 7,103 | 6,775 | 4,788 | 7,142 | 6,676 | 5,700 | 5,566 | 5,959 | 5,700 |
| 61 Netherlands | 7,385 | 10,793 | 8,310 | 7,277 | 6,823 | 8,728 | 12,313 | 13,087 | 10,311 | 14,253 |
| 62 Norway | 317 | 710 | 1,327 | 1,197 | 963 | 2,189 | 2,337 | 1,636 | 3,501 | 4,101 |
| 63 Portugal | 2,262 | 3,236 | 2,228 | 1,913 | 1,964 | 2,373 | 2,169 | 2,144 | 2,244 | 2,261 |
| 64 Russia | 7,968 | 2,439 | 5,475 | 10,065 | 11,716 | 11,884 | 14,960 | 14,252 | 15,970 | 17,230 |
| 65 Spain | 18,989 | 15,781 | 10,426 | 11,208 | 10,796 | 9,999 | 8,829 | 8,791 | 8,410 | 9,270 |
| 66 Sweden | 1,628 | 3,027 | 4,652 | 5,165 | 4,390 | 5,434 | 5,100 | 5,992 | 6,220 | 6,247 |
| 67 Switzerland | 39,023 | 50,654 | 65,985 | 69,208 | 63,700 | 59,561 | 78,195 | 77,578 | 88,276 | 97,099 |
| 68 Turkey | 4,054 | 4,286 | 7,842 | 8,016 | 7,501 | 8,472 | 8,341 | 7,999 | 8,173 | 8,492 |
| 69 United Kingdom | 181,904 | 181,554 | 176,234 | 169,221 | 176,824 | 187,806 | 197,309 | 174,653 ^r | 171,867 | 170,376 |
| 70 Yugoslavia ¹¹ | 239 | 233 | 286 | 265 | 275 | 276 | 277 | 277 | 275 | 271 |
| 71 Other Europe and other former U.S.S.R. ¹² | 25,145 | 30,225 | 28,909 | 33,490 | 32,836 | 32,767 | 32,699 | 32,062 | 31,843 | 35,557 |
| 72 Canada | 28,341 | 30,212 | 34,119 | 40,562 | 36,229 | 37,256 | 37,231 | 33,722 | 33,881 | 27,198 |
| 73 Latin America and Caribbean | 536,393 | 554,866 | 577,737 | 606,768 | 663,827 | 641,087 | 644,766 | 634,413 | 637,604 | 658,168 |
| 74 Argentina | 20,199 | 19,014 | 18,633 | 18,487 | 16,496 | 16,540 | 19,092 | 17,552 | 18,560 | 18,746 |
| 75 Bahamas | 112,217 | 118,085 | 134,407 | 159,115 | 173,589 | 181,673 | 170,535 | 176,109 | 171,457 | 180,951 |
| 76 Bermuda | 6,911 | 6,846 | 7,877 | 9,710 | 8,713 | 8,021 | 7,074 | 8,157 | 8,100 | 8,730 |
| 77 Brazil | 31,037 | 15,815 | 12,860 | 10,305 | 9,945 | 10,905 | 11,950 | 12,351 | 11,537 | 10,204 |
| 78 British West Indies | 276,418 | 302,486 | 312,779 | 317,044 | 360,314 | 325,537 | 340,713 | 322,831 | 331,097 | 340,895 |
| 79 Chile | 4,072 | 5,015 | 7,008 | 5,933 | 6,095 | 6,192 | 5,440 | 5,296 | 5,346 | 5,105 |
| 80 Colombia | 3,652 | 4,624 | 5,669 | 4,243 | 4,237 | 4,360 | 4,627 | 4,735 | 4,658 | 4,945 |
| 81 Cuba | 66 | 62 | 75 | 77 | 77 | 85 | 122 | 91 | 88 | 93 |
| 82 Ecuador | 2,078 | 1,572 | 1,956 | 2,193 | 2,274 | 2,272 | 2,219 | 2,082 | 2,074 | 2,084 |
| 83 Guatemala | 1,494 | 1,336 | 1,626 | 1,628 | 1,669 | 1,649 | 1,730 | 1,659 | 1,671 | 1,667 |
| 84 Jamaica | 450 | 577 | 520 | 670 | 706 | 674 | 725 | 915 | 830 | 680 |
| 85 Mexico | 33,972 | 37,157 | 30,717 | 32,832 | 33,915 | 33,937 | 33,379 | 33,291 | 33,878 | 36,054 |
| 86 Netherlands Antilles | 5,085 | 5,010 | 3,997 | 5,108 | 6,561 | 7,885 | 7,164 | 6,373 | 5,159 | 4,614 |
| 87 Panama | 4,241 | 3,864 | 4,415 | 3,788 | 3,764 | 3,822 | 3,353 | 3,561 | 3,661 | 3,788 |
| 88 Peru | 893 | 840 | 1,142 | 1,021 | 1,100 | 1,125 | 1,097 | 1,065 | 1,091 | 1,153 |
| 89 Uruguay | 2,382 | 2,486 | 2,386 | 2,431 | 2,520 | 2,680 | 2,179 | 2,541 | 2,567 | 2,512 |
| 90 Venezuela | 21,601 | 19,894 | 20,189 | 21,140 | 20,469 | 22,263 | 21,462 | 23,909 | 23,997 | 24,283 |
| 91 Other | 9,625 | 10,183 | 11,481 | 11,043 | 11,383 | 11,467 | 11,905 | 11,895 | 11,833 | 11,664 |
| 92 Asia | 269,379 | 307,960 | 319,302 | 288,739 | 282,325 | 290,016 | 285,018 | 291,017 | 286,551 | 299,145 |
| 93 China | | | | | | | | | | |
| 93 Mainland | 18,252 | 13,441 | 12,325 | 8,529 | 7,824 | 9,930 | 9,385 | 11,769 | 11,830 | 13,719 |
| 94 Taiwan | 11,840 | 12,708 | 13,600 | 14,483 | 14,113 | 13,584 | 13,156 | 14,675 | 15,140 | 18,289 |
| 95 Hong Kong | 17,722 | 20,900 | 27,697 | 22,873 | 23,951 | 23,952 | 25,675 | 26,749 | 26,583 | 25,784 |
| 96 India | 4,567 | 5,250 | 7,367 | 5,586 | 5,703 | 5,558 | 5,712 | 5,547 | 5,838 | 5,548 |
| 97 Indonesia | 3,554 | 8,282 | 6,567 | 7,275 | 7,064 | 7,400 | 7,342 | 7,318 | 7,310 | 7,589 |
| 98 Israel | 6,281 | 7,749 | 7,488 | 7,058 | 5,541 | 6,123 | 5,794 | 5,951 | 7,132 | 6,668 |
| 99 Japan | 143,401 | 168,563 | 159,075 | 147,409 | 148,668 | 153,662 | 147,549 | 146,382 | 142,782 | 150,196 |
| 100 Korea (South) | 13,060 | 12,524 | 12,853 | 16,820 | 12,941 | 10,324 | 8,618 | 8,819 | 9,043 | 6,684 |
| 101 Philippines | 3,250 | 3,324 | 3,253 | 2,290 | 1,750 | 1,999 | 1,649 | 1,679 | 1,822 | 1,676 |
| 102 Thailand | 6,501 | 7,359 | 6,050 | 3,628 | 3,428 | 3,529 | 3,900 | 3,504 | 3,330 | 3,178 |
| 103 Middle Eastern oil-exporting countries ¹³ | 14,959 | 15,609 | 21,284 | 19,005 | 18,647 | 18,538 | 22,195 | 21,968 | 21,851 | 23,852 |
| 104 Other | 25,992 | 32,251 | 41,743 | 33,783 | 32,695 | 35,417 | 34,043 | 36,656 | 33,890 | 35,962 |
| 105 Africa | 10,347 | 8,905 | 9,468 | 8,576 | 8,437 | 8,718 | 9,739 | 9,607 | 9,821 | 9,625 |
| 106 Egypt | 1,663 | 1,339 | 2,022 | 1,663 | 1,722 | 1,962 | 1,780 | 1,615 | 1,544 | 1,546 |
| 107 Morocco | 138 | 97 | 179 | 106 | 122 | 149 | 118 | 109 | 112 | 121 |
| 108 South Africa | 2,158 | 1,522 | 1,495 | 687 | 662 | 595 | 792 | 708 | 842 | 767 |
| 109 Zaire | 10 | 5 | 14 | 7 | 13 | 6 | 5 | 7 | 5 | 4 |
| 110 Oil-exporting countries ¹⁴ | 3,060 | 3,088 | 2,914 | 3,558 | 3,298 | 3,405 | 4,258 | 4,470 | 4,499 | 4,406 |
| 111 Other | 3,318 | 2,854 | 2,844 | 2,555 | 2,620 | 2,601 | 2,786 | 2,698 | 2,819 | 2,781 |
| 112 Other | 7,205 | 6,636 | 9,650 | 9,206 | 8,310 | 9,372 | 11,363 | 10,825 | 10,534 | 11,671 |
| 113 Australia | 6,304 | 5,495 | 8,377 | 8,413 | 7,586 | 8,564 | 10,346 | 9,825 | 9,507 | 10,562 |
| 114 Other | 901 | 1,141 | 1,273 | 793 | 724 | 808 | 1,017 | 1,000 | 1,027 | 1,109 |
| 115 Nonmonetary international and regional organizations | 11,690 | 11,883 | 15,276 | 20,590 | 22,807 | 21,366 | 16,689 | 14,630 | 15,658 | 17,104 |
| 116 International ¹⁵ | 10,517 | 10,221 | 12,876 | 19,207 | 21,375 | 20,106 | 15,295 | 13,118 | 14,387 | 16,126 |
| 117 Latin American regional ¹⁶ | 424 | 594 | 1,150 | 518 | 624 | 768 | 786 | 1,146 | 888 | 589 |
| 118 Other regional ¹⁷ | 749 | 1,068 | 1,250 | 865 | 808 | 492 | 608 | 366 | 383 | 389 |

11. Since December 1992, has excluded Bosnia, Croatia, and Slovenia.

12. Includes the Bank for International Settlements. Since December 1992, has included all parts of the former U.S.S.R. (except Russia), and Bosnia, Croatia, and Slovenia.

13. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

14. Comprises Algeria, Gabon, Libya, and Nigeria.

15. Principally the International Bank for Reconstruction and Development. Excludes "holdings of dollars" of the International Monetary Fund.

16. Principally the Inter-American Development Bank.

17. Asian, African, Middle Eastern, and European regional organizations, except the Bank for International Settlements, which is included in "Other 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 or country | 1997 | 1998 | 1999 | 2000 | | | | | | |
|--|---------|---------|---------|---------|---------|---------|---------|----------------------|---------|-------------------|
| | | | | Apr. | May | June | July | Aug. | Sept. | Oct. ² |
| 1 Total, all foreigners | 708,225 | 734,995 | 795,377 | 815,083 | 820,782 | 825,898 | 833,459 | 800,472 | 840,425 | 856,474 |
| 2 Foreign countries | 705,762 | 731,378 | 790,814 | 810,081 | 816,439 | 820,887 | 829,573 | 796,695 | 835,560 | 851,251 |
| 3 Europe | 199,880 | 233,321 | 315,905 | 350,067 | 359,895 | 357,243 | 361,594 | 331,384 | 359,865 | 359,753 |
| 4 Austria | 1,354 | 1,043 | 2,643 | 2,429 | 2,242 | 2,148 | 2,617 | 1,956 | 2,584 | 2,820 |
| 5 Belgium and Luxembourg | 6,641 | 7,187 | 10,193 | 7,939 | 5,959 | 6,393 | 6,302 | 5,819 | 6,344 | 6,009 |
| 6 Denmark | 980 | 2,383 | 1,669 | 1,940 | 2,001 | 3,440 | 3,349 | 3,278 | 3,403 | 3,093 |
| 7 Finland | 1,233 | 1,070 | 2,020 | 2,087 | 2,414 | 2,650 | 2,897 | 2,701 | 3,561 | 4,927 |
| 8 France | 16,239 | 15,251 | 29,142 | 30,958 | 35,217 | 28,633 | 25,845 | 23,229 | 27,062 | 29,093 |
| 9 Germany | 12,676 | 15,923 | 29,205 | 33,991 | 31,521 | 33,585 | 30,452 | 31,804 | 33,229 | 33,017 |
| 10 Greece | 402 | 575 | 806 | 864 | 828 | 837 | 754 | 557 | 516 | 526 |
| 11 Italy | 6,230 | 7,284 | 8,496 | 7,034 | 6,565 | 7,724 | 6,447 | 7,358 | 6,215 | 6,482 |
| 12 Netherlands | 6,141 | 5,697 | 11,810 | 13,932 | 14,377 | 15,668 | 13,159 | 14,999 | 15,507 | 16,226 |
| 13 Norway | 555 | 827 | 1,000 | 1,499 | 1,832 | 1,935 | 2,401 | 1,448 | 4,474 | 4,655 |
| 14 Portugal | 777 | 669 | 1,571 | 1,085 | 1,268 | 1,424 | 1,454 | 1,273 | 1,480 | 1,574 |
| 15 Russia | 1,248 | 789 | 713 | 709 | 715 | 744 | 718 | 666 | 643 | 647 |
| 16 Spain | 2,942 | 5,735 | 3,796 | 3,217 | 3,126 | 3,844 | 4,767 | 3,566 | 3,208 | 3,360 |
| 17 Sweden | 1,854 | 4,223 | 3,264 | 8,100 | 7,112 | 8,744 | 8,404 | 8,761 | 8,501 | 8,504 |
| 18 Switzerland | 28,846 | 46,874 | 79,158 | 97,688 | 105,573 | 86,284 | 94,550 | 87,172 | 100,345 | 103,724 |
| 19 Turkey | 1,558 | 1,982 | 2,617 | 3,148 | 3,269 | 3,189 | 2,735 | 2,855 | 2,821 | 3,065 |
| 20 United Kingdom | 103,143 | 106,349 | 120,190 | 125,935 | 128,259 | 141,769 | 147,073 | 127,335 | 132,503 | 121,921 |
| 21 Yugoslavia ³ | 52 | 53 | 50 | 51 | 49 | 49 | 49 | 49 | 49 | 49 |
| 22 Other Europe and other former U.S.S.R. ³ | 7,009 | 9,407 | 7,562 | 7,461 | 7,568 | 8,183 | 7,621 | 6,558 | 7,420 | 10,061 |
| 23 Canada | 27,189 | 47,037 | 37,206 | 43,300 | 45,481 | 42,591 | 40,420 | 37,934 | 37,610 | 38,647 |
| 24 Latin America and Caribbean | 343,730 | 342,654 | 353,416 | 328,769 | 321,219 | 328,629 | 334,855 | 338,764 | 347,550 | 357,575 |
| 25 Argentina | 8,924 | 9,552 | 10,167 | 9,732 | 9,507 | 9,386 | 10,630 | 10,597 ⁴ | 10,840 | 11,166 |
| 26 Bahamas | 89,379 | 96,455 | 99,324 | 72,312 | 71,459 | 80,393 | 76,477 | 78,896 | 83,126 | 83,525 |
| 27 Bermuda | 8,782 | 5,011 | 8,007 | 5,685 | 6,478 | 6,285 | 6,906 | 4,684 | 6,265 | 8,426 |
| 28 Brazil | 21,696 | 16,184 | 15,706 | 16,210 | 16,376 | 16,544 | 18,199 | 18,555 | 19,061 | 20,197 |
| 29 British West Indies | 145,471 | 153,749 | 167,189 | 173,907 | 165,920 | 164,969 | 172,262 | 175,936 ⁵ | 178,744 | 184,796 |
| 30 Chile | 7,913 | 8,250 | 6,607 | 6,447 | 6,399 | 6,213 | 6,070 | 5,985 | 5,954 | 5,755 |
| 31 Colombia | 6,945 | 6,507 | 4,524 | 3,907 | 4,032 | 3,796 | 3,909 | 3,953 | 3,850 | 3,846 |
| 32 Cuba | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 0 | 0 |
| 33 Ecuador | 1,311 | 1,400 | 760 | 662 | 640 | 613 | 610 | 607 | 623 | 639 |
| 34 Guatemala | 886 | 1,127 | 1,135 | 1,252 | 1,245 | 1,235 | 1,215 | 1,277 | 1,226 | 1,245 |
| 35 Jamaica | 424 | 239 | 295 | 316 | 300 | 291 | 299 | 305 | 337 | 379 |
| 36 Mexico | 19,428 | 21,212 | 17,899 | 16,944 | 16,771 | 17,066 | 16,426 | 16,840 | 16,849 | 16,737 |
| 37 Netherlands Antilles | 17,838 | 6,779 | 5,982 | 6,388 | 6,579 | 6,502 | 6,652 | 5,804 | 5,770 | 6,158 |
| 38 Panama | 4,364 | 3,584 | 3,387 | 2,844 | 2,984 | 3,063 | 2,981 | 2,882 | 2,781 | 2,674 |
| 39 Peru | 3,491 | 3,275 | 2,529 | 2,356 | 2,515 | 2,458 | 2,488 | 2,487 | 2,697 | 2,670 |
| 40 Uruguay | 629 | 1,126 | 801 | 714 | 708 | 620 | 649 | 777 | 728 | 663 |
| 41 Venezuela | 2,129 | 3,089 | 3,494 | 3,474 | 3,595 | 3,471 | 3,357 | 3,410 | 3,390 | 3,321 |
| 42 Other | 4,120 | 5,115 | 5,610 | 5,619 | 5,711 | 5,724 | 5,725 | 5,766 | 5,309 | 5,378 |
| 43 Asia | 125,092 | 98,607 | 74,914 | 78,257 | 80,221 | 82,415 | 83,127 | 79,022 | 81,655 | 87,465 |
| 44 China | 1,579 | 1,261 | 2,090 | 4,532 | 2,611 | 1,688 | 1,822 | 1,601 | 1,519 | 1,912 |
| 45 Mainland | 922 | 1,041 | 1,390 | 1,080 | 1,732 | 1,339 | 922 | 790 | 2,475 | 3,691 |
| 46 Taiwan | 13,991 | 9,080 | 5,893 | 4,546 | 4,573 | 4,266 | 5,777 | 5,403 | 6,014 | 6,540 |
| 47 Hong Kong | 2,200 | 1,440 | 1,738 | 1,786 | 1,941 | 1,905 | 2,013 | 2,037 | 2,006 | 1,787 |
| 48 India | 2,651 | 1,942 | 1,776 | 1,821 | 1,819 | 1,856 | 1,940 | 1,880 | 1,982 | 2,009 |
| 49 Indonesia | 768 | 1,166 | 1,875 | 3,293 | 2,857 | 1,610 | 1,982 | 2,281 | 1,116 | 1,551 |
| 50 Israel | 59,549 | 46,713 | 28,636 | 30,381 | 31,689 | 33,256 | 31,209 | 32,494 | 35,234 | 35,775 |
| 51 Japan | 18,162 | 8,289 | 9,262 | 12,209 | 14,018 | 15,866 | 18,915 | 16,924 | 14,457 | 18,587 |
| 52 Korea (South) | 1,689 | 1,465 | 1,410 | 1,714 | 1,884 | 1,865 | 1,802 | 1,483 | 1,495 | 1,473 |
| 53 Philippines | 2,259 | 1,807 | 1,515 | 1,081 | 1,137 | 1,255 | 1,051 | 1,059 | 1,071 | 1,046 |
| 54 Thailand | 10,790 | 16,130 | 14,252 | 10,765 | 11,666 | 12,128 | 10,367 | 10,006 | 9,961 | 9,650 |
| 55 Middle Eastern oil-exporting countries ⁶ | 10,532 | 8,273 | 5,077 | 5,049 | 4,294 | 5,381 | 5,327 | 3,064 | 4,325 | 3,444 |
| 56 Africa | 3,530 | 3,122 | 2,268 | 2,054 | 2,109 | 2,494 | 2,505 | 2,215 | 2,597 | 2,235 |
| 57 Egypt | 247 | 257 | 258 | 206 | 218 | 230 | 217 | 186 | 176 | 201 |
| 58 Morocco | 511 | 372 | 352 | 300 | 271 | 259 | 272 | 247 | 254 | 252 |
| 59 South Africa | 805 | 643 | 622 | 360 | 341 | 772 | 411 | 358 | 372 | 322 |
| 60 Zaire | 0 | 0 | 24 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 61 Oil-exporting countries ⁶ | 1,212 | 936 | 276 | 394 | 508 | 430 | 751 | 616 | 913 | 656 |
| 62 Other | 755 | 914 | 736 | 794 | 771 | 803 | 854 | 808 | 882 | 804 |
| 63 Other | 6,341 | 6,637 | 7,105 | 7,634 | 7,514 | 7,515 | 7,072 | 7,376 | 6,283 | 5,576 |
| 64 Australia | 5,300 | 6,173 | 6,824 | 7,225 | 7,139 | 7,240 | 6,891 | 7,036 | 6,036 | 5,238 |
| 65 Other | 1,041 | 464 | 281 | 409 | 375 | 275 | 181 | 340 | 247 | 338 |
| 66 Nonmonetary international and regional organizations ⁶ ... | 2,463 | 3,617 | 4,563 | 5,002 | 4,343 | 5,011 | 3,886 | 3,777 | 4,865 | 5,223 |

1. Reporting banks include all types of depository institutions as well as some brokers and dealers.

2. Since December 1992, has excluded Bosnia, Croatia, and Slovenia.

3. Includes the Bank for International Settlements. Since December 1992, has included all parts of the former U.S.S.R. (except Russia), and Bosnia, Croatia, and Slovenia.

4. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

5. Comprises Algeria, Gabon, Libya, and Nigeria.

6. Excludes the Bank for International Settlements, which is included in "Other 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 | 1997 | 1998 | 1999 | 2000 | | | | | | |
|---|---------|---------|----------------------|---------|---------|--------------------|---------|----------------------|-----------|-------------------|
| | | | | Apr. | May | June | July | Aug. | Sept. | Oct. ^p |
| 1 Total | 852,852 | 875,891 | 947,175 ^f | ... | ... | 1,010,005 | ... | ... | 1,009,934 | ... |
| 2 Banks' claims | 708,225 | 734,995 | 795,377 | 815,083 | 820,782 | 825,898 | 833,459 | 800,472 | 840,425 | 856,474 |
| 3 Foreign public borrowers | 20,581 | 23,542 | 35,090 | 37,300 | 43,092 | 41,461 | 48,424 | 41,459 ^f | 40,436 | 49,691 |
| 4 Own foreign offices ² | 431,685 | 484,535 | 528,397 | 557,339 | 549,165 | 553,262 | 557,557 | 544,142 | 576,452 | 581,277 |
| 5 Unaffiliated foreign banks | 109,230 | 106,206 | 101,227 | 91,849 | 92,280 | 92,911 | 89,352 | 82,536 | 87,276 | 82,250 |
| 6 Deposits | 30,995 | 27,230 | 34,360 | 22,399 | 24,769 | 22,373 | 21,856 | 21,822 | 23,765 | 22,830 |
| 7 Other | 78,235 | 78,976 | 66,867 | 69,450 | 67,511 | 70,538 | 67,496 | 60,714 | 63,511 | 59,420 |
| 8 All other foreigners | 146,729 | 120,712 | 130,663 | 128,595 | 136,245 | 138,264 | 138,126 | 132,335 ^f | 136,261 | 143,256 |
| 9 Claims of banks' domestic customers ³ | 144,627 | 140,896 | 151,798 ^f | ... | ... | 184,107 | ... | ... | 169,509 | ... |
| 10 Deposits | 73,110 | 79,363 | 88,006 | ... | ... | 106,055 | ... | ... | 87,340 | ... |
| 11 Negotiable and readily transferable instruments ⁴ | 53,967 | 47,914 | 51,161 | ... | ... | 62,975 | ... | ... | 70,334 | ... |
| 12 Outstanding collections and other claims | 17,550 | 13,619 | 12,631 ^f | ... | ... | 15,077 | ... | ... | 11,835 | ... |
| MEMO | | | | | | | | | | |
| 13 Customer liability on acceptances | 9,624 | 4,520 | 4,553 | ... | ... | 5,056 ^f | ... | ... | 4,827 | ... |
| 14 Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States ⁵ | 33,816 | 39,978 | 31,125 | 45,383 | 45,468 | 44,139 | 46,337 | 55,293 | 57,784 | 53,848 |

1. For banks' claims, data are monthly; for claims of banks' domestic customers, data are for quarter ending with month indicated.

Reporting banks include all types of depository institution as well as some brokers and dealers.

2. For U.S. banks, includes amounts due from own foreign branches and foreign subsidiaries consolidated in quarterly Consolidated Reports of Condition filed with bank regulatory agencies. For agencies, branches, and majority-owned subsidiaries of foreign banks, consists

principally of amounts due from the head office or parent foreign bank, and from foreign branches, agencies, or wholly owned subsidiaries of the head office or parent foreign bank.

3. Assets held by reporting banks in the accounts of their domestic customers.

4. Principally negotiable time certificates of deposit, bankers acceptances, and commercial paper.

5. Includes demand and time deposits and negotiable and nonnegotiable certificates of deposit denominated in U.S. dollars issued by banks abroad.

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 ² | 1996 | 1997 | 1998 | 1999 | 2000 | | |
|---|---------|---------|---------|----------------------|----------------------|-------------------|--------------------|
| | | | | Dec. | Mar. | June ^f | Sept. ³ |
| 1 Total | 258,106 | 276,550 | 250,418 | 267,082 ^f | 262,173 ^f | 273,139 | 263,500 |
| By borrower | | | | | | | |
| 2 Maturity of one year or less | 211,859 | 205,781 | 186,526 | 187,894 ^f | 181,050 ^f | 185,927 | 174,809 |
| 3 Foreign public borrowers | 15,411 | 12,081 | 13,671 | 22,811 | 23,436 | 24,850 | 23,647 |
| 4 All other foreigners | 196,448 | 193,700 | 172,855 | 165,083 ^f | 157,614 ^f | 161,077 | 151,162 |
| 5 Maturity of more than one year | 46,247 | 70,769 | 63,892 | 79,188 ^f | 81,123 ^f | 87,212 | 88,691 |
| 6 Foreign public borrowers | 6,790 | 8,499 | 9,839 | 12,013 | 12,852 ^f | 15,905 | 16,236 |
| 7 All other foreigners | 39,457 | 62,270 | 54,053 | 67,175 ^f | 68,271 ^f | 71,307 | 72,455 |
| By area | | | | | | | |
| 8 Maturity of one year or less | | | | | | | |
| 9 Europe | 55,690 | 58,294 | 68,679 | 80,842 | 79,638 ^f | 75,561 | 69,486 |
| 10 Canada | 8,339 | 9,917 | 10,968 | 7,859 | 8,408 | 7,344 | 8,225 |
| 11 Latin America and Caribbean | 103,254 | 97,207 | 81,766 | 69,498 ^f | 62,923 ^f | 66,140 | 65,918 |
| 12 Asia | 38,078 | 33,964 | 18,007 | 21,802 | 23,002 | 29,091 | 23,874 |
| 13 Africa | 1,316 | 2,211 | 1,835 | 1,122 | 957 | 1,520 | 1,594 |
| 14 All other ³ | 5,182 | 4,188 | 5,271 | 6,771 | 6,122 | 6,271 | 5,712 |
| 15 Maturity of more than one year | | | | | | | |
| 16 Europe | 6,965 | 13,240 | 14,923 | 22,951 | 23,951 | 25,404 | 27,550 |
| 17 Canada | 2,645 | 2,525 | 3,140 | 3,192 | 3,127 | 3,323 | 3,261 |
| 18 Latin America and Caribbean | 24,943 | 42,049 | 33,442 | 39,051 ^f | 39,714 ^f | 42,427 | 41,166 |
| 19 Asia | 9,392 | 10,235 | 10,018 | 11,257 | 11,612 | 12,549 | 13,131 |
| 20 Africa | 1,361 | 1,236 | 1,232 | 1,065 | 965 | 924 | 895 |
| 21 All other ³ | 941 | 1,484 | 1,137 | 1,672 | 1,754 | 2,585 | 2,688 |

1. Reporting banks include all types of depository institutions as well as some brokers and dealers.

2. Maturity is time remaining until maturity.

3. Includes nonmonetary international and regional organizations.

3.21 CLAIMS ON FOREIGN COUNTRIES Held by U.S. and Foreign Offices of U.S. Banks¹

Billions of dollars, end of period

| Area or country | 1996 | 1997 | 1998 | | 1999 | | | | 2000 | | |
|---|--------------|--------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------------------|--------------------|
| | | | Sept. | Dec. | Mar. | June | Sept. | Dec. | Mar. | June | Sept. ^p |
| 1 Total | 645.8 | 721.8 | 1071.9 | 1051.6 | 992.8 | 939.4 | 936.8 | 936.7 | 952.7 | 991.5^r | 952.4 |
| 2 G-10 countries and Switzerland | 228.3 | 242.8 | 240.0 | 217.7 | 208.7 | 223.1 | 206.4 | 236.5 | 284.1 | 324.2 ^r | 286.9 |
| 3 Belgium and Luxembourg | 11.7 | 11.0 | 11.7 | 10.7 | 15.6 | 16.1 | 15.7 | 14.3 | 14.2 | 13.8 | 13.0 |
| 4 France | 16.6 | 15.4 | 20.3 | 18.4 | 21.6 | 20.4 | 19.9 | 29.0 | 27.1 | 32.6 | 29.1 |
| 5 Germany | 29.8 | 28.6 | 31.4 | 30.9 | 34.7 | 32.1 | 37.4 | 38.7 | 37.3 | 31.5 | 37.8 |
| 6 Italy | 16.0 | 15.5 | 18.5 | 11.5 | 17.8 | 16.4 | 15.0 | 18.1 | 20.0 | 20.8 ^r | 18.8 |
| 7 Netherlands | 4.0 | 6.2 | 8.4 | 7.8 | 10.7 | 13.3 | 10.6 | 12.3 | 17.1 | 16.1 | 17.6 |
| 8 Sweden | 2.6 | 3.3 | 2.1 | 2.3 | 4.0 | 2.6 | 3.6 | 3.0 | 3.9 | 3.5 | 4.3 |
| 9 Switzerland | 5.3 | 7.2 | 7.6 | 8.5 | 7.8 | 8.2 | 8.8 | 10.3 | 10.1 | 13.8 | 10.9 |
| 10 United Kingdom | 104.7 | 113.4 | 100.1 | 85.4 | 56.1 | 74.3 | 51.9 | 72.4 | 113.5 | 148.3 | 118.7 |
| 11 Canada | 14.0 | 13.7 | 15.9 | 16.8 | 15.9 | 17.1 | 17.9 | 16.3 | 17.5 | 18.2 | 18.7 |
| 12 Japan | 23.7 | 28.6 | 23.9 | 25.4 | 24.6 | 22.6 | 25.6 | 22.0 | 23.5 | 25.4 | 18.1 |
| 13 Other industrialized countries | 66.1 | 65.5 | 78.5 | 69.0 | 80.1 | 79.7 | 71.7 | 68.4 | 62.8 | 75.3 ^r | 72.5 |
| 14 Austria | 1.1 | 1.5 | 2.1 | 1.4 | 2.8 | 2.8 | 3.0 | 3.5 | 2.6 | 2.8 | 3.5 |
| 15 Denmark | 1.5 | 2.4 | 3.0 | 2.2 | 3.4 | 2.9 | 2.1 | 2.6 | 1.5 | 1.2 | 1.8 |
| 16 Finland | .8 | 1.3 | 1.6 | 1.4 | 1.5 | .9 | .9 | .9 | .8 | 1.3 | 2.8 |
| 17 Greece | 6.7 | 5.1 | 5.8 | 5.9 | 6.5 | 5.9 | 6.6 | 6.0 | 5.7 | 6.8 | 6.4 |
| 18 Norway | 8.0 | 3.6 | 3.2 | 3.2 | 3.1 | 3.0 | 3.8 | 3.3 | 3.0 | 4.6 | 8.5 |
| 19 Portugal | .9 | .9 | 1.1 | 1.4 | 1.4 | 1.2 | 1.2 | 1.0 | 1.0 | 2.0 | 1.5 |
| 20 Spain | 13.3 | 12.6 | 19.5 | 13.7 | 15.7 | 16.6 | 15.1 | 12.1 | 11.3 | 12.2 | 10.5 |
| 21 Turkey | 2.7 | 4.5 | 5.2 | 4.8 | 5.2 | 4.9 | 4.7 | 4.8 | 5.1 | 5.6 | 5.6 |
| 22 Other Western Europe | 4.9 | 8.3 | 10.4 | 10.4 | 10.2 | 10.2 | 9.2 | 6.8 | 8.3 | 7.9 ^r | 8.4 |
| 23 South Africa | 2.0 | 2.2 | 5.4 | 4.4 | 4.8 | 4.7 | 4.0 | 3.8 | 4.8 | 4.6 | 2.9 |
| 24 Australia | 24.0 | 23.1 | 21.4 | 20.3 | 25.4 | 26.6 | 21.1 | 23.5 | 18.6 | 26.3 | 20.5 |
| 25 OPEC ² | 19.8 | 26.0 | 26.0 | 27.1 | 26.2 | 26.1 | 30.1 | 31.4 | 28.9 | 32.3 | 31.8 |
| 26 Ecuador | 1.1 | 1.3 | 1.2 | 1.3 | 1.2 | 1.1 | .9 | .8 | .7 | .7 | .6 |
| 27 Venezuela | 2.4 | 2.5 | 3.1 | 3.2 | 3.5 | 3.2 | 3.0 | 2.8 | 3.0 | 2.9 | 2.9 |
| 28 Indonesia | 5.2 | 6.7 | 4.7 | 4.7 | 4.5 | 5.0 | 4.4 | 4.2 | 3.9 | 4.1 | 4.4 |
| 29 Middle East countries | 10.7 | 14.4 | 16.1 | 17.0 | 16.7 | 16.5 | 21.4 | 23.0 | 21.1 | 24.0 | 22.7 |
| 30 African countries | .4 | 1.2 | .8 | 1.0 | .4 | .4 | .5 | .5 | .2 | .7 | 1.2 |
| 31 Non-OPEC developing countries | 130.3 | 139.2 | 140.4 | 143.4 | 146.7 | 148.6 | 142.5 | 147.3 | 152.5 | 155.6 | 150.5 |
| Latin America | | | | | | | | | | | |
| 32 Argentina | 14.3 | 18.4 | 22.9 | 23.1 | 24.3 | 22.8 | 22.1 | 22.4 | 21.3 | 20.3 | 21.4 |
| 33 Brazil | 20.7 | 28.6 | 24.0 | 24.7 | 24.2 | 25.1 | 22.1 | 26.4 | 26.9 | 27.0 | 28.5 |
| 34 Chile | 7.0 | 8.7 | 8.5 | 8.3 | 8.6 | 8.2 | 7.7 | 7.4 | 8.2 | 8.1 | 7.4 |
| 35 Colombia | 4.1 | 3.4 | 3.4 | 3.2 | 3.3 | 3.1 | 2.7 | 2.5 | 2.5 | 2.4 | 2.4 |
| 36 Mexico | 16.2 | 17.4 | 18.7 | 18.9 | 19.7 | 18.5 | 19.4 | 18.7 | 18.3 | 20.5 | 17.5 |
| 37 Peru | 1.6 | 2.0 | 2.2 | 2.2 | 2.2 | 2.1 | 1.8 | 1.7 | 1.9 | 2.1 | 2.1 |
| 38 Other | 3.3 | 4.1 | 4.6 | 5.4 | 5.3 | 5.5 | 5.5 | 5.9 | 6.5 | 6.7 | 6.3 |
| Asia | | | | | | | | | | | |
| 39 China | | | | | | | | | | | |
| 40 Mainland | 2.5 | 3.2 | 2.8 | 3.0 | 5.0 | 5.3 | 3.3 | 3.6 | 4.6 | 3.8 | 3.4 |
| 41 Taiwan | 10.3 | 9.5 | 12.5 | 13.3 | 11.8 | 12.6 | 12.3 | 12.0 | 12.6 | 12.6 | 12.8 |
| 42 India | 4.3 | 4.9 | 5.3 | 5.5 | 5.5 | 6.7 | 7.0 | 7.7 | 7.9 | 8.2 | 5.8 |
| 43 Israel | .5 | .7 | .9 | 1.1 | 1.1 | 2.0 | 1.0 | 1.8 | 3.3 | 1.5 | 1.1 |
| 44 Korea (South) | 21.5 | 15.6 | 13.1 | 13.7 | 13.7 | 15.3 | 16.0 | 15.1 | 17.4 | 21.2 | 21.0 |
| 45 Malaysia | 6.0 | 5.1 | 5.0 | 5.6 | 5.9 | 6.0 | 6.1 | 6.1 | 6.5 | 6.8 | 6.4 |
| 46 Philippines | 5.8 | 5.7 | 4.7 | 5.1 | 5.4 | 5.7 | 5.8 | 6.2 | 5.3 | 5.3 | 4.7 |
| 47 Thailand | 5.7 | 5.4 | 5.3 | 4.7 | 4.5 | 4.2 | 4.0 | 4.1 | 4.3 | 4.0 | 3.9 |
| 48 Other Asia | 4.1 | 4.3 | 3.1 | 2.9 | 3.0 | 2.8 | 2.8 | 2.9 | 2.6 | 2.5 | 2.3 |
| Africa | | | | | | | | | | | |
| 49 Egypt | .7 | .9 | 1.7 | 1.3 | 1.4 | 1.4 | 1.3 | 1.4 | 1.4 | 1.3 | 1.1 |
| 50 Morocco | .7 | .6 | .5 | .5 | .5 | .5 | .5 | .4 | .3 | .3 | .4 |
| 51 Zaire | .1 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 52 Other Africa ³ | .9 | .8 | 1.1 | 1.0 | 1.2 | 1.0 | 1.0 | 1.0 | .9 | .9 | 2.1 |
| 53 Eastern Europe | 6.9 | 9.1 | 6.3 | 5.5 | 7.1 | 5.8 | 5.4 | 5.2 | 6.3 | 9.4 | 9.1 |
| 54 Russia ⁴ | 3.7 | 5.1 | 2.8 | 2.2 | 2.3 | 2.1 | 2.0 | 1.6 | 1.7 | 1.5 | 1.4 |
| 55 Other | 3.2 | 4.0 | 3.5 | 3.3 | 4.8 | 3.7 | 3.4 | 3.6 | 4.7 | 7.9 | 7.6 |
| 56 Offshore banking centers | 135.1 | 140.2 | 121.0 | 93.9 | 93.6 | 75.9 | 89.4 | 60.1 | 42.0 | 52.4 | 50.6 |
| 57 Bahamas | 20.5 | 24.2 | 30.7 | 35.4 | 32.6 | 20.4 | 28.6 | 13.9 | 2.4 | .5 | .6 |
| 58 Bermuda | 4.5 | 9.8 | 10.4 | 4.6 | 3.9 | 5.7 | 8.2 | 8.0 | 7.3 | 6.3 | 6.3 |
| 59 Cayman Islands and other British West Indies | 37.2 | 43.4 | 27.8 | 12.8 | 13.9 | 7.2 | 6.3 | 1.3 | .0 | 5.1 | 5.9 |
| 60 Netherlands Antilles | 26.1 | 14.6 | 6.0 | 2.6 | 2.7 | 1.3 | 9.1 | 1.7 | 2.5 | 2.6 | 1.9 |
| 61 Panama ⁵ | 2.0 | 3.1 | 4.0 | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 3.4 | 3.3 | 2.5 |
| 62 Lebanon | .1 | .1 | .2 | .1 | .1 | .1 | .2 | .1 | .1 | .1 | .1 |
| 63 Hong Kong, China | 27.9 | 32.2 | 30.6 | 23.3 | 22.8 | 22.0 | 22.4 | 21.0 | 22.2 | 20.7 | 20.5 |
| 64 Singapore | 16.7 | 12.7 | 11.1 | 11.1 | 13.5 | 15.2 | 10.6 | 10.1 | 4.1 | 13.6 | 12.7 |
| 65 Other ⁶ | .1 | .1 | .2 | .2 | .2 | .1 | .2 | .1 | .1 | .1 | .1 |
| 66 Miscellaneous and unallocated ⁷ | 59.6 | 99.1 | 459.9 | 495.1 | 430.4 | 380.2 | 391.2 | 387.9 | 376.1 | 342.4 ^r | 351.1 |

1. The banking offices covered by these data include U.S. offices and foreign branches of U.S. banks, including U.S. banks that are subsidiaries of foreign banks. Offices not covered include U.S. agencies and branches of foreign banks. Beginning March 1994, the data include large foreign subsidiaries of U.S. banks. The data also include other types of U.S. depository institutions as well as some types of brokers and dealers. To eliminate 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.

These data are on a gross claims basis and do not necessarily reflect the ultimate country risk or exposure of U.S. banks. More complete data on the country risk exposure of U.S. banks are available in the quarterly Country Exposure Lending Survey published by the Federal Financial Institutions Examination Council.

2. 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).

3. Excludes Liberia. Beginning March 1994 includes Namibia.

4. As of December 1992, excludes other republics of the former Soviet Union.

5. Includes Canal Zone.

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 States

Millions of dollars, end of period

| Type of liability, and area or country | 1996 | 1997 | 1998 | 1999 | | | | 2000 | |
|--|--------|--------|--------|--------|--------|--------|--------|---------------------|--------|
| | | | | Mar. | June | Sept. | Dec. | Mar. | June |
| 1 Total | 61,782 | 57,382 | 46,570 | 46,663 | 49,337 | 52,979 | 53,044 | 53,489 ² | 70,534 |
| 2 Payable in dollars | 39,542 | 41,543 | 36,668 | 34,030 | 36,032 | 36,296 | 37,605 | 35,614 ² | 47,864 |
| 3 Payable in foreign currencies | 22,240 | 15,839 | 9,902 | 12,633 | 13,305 | 16,683 | 15,415 | 17,875 | 22,670 |
| <i>By type</i> | | | | | | | | | |
| 4 Financial liabilities | 33,049 | 26,877 | 19,255 | 22,458 | 25,058 | 27,422 | 27,980 | 29,180 ² | 44,068 |
| 5 Payable in dollars | 11,913 | 12,630 | 10,371 | 11,225 | 13,205 | 12,231 | 13,883 | 12,858 ² | 22,803 |
| 6 Payable in foreign currencies | 21,136 | 14,247 | 8,884 | 11,233 | 11,853 | 15,191 | 14,097 | 16,322 | 21,265 |
| 7 Commercial liabilities | 28,733 | 30,505 | 27,315 | 24,205 | 24,279 | 25,557 | 25,064 | 24,309 | 26,466 |
| 8 Trade payables | 12,720 | 10,904 | 10,978 | 9,999 | 10,935 | 12,651 | 12,857 | 12,401 | 13,764 |
| 9 Advance receipts and other liabilities | 16,013 | 19,601 | 16,337 | 14,206 | 13,344 | 12,906 | 12,207 | 11,908 | 12,702 |
| 10 Payable in dollars | 27,629 | 28,913 | 26,297 | 22,805 | 22,827 | 24,065 | 23,722 | 22,756 | 25,061 |
| 11 Payable in foreign currencies | 1,104 | 1,592 | 1,018 | 1,400 | 1,452 | 1,492 | 1,318 | 1,553 | 1,405 |
| <i>By area or country</i> | | | | | | | | | |
| <i>Financial liabilities</i> | | | | | | | | | |
| 12 Europe | 23,179 | 18,027 | 12,589 | 16,098 | 19,578 | 21,695 | 23,241 | 24,050 ² | 30,332 |
| 13 Belgium and Luxembourg | 632 | 186 | 79 | 50 | 70 | 50 | 31 | 4 | 163 |
| 14 France | 1,091 | 1,425 | 1,097 | 1,178 | 1,287 | 1,675 | 1,659 | 1,849 ² | 1,702 |
| 15 Germany | 1,834 | 1,958 | 2,063 | 1,906 | 1,959 | 1,712 | 1,974 | 1,880 ² | 1,671 |
| 16 Netherlands | 556 | 494 | 1,406 | 1,337 | 2,104 | 2,066 | 1,996 | 1,970 | 2,035 |
| 17 Switzerland | 699 | 561 | 155 | 141 | 143 | 133 | 147 | 97 | 137 |
| 18 United Kingdom | 17,161 | 11,667 | 5,980 | 9,729 | 13,097 | 15,096 | 16,521 | 16,579 | 21,463 |
| 19 Canada | 1,401 | 2,374 | 693 | 781 | 320 | 344 | 284 | 313 | 714 |
| 20 Latin America and Caribbean | 1,668 | 1,386 | 1,495 | 1,528 | 1,369 | 1,180 | 892 | 846 | 2,874 |
| 21 Bahamas | 236 | 141 | 7 | 1 | 1 | 1 | 1 | 1 | 78 |
| 22 Bermuda | 50 | 229 | 101 | 78 | 52 | 26 | 5 | 1 | 1,016 |
| 23 Brazil | 78 | 143 | 152 | 137 | 131 | 122 | 126 | 128 | 146 |
| 24 British West Indies | 1,030 | 604 | 957 | 1,064 | 944 | 786 | 492 | 489 | 463 |
| 25 Mexico | 17 | 26 | 59 | 22 | 19 | 28 | 25 | 22 | 26 |
| 26 Venezuela | 1 | 1 | 2 | 2 | 1 | 0 | 0 | 0 | 0 |
| 27 Asia | 6,423 | 4,387 | 3,785 | 3,475 | 3,217 | 3,622 | 3,437 | 3,275 | 9,453 |
| 28 Japan | 5,869 | 4,102 | 3,612 | 3,337 | 3,035 | 3,384 | 3,142 | 2,985 | 6,024 |
| 29 Middle Eastern oil-exporting countries ¹ | 25 | 27 | 0 | 1 | 2 | 3 | 3 | 4 | 5 |
| 30 Africa | 38 | 60 | 28 | 31 | 29 | 31 | 28 | 28 | 33 |
| 31 Oil-exporting countries ² | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 |
| 32 All other ³ | 340 | 643 | 665 | 545 | 545 | 550 | 98 | 668 | 662 |
| <i>Commercial liabilities</i> | | | | | | | | | |
| 33 Europe | 9,767 | 10,228 | 10,030 | 8,580 | 8,718 | 9,265 | 9,262 | 8,646 | 9,293 |
| 34 Belgium and Luxembourg | 479 | 666 | 278 | 229 | 189 | 128 | 140 | 78 | 178 |
| 35 France | 680 | 764 | 920 | 654 | 656 | 620 | 672 | 539 | 711 |
| 36 Germany | 1,002 | 1,274 | 1,392 | 1,088 | 1,143 | 1,201 | 1,131 | 914 | 948 |
| 37 Netherlands | 766 | 439 | 429 | 361 | 432 | 535 | 507 | 648 | 562 |
| 38 Switzerland | 624 | 375 | 499 | 535 | 497 | 593 | 626 | 536 | 565 |
| 39 United Kingdom | 4,303 | 4,086 | 3,697 | 3,008 | 2,959 | 3,175 | 3,071 | 2,661 | 2,982 |
| 40 Canada | 1,090 | 1,175 | 1,390 | 1,597 | 1,670 | 1,753 | 1,775 | 2,024 | 2,053 |
| 41 Latin America and Caribbean | 2,574 | 2,176 | 1,618 | 1,612 | 1,674 | 1,957 | 2,310 | 2,286 | 2,607 |
| 42 Bahamas | 63 | 16 | 14 | 11 | 19 | 24 | 22 | 9 | 10 |
| 43 Bermuda | 297 | 203 | 198 | 225 | 180 | 178 | 152 | 287 | 300 |
| 44 Brazil | 196 | 220 | 152 | 107 | 112 | 120 | 145 | 115 | 119 |
| 45 British West Indies | 14 | 12 | 10 | 7 | 5 | 39 | 48 | 23 | 22 |
| 46 Mexico | 665 | 565 | 347 | 437 | 490 | 704 | 887 | 805 | 1,073 |
| 47 Venezuela | 328 | 261 | 202 | 155 | 149 | 182 | 305 | 193 | 239 |
| 48 Asia | 13,422 | 14,966 | 12,342 | 10,428 | 10,039 | 10,428 | 9,886 | 9,681 | 10,965 |
| 49 Japan | 4,614 | 4,500 | 3,827 | 2,715 | 2,753 | 2,689 | 2,609 | 2,274 | 2,200 |
| 50 Middle Eastern oil-exporting countries ¹ | 2,168 | 3,111 | 2,852 | 2,479 | 2,209 | 2,618 | 2,551 | 2,308 | 3,489 |
| 51 Africa | 1,040 | 874 | 794 | 727 | 832 | 959 | 950 | 943 | 950 |
| 52 Oil-exporting countries ² | 532 | 408 | 393 | 377 | 392 | 584 | 499 | 536 | 575 |
| 53 Other ³ | 840 | 1,086 | 1,141 | 1,261 | 1,346 | 1,195 | 881 | 729 | 598 |

1. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

2. Comprises Algeria, Gabon, Libya, and Nigeria.

3. Includes nonmonetary international and regional organizations.

3.23 CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States

Millions of dollars, end of period

| Type of claim, and area or country | 1996 | 1997 | 1998 | 1999 | | | | 2000 | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|---------------------|
| | | | | Mar. | June | Sept. | Dec. | Mar. | June |
| 1 Total | 65,897 | 68,128 | 77,462 | 69,054 | 63,884 | 67,566 | 76,669 | 84,266 | 80,725 ^f |
| 2 Payable in dollars | 59,156 | 62,173 | 72,171 | 64,026 | 57,006 | 60,456 | 69,170 | 74,331 | 72,294 ^f |
| 3 Payable in foreign currencies | 6,741 | 5,955 | 5,291 | 5,028 | 6,878 | 7,110 | 7,472 | 9,935 | 8,431 |
| <i>By type</i> | | | | | | | | | |
| 4 Financial claims | 37,523 | 36,959 | 46,260 | 38,217 | 31,957 | 33,877 | 40,231 | 47,798 | 44,303 |
| 5 Deposits | 21,624 | 22,909 | 30,199 | 18,686 | 13,350 | 15,192 | 18,566 | 23,316 | 17,462 |
| 6 Payable in dollars | 20,852 | 21,060 | 28,549 | 17,101 | 11,636 | 13,240 | 16,373 | 21,442 | 15,361 |
| 7 Payable in foreign currencies | 772 | 1,849 | 1,650 | 1,585 | 1,714 | 1,952 | 2,193 | 1,874 | 2,101 |
| 8 Other financial claims | 15,899 | 14,050 | 16,061 | 19,531 | 18,607 | 18,685 | 21,665 | 24,482 | 26,841 |
| 9 Payable in dollars | 12,374 | 11,806 | 14,049 | 17,457 | 14,800 | 15,718 | 18,593 | 19,659 | 22,384 |
| 10 Payable in foreign currencies | 3,525 | 2,244 | 2,012 | 2,074 | 3,807 | 2,967 | 3,072 | 4,823 | 4,457 |
| 11 Commercial claims | 28,374 | 31,169 | 31,202 | 30,837 | 31,927 | 33,689 | 36,438 | 36,468 | 36,422 ^f |
| 12 Trade receivables | 25,751 | 27,536 | 27,202 | 26,724 | 27,791 | 29,397 | 32,629 | 31,443 | 31,277 ^f |
| 13 Advance payments and other claims | 2,623 | 3,633 | 4,000 | 4,113 | 4,136 | 4,292 | 3,809 | 5,025 | 5,145 |
| 14 Payable in dollars | 25,930 | 29,307 | 29,573 | 29,468 | 30,570 | 31,498 | 34,204 | 33,230 | 34,549 ^f |
| 15 Payable in foreign currencies | 2,444 | 1,862 | 1,629 | 1,369 | 1,357 | 2,191 | 2,207 | 3,238 | 1,873 |
| <i>By area or country</i> | | | | | | | | | |
| 16 Financial claims | 11,085 | 14,999 | 12,294 | 12,881 | 13,978 | 13,878 | 13,023 | 16,789 | 18,254 |
| 17 Europe | 185 | 406 | 661 | 469 | 457 | 574 | 529 | 540 | 317 |
| 18 Belgium and Luxembourg | 694 | 1,015 | 864 | 913 | 1,368 | 1,212 | 967 | 1,835 | 1,292 |
| 19 France | 276 | 427 | 304 | 302 | 367 | 549 | 504 | 669 | 576 |
| 20 Germany | 493 | 677 | 875 | 993 | 997 | 1,067 | 1,229 | 1,981 | 1,984 |
| 21 Netherlands | 474 | 434 | 414 | 530 | 504 | 559 | 643 | 612 | 624 |
| 22 Switzerland | 7,922 | 10,337 | 7,766 | 8,400 | 8,631 | 8,157 | 7,561 | 9,044 | 11,668 |
| 23 United Kingdom | 3,442 | 3,313 | 2,503 | 3,111 | 2,828 | 3,172 | 2,553 | 3,175 | 5,799 |
| 24 Canada | 20,032 | 15,543 | 27,714 | 18,825 | 11,486 | 12,749 | 18,206 | 21,945 | 14,874 |
| 25 Latin America and Caribbean | 1,553 | 2,308 | 403 | 666 | 467 | 755 | 1,593 | 1,299 | 655 |
| 26 Bahamas | 140 | 108 | 39 | 41 | 39 | 524 | 11 | 11 | 34 |
| 27 Bermuda | 1,468 | 1,313 | 835 | 1,112 | 1,102 | 1,265 | 1,476 | 1,646 | 1,666 |
| 28 Brazil | 15,536 | 10,462 | 24,388 | 14,621 | 7,393 | 7,263 | 12,099 | 15,814 | 7,751 |
| 29 British West Indies | 457 | 537 | 1,245 | 1,583 | 1,702 | 1,791 | 1,798 | 1,979 | 2,048 |
| 30 Mexico | 31 | 36 | 55 | 72 | 71 | 47 | 48 | 65 | 78 |
| 31 Venezuela | 2,221 | 2,133 | 3,027 | 2,648 | 2,801 | 3,205 | 5,457 | 4,430 | 3,923 |
| 32 Asia | 1,035 | 823 | 1,194 | 942 | 949 | 1,250 | 3,262 | 2,021 | 1,410 |
| 33 Japan | 22 | 11 | 9 | 8 | 5 | 5 | 21 | 29 | 42 |
| 34 Middle Eastern oil-exporting countries ¹ | 174 | 319 | 159 | 174 | 228 | 251 | 286 | 232 | 320 |
| 35 Africa | 14 | 15 | 16 | 26 | 5 | 12 | 15 | 15 | 39 |
| 36 Oil-exporting countries ² | 569 | 652 | 563 | 578 | 636 | 622 | 706 | 1,227 | 1,133 |
| 37 All other ³ | 10,443 | 12,120 | 13,246 | 12,782 | 12,961 | 14,367 | 16,389 | 16,118 | 15,928 ^f |
| 38 Europe | 226 | 328 | 238 | 281 | 286 | 289 | 316 | 271 | 425 |
| 39 Belgium and Luxembourg | 1,644 | 1,796 | 2,171 | 2,173 | 2,094 | 2,375 | 2,236 | 2,520 | 2,692 ^f |
| 40 France | 1,337 | 1,614 | 1,822 | 1,599 | 1,660 | 1,944 | 1,960 | 2,034 | 1,906 ^f |
| 41 Germany | 562 | 597 | 467 | 415 | 389 | 617 | 1,429 | 1,337 | 1,242 ^f |
| 42 Netherlands | 642 | 554 | 483 | 367 | 385 | 714 | 610 | 611 | 563 |
| 43 Switzerland | 2,946 | 3,660 | 4,769 | 4,529 | 4,615 | 4,789 | 5,827 | 5,354 | 4,929 ^f |
| 44 United Kingdom | 2,165 | 2,660 | 2,617 | 2,983 | 2,855 | 2,638 | 2,757 | 3,088 | 3,250 ^f |
| 45 Canada | 5,276 | 5,750 | 6,296 | 5,930 | 6,278 | 5,879 | 5,959 | 5,899 | 5,792 ^f |
| 46 Latin America and Caribbean | 35 | 27 | 24 | 10 | 21 | 29 | 20 | 15 | 48 |
| 47 Bahamas | 275 | 244 | 536 | 500 | 583 | 549 | 390 | 404 | 381 ^f |
| 48 Bermuda | 1,303 | 1,162 | 1,024 | 936 | 887 | 763 | 905 | 849 | 894 |
| 49 Brazil | 190 | 109 | 104 | 117 | 127 | 157 | 181 | 95 | 51 |
| 50 British West Indies | 1,128 | 1,392 | 1,545 | 1,431 | 1,478 | 1,613 | 1,678 | 1,529 | 1,565 ^f |
| 51 Mexico | 357 | 576 | 401 | 361 | 384 | 365 | 439 | 435 | 466 ^f |
| 52 Venezuela | 8,376 | 8,713 | 7,192 | 7,080 | 7,690 | 8,579 | 9,165 | 9,101 | 9,173 ^f |
| 53 Asia | 2,003 | 1,976 | 1,681 | 1,486 | 1,511 | 1,823 | 2,074 | 2,082 | 1,882 ^f |
| 54 Japan | 971 | 1,107 | 1,135 | 1,286 | 1,465 | 1,479 | 1,625 | 1,533 | 1,241 |
| 55 Middle Eastern oil-exporting countries ¹ | 746 | 680 | 711 | 685 | 738 | 682 | 631 | 716 | 766 ^f |
| 56 Africa | 166 | 119 | 165 | 116 | 202 | 221 | 171 | 82 | 160 |
| 57 Oil-exporting countries ² | 1,368 | 1,246 | 1,140 | 1,377 | 1,405 | 1,544 | 1,537 | 1,546 | 1,513 ^f |
| 58 Other ³ | | | | | | | | | |

1. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

2. Comprises Algeria, Gabon, Libya, and Nigeria.

3. Includes nonmonetary international and regional organizations.

3.24 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

| Transaction, and area or country | 1998 | 1999 | 2000 | 2000 | | | | | | |
|---|---------------------------|-----------|-----------|---------|---------|---------|---------|---------|---------|-------------------|
| | | | Jan.—Oct. | Apr. | May | June | July | Aug. | Sept. | Oct. ¹ |
| STOCKS | U.S. corporate securities | | | | | | | | | |
| | | | | | | | | | | |
| 1 Foreign purchases | 1,574,192 | 2,340,659 | 3,034,215 | 309,778 | 268,454 | 300,356 | 271,145 | 286,819 | 297,626 | 340,608 |
| 2 Foreign sales | 1,524,203 | 2,233,137 | 2,880,106 | 306,474 | 262,142 | 282,563 | 255,999 | 262,775 | 289,067 | 324,215 |
| 3 Net purchases, or sales (—) | 49,989 | 107,522 | 154,109 | 3,304 | 6,312 | 17,793 | 15,146 | 24,044 | 8,559 | 16,393 |
| 4 Foreign countries | 50,369 | 107,578 | 154,090 | 3,243 | 6,291 | 17,823 | 15,136 | 24,020 | 8,603 | 16,395 |
| 5 Europe | 68,124 | 98,060 | 145,957 | 12,289 | 7,496 | 14,853 | 12,922 | 15,678 | 10,014 | 14,032 |
| 6 France | 5,672 | 3,813 | 5,279 | 1,341 | —588 | —653 | 1,292 | 575 | —565 | 1,757 |
| 7 Germany | 9,195 | 13,410 | 29,998 | 3,431 | 3,355 | 2,544 | 371 | 2,670 | 643 | 1,394 |
| 8 Netherlands | 8,249 | 8,083 | 2,869 | 113 | —113 | 584 | 554 | 594 | 792 | —167 |
| 9 Switzerland | 5,001 | 5,650 | 13,245 | 1,689 | 585 | 67 | 1,702 | 1,114 | 780 | 491 |
| 10 United Kingdom | 23,952 | 42,902 | 47,355 | 558 | 1,440 | 7,026 | 6,033 | 7,098 | 5,163 | 6,312 |
| 11 Canada | —4,689 | —335 | 2,845 | 9 | 834 | —46 | —166 | 1,038 | —922 | 256 |
| 12 Latin America and Caribbean | 757 | 5,187 | —12,075 | —11,441 | —2,633 | 1,898 | 1,363 | 4,907 | —3,405 | —4,403 |
| 13 Middle East | —1,449 | —1,066 | 8,572 | 2,071 | 705 | 4 | 98 | 908 | 52 | 754 |
| 14 Other Asia | —12,351 | 4,445 | 7,736 | 52 | —121 | 870 | 815 | 1,789 | 2,704 | 5,848 |
| 15 Japan | —1,171 | 5,723 | —196 | —446 | —1,045 | 439 | 492 | 568 | 2,467 | 2,651 |
| 16 Africa | 639 | 372 | 379 | 228 | —50 | 54 | —124 | 2 | —56 | —28 |
| 17 Other countries | —662 | 915 | 676 | 35 | 60 | 190 | 228 | —302 | 216 | —64 |
| 18 Nonmonetary international and regional organizations | —380 | —56 | 21 | 61 | 21 | —30 | 10 | 24 | —42 | —2 |
| BONDS ² | | | | | | | | | | |
| 19 Foreign purchases | 905,782 | 854,692 | 973,700 | 88,555 | 89,760 | 107,281 | 87,580 | 107,808 | 106,384 | 102,981 |
| 20 Foreign sales | 727,044 | 602,100 | 703,575 | 70,851 | 68,212 | 75,117 | 67,010 | 69,514 | 76,225 | 71,612 |
| 21 Net purchases, or sales (—) | 178,738 | 252,592 | 270,125 | 17,704 | 21,548 | 32,164 | 20,570 | 38,294 | 30,159 | 31,369 |
| 22 Foreign countries | 179,081 | 252,994 | 270,093 | 17,709 | 21,490 | 32,215 | 20,482 | 38,215 | 30,161 | 31,382 |
| 23 Europe | 130,057 | 140,674 | 146,547 | 7,640 | 9,475 | 19,378 | 7,789 | 21,618 | 17,058 | 16,989 |
| 24 France | 3,386 | 1,870 | 1,806 | —34 | 104 | 159 | 85 | 334 | —819 | 347 |
| 25 Germany | 4,369 | 7,723 | 3,611 | 288 | 175 | 897 | 154 | 1,185 | 44 | 436 |
| 26 Netherlands | 3,443 | 2,446 | 672 | 279 | 283 | —169 | —575 | 850 | —818 | 848 |
| 27 Switzerland | 4,826 | 4,553 | 3,438 | —18 | 9 | 324 | 1,003 | 757 | 333 | 349 |
| 28 United Kingdom | 99,637 | 106,344 | 114,380 | 4,274 | 6,237 | 16,218 | 4,003 | 15,909 | 15,950 | 12,508 |
| 29 Canada | 6,121 | 6,043 | 11,694 | 764 | 1,076 | 1,092 | 943 | 1,965 | 811 | 897 |
| 30 Latin America and Caribbean | 23,938 | 58,783 | 48,720 | 4,823 | 2,786 | 4,390 | 4,743 | 3,829 | 6,338 | 5,021 |
| 31 Middle East | 4,997 | 1,979 | 368 | 347 | —47 | 99 | 264 | 54 | —702 | —54 |
| 32 Other Asia | 12,662 | 42,817 | 60,902 | 4,103 | 7,996 | 7,059 | 6,601 | 10,562 | 6,777 | 8,214 |
| 33 Japan | 8,384 | 17,541 | 28,475 | 580 | 3,491 | 3,945 | 3,320 | 5,664 | 3,573 | 3,690 |
| 34 Africa | 190 | 1,411 | 837 | 35 | 40 | 72 | 10 | 37 | 49 | 58 |
| 35 Other countries | 1,116 | 1,287 | 1,025 | —3 | 164 | 125 | 132 | 150 | —170 | 257 |
| 36 Nonmonetary international and regional organizations | —343 | —402 | 63 | —5 | 58 | —51 | 88 | 110 | —2 | —13 |
| Foreign securities | | | | | | | | | | |
| 37 Stocks, net purchases, or sales (—) | 6,227 | 15,640 | —9,821 | 576 | 8,334 | —2,046 | —14,973 | 602 | 10,479 | 3,152 |
| 38 Foreign purchases | 929,923 | 1,177,303 | 1,524,145 | 154,322 | 144,592 | 152,149 | 133,902 | 143,618 | 149,696 | 155,705 |
| 39 Foreign sales | 923,696 | 1,161,663 | 1,533,966 | 153,746 | 136,258 | 154,195 | 148,875 | 143,016 | 139,217 | 152,553 |
| 40 Bonds, net purchases, or sales (—) | —17,350 | —5,676 | —10,613 | 798 | 4,263 | 5,770 | —6,484 | —2,811 | 267 | —3,157 |
| 41 Foreign purchases | 1,328,281 | 798,267 | 781,465 | 63,916 | 79,534 | 82,951 | 68,420 | 74,803 | 92,182 | 99,255 |
| 42 Foreign sales | 1,345,631 | 803,943 | 792,078 | 63,118 | 75,271 | 77,181 | 74,904 | 77,614 | 91,915 | 102,412 |
| 43 Net purchases, or sales (—), of stocks and bonds | —11,123 | 9,964 | —20,434 | 1,374 | 12,597 | 3,724 | —21,457 | —2,209 | 10,746 | —5 |
| 44 Foreign countries | —10,778 | 9,679 | —20,761 | 1,209 | 12,521 | 3,874 | —21,216 | —2,055 | 10,570 | —172 |
| 45 Europe | 12,632 | 59,247 | —27,183 | 1,535 | 10,113 | —1,434 | —23,856 | —6,190 | 6,530 | —3,748 |
| 46 Canada | —1,901 | —999 | —2,166 | —422 | —1,234 | 1,399 | 279 | 916 | —1,142 | 1,774 |
| 47 Latin America and Caribbean | —13,798 | —4,726 | —13,601 | —5,155 | —845 | 1,981 | —715 | —562 | 665 | 1,195 |
| 48 Asia | —3,992 | —42,961 | 19,697 | 5,641 | 4,770 | 1,878 | 3,145 | 3,160 | 3,867 | 80 |
| 49 Japan | —1,742 | —43,637 | 18,581 | 4,688 | 5,777 | 3,243 | 3,904 | 1,478 | 2,082 | —1,105 |
| 50 Africa | —1,225 | 710 | 983 | —143 | —51 | —33 | 532 | —50 | 49 | 12 |
| 51 Other countries | —2,494 | —1,592 | 1,509 | —247 | —232 | 83 | —601 | 671 | 601 | 515 |
| 52 Nonmonetary international and regional organizations | —345 | 285 | 331 | 165 | 76 | —150 | —241 | —154 | 180 | 167 |

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.

3.25 MARKETABLE U.S. TREASURY BONDS AND NOTES Foreign Transactions¹

Millions of dollars; net purchases, or sales (-) during period

| Area or country | 1998 | 1999 | 2000 | 2000 | | | | | | |
|---|---------|---------|---------------|--------|--------|---------|--------|--------|--------|-------------------|
| | | | Jan.- Oct. | Apr. | May | June | July | Aug. | Sept. | Oct. ^P |
| 1 Total estimated | 49,039 | -9,953 | -29,830 | 14,520 | -7,018 | -17,932 | -6,061 | -114 | -8,516 | -2,944 |
| 2 Foreign countries | 46,570 | -10,518 | -29,410 | 14,484 | -6,820 | -17,597 | -5,746 | -117 | -8,741 | -3,129 |
| 3 Europe | 23,797 | -38,228 | -32,727 | -632 | -2,526 | -9,935 | -6,351 | 3,707 | -1,284 | -3,506 |
| 4 Belgium and Luxembourg | 3,805 | -81 | 116 | -498 | -743 | 252 | -138 | 138 | -127 | 320 |
| 5 Germany | 144 | 2,285 | -4,054 | -1,676 | 74 | 609 | -2,199 | -36 | -1,738 | 1,424 |
| 6 Netherlands | -5,533 | 2,122 | 3,498 | 700 | -1,159 | -389 | -584 | 91 | 836 | 183 |
| 7 Sweden | 1,486 | 1,699 | 858 | -289 | 266 | -47 | 114 | 56 | 214 | -118 |
| 8 Switzerland | 5,240 | -1,761 | -10,090 | -288 | -337 | -1,928 | -1,398 | -338 | -959 | -58 |
| 9 United Kingdom | 14,384 | 20,232 | -23,227 | -533 | 178 | -9,243 | -4,372 | 3,054 | -1,865 | -3,585 |
| 10 Other Europe and former U.S.S.R. | 4,271 | -22,260 | 172 | 1,952 | -805 | 811 | 2,226 | 742 | 2,355 | -1,672 |
| 11 Canada | 615 | 7,348 | 2,357 | 1,819 | -681 | 226 | -872 | 222 | 1,417 | 160 |
| 12 Latin America and Caribbean | -3,662 | -7,523 | -4,238 | 2,509 | -3,122 | -3,839 | 1,415 | 245 | -4,979 | 3,887 |
| 13 Venezuela | 59 | 362 | 737 | 26 | 4 | 16 | 89 | 45 | 314 | 152 |
| 14 Other Latin America and Caribbean .. | 9,523 | 1,661 | -8,649 | 258 | -548 | -4,748 | 1,261 | 61 | -4,936 | 2,954 |
| 15 Netherlands Antilles | -13,244 | -9,546 | 3,674 | 2,225 | -2,578 | 893 | 65 | 139 | -357 | 781 |
| 16 Asia | 27,433 | 29,359 | 3,350 | 11,166 | -908 | -3,988 | -488 | -4,918 | -3,319 | -4,719 |
| 17 Japan | 13,048 | 20,102 | 9,959 | 10,855 | -2,486 | -2,660 | 672 | 367 | 1,717 | 1,577 |
| 18 Africa | 751 | -3,021 | -354 | 4 | -114 | -130 | 4 | 9 | -139 | -6 |
| 19 Other | -2,364 | 1,547 | 2,202 | -382 | 531 | 69 | 546 | 618 | -437 | 1,055 |
| 20 Nonmonetary international and regional organizations | 2,469 | 565 | -420 | 36 | -198 | -335 | -315 | 3 | 225 | 185 |
| 21 International | 1,502 | 190 | -352 | 30 | -158 | -286 | -333 | 15 | 391 | 39 |
| 22 Latin American regional | 199 | 666 | 71 | 6 | -14 | -9 | -1 | -10 | 1 | 28 |
| MEMO | | | | | | | | | | |
| 23 Foreign countries | 46,570 | -10,518 | -29,410 | 14,484 | -6,820 | -17,597 | -5,746 | -117 | -8,741 | -3,129 |
| 24 Official institutions | 4,123 | -9,861 | -2,409 | 6,403 | -1,405 | -1,412 | -639 | 449 | -6,626 | -7,150 |
| 25 Other foreign | 42,447 | -657 | -27,001 | 8,081 | -5,415 | -16,185 | -5,107 | -566 | -2,115 | 4,021 |
| Oil-exporting countries | | | | | | | | | | |
| 26 Middle East ² | 16,554 | 2,207 | 4,338 | 811 | 572 | 859 | 267 | 217 | -1,030 | -724 |
| 27 Africa ³ | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

1. Official and private transactions in marketable U.S. Treasury securities having an original maturity of more than one year. Data are based on monthly transactions reports. Excludes nonmarketable U.S. Treasury bonds and notes held by official institutions of foreign countries.

2. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

3. Comprises Algeria, Gabon, Libya, and Nigeria.

3.28 FOREIGN EXCHANGE RATES AND INDEXES OF THE FOREIGN EXCHANGE VALUE OF THE U.S. DOLLAR¹

Currency units per U.S. dollar except as noted

| Item | 1998 | 1999 | 2000 | 2000 | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | | | | July | Aug. | Sept. | Oct. | Nov. | Dec. |
| Exchange Rates | | | | | | | | | |
| COUNTRY/CURRENCY UNIT | | | | | | | | | |
| 1 Australia/dollar ² | 62.91 | 64.54 | 58.15 | 58.70 | 58.08 | 55.21 | 52.80 | 52.18 | 54.66 |
| 2 Austria/schilling | 12.379 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 3 Belgium/franc | 36.31 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 4 Brazil/real | 1.1605 | 1.8207 | 1.8301 | 1.7982 | 1.8091 | 1.8397 | 1.8813 | 1.9483 | 1.9632 |
| 5 Canada/dollar | 1.4836 | 1.4858 | 1.4855 | 1.4778 | 1.4828 | 1.4864 | 1.5125 | 1.5426 | 1.5219 |
| 6 China, P.R./yuan | 8.3008 | 8.2783 | 8.2784 | 8.2794 | 8.2796 | 8.2785 | 8.2785 | 8.2774 | 8.2771 |
| 7 Denmark/krone | 6.7030 | 6.9900 | 8.0953 | 7.9471 | 8.2459 | 8.5849 | 8.7276 | 8.6992 | 8.3059 |
| 8 European Monetary Union/euro ³ | n.a. | 1.0653 | 0.9232 | 0.9386 | 0.9045 | 0.8695 | 0.8525 | 0.8552 | 0.8983 |
| 9 Finland/markka | 5.3473 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 10 France/franc | 5.8995 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 11 Germany/deutsche mark | 1.7597 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 12 Greece/drachma | 295.70 | 306.30 | 365.92 | 359.04 | 372.97 | 389.67 | 398.29 | 397.94 | 379.58 |
| 13 Hong Kong/dollar | 7.7467 | 7.7594 | 7.7924 | 7.7969 | 7.7995 | 7.7985 | 7.7977 | 7.7991 | 7.7991 |
| 14 India/rupee | 41.36 | 43.13 | 45.00 | 44.84 | 45.77 | 45.97 | 46.43 | 46.82 | 46.78 |
| 15 Ireland/pound ² | 142.48 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 16 Italy/lira | 1,736.85 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 17 Japan/yen | 130.99 | 113.73 | 107.80 | 108.21 | 108.08 | 106.84 | 108.44 | 109.01 | 112.21 |
| 18 Malaysia/ringgit | 3.9254 | 3.8000 | 3.8000 | 3.8000 | 3.8000 | 3.8000 | 3.8000 | 3.8000 | 3.8000 |
| 19 Mexico/peso | 9.152 | 9.553 | 9.459 | 9.419 | 9.272 | 9.362 | 9.537 | 9.508 | 9.467 |
| 20 Netherlands/guilder | 1.9837 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 21 New Zealand/dollar ² | 53.61 | 52.94 | 45.68 | 45.97 | 44.52 | 41.71 | 40.01 | 39.90 | 42.97 |
| 22 Norway/krone | 7.5521 | 7.8071 | 8.8131 | 8.7185 | 8.9526 | 9.2331 | 9.3794 | 9.3524 | 9.0616 |
| 23 Portugal/escudo | 180.25 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 24 Singapore/dollar | 1.6722 | 1.6951 | 1.7250 | 1.7414 | 1.7206 | 1.7406 | 1.7525 | 1.7478 | 1.7361 |
| 25 South Africa/rand | 5.5417 | 6.1191 | 6.9468 | 6.8971 | 6.9570 | 7.1805 | 7.4902 | 7.6889 | 7.6439 |
| 26 South Korea/won | 1,400.40 | 1,189.84 | 1,130.90 | 1,115.08 | 1,114.47 | 1,117.57 | 1,131.10 | 1,156.54 | 1,216.94 |
| 27 Spain/peseta | 149.41 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| 28 Sri Lanka/rupee | 65.006 | 70.868 | 76.964 | 78.852 | 78.283 | 78.731 | 79.291 | 80.381 | 82.030 |
| 29 Sweden/krona | 7.9522 | 8.2740 | 9.1735 | 8.9640 | 9.2771 | 9.6853 | 9.9930 | 10.0965 | 9.6604 |
| 30 Switzerland/franc | 1.4506 | 1.5045 | 1.6904 | 1.6519 | 1.7149 | 1.7586 | 1.7745 | 1.7779 | 1.6855 |
| 31 Taiwan/dollar | 33.547 | 32.322 | 31.260 | 30.984 | 31.106 | 31.198 | 31.846 | 32.433 | 33.123 |
| 32 Thailand/baht | 41.262 | 37.887 | 40.210 | 40.318 | 40.889 | 41.992 | 43.334 | 43.791 | 43.246 |
| 33 United Kingdom/pound ² | 165.73 | 161.72 | 151.56 | 150.76 | 148.89 | 143.36 | 145.06 | 142.58 | 146.29 |
| 34 Venezuela/bolivar | 548.39 | 606.82 | 680.52 | 685.86 | 689.17 | 690.39 | 692.86 | 695.77 | 698.85 |
| Indexes ⁴ | | | | | | | | | |
| NOMINAL | | | | | | | | | |
| 35 Broad (January 1997=100) ⁵ | 116.48 ^f | 116.87 ^f | 119.93 ^f | 119.35 ^f | 120.13 ^f | 121.54 ^f | 123.28 ^f | 124.22 ^f | 123.29 ^f |
| 36 Major currencies (March 1973=100) ⁶ | 95.79 ^f | 94.06 ^f | 98.34 ^f | 97.52 ^f | 98.99 ^f | 100.57 ^f | 102.15 ^f | 103.00 ^f | 101.18 ^f |
| 37 Other important trading partners (January 1997=100) ⁷ | 126.03 ^f | 129.94 ^f | 130.26 ^f | 129.80 ^f | 129.24 ^f | 130.09 ^f | 131.71 ^f | 132.60 ^f | 133.33 ^f |
| REAL | | | | | | | | | |
| 38 Broad (March 1973=100) ⁵ | 99.21 ^f | 98.53 ^f | 102.19 ^f | 102.23 ^f | 102.74 ^f | 103.82 ^f | 105.22 ^f | 105.71 ^f | 104.89 ^f |
| 39 Major currencies (March 1973=100) ⁶ | 97.24 ^f | 96.68 ^f | 102.86 ^f | 102.29 ^f | 103.88 ^f | 105.54 ^f | 107.29 ^f | 108.08 ^f | 106.17 ^f |
| 40 Other important trading partners (March 1973=100) ⁷ | 108.10 ^f | 107.22 ^f | 107.67 ^f | 108.53 ^f | 107.64 ^f | 108.01 ^f | 109.05 ^f | 109.18 ^f | 109.72 ^f |

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) monthly statistical release. For ordering address, see inside front cover.

2. U.S. cents per currency unit.

3. As of January 1999, the euro is reported in place of the individual euro area currencies. By convention, the rate is reported in U.S. dollars per euro. These currency rates can be derived from the euro rate by using the fixed conversion rates (in currencies per euro) as shown below:

Euro equals

| | | | |
|---------|---------------------|---------|----------------------|
| 13.7603 | Austrian schillings | 1936.27 | Italian lire |
| 40.3399 | Belgian francs | 40.3399 | Luxembourg francs |
| 5.94573 | Finnish markkas | 2.20371 | Netherlands guilders |
| 6.55957 | French francs | 200.482 | Portuguese escudos |
| 1.95583 | German marks | 166.386 | Spanish pesetas |
| .787564 | Irish pounds | | |

4. The February 2001 *Bulletin* will contain revised index values resulting from the annual revision of data that underlie the calculated trade weights. For more information on the indexes of foreign exchange value of the dollar, see *Federal Reserve Bulletin*, vol. 84 (October 1998), pp. 811-818.

5. Weighted average of the foreign exchange value of the U.S. dollar against the currencies of a broad group of U.S. trading partners. The weight for each currency is computed as an average of U.S. bilateral import shares from and export shares to the issuing country and of a measure of the importance to U.S. exporters of that country's trade in third country markets.

6. Weighted average of the foreign exchange value of the U.S. dollar against a subset of broad index currencies that circulate widely outside the country of issue. The weight for each currency is its broad index weight scaled so that the weights of the subset of currencies in the index sum to one.

7. Weighted average of the foreign exchange value of the U.S. dollar against a subset of broad index currencies that do not circulate widely outside the country of issue. The weight for each currency is its broad index weight scaled so that the weights of the subset of currencies in the index sum to one.

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4.20 DOMESTIC AND FOREIGN OFFICES Insured Commercial Bank Assets and Liabilities
Consolidated Report of Condition, September 30, 2000

Millions of dollars except as noted

| Item | Total | Domestic total | Banks with foreign offices ¹ | | Banks with domestic offices only ² | |
|---|------------------|------------------|---|------------------|---|----------------|
| | | | Total | Domestic | Over 100 | Under 100 |
| 1 Total assets³ | 5,991,548 | 5,288,698 | 4,167,981 | 3,465,131 | 1,556,846 | 266,721 |
| 2 Cash and balances due from depository institutions | 327,364 | 234,607 | 257,843 | 165,087 | 57,626 | 11,894 |
| 3 Cash items in process of collection, unposted debits, and currency and coin | ↑ | ↑ | 119,249 | 115,946 | 29,339 | ↑ |
| 4 Cash items in process of collection and unposted debits | n.a. | n.a. | n.a. | 92,949 | 19,221 | n.a. |
| 5 Currency and coin | n.a. | n.a. | n.a. | 22,997 | 10,118 | n.a. |
| 6 Balances due from depository institutions in the United States | ↓ | ↓ | 39,569 | 29,181 | 19,511 | ↓ |
| 7 Balances due from banks in foreign countries and foreign central banks | ↓ | ↓ | 86,109 | 7,135 | 1,008 | ↓ |
| 8 Balances due from Federal Reserve Banks | ↓ | ↓ | 12,916 | 12,824 | 7,769 | ↓ |
| MEMO | | | | | | |
| 9 Non-interest-bearing balances due from commercial banks in the United States (included in balances due from depository institutions in the United States) | n.a. | 38,411 | n.a. | 19,009 | 14,936 | 4,466 |
| 10 Total securities, held-to-maturity (amortized cost) and available-for-sale (fair value) | 1,042,258 | ↑ | 595,992 | ↑ | 379,692 | 66,574 |
| 11 U.S. Treasury securities | 92,355 | ↑ | 63,503 | ↑ | 23,716 | 5,135 |
| 12 U.S. government agency and corporation obligations (excludes mortgage-backed securities) | 223,907 | ↑ | 82,806 | ↑ | 106,231 | 34,870 |
| 13 Issued by U.S. government agencies | 4,969 | ↑ | 2,466 | ↑ | 1,862 | 640 |
| 14 Issued by U.S. government-sponsored agencies | 218,938 | ↑ | 80,340 | ↑ | 104,368 | 34,230 |
| 15 Securities issued by states and political subdivisions in the United States | 89,922 | ↑ | 30,316 | ↑ | 48,283 | 11,323 |
| 16 General obligations | 64,748 | ↑ | 20,205 | ↑ | 36,435 | 8,108 |
| 17 Revenue obligations | 24,553 | ↑ | 9,721 | ↑ | 11,660 | 3,172 |
| 18 Industrial development and similar obligations | 621 | ↑ | 389 | ↑ | 187 | 44 |
| 19 Mortgage-backed securities (MBS) | 442,916 | ↑ | 286,928 | ↑ | 144,039 | 11,949 |
| 20 Pass-through securities | 280,165 | ↑ | 191,994 | ↑ | 80,099 | 8,072 |
| 21 Guaranteed by GNMA | 70,248 | n.a. | 40,639 | n.a. | 26,570 | 3,039 |
| 22 Issued by FNMA and FHLMC | 207,585 | ↑ | 149,791 | ↑ | 52,801 | 4,993 |
| 23 Privately issued | 2,332 | ↑ | 1,563 | ↑ | 728 | 41 |
| 24 Other mortgage-backed securities (includes CMOs, REMICs, and stripped MBS) | 162,752 | ↑ | 94,935 | ↑ | 63,940 | 3,877 |
| 25 Issued or guaranteed by FNMA, FHLMC, or GNMA | 106,355 | ↑ | 63,892 | ↑ | 38,904 | 3,558 |
| 26 Collateralized by MBS issued or guaranteed by FNMA, FHLMC, or GNMA | 4,258 | ↑ | 3,418 | ↑ | 739 | 101 |
| 27 All other mortgage-backed securities | 52,139 | ↑ | 27,625 | ↑ | 24,296 | 218 |
| 28 Other debt securities | 153,873 | ↑ | 105,443 | ↑ | 46,461 | 1,968 |
| 29 Other domestic debt securities | n.a. | ↑ | 51,361 | ↑ | 42,102 | n.a. |
| 30 Foreign debt securities | n.a. | ↑ | 54,082 | ↑ | 4,359 | n.a. |
| 31 Equity securities | 39,285 | ↑ | 26,995 | ↑ | 10,963 | 1,327 |
| 32 Investments in mutual funds and other equity securities with readily determinable fair value | 12,384 | ↑ | 9,517 | ↑ | 2,552 | 315 |
| 33 All other equity securities | 26,901 | ↑ | 17,478 | ↑ | 8,410 | 1,012 |
| 34 Federal funds sold and securities purchased under agreements to resell | 223,594 | 178,110 | 176,735 | 131,250 | 35,941 | 10,918 |
| 35 Total loans and lease-financing receivables, gross | 3,737,074 | 3,444,328 | 2,551,833 | 2,259,087 | 1,017,042 | 168,199 |
| 36 LESS: Unearned income on loans | 2,940 | 2,385 | 1,486 | 932 | 1,188 | 265 |
| 37 Total loans and leases (net of unearned income) | 3,734,134 | 3,441,943 | 2,550,347 | 2,258,155 | 1,015,854 | 167,934 |
| 38 LESS: Allowance for loan and lease losses | 61,319 | n.a. | 42,605 | n.a. | 16,443 | 2,270 |
| 39 LESS: Allocated transfer risk reserves | 123 | n.a. | 121 | n.a. | 1 | 1 |
| 40 EQUALS: Total loans and leases, net | 3,672,693 | n.a. | 2,507,620 | n.a. | 999,410 | 165,663 |
| Total loans and leases, gross, by category | 1,646,072 | 1,614,630 | 975,871 | 944,429 | 572,157 | 98,043 |
| 41 Loans secured by real estate | ↑ | ↑ | ↑ | ↑ | ↑ | ↑ |
| 42 Construction and land development | 155,590 | 155,590 | 83,958 | 83,958 | 62,526 | 9,106 |
| 43 Farmland | 33,919 | 33,919 | 6,664 | 6,664 | 5,872 | 11,383 |
| 44 One- to four-family residential properties | 912,161 | 912,161 | 593,813 | 593,813 | 271,706 | 46,642 |
| 45 Revolving, open-end loans, extended under lines of credit | 122,853 | 122,853 | 89,217 | 89,217 | 31,056 | 2,580 |
| 46 All other loans | 789,307 | 789,307 | 504,595 | 504,595 | 240,650 | 44,062 |
| 47 Multifamily (five or more) residential properties | 59,903 | 59,903 | 33,385 | 33,385 | 24,297 | 2,221 |
| 48 Nonfarm nonresidential properties | 453,058 | 453,058 | 226,610 | 226,610 | 197,756 | 28,691 |
| 49 Loans to depository institutions | 121,840 | 105,012 | 108,989 | 92,161 | 12,754 | 97 |
| 50 Commercial banks in the United States | n.a. | n.a. | 74,487 | 73,624 | 12,485 | n.a. |
| 51 Other depository institutions in the United States | n.a. | n.a. | 11,650 | 11,629 | 174 | n.a. |
| 52 Banks in foreign countries | n.a. | n.a. | 22,852 | 6,909 | 95 | n.a. |
| 53 Loans to finance agricultural production and other loans to farmers | 47,094 | 46,204 | 12,510 | 11,620 | 18,299 | 16,286 |
| 54 Commercial and industrial loans | 1,037,675 | 872,892 | 834,855 | 670,072 | 173,484 | 29,336 |
| 55 U.S. addressees (domicile) | n.a. | n.a. | 682,661 | 659,947 | 172,699 | n.a. |
| 56 Non-U.S. addressees (domicile) | n.a. | n.a. | 152,194 | 10,125 | 785 | n.a. |
| 57 Acceptances of other banks | 1,316 | 645 | 1,243 | 572 | 68 | 5 |
| 58 U.S. banks | n.a. | n.a. | 315 | 268 | n.a. | n.a. |
| 59 Foreign banks | n.a. | n.a. | 929 | 305 | n.a. | n.a. |
| 60 Loans to individuals for household, family, and other personal expenditures (includes purchased paper) | 565,100 | 521,737 | 327,109 | 283,747 | 215,784 | 22,207 |
| 61 Credit cards and related plans | 214,559 | n.a. | 119,478 | n.a. | 94,157 | 925 |
| 62 Other (includes single payment and installment) | 350,541 | n.a. | 207,632 | n.a. | 121,627 | 21,282 |
| 63 Obligations (other than securities) of states and political subdivisions in the United States (includes nonrated industrial development obligations) | 20,975 | 20,960 | 13,987 | 13,972 | 6,223 | 765 |
| 64 All other loans | 135,918 | 107,129 | 127,653 | 98,865 | 7,484 | 780 |
| 65 Loans to foreign governments and official institutions | n.a. | n.a. | 6,811 | 1,957 | n.a. | n.a. |
| 66 Other loans | n.a. | n.a. | 120,842 | 96,908 | 7,475 | n.a. |
| 67 Loans for purchasing and carrying securities | n.a. | n.a. | n.a. | 21,057 | 1,518 | n.a. |
| 68 All other loans (excludes consumer loans) | n.a. | n.a. | n.a. | 75,851 | 5,957 | n.a. |
| 69 Lease-financing receivables | 161,085 | 155,119 | 149,615 | 143,649 | 10,790 | 680 |
| 70 Assets held in trading accounts | 279,519 | ↑ | 278,703 | ↑ | 811 | 1 |
| 71 Premises and fixed assets (including capitalized leases) | 73,771 | ↑ | 45,828 | ↑ | 22,677 | 5,266 |
| 72 Other real estate owned | 3,105 | n.a. | 1,652 | n.a. | 1,154 | 299 |
| 73 Investments in unconsolidated subsidiaries and associated companies | 9,371 | ↑ | 8,919 | ↑ | 403 | 50 |
| 74 Customers' liability on acceptances outstanding | 9,292 | ↑ | 9,076 | ↑ | 214 | 2 |
| 75 Net due from own foreign offices, Edge Act and agreement subsidiaries, and IBFs | n.a. | 19,458 | n.a. | 19,458 | n.a. | n.a. |
| 76 Intangible assets | 101,515 | n.a. | 87,232 | n.a. | 13,413 | 870 |
| 77 All other assets | 249,066 | n.a. | 198,380 | n.a. | 45,506 | 5,180 |

4.20 DOMESTIC AND FOREIGN OFFICES Insured Commercial Bank Assets and Liabilities—Continued Consolidated Report of Condition, September 30, 2000

Millions of dollars except as noted

| Item | Total | Domestic total | Banks with foreign offices ¹ | | Banks with domestic offices only ² | |
|--|-----------|----------------|---|-----------|---|-----------|
| | | | Total | Domestic | Over 100 | Under 100 |
| 78 Total liabilities, limited-life preferred stock, and equity capital | 5,991,546 | n.a. | 4,167,981 | n.a. | 1,556,844 | 266,721 |
| 79 Total liabilities | 5,480,528 | 4,777,677 | 3,827,322 | 3,124,472 | 1,414,916 | 238,289 |
| 80 Total deposits | 3,990,401 | 3,296,441 | 2,639,176 | 1,945,215 | 1,126,624 | 224,602 |
| 81 Individuals, partnerships, and corporations | 3,555,181 | 3,069,559 | 2,309,114 | 1,823,492 | 1,043,541 | 202,527 |
| 82 U.S. government | n.a. | 7,737 | n.a. | 6,728 | 872 | 137 |
| 83 States and political subdivisions in the United States | n.a. | 150,981 | n.a. | 68,561 | 64,358 | 18,063 |
| 84 Commercial banks in the United States | 100,601 | 33,820 | 91,848 | 25,068 | 7,748 | 1,004 |
| 85 Other depository institutions in the United States | n.a. | 8,142 | n.a. | 3,402 | 3,341 | 1,399 |
| 86 Foreign banks, governments, and official institutions | 141,849 | 9,602 | 141,312 | 9,065 | 525 | 11 |
| 87 Banks | n.a. | n.a. | 103,410 | 8,038 | 521 | n.a. |
| 88 Governments and official institutions | n.a. | n.a. | 37,902 | 1,027 | 4 | n.a. |
| 89 Certified and official checks | 17,825 | 16,599 | 10,126 | 8,900 | 6,239 | 1,461 |
| 90 Total transaction accounts | ↑ | 621,916 | ↑ | 353,094 | 207,182 | 61,640 |
| 91 Individuals, partnerships, and corporations | ↑ | 526,894 | ↑ | 294,175 | 178,901 | 53,818 |
| 92 U.S. government | ↑ | 1,489 | ↑ | 1,114 | 322 | 53 |
| 93 States and political subdivisions in the United States | ↑ | 43,108 | ↑ | 20,242 | 16,870 | 5,996 |
| 94 Commercial banks in the United States | ↑ | 24,370 | ↑ | 20,221 | 3,923 | 226 |
| 95 Other depository institutions in the United States | ↑ | 2,711 | ↑ | 1,967 | 668 | 75 |
| 96 Foreign banks, governments, and official institutions | ↑ | 6,745 | ↑ | 6,475 | 259 | 11 |
| 97 Banks | ↑ | n.a. | ↑ | 5,938 | 255 | n.a. |
| 98 Governments and official institutions | ↑ | n.a. | ↑ | 537 | 4 | n.a. |
| 99 Certified and official checks | ↑ | 16,599 | ↑ | 8,900 | 6,239 | 1,461 |
| 100 Demand deposits (included in total transaction accounts) | ↑ | 484,062 | ↑ | 314,282 | 136,615 | 33,165 |
| 101 Individuals, partnerships, and corporations | ↑ | 414,199 | ↑ | 263,835 | 120,175 | 30,189 |
| 102 U.S. government | ↑ | 1,368 | ↑ | 1,070 | 255 | 43 |
| 103 States and political subdivisions in the United States | ↑ | 18,095 | ↑ | 11,818 | 5,115 | 1,162 |
| 104 Commercial banks in the United States | n.a. | 24,363 | n.a. | 20,220 | 3,918 | 226 |
| 105 Other depository institutions in the United States | ↑ | 2,695 | ↑ | 1,967 | 654 | 74 |
| 106 Foreign banks, governments, and official institutions | ↑ | 6,743 | ↑ | 6,473 | 259 | 11 |
| 107 Banks | ↑ | n.a. | ↑ | 5,938 | 255 | n.a. |
| 108 Governments and official institutions | ↑ | n.a. | ↑ | 536 | 4 | n.a. |
| 109 Certified and official checks | ↑ | 16,599 | ↑ | 8,900 | 6,239 | 1,461 |
| 110 Total nontransaction accounts | ↓ | 2,674,525 | ↓ | 1,592,122 | 919,442 | 162,961 |
| 111 Individuals, partnerships, and corporations | ↓ | 2,542,666 | ↓ | 1,529,318 | 864,639 | 148,709 |
| 112 U.S. government | ↓ | 6,248 | ↓ | 5,614 | 550 | 84 |
| 113 States and political subdivisions in the United States | ↓ | 107,873 | ↓ | 48,319 | 47,488 | 12,066 |
| 114 Commercial banks in the United States | ↓ | 9,449 | ↓ | 4,846 | 3,826 | 778 |
| 115 Other depository institutions in the United States | ↓ | 5,431 | ↓ | 1,435 | 2,673 | 1,324 |
| 116 Foreign banks, governments, and official institutions | ↓ | 2,857 | ↓ | 2,591 | 266 | 1 |
| 117 Banks | ↓ | n.a. | ↓ | 2,101 | 266 | n.a. |
| 118 Governments and official institutions | ↓ | n.a. | ↓ | 490 | 0 | n.a. |
| 119 Federal funds purchased and securities sold under agreements to repurchase | 457,647 | 426,278 | 369,047 | 337,678 | 85,125 | 3,475 |
| 120 Demand notes issued to the U.S. Treasury | 37,835 | 37,835 | 34,985 | 34,985 | 2,758 | 91 |
| 121 Trading liabilities | 195,336 | n.a. | 195,271 | n.a. | 64 | 0 |
| 122 Other borrowed money | 537,689 | 492,579 | 362,272 | 317,162 | 167,602 | 7,815 |
| 123 Banks' liability on acceptances executed and outstanding | 9,346 | 6,784 | 9,130 | 6,568 | 214 | 2 |
| 124 Notes and debentures subordinated to deposits | 83,863 | n.a. | 79,674 | n.a. | 4,169 | 19 |
| 125 Net due to own foreign offices, Edge Act and agreement subsidiaries, and IBFs | n.a. | 201,572 | n.a. | 201,572 | n.a. | n.a. |
| 126 All other liabilities | 168,412 | n.a. | 137,768 | n.a. | 28,360 | 2,284 |
| 127 Total equity capital | 511,019 | n.a. | 340,659 | n.a. | 141,928 | 28,432 |
| MEMO | | | | | | |
| 128 Trading assets at large banks ⁴ | 279,248 | 132,420 | 278,683 | 131,854 | 565 | ↑ |
| 129 U.S. Treasury securities (domestic offices) | ↑ | 15,932 | ↑ | 15,919 | 13 | ↑ |
| 130 U.S. government agency corporation obligations | ↑ | 5,816 | ↑ | 5,714 | 102 | ↑ |
| 131 Securities issued by states and political subdivisions in the United States | n.a. | 1,852 | n.a. | 1,670 | 181 | n.a. |
| 132 Mortgage-backed securities | ↑ | 5,622 | ↑ | 5,526 | 97 | ↑ |
| 133 Other debt securities | ↑ | 24,428 | ↑ | 24,417 | 11 | ↑ |
| 134 Other trading assets | ↑ | 13,222 | ↑ | 13,152 | 70 | ↑ |
| 135 Trading assets in foreign banks | 146,828 | 0 | 146,828 | 0 | 0 | ↓ |
| 136 Revaluation gains on interest rate, foreign exchange rate, and other commodity and equity contracts | 65,548 | 65,548 | 65,457 | 65,457 | 91 | n.a. |
| 137 Total individual retirement (IRA) and Keogh plan accounts | ↑ | 156,092 | ↑ | 81,421 | 63,536 | 11,135 |
| 138 Total brokered deposits | ↑ | 160,274 | ↑ | 76,148 | 81,807 | 2,318 |
| 139 Fully insured brokered deposits | ↑ | 115,581 | ↑ | 43,116 | 70,378 | 2,087 |
| 140 Issued in denominations of less than \$100,000 | ↑ | 20,434 | ↑ | 4,694 | 14,614 | 1,125 |
| 141 Issued in denominations of \$100,000, or in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less | n.a. | 95,147 | n.a. | 38,421 | 55,764 | 962 |
| 142 Money market deposit accounts (MMDAs) | ↑ | 933,241 | ↑ | 637,835 | 269,294 | 26,112 |
| 143 Other savings deposits (excluding MMDAs) | ↑ | 419,155 | ↑ | 262,802 | 136,885 | 19,468 |
| 144 Total time deposits of less than \$100,000 | ↑ | 782,658 | ↑ | 378,205 | 322,393 | 82,060 |
| 145 Total time deposits of \$100,000 or more | ↑ | 539,471 | ↑ | 313,279 | 190,870 | 35,322 |
| 146 All negotiable order of withdrawal (NOW) accounts | ↑ | 135,992 | ↑ | 38,787 | 69,319 | 27,887 |
| 147 Number of banks | 8,350 | 8,350 | 159 | n.a. | 3,013 | 5,178 |

NOTE: The notation "n.a." indicates the lesser detail available from banks that don't have foreign offices, the inapplicability of certain items to banks that have only domestic offices, or the absence of detail on a fully consolidated basis for banks that have foreign offices.

1. All transactions between domestic and foreign offices of a bank are reported in "net due from" and "net due to" lines. All other lines represent transactions with parties other than the domestic and foreign offices of each bank. Because these intra-office 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.

Foreign offices include branches in foreign countries, Puerto Rico, and U.S. territories and possessions; subsidiaries in foreign countries; all offices of Edge Act and agreement corporations wherever located; and IBFs.

2. "Over 100" refers to banks whose assets, on June 30 of the preceding calendar year,

were \$100 million or more. (These banks file the FFIEC 032 or FFIEC 033 Call Report.) "Under 100" refers to banks whose assets, on June 30 of the preceding calendar year, were less than \$100 million. (These banks file the FFIEC 034 Call Report.)

3. Because the domestic portion of allowances for loan and lease losses and allocated transfer risk reserves are not reported for banks with foreign offices, the components of total assets (domestic) do not sum to the actual total (domestic).

4. Components of "Trading assets at large banks" are reported only by banks with either total assets of \$1 billion or more or with \$2 billion or more in the par/notional amount of their off-balance-sheet derivative contracts.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, November 6–10, 2000

A. Commercial and industrial loans made by all commercial banks¹

| Item | Weighted-average effective loan rate (percent) ² | Amount of loans (millions of dollars) | Average loan size (thousands of dollars) | Weighted-average maturity ³ | Amount of loans (percent) | | | | Most common base pricing rate ⁴ |
|---|---|---------------------------------------|--|---|---------------------------|----------|-------------------------------|-----------------------|---|
| | | | | Days | Secured by collateral | Callable | Subject to prepayment penalty | Made under commitment | |
| | | | | | | | | | |
| LOAN RISK ⁵ | | | | | | | | | |
| 1 All commercial and industrial loans | 8.15 | 118,805 | 765 | 374 | 41.0 | 8.9 | 24.9 | 71.7 | Foreign Fed funds Fed funds Foreign Fed funds |
| 2 Minimal risk | 7.54 | 6,845 | 1,103 | 390 | 49.3 | 14.9 | 62.4 | 90.3 | |
| 3 Low risk | 7.55 | 21,357 | 1,391 | 306 | 22.7 | 17.8 | 42.0 | 67.8 | |
| 4 Moderate risk | 8.33 | 36,786 | 663 | 447 | 37.2 | 8.0 | 26.6 | 78.9 | |
| 5 Other | 8.85 | 22,404 | 524 | 309 | 37.3 | 5.1 | 12.7 | 73.1 | |
| By maturity/repricing interval ⁶ | | | | | | | | | |
| 6 Zero interval | 9.39 | 18,618 | 425 | 468 | 58.2 | 12.8 | 4.1 | 55.6 | Prime Prime Fed funds Prime Prime |
| 7 Minimal risk | 9.81 | 439 | 343 | 896 | 77.2 | 44.3 | 23.0 | 82.7 | |
| 8 Low risk | 7.97 | 2,189 | 705 | 535 | 68.9 | 50.0 | 8.3 | 48.3 | |
| 9 Moderate risk | 9.39 | 5,725 | 313 | 509 | 68.6 | 12.5 | 7.0 | 97.6 | |
| 10 Other | 10.34 | 2,979 | 212 | 631 | 69.8 | 7.5 | 2.3 | 96.3 | |
| 11 Daily | 7.84 | 50,383 | 1,031 | 207 | 32.7 | 10.1 | 26.8 | 62.8 | Fed funds Fed funds Fed funds Fed funds Fed funds |
| 12 Minimal risk | 7.23 | 3,823 | 5,897 | 301 | 71.2 | 9.6 | 85.7 | 99.5 | |
| 13 Low risk | 7.51 | 10,527 | 3,306 | 271 | 15.8 | 17.6 | 37.2 | 52.8 | |
| 14 Moderate risk | 8.02 | 14,489 | 893 | 243 | 23.2 | 10.1 | 27.3 | 64.9 | |
| 15 Other | 8.38 | 9,226 | 627 | 153 | 25.5 | 6.3 | 3.6 | 52.6 | |
| 16 2 to 30 days | 7.99 | 27,080 | 1,464 | 329 | 27.7 | 4.7 | 44.5 | 85.8 | Foreign Foreign Foreign Foreign Foreign |
| 17 Minimal risk | 7.12 | 1,486 | 2,562 | 459 | 9.0 | 6.9 | 56.9 | 86.1 | |
| 18 Low risk | 7.39 | 5,900 | 3,778 | 281 | 11.1 | 8.2 | 69.2 | 92.7 | |
| 19 Moderate risk | 8.04 | 10,025 | 1,345 | 391 | 24.3 | 3.5 | 39.4 | 87.2 | |
| 20 Other | 8.90 | 5,734 | 936 | 313 | 39.8 | 2.1 | 28.4 | 82.5 | |
| 21 31 to 365 days | 7.93 | 17,383 | 624 | 382 | 54.9 | 3.5 | 18.7 | 89.9 | Foreign Other Foreign Foreign Foreign |
| 22 Minimal risk | 7.82 | 770 | 240 | 251 | 21.7 | 5.0 | 6.3 | 53.3 | |
| 23 Low risk | 7.66 | 2,501 | 416 | 254 | 34.2 | 12.9 | 31.0 | 88.6 | |
| 24 Moderate risk | 8.35 | 4,878 | 598 | 750 | 52.0 | 3.1 | 28.7 | 90.8 | |
| 25 Other | 8.65 | 3,926 | 917 | 339 | 31.1 | 1.2 | 20.1 | 87.6 | |
| | | | | Months | | | | | Other Domestic Other Prime Other |
| 26 More than 365 days | 7.97 | 4,502 | 347 | 67 | 83.0 | 11.3 | 2.1 | 77.5 | |
| 27 Minimal risk | 9.25 | 324 | 721 | 25 | 2.5 | 97.9 | .6 | 98.9 | |
| 28 Low risk | 8.36 | 203 | 149 | 67 | 69.5 | 2.2 | 4.8 | 65.1 | |
| 29 Moderate risk | 9.05 | 1,447 | 345 | 52 | 87.2 | 7.0 | 3.7 | 44.7 | |
| 30 Other | 9.13 | 287 | 122 | 61 | 68.5 | 3.9 | 5.8 | 87.0 | |
| | | | | Weighted-average risk rating ⁷ | | | | | Average size (thousands of dollars) |
| | | | | Weighted-average maturity/repricing interval ⁶ | | | | | |
| | | | | Days | | | | | |
| SIZE OF LOAN (thousands of dollars) | | | | | | | | | |
| 31 1-99 | 10.32 | 2,635 | 3.2 | 140 | 83.1 | 27.5 | 2.2 | 77.9 | Prime Prime Foreign Fed funds |
| 32 100-999 | 9.65 | 10,346 | 3.2 | 107 | 69.7 | 17.0 | 6.9 | 84.9 | |
| 33 1,000-9,999 | 8.48 | 34,445 | 3.0 | 63 | 42.5 | 7.3 | 22.8 | 78.3 | |
| 34 10,000 or more | 7.69 | 71,379 | 2.8 | 103 | 34.6 | 7.7 | 29.4 | 66.3 | |
| BASE RATE OF LOAN ⁴ | | | | | | | | | |
| 35 Prime ⁷ | 10.12 | 20,739 | 3.3 | 83 | 70.1 | 17.7 | 3.7 | 75.3 | 210 |
| 36 Fed funds | 7.43 | 30,753 | 2.8 | 11 | 35.6 | 7.9 | 16.0 | 47.4 | 7,819 |
| 37 Other domestic | 7.61 | 14,503 | 2.4 | 31 | 12.3 | 20.3 | 69.3 | 72.9 | 3,002 |
| 38 Foreign | 7.97 | 31,403 | 2.9 | 40 | 29.8 | 2.9 | 39.9 | 82.2 | 2,798 |
| 39 Other | 7.88 | 21,407 | 3.1 | 343 | 56.5 | 2.6 | 6.3 | 86.8 | 589 |

Footnotes appear at end of table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, November 6–10, 2000

B. Commercial and industrial loans made by all domestic banks¹

| Item | Weighted-average effective loan rate (percent) ² | Amount of loans (millions of dollars) | Average loan size (thousands of dollars) | Weighted-average maturity ³ | Amount of loans (percent) | | | | Most common base pricing rate ⁴ |
|---|---|---------------------------------------|--|---|---|----------|-------------------------------|-----------------------|--|
| | | | | Days | Secured by collateral | Callable | Subject to prepayment penalty | Made under commitment | |
| | | | | | | | | | |
| LOAN RISK ⁵ | | | | | | | | | |
| 1 All commercial and industrial loans | 8.50 | 72,874 | 496 | 475 | 43.5 | 12.9 | 24.3 | 75.5 | Foreign |
| 2 Minimal risk | 7.58 | 5,985 | 1,004 | 416 | 56.0 | 17.0 | 66.2 | 88.9 | Fed funds |
| 3 Low risk | 7.57 | 14,387 | 1,005 | 372 | 30.3 | 24.9 | 47.4 | 76.4 | Foreign |
| 4 Moderate risk | 8.55 | 26,200 | 490 | 569 | 43.7 | 9.8 | 22.6 | 89.2 | Prime |
| 5 Other | 9.69 | 10,890 | 277 | 522 | 63.0 | 7.8 | 8.5 | 87.4 | Prime |
| By maturity/repricing interval ⁶ | | | | | | | | | |
| 6 Zero interval | 9.37 | 18,216 | 422 | 457 | 57.5 | 13.0 | 2.8 | 54.6 | Prime |
| 7 Minimal risk | 9.81 | 432 | 340 | 909 | 76.8 | 45.1 | 23.4 | 82.4 | Prime |
| 8 Low risk | 7.97 | 2,187 | 708 | 535 | 68.9 | 49.9 | 8.3 | 48.3 | Fed funds |
| 9 Moderate risk | 9.36 | 5,440 | 300 | 486 | 67.1 | 13.1 | 2.8 | 97.5 | Prime |
| 10 Other | 10.32 | 2,872 | 210 | 615 | 70.1 | 7.7 | 2.3 | 96.3 | Prime |
| 11 Daily | 8.03 | 27,728 | 594 | 317 | 38.7 | 15.8 | 33.0 | 77.1 | Domestic |
| 12 Minimal risk | 7.23 | 3,627 | 5,977 | 313 | 75.1 | 10.1 | 88.5 | 99.5 | Fed funds |
| 13 Low risk | 7.35 | 6,090 | 2,070 | 380 | 27.0 | 29.1 | 54.3 | 72.7 | Domestic |
| 14 Moderate risk | 8.20 | 8,776 | 562 | 312 | 31.8 | 12.5 | 29.2 | 85.7 | Domestic |
| 15 Other | 9.38 | 3,721 | 266 | 279 | 53.5 | 9.5 | 1.4 | 73.7 | Prime |
| 16 2 to 30 days | 8.15 | 17,110 | 1,048 | 431 | 28.7 | 7.4 | 41.5 | 93.8 | Foreign |
| 17 Minimal risk | 7.10 | 1,088 | 2,211 | 509 | 10.9 | 9.4 | 55.6 | 81.0 | Foreign |
| 18 Low risk | 7.47 | 4,676 | 3,471 | 291 | 11.3 | 10.4 | 67.7 | 91.9 | Foreign |
| 19 Moderate risk | 8.19 | 7,268 | 1,064 | 495 | 26.9 | 4.8 | 38.3 | 96.4 | Foreign |
| 20 Other | 9.65 | 2,790 | 531 | 490 | 68.6 | 4.2 | 19.5 | 97.2 | Foreign |
| 21 31 to 365 days | 8.65 | 6,559 | 263 | 782 | 49.8 | 7.3 | 13.2 | 82.9 | Foreign |
| 22 Minimal risk | 8.11 | 513 | 165 | 313 | 32.6 | 7.4 | 9.1 | 29.9 | Other |
| 23 Low risk | 8.11 | 1,194 | 219 | 220 | 42.7 | 15.9 | 12.6 | 87.9 | Foreign |
| 24 Moderate risk | 8.75 | 3,055 | 405 | 1,128 | 54.3 | 4.8 | 11.7 | 88.1 | Foreign |
| 25 Other | 9.28 | 1,054 | 335 | 834 | 55.7 | 4.4 | 23.1 | 84.6 | Foreign |
| | | | | Months | | | | | Other Domestic Other Prime Other |
| 26 More than 365 days | 9.05 | 2,699 | 210 | 52 | 71.7 | 18.8 | 3.3 | 62.5 | |
| 27 Minimal risk | 9.25 | 323 | 736 | 25 | 2.5 | 98.1 | .3 | 98.9 | |
| 28 Low risk | 8.36 | 203 | 149 | 67 | 69.5 | 2.2 | 4.8 | 65.1 | |
| 29 Moderate risk | 9.05 | 1,446 | 345 | 52 | 87.2 | 7.0 | 3.7 | 44.7 | |
| 30 Other | 9.14 | 284 | 121 | 61 | 68.2 | 3.3 | 5.7 | 86.9 | |
| | | | | Weighted-average risk rating ⁵ | Weighted-average maturity/repricing interval ⁶ | | | | |
| | | | | Days | | | | | |
| SIZE OF LOAN (thousands of dollars) | | | | | | | | | |
| 31 1-99 | 10.34 | 2,585 | 3.2 | 142 | 83.9 | 27.6 | 1.9 | 77.8 | Prime |
| 32 100-999 | 9.77 | 9,165 | 3.2 | 112 | 73.4 | 17.3 | 4.1 | 84.7 | Prime |
| 33 1,000-9,999 | 8.80 | 22,750 | 3.0 | 69 | 46.0 | 8.4 | 16.1 | 77.5 | Prime |
| 34 10,000 or more | 7.89 | 38,375 | 2.5 | 56 | 32.1 | 13.6 | 35.5 | 72.0 | Foreign |
| | | | | | | | | | Average size (thousands of dollars) |
| BASE RATE OF LOAN ⁴ | | | | | | | | | |
| 35 Prime ⁷ | 10.13 | 18,777 | 3.3 | 88 | 71.9 | 14.5 | 1.4 | 74.2 | 194 |
| 36 Fed funds | 7.31 | 9,886 | 2.3 | 15 | 56.3 | 24.6 | 32.1 | 55.6 | 5,326 |
| 37 Other domestic | 7.52 | 10,560 | 2.3 | 40 | 14.9 | 27.8 | 58.2 | 88.6 | 2,457 |
| 38 Foreign | 8.14 | 20,273 | 2.8 | 37 | 30.7 | 3.8 | 33.8 | 73.8 | 2,446 |
| 39 Other | 8.40 | 13,379 | 3.0 | 160 | 36.0 | 4.1 | 9.6 | 84.5 | 376 |

Footnotes appear at end of table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, November 6–10, 2000

C. Commercial and industrial loans made by large domestic banks¹

| Item | Weighted-average effective loan rate (percent) ² | Amount of loans (millions of dollars) | Average loan size (thousands of dollars) | Weighted-average maturity ³ | Amount of loans (percent) | | | | Most common base pricing rate ⁴ |
|---|---|---------------------------------------|--|---|---------------------------|----------|-------------------------------|-----------------------|--|
| | | | | Days | Secured by collateral | Callable | Subject to prepayment penalty | Made under commitment | |
| | | | | | | | | | |
| LOAN RISK ⁵ | | | | | | | | | |
| 1 All commercial and industrial loans | 8.40 | 66,315 | 880 | 454 | 40.9 | 12.6 | 26.3 | 75.5 | Foreign |
| 2 Minimal risk | 7.49 | 5,173 | 4,460 | 421 | 58.2 | 18.3 | 75.6 | 99.2 | Fed funds |
| 3 Low risk | 7.43 | 13,210 | 3,278 | 352 | 27.6 | 26.6 | 51.6 | 76.2 | Domestic |
| 4 Moderate risk | 8.46 | 24,309 | 864 | 553 | 41.3 | 8.8 | 23.7 | 89.7 | Foreign |
| 5 Other | 9.63 | 9,478 | 407 | 487 | 59.8 | 6.9 | 9.3 | 87.5 | Prime |
| By maturity/repricing interval ⁶ | | | | | | | | | |
| 6 Zero interval | 9.30 | 15,854 | 714 | 448 | 54.2 | 11.5 | 2.7 | 49.7 | Prime |
| 7 Minimal risk | 9.91 | 283 | 1,070 | 815 | 67.7 | 65.8 | 17.0 | 99.1 | Prime |
| 8 Low risk | 7.67 | 1,740 | 1,957 | 539 | 75.4 | 61.3 | 10.2 | 39.4 | Fed funds |
| 9 Moderate risk | 9.28 | 4,730 | 441 | 479 | 64.2 | 9.9 | 3.0 | 98.5 | Prime |
| 10 Other | 10.35 | 2,247 | 307 | 651 | 63.7 | 4.9 | 2.7 | 97.9 | Prime |
| 11 Daily | 7.95 | 26,556 | 757 | 309 | 37.1 | 15.7 | 34.3 | 76.5 | Domestic |
| 12 Minimal risk | 7.23 | 3,619 | 9,799 | 313 | 75.2 | 10.0 | 88.7 | 99.5 | Fed funds |
| 13 Low risk | 7.31 | 5,868 | 3,441 | 376 | 26.1 | 29.8 | 56.4 | 72.1 | Domestic |
| 14 Moderate risk | 8.08 | 8,329 | 767 | 300 | 29.2 | 11.9 | 30.3 | 85.5 | Domestic |
| 15 Other | 9.27 | 3,409 | 336 | 258 | 50.8 | 9.1 | 1.4 | 72.3 | Prime |
| 16 2 to 30 days | 8.15 | 16,147 | 1,506 | 446 | 27.8 | 7.5 | 43.5 | 95.1 | Foreign |
| 17 Minimal risk | 7.18 | 861 | 3,825 | 622 | 7.7 | 9.4 | 70.2 | 97.9 | Foreign |
| 18 Low risk | 7.47 | 4,542 | 4,952 | 289 | 10.0 | 10.7 | 69.7 | 91.7 | Foreign |
| 19 Moderate risk | 8.17 | 7,004 | 1,827 | 505 | 26.2 | 4.8 | 38.6 | 96.8 | Foreign |
| 20 Other | 9.65 | 2,653 | 699 | 501 | 67.6 | 4.1 | 20.5 | 97.7 | Foreign |
| 21 31 to 365 days | 8.51 | 5,310 | 1,672 | 879 | 47.1 | 6.6 | 15.8 | 90.9 | Foreign |
| 22 Minimal risk | 7.29 | 92 | 462 | 438 | 33.3 | .6 | 50.4 | 100.0 | Foreign |
| 23 Low risk | 7.55 | 896 | 2,880 | 244 | 28.6 | 19.5 | 16.8 | 91.2 | Foreign |
| 24 Moderate risk | 8.65 | 2,875 | 2,628 | 1,159 | 52.5 | 4.8 | 11.9 | 90.4 | Foreign |
| 25 Other | 9.26 | 912 | 1,208 | 827 | 54.2 | 2.3 | 25.2 | 87.3 | Foreign |
| | | | | Months | | | | | |
| 26 More than 365 days | 8.82 | 1,911 | 1,227 | 40 | 70.6 | 18.6 | 3.6 | 62.1 | Other |
| 27 Minimal risk | 9.23 | 316 | 4,732 | 25 | .4 | 99.3 | .3 | 100.0 | Domestic |
| 28 Low risk | 7.66 | 128 | 1,435 | 45 | 56.2 | 3.5 | 7.6 | 97.9 | Other |
| 29 Moderate risk | 8.96 | 1,166 | 2,058 | 46 | 93.3 | 2.8 | 4.2 | 39.9 | Prime |
| 30 Other | 8.47 | 90 | 288 | 48 | 67.3 | .5 | 4.6 | 93.1 | Other |
| | | | | Weighted-average risk rating ⁵ | | | | | |
| | | | | Days | | | | | |
| SIZE OF LOAN (thousands of dollars) | | | | | | | | | |
| 31 1-99 | 10.16 | 1,347 | 3.4 | 39 | 83.4 | 30.3 | 1.9 | 87.8 | Prime |
| 32 100-999 | 9.70 | 6,823 | 3.3 | 43 | 69.6 | 16.2 | 3.6 | 87.2 | Prime |
| 33 1,000-9,999 | 8.82 | 20,192 | 3.1 | 40 | 45.3 | 8.0 | 18.0 | 77.8 | Prime |
| 34 10,000 or more | 7.88 | 37,952 | 2.5 | 56 | 31.9 | 13.7 | 35.7 | 71.8 | Foreign |
| | | | | | | | | | Average size (thousands of dollars) |
| BASE RATE OF LOAN ⁴ | | | | | | | | | |
| 35 Prime ⁷ | 10.08 | 15,485 | 3.3 | 72 | 69.7 | 12.7 | 1.2 | 71.6 | 278 |
| 36 Fed funds | 7.29 | 9,705 | 2.3 | 3 | 55.8 | 25.0 | 32.6 | 55.5 | 9,731 |
| 37 Other domestic | 7.49 | 10,312 | 2.3 | 32 | 13.1 | 27.7 | 59.5 | 89.3 | 6,603 |
| 38 Foreign | 8.13 | 19,343 | 2.8 | 28 | 30.1 | 3.9 | 34.8 | 72.9 | 2,661 |
| 39 Other | 8.34 | 11,470 | 3.1 | 112 | 32.7 | 2.9 | 10.8 | 89.7 | 1,169 |

Footnotes appear at end of table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, November 6–10, 2000

D. Commercial and industrial loans made by small domestic banks¹

| Item | Weighted-average effective loan rate (percent) ² | Amount of loans (millions of dollars) | Average loan size (thousands of dollars) | Weighted-average maturity ³ | Amount of loans (percent) | | | | Most common base pricing rate ⁴ | |
|---|---|---------------------------------------|--|---|---------------------------|----------|-------------------------------|-----------------------|--|--|
| | | | | Days | Secured by collateral | Callable | Subject to prepayment penalty | Made under commitment | | |
| | | | | | | | | | | |
| LOAN RISK ⁵ | | | | | | | | | | |
| 1 All commercial and industrial loans | 9.48 | 6,560 | 92 | 684 | 69.4 | 16.6 | 3.9 | 75.6 | Prime | |
| 2 Minimal risk | 8.14 | 812 | 169 | 383 | 41.7 | 9.1 | 6.5 | 23.0 | Other | |
| 3 Low risk | 9.05 | 1,177 | 114 | 570 | 60.0 | 5.8 | .3 | 79.5 | Prime | |
| 4 Moderate risk | 9.80 | 1,891 | 75 | 782 | 75.6 | 23.9 | 8.2 | 82.4 | Prime | |
| 5 Other | 10.05 | 1,412 | 88 | 752 | 84.5 | 14.0 | 2.5 | 86.5 | Prime | |
| By maturity/repricing interval ⁶ | | | | | | | | | | |
| 6 Zero interval | 9.84 | 2,362 | 112 | 511 | 79.9 | 23.0 | 3.1 | 87.8 | Prime | |
| 7 Minimal risk | 9.61 | 149 | 148 | 1,090 | 93.9 | 5.8 | 35.6 | 50.8 | Domestic | |
| 8 Low risk | 9.14 | 447 | 203 | 529 | 43.5 | 5.8 | .6 | 83.0 | Prime | |
| 9 Moderate risk | 9.87 | 709 | 96 | 530 | 86.3 | 34.7 | 1.7 | 91.1 | Prime | |
| 10 Other | 10.23 | 625 | 99 | 498 | 93.3 | 18.0 | .9 | 90.6 | Prime | |
| 11 Daily | 9.98 | 1,171 | 101 | 516 | 75.3 | 16.6 | 4.0 | 90.0 | Prime | |
| 12 Minimal risk | 8.81 | 8 | 35 | 334 | 42.6 | 30.2 | * | 100.0 | Other | |
| 13 Low risk | 8.63 | 222 | 179 | 463 | 51.2 | 11.7 | .5 | 87.7 | Prime | |
| 14 Moderate risk | 10.36 | 447 | 94 | 547 | 81.5 | 24.4 | 9.2 | 89.2 | Prime | |
| 15 Other | 10.49 | 312 | 81 | 521 | 83.3 | 13.4 | 1.4 | 88.4 | Prime | |
| 16 2 to 30 days | 8.21 | 963 | 172 | 178 | 42.9 | 5.1 | 8.5 | 72.8 | Foreign | |
| 17 Minimal risk | 6.81 | 227 | 850 | 38 | 22.9 | 9.5 | * | 17.0 | Other | |
| 18 Low risk | 7.49 | 134 | 313 | 354 | 55.3 | .2 | * | 96.5 | Foreign | |
| 19 Moderate risk | 8.77 | 264 | 88 | 233 | 45.6 | 4.7 | 31.2 | 87.0 | Foreign | |
| 20 Other | 9.72 | 138 | 94 | 278 | 89.6 | 6.2 | .0 | 87.2 | Prime | |
| 21 31 to 365 days | 9.25 | 1,249 | 57 | 372 | 61.5 | 9.9 | 2.4 | 49.2 | Other | |
| 22 Minimal risk | 8.28 | 421 | 144 | 286 | 32.4 | 8.9 | .0 | 14.6 | Other | |
| 23 Low risk | 9.80 | 298 | 58 | 149 | 85.0 | 5.2 | * | 77.8 | Prime | |
| 24 Moderate risk | 10.30 | 179 | 28 | 639 | 83.5 | 3.6 | 8.3 | 52.0 | Other | |
| 25 Other | 9.43 | 142 | 59 | 874 | 64.9 | 17.8 | 9.8 | 67.5 | Other | |
| | | | | Months | | | | | | |
| 26 More than 365 days | 9.60 | 788 | 70 | 81 | 74.3 | 19.4 | 2.7 | 63.6 | | |
| 27 Minimal risk | * | * | | * | | * | * | * | | |
| 28 Low risk | 9.54 | 75 | 59 | 103 | 92.1 | * | .1 | 9.6 | | |
| 29 Moderate risk | 9.40 | 281 | 77 | 74 | 61.5 | 24.4 | 1.7 | 64.7 | | |
| 30 Other | 9.44 | 194 | 96 | 68 | 68.6 | 4.7 | 6.1 | 84.0 | Other | |
| | | | | Weighted-average risk rating ⁷ | | | | | | |
| | | | | Days | | | | | | |
| SIZE OF LOAN (thousands of dollars) | | | | | | | | | | |
| 31 1-99 | 10.53 | 1,238 | 3.0 | 248 | 84.4 | 24.7 | 1.9 | 66.9 | Prime | |
| 32 100-999 | 9.96 | 2,341 | 2.9 | 309 | 84.3 | 20.5 | 5.4 | 77.2 | Prime | |
| 33 1,000-9,999 | 8.64 | 2,558 | 2.6 | 299 | 51.4 | 12.0 | 1.6 | 75.3 | Other | |
| 34 10,000 or more | 8.87 | 423 | 2.9 | 3 | 51.3 | * | 15.0 | 94.6 | Prime | |
| | | | | | | | | | Average size (thousands of dollars) | |
| BASE RATE OF LOAN ⁴ | | | | | | | | | | |
| 35 Prime ⁷ | 10.36 | 3,292 | 3.1 | 167 | 82.2 | 23.0 | 2.5 | 86.0 | 80 | |
| 36 Fed funds | 8.42 | 181 | 2.6 | 612 | 80.7 | 6.2 | 2.0 | 59.2 | 211 | |
| 37 Other domestic | 9.10 | 248 | 2.1 | 363 | 89.2 | 32.9 | 3.2 | 58.7 | 91 | |
| 38 Foreign | 8.17 | 930 | 2.9 | 213 | 43.8 | 1.9 | 11.9 | 92.7 | 912 | |
| 39 Other | 8.76 | 1,909 | 2.3 | 448 | 56.1 | 11.7 | 2.7 | 53.2 | 74 | |

Footnotes appear at end of table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, November 6–10, 2000

E. Commercial and industrial loans made by U.S. branches and agencies of foreign banks¹

| Item | Weighted-average effective loan rate (percent) ² | Amount of loans (millions of dollars) | Average loan size (thousands of dollars) | Weighted-average maturity ³ | Amount of loans (percent) | | | | Most common base pricing rate ⁴ |
|---|---|---------------------------------------|--|---|---------------------------|----------|-------------------------------|-----------------------|--|
| | | | | Days | Secured by collateral | Callable | Subject to prepayment penalty | Made under commitment | |
| LOAN RISK ⁵ | | | | | | | | | |
| 1 All commercial and industrial loans | 7.59 | 45,930 | 5,445 | 223 | 37.0 | 2.4 | 25.9 | 65.6 | Fed funds |
| 2 Minimal risk | 7.24 | 860 | 3,529 | 211 | 2.8 | * | 36.0 | 100.0 | Foreign |
| 3 Low risk | 7.53 | 6,970 | 6,711 | 191 | 7.0 | 3.0 | 30.8 | 49.9 | Fed funds |
| 4 Moderate risk | 7.77 | 10,587 | 5,245 | 151 | 20.9 | 3.5 | 36.4 | 53.3 | Fed funds |
| 5 Other | 8.06 | 11,514 | 3,413 | 122 | 13.1 | 2.5 | 16.7 | 59.6 | Fed funds |
| By maturity/repricing interval ⁶ | | | | | | | | | |
| 6 Zero interval | 10.32 | 403 | 706 | 930 | 87.6 | 1.8 | 62.7 | 98.3 | Prime |
| 7 Minimal risk | * | * | * | * | * | * | * | * | * |
| 8 Low risk | * | * | * | * | * | * | * | * | * |
| 9 Moderate risk | 10.12 | 285 | 1,836 | 935 | 96.9 | 1.9 | 88.2 | 99.1 | Prime |
| 10 Other | 10.88 | 108 | 277 | 993 | 61.9 | * | .6 | 97.5 | Prime |
| 11 Daily | 7.61 | 22,655 | 10,148 | 81 | 25.3 | 3.1 | 19.1 | 45.4 | Fed funds |
| 12 Minimal risk | * | * | * | * | * | * | * | * | * |
| 13 Low risk | 7.73 | 4,437 | 18,341 | 147 | .4 | 1.8 | 13.7 | 25.6 | Fed funds |
| 14 Moderate risk | 7.74 | 5,714 | 9,262 | 137 | 9.9 | 6.3 | 24.5 | 33.0 | Fed funds |
| 15 Other | 7.70 | 5,505 | 7,640 | 71 | 6.6 | 4.1 | 5.1 | 38.3 | Fed funds |
| 16 2 to 30 days | 7.71 | 9,970 | 4,583 | 158 | 25.9 | .1 | 49.5 | 72.0 | Foreign |
| 17 Minimal risk | 7.18 | 398 | 4,522 | 323 | 4.1 | * | 60.6 | 100.0 | Foreign |
| 18 Low risk | 7.07 | 1,224 | 5,710 | 247 | 10.2 | * | 74.7 | 95.8 | Foreign |
| 19 Moderate risk | 7.63 | 2,758 | 4,397 | 118 | 17.6 | * | 42.3 | 63.1 | Foreign |
| 20 Other | 8.20 | 2,944 | 3,374 | 153 | 12.5 | .2 | 36.9 | 68.6 | Foreign |
| 21 31 to 365 days | 7.49 | 10,824 | 3,709 | 141 | 58.0 | 1.3 | 22.1 | 94.1 | Foreign |
| 22 Minimal risk | 7.24 | 256 | 2,749 | 126 | * | * | .7 | 100.0 | Foreign |
| 23 Low risk | 7.25 | 1,307 | 2,306 | 285 | 26.5 | 10.1 | 47.8 | 89.3 | Foreign |
| 24 Moderate risk | 7.68 | 1,823 | 2,997 | 128 | 48.1 | .4 | 57.1 | 95.2 | Foreign |
| 25 Other | 8.42 | 2,871 | 2,537 | 154 | 22.1 | * | 19.0 | 88.7 | Foreign |
| | | | | Months | | | | | |
| 26 More than 365 days | 6.36 | 1,803 | 15,120 | 88 | 100.0 | .1 | .1 | 100.0 | |
| 27 Minimal risk | * | * | * | * | * | * | * | * | |
| 28 Low risk | * | * | * | * | * | * | * | * | |
| 29 Moderate risk | * | * | * | * | * | * | * | * | |
| 30 Other | * | * | * | * | * | * | * | * | |
| | | | | Weighted-average risk rating ⁷ | | | | | |
| | | | | Days | | | | | |
| | | | | Weighted-average maturity/repricing interval ⁸ | | | | | |
| SIZE OF LOAN (thousands of dollars) | | | | | | | | | |
| 31 1-99 | 9.34 | 50 | 3.5 | 49 | 41.7 | 21.0 | 19.9 | 85.6 | Prime |
| 32 100-999 | 8.71 | 1,181 | 3.6 | 64 | 41.6 | 14.5 | 29.0 | 87.2 | Foreign |
| 33 1,000-9,999 | 7.85 | 11,695 | 3.1 | 49 | 35.6 | 5.2 | 35.8 | 79.9 | Foreign |
| 34 10,000 or more | 7.46 | 33,004 | 3.2 | 159 | 37.4 | .9 | 22.3 | 59.7 | Fed funds |
| | | | | | | | | | Average size (thousands of dollars) |
| BASE RATE OF LOAN ⁴ | | | | | | | | | |
| 35 Prime ⁷ | 10.05 | 1,962 | 3.5 | 20 | 52.4 | 48.1 | 24.9 | 86.1 | 937 |
| 36 Fed funds | 7.50 | 20,867 | 3.1 | 9 | 25.8 | * | 8.4 | 43.6 | 10,046 |
| 37 Other domestic | 7.83 | 3,943 | 2.7 | 6 | 5.4 | .0 | 99.1 | 30.7 | 7,385 |
| 38 Foreign | 7.68 | 11,130 | 3.1 | 45 | 28.1 | 1.3 | 51.1 | 97.5 | 3,796 |
| 39 Other | 7.01 | 8,028 | 4.8 | 641 | 90.5 | * | .9 | 90.6 | 10,056 |

Footnotes appear at end of table.

NOTES TO TABLE 4.23

NOTE. The Survey of Terms of Business Lending collects data on gross loan extensions made during the first full business week in the mid-month of each quarter. The authorized panel size for the survey is 348 domestically chartered commercial banks and 50 U.S. branches and agencies of foreign banks. The sample data are used to estimate the terms of loans extended during that week at all domestic commercial banks and all U.S. branches and agencies of foreign banks. Note that the terms on loans extended during the survey week may differ from those extended during other weeks of the quarter. The estimates reported here are not intended to measure the average terms on all business loans in bank portfolios.

1. As of December 31, 1996, assets of most of the large banks were at least \$7.0 billion. Median total assets for all insured banks were roughly \$62 million. Assets at all U.S. branches and agencies averaged 1.3 billion.

2. Effective (compounded) annual interest rates are calculated from the stated rate and other terms of the loans and weighted by loan amount. The standard error of the loan rate for all commercial and industrial loans in the current survey (line 1, column 1) is 0.21 percentage point. The chances are about two out of three that the average rate shown would differ by less than this amount from the average rate that would be found by a complete survey of the universe of all banks.

3. Average maturities are weighted by loan amount and exclude loans with no stated maturities.

4. The most common base pricing rate is that used to price the largest dollar volume of loans. Base pricing rates include the prime rate (sometimes referred to as a bank's "base" or "reference" rate); the federal funds rate; domestic money market rates other than the prime rate and the federal funds rate; foreign money market rates; and other base rates not included in the foregoing classifications.

5. A complete description of these risk categories is available from the Banking Analysis Section, Mail Stop 81, Board of Governors of the Federal Reserve System, Washington, DC 20551. The category "Moderate risk" includes the average loan, under average economic conditions, at the typical lender. The category "Other" includes loans rated "acceptable" as well as special mention or classified loans. The weighted-average risk ratings published for loans in rows 31–39 are calculated by assigning a value of "1" to minimal risk loans; "2" to low risk loans; "3" to moderate risk loans; "4" to acceptable risk loans; and "5" to special mention and classified loans. These values are weighted by loan amount and exclude loans with no risk rating. Some of the loans in lines 1, 6, 11, 16, 21, 26, and 31–39 are not rated for risk.

6. The maturity/repricing interval measures the period from the date the loan is made until it first may reprice or it matures. For floating-rate loans that are subject to repricing at any time—such as many prime-based loans—the maturity/repricing interval is zero. For floating-rate loans that have a scheduled repricing interval, the maturity/repricing interval measures the number of days between the date the loan is made and the date on which it is next scheduled to reprice. For loans having rates that remain fixed until the loan matures (fixed-rate loans), the maturity/repricing interval measures the number of days between the date the loan is made and the date on which it matures. Loans that reprice daily mature or reprice on the business day after they are made. Owing to weekends and holidays, such loans may have maturity/repricing intervals in excess of one day; such loans are not included in the "2 to 30 day" category.

7. For the current survey, the average reported prime rate, weighted by the amount of loans priced relative to a prime base rate, was 9.51 percent for all banks; 9.50 percent for large domestic banks; 9.56 percent for small domestic banks; and 9.50 percent for U.S. branches and agencies of foreign banks.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, September 30, 2000¹

Millions of dollars except as noted

| Item | All states ² | | New York | | California | | Illinois | |
|--|-----------------------------------|------------------------|----------------------|----------------|----------------------|--------------|----------------------|--------------|
| | Total including IBFs ³ | IBFs only ³ | Total including IBFs | IBFs only | Total including IBFs | IBFs only | Total including IBFs | IBFs only |
| 1 Total assets⁴ | 941,110 | 183,880 | 776,872 | 154,401 | 25,985 | 6,445 | 45,990 | 4,969 |
| 2 Claims on nonrelated parties | 751,152 | 77,500 | 609,470 | 67,217 | 25,371 | 1,796 | 45,969 | 2,811 |
| 3 Cash and balances due from depository institutions | 78,279 | 36,171 | 72,521 | 32,855 | 905 | 262 | 3,312 | 2,729 |
| 4 Cash items in process of collection and unposted debits | 2,534 | 0 | 2,477 | 0 | 3 | 0 | 28 | 0 |
| 5 Currency and coin (U.S. and foreign) | 16 | n.a. | 11 | n.a. | 1 | n.a. | 0 | n.a. |
| 6 Balances with depository institutions in United States | 51,207 | 14,744 | 48,283 | 13,940 | 695 | 85 | 832 | 423 |
| 7 U.S. branches and agencies of other foreign banks (including IBFs) | 44,731 | 14,059 | 42,341 | 13,370 | 542 | 85 | 722 | 333 |
| 8 Other depository institutions in United States (including IBFs) | 6,475 | 685 | 5,942 | 570 | 153 | 0 | 110 | 90 |
| 9 Balances with banks in foreign countries and with foreign central banks | 24,194 | 21,427 | 21,512 | 18,915 | 180 | 177 | 2,441 | 2,306 |
| 10 Foreign branches of U.S. banks | 836 | 764 | 814 | 743 | 0 | 0 | 18 | 18 |
| 11 Banks in home country and home-country central banks | 6,739 | 6,122 | 6,650 | 6,044 | 38 | 38 | 35 | 35 |
| 12 All other banks in foreign countries and foreign central banks | 16,619 | 14,540 | 14,048 | 12,127 | 141 | 139 | 2,388 | 2,254 |
| 13 Balances with Federal Reserve Banks | 329 | n.a. | 237 | n.a. | 27 | n.a. | 11 | n.a. |
| 14 Total securities and loans | 431,156 | 33,907 | 338,569 | 27,258 | 23,637 | 1,462 | 31,555 | 26 |
| 15 Total securities, book value | 104,740 | 3,995 | 96,418 | 3,494 | 1,184 | 453 | 5,589 | 11 |
| 16 U.S. Treasury | 12,613 | n.a. | 11,810 | n.a. | 59 | n.a. | 728 | n.a. |
| 17 Obligations of U.S. government agencies and corporations | 44,512 | n.a. | 42,071 | n.a. | 174 | n.a. | 2,064 | n.a. |
| 18 Other bonds, notes, debentures, and corporate stock (including state and local securities) | 47,615 | 3,995 | 42,537 | 3,494 | 952 | 453 | 2,797 | 11 |
| 19 Securities of foreign governmental units | 9,858 | 1,982 | 9,530 | 1,891 | 175 | 78 | 11 | 11 |
| 20 All Other | 37,757 | 2,013 | 33,008 | 1,603 | 777 | 375 | 2,785 | 0 |
| 21 Federal funds sold and securities purchased under agreements to resell | 105,167 | 5,397 | 101,699 | 5,297 | 302 | 33 | 2,435 | 0 |
| 22 U.S. branches and agencies of other foreign banks | 10,692 | 3,020 | 9,907 | 2,946 | 159 | 8 | 251 | 0 |
| 23 Commercial banks in United States | 13,287 | 60 | 12,409 | 34 | 89 | 25 | 434 | 0 |
| 24 Other | 81,188 | 2,317 | 79,383 | 2,317 | 55 | 0 | 1,750 | 0 |
| 25 Total loans, gross | 326,783 | 29,956 | 242,425 | 23,802 | 22,494 | 1,010 | 25,984 | 15 |
| 26 LESS: Unearned income on loans | 367 | 45 | 274 | 38 | 41 | 1 | 18 | 0 |
| 27 EQUALS: Loans, net | 326,416 | 29,912 | 242,151 | 23,764 | 22,453 | 1,009 | 25,966 | 15 |
| <i>Total loans, gross, by category</i> | | | | | | | | |
| 28 Real estate loans | 17,399 | 90 | 12,478 | 90 | 3,075 | 0 | 134 | 0 |
| 29 Loans to depository institutions | 22,541 | 13,960 | 15,931 | 9,850 | 1,393 | 807 | 164 | 11 |
| 30 Commercial banks in United States (including IBFs) | 5,809 | 2,442 | 4,123 | 1,769 | 1,169 | 611 | 1 | 0 |
| 31 U.S. branches and agencies of other foreign banks | 3,730 | 2,142 | 2,293 | 1,470 | 1,107 | 611 | 0 | 0 |
| 32 Other commercial banks in United States | 2,079 | 299 | 1,831 | 299 | 62 | 0 | 1 | 0 |
| 33 Other depository institutions in United States (including IBFs) | 15 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 34 Banks in foreign countries | 16,717 | 11,518 | 11,807 | 8,081 | 225 | 196 | 164 | 11 |
| 35 Foreign branches of U.S. banks | 939 | 617 | 900 | 582 | 0 | 0 | 0 | 0 |
| 36 Other banks in foreign countries | 15,779 | 10,901 | 10,908 | 7,499 | 225 | 196 | 164 | 11 |
| 37 Loans to other financial institutions | 49,069 | 1,807 | 38,036 | 1,565 | 1,253 | 0 | 5,285 | 0 |
| 38 Commercial and industrial loans | 211,915 | 11,956 | 153,356 | 10,330 | 16,152 | 180 | 18,782 | 0 |
| 39 U.S. addressees (domicile) | 173,924 | 31 | 126,257 | 31 | 14,772 | 0 | 16,531 | 0 |
| 40 Non-U.S. addressees (domicile) | 37,991 | 11,925 | 27,099 | 10,299 | 1,380 | 180 | 2,251 | 0 |
| 41 Acceptances of other banks | 686 | 12 | 150 | 12 | 33 | 0 | 501 | 0 |
| 42 U.S. banks | 8 | 0 | 3 | 0 | 3 | 0 | 0 | 0 |
| 43 Foreign banks | 678 | 12 | 147 | 12 | 30 | 0 | 501 | 0 |
| 44 Loans to foreign governments and official institutions (including foreign central banks) | 3,620 | 2,014 | 3,041 | 1,864 | 139 | 23 | 237 | 3 |
| 45 Loans for purchasing or carrying securities (secured and unsecured) | 12,596 | 12 | 12,246 | 12 | 0 | 0 | 0 | 0 |
| 46 All other loans | 8,088 | 105 | 6,949 | 78 | 449 | 0 | 250 | 0 |
| 47 Lease financing receivables (net of unearned income) | 868 | 0 | 238 | 0 | 0 | 0 | 630 | 0 |
| 48 U.S. addressees (domicile) | 868 | 0 | 238 | 0 | 0 | 0 | 630 | 0 |
| 49 Non-U.S. addressees (domicile) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 50 Trading assets | 102,510 | 625 | 66,556 | 625 | 43 | 0 | 6,782 | 0 |
| 51 All other assets | 34,040 | 1,400 | 30,126 | 1,182 | 484 | 39 | 1,885 | 56 |
| 52 Customers' liabilities on acceptances outstanding | 1,406 | n.a. | 995 | n.a. | 147 | n.a. | 228 | n.a. |
| 53 U.S. addressees (domicile) | 723 | n.a. | 566 | n.a. | 144 | n.a. | 12 | n.a. |
| 54 Non-U.S. addressees (domicile) | 683 | n.a. | 429 | n.a. | 3 | n.a. | 216 | n.a. |
| 55 Other assets including other claims on nonrelated parties | 32,634 | 1,400 | 29,131 | 1,182 | 336 | 39 | 1,657 | 56 |
| 56 Net due from related depository institutions ⁵ | 189,958 | 106,380 | 167,402 | 87,184 | 613 | 4,649 | 20 | 2,158 |
| 57 Net due from head office and other related depository institutions ⁵ | 189,958 | n.a. | 167,402 | n.a. | 613 | n.a. | 20 | n.a. |
| 58 Net due from establishing entity, head office, and other related depository institutions ⁵ | n.a. | 106,380 | n.a. | 87,184 | n.a. | 4,649 | n.a. | 2,158 |
| 59 Total liabilities⁴ | 941,110 | 183,880 | 776,872 | 154,401 | 25,985 | 6,445 | 45,990 | 4,969 |
| 60 Liabilities to nonrelated parties | 823,043 | 164,220 | 704,302 | 137,701 | 10,416 | 6,310 | 34,544 | 3,309 |

Footnotes appear at end of table.

4.30 ASSETS AND LIABILITIES OF U.S. Branches and Agencies of Foreign Banks, September 30, 2000¹—Continued

Millions of dollars except as noted

| Item | All states ² | | New York | | California | | Illinois | |
|--|---|--------------|----------------------------|--------------|----------------------------|--------------|----------------------------|--------------|
| | Total excluding IBFs ³ | IBFs only | Total excluding IBFs | IBFs only | Total excluding IBFs | IBFs only | Total excluding IBFs | IBFs only |
| 61 Total deposits and credit balances | 376,632 | 121,299 | 319,971 | 106,288 | 3,012 | 1,072 | 11,753 | 2,142 |
| 62 Individuals, partnerships, and corporations | 286,493 | 10,648 | 237,872 | 5,356 | 2,542 | 181 | 9,498 | 28 |
| 63 U.S. addressees (domicile) | 270,860 | 1 | 228,877 | 0 | 1,008 | 0 | 9,418 | 0 |
| 64 Non-U.S. addressees (domicile) | 15,633 | 10,647 | 8,995 | 5,356 | 1,534 | 181 | 80 | 28 |
| 65 Commercial banks in United States (including IBFs) | 43,443 | 15,813 | 38,633 | 14,972 | 325 | 87 | 721 | 168 |
| 66 U.S. branches and agencies of other foreign banks | 19,590 | 14,130 | 16,010 | 13,366 | 0 | 87 | 295 | 163 |
| 67 Other commercial banks in United States | 23,853 | 1,683 | 22,623 | 1,606 | 325 | 0 | 426 | 5 |
| 68 Banks in foreign countries | 6,363 | 67,898 | 6,085 | 65,726 | 10 | 78 | 150 | 439 |
| 69 Foreign branches of U.S. banks | 1,434 | 4,619 | 1,433 | 4,532 | 0 | 0 | 0 | 87 |
| 70 Other banks in foreign countries | 4,930 | 63,278 | 4,652 | 61,193 | 10 | 78 | 150 | 352 |
| 71 Foreign governments and official institutions (including foreign central banks) | 20,795 | 26,903 | 18,952 | 20,196 | 9 | 726 | 1,382 | 1,507 |
| 72 All other deposits and credit balances | 19,054 | 37 | 17,967 | 37 | 120 | 0 | 0 | 0 |
| 73 Certified and official checks | 484 | | 462 | | 6 | | 1 | |
| 74 Transaction accounts and credit balances (excluding IBFs) | 8,524 | | 6,805 | | 349 | | 208 | |
| 75 Individuals, partnerships, and corporations | 6,912 | | 5,413 | | 331 | | 206 | |
| 76 U.S. addressees (domicile) | 4,807 | | 4,223 | | 222 | | 188 | |
| 77 Non-U.S. addressees (domicile) | 2,105 | | 1,190 | | 109 | | 18 | |
| 78 Commercial banks in United States (including IBFs) | 40 | | 36 | | 0 | | 0 | |
| 79 U.S. branches and agencies of other foreign banks | 3 | | 3 | | 0 | | 0 | |
| 80 Other commercial banks in United States | 37 | | 33 | | 0 | | 0 | |
| 81 Banks in foreign countries | 577 | | 467 | | 10 | | 0 | |
| 82 Foreign branches of U.S. banks | 2 | | 1 | | 0 | | 0 | |
| 83 Other banks in foreign countries | 576 | | 466 | | 10 | | 0 | |
| 84 Foreign governments and official institutions (including foreign central banks) | 362 | | 319 | | 1 | | 1 | |
| 85 All other deposits and credit balances | 149 | | 108 | | 1 | | 0 | |
| 86 Certified and official checks | 484 | | 462 | | 6 | | 1 | |
| 87 Demand deposits (included in transaction accounts and credit balances) | 7,965 | | 6,506 | | 279 | | 205 | |
| 88 Individuals, partnerships, and corporations | 6,442 | | 5,200 | | 261 | | 203 | |
| 89 U.S. addressees (domicile) | 4,617 | | 4,139 | | 195 | | 185 | |
| 90 Non-U.S. addressees (domicile) | 1,824 | | 1,061 | | 66 | | 18 | |
| 91 Commercial banks in United States (including IBFs) | 35 | n.a. | 31 | n.a. | 0 | n.a. | 0 | n.a. |
| 92 U.S. branches and agencies of other foreign banks | 2 | | 1 | | 0 | | 0 | |
| 93 Other commercial banks in United States | 33 | | 30 | | 0 | | 0 | |
| 94 Banks in foreign countries | 564 | | 454 | | 10 | | 0 | |
| 95 Foreign branches of U.S. banks | 1 | | 0 | | 0 | | 0 | |
| 96 Other banks in foreign countries | 563 | | 454 | | 10 | | 0 | |
| 97 Foreign governments and official institutions (including foreign central banks) | 357 | | 314 | | 1 | | 1 | |
| 98 All other deposits and credit balances | 85 | | 46 | | 0 | | 0 | |
| 99 Certified and official checks | 484 | | 462 | | 6 | | 1 | |
| 100 Nontransaction accounts (including MMDAs, excluding IBFs) | 368,108 | | 313,166 | | 2,662 | | 11,544 | |
| 101 Individuals, partnerships, and corporations | 279,581 | | 232,459 | | 2,211 | | 9,292 | |
| 102 U.S. addressees (domicile) | 266,052 | | 224,654 | | 786 | | 9,230 | |
| 103 Non-U.S. addressees (domicile) | 13,528 | | 7,805 | | 1,425 | | 62 | |
| 104 Commercial banks in United States (including IBFs) | 43,403 | | 38,597 | | 325 | | 721 | |
| 105 U.S. branches and agencies of other foreign banks | 19,586 | | 16,007 | | 0 | | 295 | |
| 106 Other commercial banks in United States | 23,816 | | 22,589 | | 325 | | 426 | |
| 107 Banks in foreign countries | 5,786 | | 5,618 | | 0 | | 150 | |
| 108 Foreign branches of U.S. banks | 1,432 | | 1,432 | | 0 | | 0 | |
| 109 Other banks in foreign countries | 4,354 | | 4,186 | | 0 | | 150 | |
| 110 Foreign governments and official institutions (including foreign central banks) | 20,434 | | 18,633 | | 9 | | 1,381 | |
| 111 All other deposits and credit balances | 18,905 | | 17,859 | | 119 | | 0 | |
| 112 IBF deposit liabilities | | 121,299 | | 106,288 | | 1,072 | | 2,142 |
| 113 Individuals, partnerships, and corporations | | 10,648 | | 5,356 | | 181 | | 28 |
| 114 U.S. addressees (domicile) | | 1 | | 0 | | 0 | | 0 |
| 115 Non-U.S. addressees (domicile) | | 10,647 | | 5,356 | | 181 | | 28 |
| 116 Commercial banks in United States (including IBFs) | | 15,813 | | 14,972 | | 87 | | 168 |
| 117 U.S. branches and agencies of other foreign banks | | 14,130 | | 13,366 | | 87 | | 163 |
| 118 Other commercial banks in United States | | 1,683 | | 1,606 | | 0 | | 5 |
| 119 Banks in foreign countries | | 67,898 | | 65,726 | | 78 | | 439 |
| 120 Foreign branches of U.S. banks | | 4,619 | | 4,532 | | 0 | | 87 |
| 121 Other banks in foreign countries | | 63,278 | | 61,193 | | 78 | | 352 |
| 122 Foreign governments and official institutions (including foreign central banks) | | 26,903 | | 20,196 | | 726 | | 1,507 |
| 123 All other deposits and credit balances | | 37 | | 37 | | 0 | | 0 |

Footnotes appear at end of table.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, September 30, 2000¹—Continued

Millions of dollars except as noted

| Item | All states ² | | New York | | California | | Illinois | |
|--|-----------------------------------|------------------------|----------------------|-----------|----------------------|-----------|----------------------|-----------|
| | Total including IBFs ³ | IBFs only ³ | Total including IBFs | IBFs only | Total including IBFs | IBFs only | Total including IBFs | IBFs only |
| 124 Federal funds purchased and securities sold under agreements to repurchase | 153,661 | 17,238 | 144,256 | 12,105 | 978 | 567 | 3,361 | 983 |
| 125 U.S. branches and agencies of other foreign banks | 9,448 | 2,295 | 8,065 | 1,710 | 329 | 250 | 858 | 271 |
| 126 Other commercial banks in United States | 8,756 | 422 | 7,768 | 191 | 291 | 48 | 168 | 83 |
| 127 Other | 135,457 | 14,521 | 128,423 | 10,203 | 358 | 269 | 2,335 | 629 |
| 128 Other borrowed money | 74,032 | 23,968 | 57,783 | 17,746 | 4,998 | 4,630 | 4,940 | 169 |
| 129 Owed to nonrelated commercial banks in United States (including IBFs) | 11,546 | 4,470 | 9,633 | 3,385 | 1,131 | 952 | 253 | 10 |
| 130 Owed to U.S. offices of nonrelated U.S. banks | 5,009 | 777 | 4,377 | 516 | 346 | 257 | 72 | 0 |
| 131 Owed to U.S. branches and agencies of nonrelated foreign banks | 6,537 | 3,693 | 5,256 | 2,870 | 785 | 696 | 182 | 10 |
| 132 Owed to nonrelated banks in foreign countries | 15,975 | 13,536 | 11,530 | 9,315 | 3,011 | 2,991 | 270 | 159 |
| 133 Owed to foreign branches of nonrelated U.S. banks | 1,274 | 1,122 | 937 | 798 | 315 | 315 | 0 | 0 |
| 134 Owed to foreign offices of nonrelated foreign banks | 14,701 | 12,414 | 10,592 | 8,518 | 2,696 | 2,677 | 270 | 159 |
| 135 Owed to others | 46,511 | 5,962 | 36,621 | 5,046 | 856 | 686 | 4,418 | 0 |
| 136 All other liabilities | 97,420 | 1,715 | 76,004 | 1,562 | 356 | 42 | 12,348 | 14 |
| 137 Branch or agency liability on acceptances executed and outstanding | 1,743 | n.a. | 1,143 | n.a. | 148 | n.a. | 402 | n.a. |
| 138 Trading liabilities | 68,049 | 39 | 51,475 | 39 | 41 | 0 | 10,676 | 0 |
| 139 Other liabilities to nonrelated parties | 27,628 | 1,676 | 23,386 | 1,523 | 167 | 42 | 1,271 | 14 |
| 140 Net due to related depository institutions ⁵ | 118,067 | 19,659 | 72,570 | 16,700 | 15,568 | 135 | 11,446 | 1,660 |
| 141 Net due to head office and other related depository institutions ⁵ | 118,067 | n.a. | 72,570 | n.a. | 15,568 | n.a. | 11,446 | n.a. |
| 142 Net due to establishing entity, head office, and other related depository institutions ⁵ | n.a. | 19,659 | n.a. | 16,700 | n.a. | 135 | n.a. | 1,660 |
| MEMO | | | | | | | | |
| 143 Non-interest-bearing balances with commercial banks in United States | 934 | 0 | 801 | 0 | 32 | 0 | 9 | 0 |
| 144 Holding of own acceptances included in commercial and industrial loans | 1,687 | ↑ | 1,217 | ↑ | 133 | ↑ | 231 | ↑ |
| 145 Commercial and industrial loans with remaining maturity of one year or less (excluding those in nonaccrual status) | 99,896 | n.a. | 68,237 | n.a. | 8,187 | n.a. | 9,053 | n.a. |
| 146 Predetermined interest rates | 56,324 | ↓ | 36,799 | ↓ | 4,082 | ↓ | 6,770 | ↓ |
| 147 Floating interest rates | 43,571 | ↓ | 31,438 | ↓ | 4,106 | ↓ | 2,283 | ↓ |
| 148 Commercial and industrial loans with remaining maturity of more than one year (excluding those in nonaccrual status) | 109,782 | ↓ | 83,616 | ↓ | 7,584 | ↓ | 9,609 | ↓ |
| 149 Predetermined interest rates | 29,521 | ↓ | 20,103 | ↓ | 976 | ↓ | 6,636 | ↓ |
| 150 Floating interest rates | 80,261 | ↓ | 63,513 | ↓ | 6,609 | ↓ | 2,973 | ↓ |

Footnotes appear at end of table.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, September 30, 2000¹—Continued

Millions of dollars except as noted

| Item | All states ² | | New York | | California | | Illinois | |
|--|---|---------------------------|----------------------------|--------------|----------------------------|--------------|----------------------------|--------------|
| | Total excluding IBFs ³ | IBFs only ³ | Total excluding IBFs | IBFs only | Total excluding IBFs | IBFs only | Total excluding IBFs | IBFs only |
| 151 Components of total nontransaction accounts, included in total deposits and credit balances (excluding IBFs) | 370,830 | n.a. | 317,076 | n.a. | 2,504 | n.a. | 11,487 | n.a. |
| 152 Time deposits of \$100,000 or more | 364,354 | n.a. | 310,663 | n.a. | 2,479 | n.a. | 11,485 | n.a. |
| 153 Time CDs in denominations of \$100,000 or more with remaining maturity of more than 12 months | 6,477 | n.a. | 6,413 | n.a. | 24 | n.a. | 2 | n.a. |
| | All states ² | | New York | | California | | Illinois | |
| | Total including IBFs | IBFs only | Total including IBFs | IBFs only | Total including IBFs | IBFs only | Total including IBFs | IBFs only |
| 154 Immediately available funds with a maturity greater than one day included in other borrowed money | 27,185 | n.a. | 24,082 | n.a. | 2,156 | n.a. | 292 | n.a. |
| 155 Number of reports filed ⁶ | 344 | 0 | 180 | 0 | 70 | 0 | 28 | 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." The 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 monthly 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). Since December 31, 1985, data for IBFs have been 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 have been 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 owed to related banking institutions in the United States and in foreign countries (see note 5). On the former monthly branch and agency report, available through the G.11 monthly 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 depository institutions includes the foreign head office and other U.S. and foreign branches and agencies of a bank, a 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.

4.31 PRO FORMA FINANCIAL STATEMENTS FOR FEDERAL RESERVE PRICED SERVICES

A. Pro forma balance sheet

Millions of dollars

| Item | Sept. 30, 2000 | Sept. 30, 1999 |
|--|-----------------|-----------------|
| <i>Short-term assets</i> (Note 1) | | |
| Imputed reserve requirement on clearing balances | 603.4 | 680.5 |
| Investment in marketable securities | 5,430.6 | 6,124.5 |
| Receivables | 71.8 | 70.7 |
| Materials and supplies | 3.2 | 4.3 |
| Prepaid expenses | 22.9 | 21.0 |
| Items in process of collection | <u>3,152.5</u> | <u>3,532.6</u> |
| Total short-term assets | 9,284.4 | 10,433.7 |
| <i>Long-term assets</i> (Note 2) | | |
| Premises | 459.9 | 418.8 |
| Furniture and equipment | 163.2 | 145.7 |
| Leases and leasehold improvements | 46.1 | 40.9 |
| Prepaid pension costs | <u>629.4</u> | <u>516.4</u> |
| Total long-term assets | <u>1,298.5</u> | <u>1,121.8</u> |
| Total assets | 10,582.9 | 11,555.5 |
| <i>Short-term liabilities</i> | | |
| Clearing balances and balances arising from early credit of uncollected items | 5,718.1 | 7,076.8 |
| Deferred-availability items | 3,468.4 | 3,260.9 |
| Short-term debt | <u>97.9</u> | <u>96.0</u> |
| Total short-term liabilities | 9,284.4 | 10,433.7 |
| <i>Long-term liabilities</i> | | |
| Obligations under capital leases | 0.0 | 0.0 |
| Long-term debt | 417.3 | 225.2 |
| Postretirement/postemployment benefits obligation | <u>239.5</u> | <u>215.9</u> |
| Total long-term liabilities | <u>656.7</u> | <u>441.1</u> |
| Total liabilities | 9,941.1 | 10,874.7 |
| Equity | <u>641.8</u> | <u>680.7</u> |
| Total liabilities and equity (Note 3) | 10,582.9 | 11,555.5 |

NOTE. Components may not sum to totals because of rounding. The priced services financial statements consist of these tables and the accompanying notes.

(1) SHORT-TERM ASSETS

The imputed reserve requirement on clearing balances held at Reserve Banks by depository institutions reflects a treatment comparable to that of compensating balances held at correspondent banks by respondent institutions. The reserve requirement imposed on respondent balances must be held as vault cash or as nonearning balances maintained at a Reserve Bank; thus, a portion of priced services clearing balances held with the Federal Reserve is shown as required reserves on the asset side of the balance sheet. The remainder of clearing balances is assumed to be invested in three-month Treasury bills, shown as investment in marketable securities.

Receivables are (1) amounts due the Reserve Banks for priced services and (2) the share of suspense-account and difference-account balances related to priced services.

Materials and supplies are the inventory value of short-term assets.

Prepaid expenses include salary advances and travel advances for priced-service personnel.

Items in process of collection is gross Federal Reserve cash items in process of collection (CIPC) stated on a basis comparable to that of a commercial bank. It reflects adjustments for intra-System items that would otherwise be double-counted on a consolidated Federal Reserve balance sheet; adjustments for items associated with non-priced items, such as those collected for government agencies; and adjustments for items associated with providing fixed availability or credit before items are received and processed. Among the costs to be recovered under the Monetary Control Act is the cost of float, or net CIPC during the period (the difference between gross CIPC and deferred-availability items which is the portion of gross CIPC that involves a financing cost), valued at the federal funds rate.

(2) LONG-TERM ASSETS

Consists of long-term assets used solely in priced services, the priced-services portion of long-term assets shared with nonpriced services, and an estimate of the assets of the Board of Governors used in the development of priced services. Effective Jan. 1, 1987, the Reserve Banks implemented the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 87, *Employers' Accounting for Pensions* (SFAS 87). Accordingly, the Federal Reserve Banks recognized credits to expenses of \$24.9 million in the third quarter of 1999, \$54.2 million in the second quarter of 1999, \$21.9 million in the first quarter of 1999, \$86.6 million in the third quarter of 2000, \$57.7 million in the second quarter of 2000, and \$28.9 million in the first quarter of 2000, and corresponding increases in this asset account.

(3) LIABILITIES AND EQUITY

Under the matched-book capital structure for assets that are not "self-financing," short-term assets are financed with short-term debt. Long-term assets are financed with long-term debt and equity in a proportion equal to the ratio of long-term debt to equity for the fifty largest bank holding companies, which are used in the model for the private-sector adjustment factor (PSAF). The PSAF consists of the taxes that would have been paid and the return on capital that would have been provided had priced services been furnished by a private-sector firm. Other short-term liabilities include clearing balances maintained at Reserve Banks and deposit balances arising from float. Other long-term liabilities consist of obligations on capital leases.

4.31 PRO FORMA FINANCIAL STATEMENTS FOR FEDERAL RESERVE PRICED SERVICES

B. Pro forma income statement

Millions of dollars

| Item | Quarter ending Sept. 30, 2000 | Quarter ending Sept. 30, 1999 |
|--|-----------------------------------|-----------------------------------|
| Revenue from services provided to depository institutions (Note 4) | 221.5 | 210.9 |
| Operating expenses (Note 5) | <u>173.3</u> | <u>173.6</u> |
| Income from operations | 48.2 | 37.3 |
| Imputed costs (Note 6) | | |
| Interest on float | 2.5 | 1.0 |
| Interest on debt | 7.8 | 4.6 |
| Sales taxes | 1.9 | 2.3 |
| FDIC insurance | <u>0.0</u> | <u>0.9</u> |
| Income from operations after imputed costs | 36.0 | 28.5 |
| Other income and expenses (Note 7) | | |
| Investment income on clearing balances | 102.5 | 84.6 |
| Earnings credits | <u>94.0</u> | <u>(79.2)</u> |
| Income before income taxes | 44.5 | 33.9 |
| Imputed income taxes (Note 8) | <u>14.0</u> | <u>10.9</u> |
| Net income | 30.5 | 23.1 |
| MEMO | | |
| Targeted return on equity (Note 9) | 24.6 | 14.3 |
| | Nine months ending Sept. 30, 2000 | Nine months ending Sept. 30, 1999 |
| Revenue from services provided to depository institutions (Note 4) | 654.9 | 619.3 |
| Operating expenses (Note 5) | <u>519.7</u> | <u>508.5</u> |
| Income from operations | 135.2 | 110.8 |
| Imputed costs (Note 6) | | |
| Interest on float | 5.7 | 6.9 |
| Interest on debt | 23.6 | 13.8 |
| Sales taxes | 6.1 | 6.9 |
| FDIC insurance | <u>0.0</u> | <u>2.5</u> |
| Income from operations after imputed costs | 99.8 | 80.7 |
| Other income and expenses (Note 7) | | |
| Investment income on clearing balances | 306.2 | 243.8 |
| Earnings credits | <u>(275.8)</u> | <u>(220.2)</u> |
| Income before income taxes | 130.2 | 104.3 |
| Imputed income taxes (Note 8) | <u>41.0</u> | <u>33.4</u> |
| Net income | 89.2 | 70.9 |
| MEMO | | |
| Targeted return on equity (Note 9) | 73.8 | 45.8 |

NOTE. Components may not sum to totals because of rounding. The priced services financial statements consist of these tables and the accompanying notes.

(4) REVENUE

Revenue represents charges to depository institutions for priced services and is realized from each institution through one of two methods: direct charges to an institution's account or charges against its accumulated earnings credits.

(5) OPERATING EXPENSES

Operating expenses consist of the direct, indirect, and other general administrative expenses of the Reserve Banks for priced services plus the expenses for staff members of the Board of Governors working directly on the development of priced services. The expenses for Board staff members totaled \$3.15 million for the first, second, and third quarters of 2000 and \$.85 million for the first, second, and third quarters of 1999. The credit to expenses under SFAS 87 (see note 2) is reflected in operating expenses.

(6) IMPUTED COSTS

Imputed costs consist of interest on float, interest on debt, sales taxes, and the FDIC assessment. Interest on float is derived from the value of float to be recovered, either explicitly or through per-item fees, during the period. Float costs include costs for checks, book-entry securities, noncash collection, ACH, and funds transfers.

Interest is imputed on the debt assumed necessary to finance priced-service assets. The sales taxes and FDIC assessment that the Federal Reserve would have paid had it been a private-sector firm are among the components of the PSAF (see note 3).

Float costs are based on the actual float incurred for each priced service, multiplied by the appropriate federal funds rate. Other imputed costs are allocated among priced services according to the ratio of operating expenses less shipping expenses for each service to the total expenses for all services less the total shipping expenses for all services.

The following list shows the daily average recovery of float (before converting to float costs) by the Reserve Banks for the third quarter of 2000 and 1999 in millions of dollars:

| | 2000 | 1999 |
|-----------------------------|----------------|----------------|
| Total float | 725.4 | 437.1 |
| Unrecovered float | <u>145.6</u> | <u>(148.5)</u> |
| Float subject to recovery | 579.8 | 585.6 |
| Sources of float recovery | | |
| Income on clearing balances | 58.0 | 44.3 |
| As-of adjustments | 430.8 | 352.0 |
| Direct charges | 314.2 | 100.2 |
| Per-item fees | <u>(223.2)</u> | <u>89.0</u> |

Unrecovered float includes float generated by services to government agencies and by other central bank services. Float recovered through income on clearing balances is the result of the increase in investable clearing balances; the increase is produced by a deduction for float for cash items in process of collection, which reduces imputed reserve requirements. The income on clearing balances reduces the float to be recovered through other means. As-of adjustments are memorandum adjustments to an institution's reserve or clearing position to recover float incurred by the institution. Direct charges are billed to the institution for float incurred when an institution chooses to close on a normal business day and for float incurred on interterritory check transportation. Float recovered through direct charges is valued at cost using the federal funds rate and charged directly to an institution's account. Float recovered through per-item fees is valued at the federal funds rate and has been added to the cost base subject to recovery in the third quarters of 2000 and 1999.

(7) OTHER INCOME AND EXPENSES

Consists of imputed investment income on clearing balances and the actual cost of earnings credits. Investment income on clearing balances represents the average coupon-equivalent yield on three-month Treasury bills applied to the total clearing balance maintained, adjusted for the effect of reserve requirements on clearing balances. Expenses for earnings credits granted to depository institutions on their clearing balances are derived by applying the average federal funds rate to the required portion of the clearing balances, adjusted for the net effect of reserve requirements on clearing balances.

(8) INCOME TAXES

Imputed income taxes are calculated at the effective tax rate derived from the PSAF model (see note 3).

(9) RETURN ON EQUITY

Represents the after-tax rate of return on equity that the Federal Reserve would have earned had it been a private business firm, as derived from the PSAF model (see note 3). This amount is adjusted to reflect the recovery of automation consolidation costs of \$0.0 million for the first, second, and third quarters of 2000, \$0.3 million for the third quarter of 1999, \$3.5 million for the second quarter of 1999, and \$3.3 million for the first quarter of 1999. The Reserve Banks recovered these amounts, along with a finance charge, by the end of 1999.

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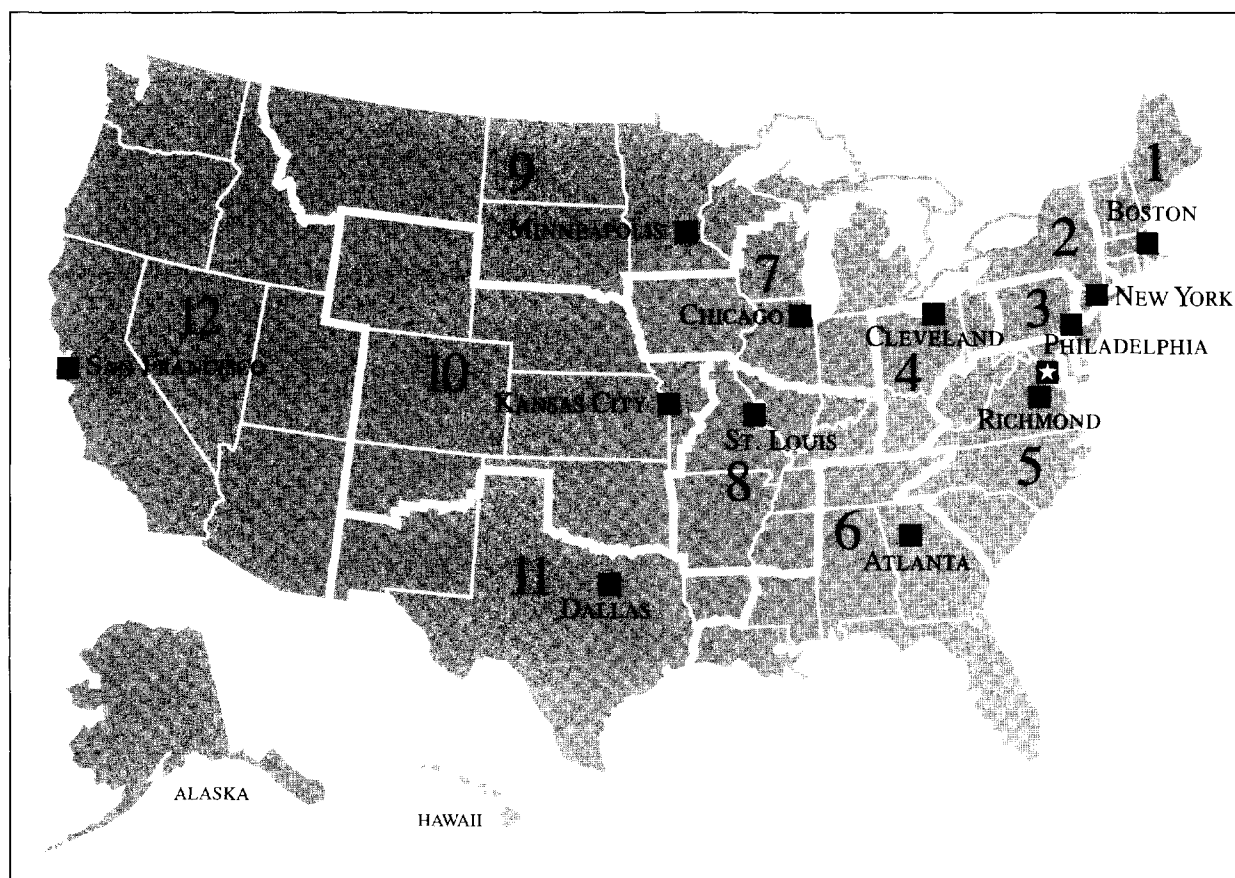
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BULLETIN**

Studies and papers on economic and financial subjects that are of general interest. Requests to obtain single copies of the full text or to be added to the mailing list for the series may be sent to Publications Services.

Staff Studies 1–158, 161, 163, 165, 166, 168, and 169 are out of print. Staff Studies 167–174 are available on line at www.federalreserve.gov/pubs/staffstudies.

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160. BANKING MARKETS AND THE USE OF FINANCIAL SERVICES BY SMALL AND MEDIUM-SIZED BUSINESSES, by Gregory E. Elliehausen and John D. Wolken. September 1990. 35 pp.
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173. IMPROVING PUBLIC DISCLOSURE IN BANKING, by Study Group on Disclosure, Federal Reserve System. March 2000. 35 pp.
174. BANK MERGERS AND BANKING STRUCTURE IN THE UNITED STATES, 1980–98, by Stephen Rhoades. August 2000. 33 pp.

Maps of the Federal Reserve System



LEGEND

Both pages

- Federal Reserve Bank city
- ▣ Board of Governors of the Federal Reserve System, Washington, D.C.

Facing page

- Federal Reserve Branch city
- Branch boundary

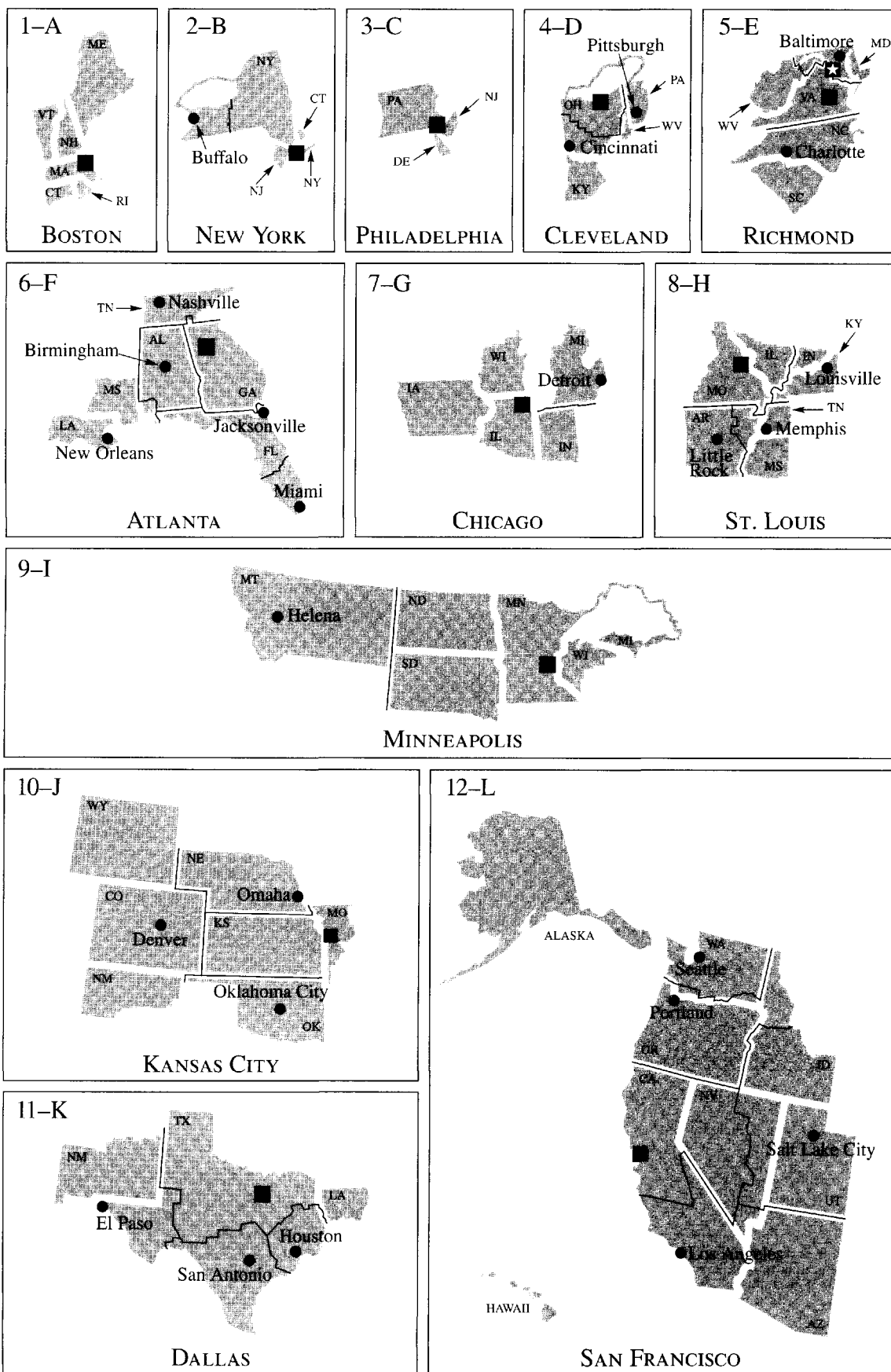
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The Federal Reserve officially identifies Districts by number and Reserve Bank city (shown on both pages) and by letter (shown on the facing page).

In the 12th District, the Seattle Branch serves Alaska, and the San Francisco Bank serves Hawaii.

The System serves commonwealths and territories as follows: the New York Bank serves the Commonwealth

of Puerto Rico and the U.S. Virgin Islands; the San Francisco Bank serves American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands. The Board of Governors revised the branch boundaries of the System most recently in February 1996.



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| Houston | 77252 | To be announced | | Robert Smith III ¹ |
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2. Executive Vice President

Publications of Interest

FEDERAL RESERVE REGULATORY SERVICE

To promote public understanding of its regulatory functions, the Board publishes the *Federal Reserve Regulatory Service*, a four-volume loose-leaf service containing all Board regulations as well as related statutes, interpretations, policy statements, rulings, and staff opinions. For those with a more specialized interest in the Board's regulations, parts of this service are published separately as handbooks pertaining to monetary policy, securities credit, consumer affairs, and the payment system.

These publications are designed to help those who must frequently refer to the Board's regulatory materials. They are updated monthly, and each contains citation indexes and a subject index.

The Monetary Policy and Reserve Requirements Handbook contains Regulations A, D, and Q, plus related materials.

The Securities Credit Transactions Handbook contains Regulations T, U, and X, dealing with extensions of credit for the purchase of securities, together with related statutes, Board interpretations, rulings, and staff opinions. Also included is the Board's list of foreign margin stocks.

The Consumer and Community Affairs Handbook contains Regulations B, C, E, M, Z, AA, BB, and DD, and associated materials.

The Payment System Handbook deals with expedited funds availability, check collection, wire transfers, and risk-reduction policy. It includes Regulations CC, J, and EE, related statutes and commentaries, and policy statements on risk reduction in the payment system.

For domestic subscribers, the annual rate is \$200 for the *Federal Reserve Regulatory Service* and \$75 for each handbook. For subscribers outside the United States, the price including additional air mail costs is \$250 for the service and \$90 for each handbook.

The *Federal Reserve Regulatory Service* is also available on CD-ROM for use on personal computers. For a standalone PC, the annual subscription fee is \$300. For network subscriptions, the annual fee is \$300 for 1 concurrent user, \$750 for a maximum of 10 concurrent users, \$2,000 for a maximum of 50 concurrent users, and \$3,000 for a maximum of 100 concurrent users. Subscribers outside the United States should add \$50 to cover additional airmail costs. For further information, call (202) 452-3244.

All subscription requests must be accompanied by a check or money order payable to the Board of Governors of the Federal Reserve System. Orders should be addressed to Publications Services, mail stop 127, Board of Governors of the Federal Reserve System, Washington, DC 20551.

GUIDE TO THE FLOW OF FUNDS ACCOUNTS

A new edition of *Guide to the Flow of Funds Accounts* is now available from the Board of Governors. The new edition incorporates changes to the accounts since the initial edition was published in 1993. Like the earlier publication, it explains the principles underlying the flow of funds accounts and describes how the accounts are constructed. It lists each flow series in the Board's flow of funds publication, "Flow of Funds Accounts of the United States" (the Z.1 quarterly statistical release),

and describes how the series is derived from source data. The *Guide* also explains the relationship between the flow of funds accounts and the national income and product accounts and discusses the analytical uses of flow of funds data. The publication can be purchased, for \$20.00, from Publications Services, Board of Governors of the Federal Reserve System, Washington, DC 20551.

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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.1 | Flow of Funds | Quarterly |
