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The article also presents separate estimates of the financial obligations ratio for homeowners and renters. The ratio for homeowners, which may summarize the effects of the recent refinancing boom on the financial obligations of homeowners, has risen gradually over the past decade; the ratio for renters has risen more steeply. The flat contour of the homeowner ratio in recent quarters suggests that homeowners may have rebalanced their portfolios toward lower-cost mortgage debt during the recent period of economic weakness.

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Recent Changes to a Measure of U.S. Household Debt Service

Karen Dynan, Kathleen Johnson, and Karen Pence, of the Board's Division of Research and Statistics, prepared this article. David Brown provided research assistance.

Changes in aggregate household debt in the United States may contain information about the current state of the economy and may influence its future path. When a large share of household income is devoted to debt repayment, households have fewer funds available to purchase goods and services. Households with high debt levels relative to income are also more likely to default on their obligations when they suffer an unanticipated misfortune such as job loss or illness. Thus, when household debt ratios are high and unemployment is rising, lenders may respond to the expected increase in defaults by limiting the availability of credit; this dynamic may further weigh on spending.

An often-used summary measure of household debt is the household debt service ratio (formerly known as the household debt service burden), which the Board of Governors of the Federal Reserve System first published in 1980.¹ This measure, which is intended to capture the share of household after-tax income obligated to debt repayment, is calculated as the ratio of aggregate required debt payments (interest and principal) to aggregate after-tax income.

Changes in the structure and sophistication of financial markets in the past several years appear to have affected household debt service ratios. In the residential mortgage market, lenders have developed products that have broadened the base of household debt by enabling borrowers with impaired credit or limited funds for a down payment to purchase homes. Advances in home equity lending have enabled borrowers to extract equity more easily from their homes through a home equity line of credit or a cash-out refinancing. In the auto finance market, more drivers than in the past are leasing their cars instead of

purchasing them, while in the education finance market, market share has shifted from commercial bank loans to government-financed student loans.

Because of such changes in financial markets, Federal Reserve staff undertook a major revision of the debt service ratio (DSR), which had last been revised in 1999. In the current revision, the staff had three goals. The first was to evaluate and update the data sources and the methods used to calculate the DSR. The second was to create a broader measure of household liabilities, the financial obligations ratio (FOR), which added recurring obligations—rent, auto leases, homeowners' insurance, and property taxes—that had not traditionally been included in the calculation of the DSR. The third goal was to analyze the effect of recent mortgage market changes on the debt of homeowners by creating estimates of the FOR for homeowners and renters. The results of these revisions are presented in this article.

Interpretation of the DSR and these revisions is subject to several caveats. First, the DSR is a ratio of minimum debt payments, not total debt, to income. Required monthly payments can differ on loans of the same dollar amount because of differences in maturities and interest rates. Second, the measure is a ratio of two aggregate numbers. This measure expresses the debt service obligations of the population as a whole but not necessarily the obligations of the typical household.² Third, what the DSR indicates about the economy is not straightforward because it does not incorporate the intentions or expectations of borrowers. Some households may increase their ratios by borrowing more because they are appropriately optimistic about their future income prospects and their corresponding ability to repay debt. Other households may increase their ratios because they have suffered an unanticipated misfortune that necessitates borrowing to cover their extra expenses. An

1. See Charles Luckett, "Recent Financial Behavior of Households," *Federal Reserve Bulletin*, vol. 66 (June 1980), pp. 437–43, for more details. The data for the revised debt service ratio discussed in this article are available at www.federalreserve.gov/releases/housedebt/default.htm.

2. The Survey of Consumer Finances releases an estimate every three years of the median household debt service ratio, which can be interpreted as the debt service ratio of a typical household that has debt. This measure fell from 18.1 percent of income in 1998 to 16.0 percent in 2001. See Ana M. Aizcorbe, Arthur B. Kennickell, and Kevin B. Moore, "Recent Changes in U.S. Family Finances: Evidence from the 1998 and 2001 Survey of Consumer Finances," *Federal Reserve Bulletin*, vol. 89 (January 2003), pp. 1–32, for more details.

1. Share of dollars outstanding, by type of nonauto, nonrevolving loans, 1983–2001
Percent

Year	Student		Mobile home		RV and marine		Personal	
	Previous	Revised ¹	Previous	Revised ¹	Previous	Revised ¹	Previous	Revised ¹
1983/1985 ²	30	28	19	24	10	21	40	28
1989	33	38	24	19	23	24	20	20
1992	37	51	14	15	29	17	21	17
1995	44	55	8	21	22	14	26	11
1998	17	53	11	21	37	18	36	8
2000/2001 ²	12	58	6	21	31	14	51	8

1. These figures are based on loans reported to be from banks, finance companies, credit unions, and stores.

2. Survey of Consumer Finances (SCF) data are available for 1983 and 2001, whereas American Bankers Association (ABA) data are available for 1985 and 2000.

SOURCES. For “previous” column, American Bankers Association Installment Credit Report. For “revised” column, Survey of Consumer Finances, various waves.

increase in the DSR indicates good news for the economy in the first example and bad news in the second.

UPDATING SOURCES OF DATA FOR THE DSR

Recent developments in credit markets necessitated changing some sources of the data used to calculate the DSR. Commercial banks’ changing role in household credit markets led to replacing a bank-level survey with a household-level survey as the source for the distribution of loan types. In the process of revision, members of the Board staff re-evaluated and updated the data sources for loan maturities and interest rates. Also, changes in the student loan market led to using new sources of data for student loans.

Using a New Source of Nonauto, Nonrevolving Debt Shares

In the calculation of the DSR, aggregate nonauto, nonrevolving debt is split into its component parts—student loans, mobile-home loans, recreational vehicle (RV) and marine loans, and personal loans—because these loans have different interest rates and maturities and so have different amounts of debt service associated with a given increase in debt.³ In the past, the aggregate was split with shares estimated from the American Bankers Association survey of banks. However, the role of commercial banks in household credit markets has changed, and we

3. Revolving debt arises from retail credit extended on the basis of a credit line and from the sale of services and consumer goods other than passenger cars and mobile homes. A single contract governs multiple use of the account, and purchases may be made with a credit card. Generally, credit extensions can be made at the consumer’s discretion, provided that they do not cause the outstanding balance of the account to exceed a prearranged credit limit.

Nonrevolving debt comprises all other loans not included in revolving credit that are unsecured or are secured by collateral other than real estate.

have become less confident that banks’ distribution of loan types represents the distribution for the credit market as a whole.

One example of the changing role of commercial banks in household credit markets is the student loan market. From 1983 to 2001, student loans as a share of commercial banks’ nonauto, nonrevolving loan portfolio—the previous basis for our estimates—declined from 30 percent to 12 percent (table 1). Over the same period, student loans as a share of households’ nonauto, nonrevolving debt—the revised basis for our estimates—increased from about 28 percent to 58 percent. That these shares show opposite trends implies that households are obtaining education loans from lenders other than commercial banks, such as the federal government.

Another example is the market for personal loans. Between 1983 and 2001, personal loans as a share of commercial banks’ nonauto, nonrevolving consumer loan portfolio fluctuated in a wide band around 30 percent. At the same time, personal loans were declining as a share of households’ nonauto, nonrevolving credit; in 2001, they made up only 8 percent of such credit, down from 28 percent in 1983. One possibility is that personal loans have been replaced by credit card debt, a type of revolving debt that has more than doubled as a share of total consumer debt in the past two decades.

To obtain information about such markets, we turned to the Survey of Consumer Finances (SCF) (see box). This survey gathers detailed information on households’ financial characteristics. Part of this information concerns households’ outstanding consumer loans from all types of lenders.

Updating Assumptions about the Time to Maturity

The assumptions about the remaining time to maturity of the loans outstanding (remaining maturity)

2. Comparison of interest rates on nonauto, nonrevolving credit in the SCF with those currently used in the DSR calculation, 1983–2001

Percent

Year	Student		Proxy for RV, marine, and mobile home ¹	RV and marine ²	Mobile home ²	Personal	
	Current DSR	SCF ²	Current DSR	SCF		Current DSR	SCF ²
1983/1985 ³	8.9	9.2	13.9	13.3	14.0	18.1	17.7
1989	10.9	8.3	11.9	12.5	11.8	15.2	13.5
1992	7.9	8.9	9.2	9.9	11.0	14.7	13.4
1995	8.1	8.4	9.4	10.4	10.5	13.6	13.9
1998	8.1	8.4	8.7	9.1	9.3	13.8	12.1
2000/2001 ³	7.8	7.6	8.3	9.4	9.1	13.6	13.6

1. The proxy is the interest rate on 48-month new car loans at commercial banks.

2. These figures are based on loans reported to be from banks, finance companies, credit unions, and stores.

3. SCF data are available for 1983 and 2001, whereas ABA data are available for 1985 and 2000.

SCF Survey of Consumer Finances.

DSR Debt service ratio.

SOURCES. RV, marine, mobile home, and personal loans: Federal Reserve. Student loans: Sallie Mae. Survey of Consumer Finances, various waves.

used to calculate the DSR have been in place for several years and do not capture the recent changes in credit markets. These maturity assumptions have important implications for the DSR calculation because longer-maturity loans have lower payments, all else being equal, whereas shorter-maturity loans have higher payments. The average remaining times to maturity on types of nonrevolving debt other than auto loans are available infrequently and need to be re-evaluated from time to time.

To update the maturity assumptions, we again turned to the SCF.⁴ For example, after examining the SCF data and consulting with industry contacts, we raised the assumed remaining maturity for mobile-home loans to 100 months.⁵ The SCF data also indicated that the average remaining maturity on personal loans—of 42 months—was much longer than the previously assumed maturity of 16 months, and so we lengthened this maturity assumption as well. Finally, although the SCF's average remaining maturity for student loans currently being paid—at 65 months—is fairly close to our previous assumption of 80 months, payments on a large number of student loans are currently being deferred. According to the SCF, at any given time, payments are not being made on one-quarter to one-half of student loans. To

account for the deferral of student loans, we adjusted the stock of loans to reflect only those loans on which payments are currently being made.

Re-evaluating and Updating the Interest Rate Data

We have also re-evaluated and updated the sources of data on interest rates. In the past, we used proxies for interest rates on RV, marine, and mobile-home loans.⁶ According to the SCF, however, the interest rates on these loans are similar to each other and to the Federal Reserve's series on the average interest rate offered by banks on 48-month new car loans (see table 2). Thus, we replaced the previously used proxies with this rate, which is 3 to 4 percentage points lower than the proxies we had been using.

As part of the re-evaluation, we compared the quarterly interest rates for student loans from Sallie Mae and those for personal loans from the Federal Reserve with data from the SCF. The student loan interest rate, which is the average interest rate on Stafford student loans as reported by Sallie Mae, is similar to the rate reported in the SCF. Over the past twenty years, each rate has shown only mild fluctuations around its average of 8.5 percent.⁷ Interest rates on personal loans in the SCF, defined as all non-revolving loans for purposes other than education or the purchase of an RV, a boat, or a mobile home,

4. The SCF does not ask households for the remaining maturity on their loans in all cases, but we calculated the implied remaining maturity by subtracting the age of the loan from the original maturity.

5. The remaining maturity on mobile homes was previously assumed to be 40 months; the average remaining maturity captured by the SCF is about 149 months. However, the remaining maturity calculated from the SCF may not accurately represent the remaining maturity on household debt because the SCF measure of mobile-home debt includes mobile homes and sometimes the land on which they stand. The loan for this land would have a substantially longer maturity than would that for the mobile home itself.

6. We previously used the interest rate on used cars at finance companies as a proxy for the interest rate on RV and marine loans, and the interest rate on 48-month new car loans at commercial banks plus a constant as a proxy for the interest rate on mobile-home loans.

7. The similarity is not too surprising—a comparison of student loan rates by source in the SCF reveals little difference across types of lending institution.

appear to be a bit lower than the rates offered by banks on 24-month personal loans, but this difference has been close to zero in recent years.

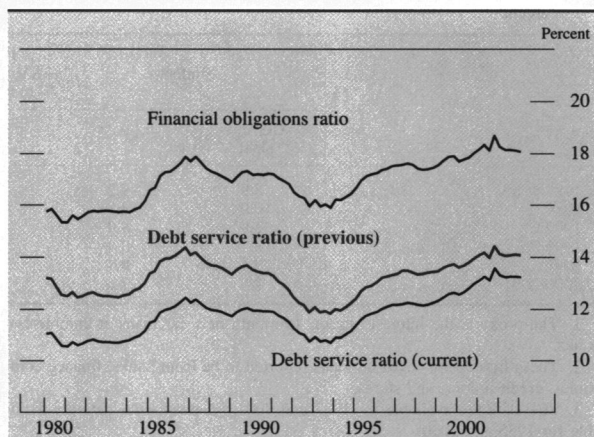
Adding New Sources for Student Loan Data

The DSR was broadened to account for changes in the student loan market. Specifically, the measure of consumer credit used to calculate the DSR was expanded to include student loans extended by the government and Sallie Mae.⁸ From the household sector's perspective, student loans made by the government or Sallie Mae do not differ fundamentally from those made by other lenders. However, these student loans were not captured in the consumer credit statistics because information about student loans had traditionally been collected through surveys of banks.⁹

Before 1993, the federal government participated indirectly in the student loan market by guaranteeing loans made available by private lenders, a good portion of which were commercial banks.¹⁰ In 1993, it began disbursing education loans directly to households through the congressionally mandated Federal Direct Student Loan Program (FDSLP).¹¹ The FDSLP expanded rapidly, and by the end of the decade, the program was responsible for one-quarter of the approximately \$177 billion in student loans outstanding under federal programs.¹² Accounting for student loans extended by the federal government raised the level of consumer credit an average of 3 percent since 1994 and its annual growth rate about ½ percentage point each year.

Sallie Mae's student loans had not been included in the consumer credit statistics because consumer credit information traditionally had not been collected from government-sponsored enterprises. However, loans from Sallie Mae's parent company (SLM),

1. Debt service and financial obligations ratios, 1980–2003:Q2



NOTE. Financial obligations include debt service, rent payments, auto lease payments, homeowners' property tax payments, and homeowners' insurance payments.

a private corporation, will be included in consumer loans held by finance companies when statistics from this sector are re-benchmarked in 2005. To avoid such inconsistency in treatment, Sallie Mae's student loans since 1977 were added to the Federal Reserve's G.19 consumer credit statistics beginning with the October 2003 release. Their inclusion did not materially change the growth rate of consumer credit, but it has raised the level an average of 2½ percent since 1977.

Revision to the Debt Service Ratio Estimate

On net, changes to the source data led to a downward revision to the DSR of about 1½ percentage points from 1980 through 2002 (chart 1 and top portion of table 3). Revisions to personal loan payments

3. Contributions to the overall revision, 1980–2002 Percentage points

Component	1980–89	1990–94	1995–99	2000–02	1980–2002
<i>New data sources</i>					
Student loans	-.13	-.03	.22	.50	.05
Personal loans	-1.44	-.83	-1.11	-1.26	-1.21
RV and marine loans	-.11	-.28	-.44	-.53	-.27
Mobile-home loans	-.09	-.02	.09	.07	-.01
Auto loans	-.03	-.04	.09	.29	.03
Total	-1.80	-1.20	-1.14	-.93	-1.41
<i>Broadened debt service burden</i>					
Automobile leases ...	.03	.21	.53	.53	.33
Rental payments	3.38	3.36	3.14	2.91	3.20
Property taxes and insurance ..	1.70	1.71	1.66	1.57	1.66
Total	5.11	5.28	5.33	5.01	5.19
Overall revision	3.31	4.08	4.19	4.08	3.78

8. The consumer credit data used in the calculation are published by the Federal Reserve in the G.19 statistical release. A revision back to January 1977 first appeared in the October 7, 2003, release of data for August 2003.

Sallie Mae is a federally chartered, government-sponsored enterprise that has the majority of its assets in student loans. In 1997, it received authorization to reorganize as a fully private, state-chartered corporation. The following year, the institution became a wholly owned subsidiary of SLM Holding Corporation.

9. Federally guaranteed student loans made by state nonprofit agencies continue to be excluded from the consumer credit statistics because of the lack of frequent and timely data.

10. The Higher Education Act of 1965 authorized the Federal Family Education Loan Program (Pub. L. 89–329) November 8, 1965.

11. The Omnibus Budget Reconciliation Act of 1993 (Pub. L. 103–66), August 10, 1993.

12. Department of Education, Office of Postsecondary Education, *Federal Student Loan Programs Databook 1997–2000*, www.ed.gov/finaid/prof/resources/data/oep.html.

accounted for the lion's share of this revision because of the lengthening of our assumptions about remaining maturity on these loans. This revision alone reduced our estimate of the DSR more than 1 percentage point. Reducing the interest rate used to calculate the required debt service on RV and marine loans and lengthening their assumed maturities accounted for most of the remaining revision.

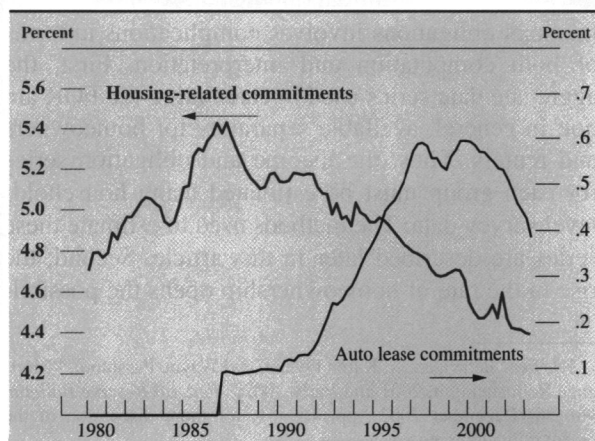
BROADENING THE MEASURE OF HOUSEHOLD LIABILITIES WITH THE FOR

Because of changes in the mortgage and automobile markets, we created a new measure of household liabilities—the financial obligations ratio (FOR). By including rental payments on primary residences as well as other housing-related expenses, this measure reflects the household sector's movement toward owning (debt financing) and away from renting (lease financing) in the housing market. And by including automobile lease payments, the measure reflects the movement toward leasing in the automobile market. The resulting measure better captures changes in the share of household resources dedicated to recurring fixed expenses. The magnitude of auto lease commitments and the combination of the various housing-related commitments relative to disposable income appear in chart 2.

Housing Market

Households have moved from renting toward owning their primary residences. Over the 1990s, the share of households that owned their homes rose from

2. Financial obligations as a share of disposable income, 1980–2003:Q2



NOTE. Housing-related commitments include rent, property tax, and property insurance payments.

64 percent to about 68 percent.¹³ In the process, these new homeowners likely replaced their rental payments with mortgage debt.

Because of this shift from renting to owning, a measure of household financial obligations that excludes rent on tenant-occupied properties overstates the recent increases in housing-related obligations. To resolve this measurement issue, we added data from 1980 to the present on tenant-occupied, nonfarm rent from the National Income and Product Accounts (NIPA) to the estimates of household debt payments. As a share of after-tax personal income, rent payments rose fairly rapidly between the early and mid-1980s, reaching 3¾ percent, and have subsequently fallen to less than 3 percent (bottom portion of table 3). Incorporating rental payments increased the level of the DSR ¾ percentage points on average between 1980 and 2002.

To capture all the financial commitments associated with homeownership, a measure of household financial obligations should also include expenditures, such as property taxes and homeowners' insurance, that must be paid but are not part of mortgage debt. From 1980 through 1994, aggregate property taxes paid by households as a share of total disposable personal income hovered around 1½ percent. Since that time, property taxes have edged down to an estimated 1⅓ percent of income. Homeowners' insurance payments as a percentage of disposable personal income are quite small, averaging less than ¼ percent over the past two decades. Taken together, property taxes and homeowners' insurance payments account for 1⅔ percentage points of the difference between the FOR and the DSR from 1980 through 2002.

Auto Market

In contrast to the housing market, in the automobile market, households have shifted somewhat from owning their vehicles and incurring debt to leasing (renting) their vehicles. In 1992, 2½ percent of households leased a vehicle. By 2001, this figure had risen to 5¾ percent.¹⁴ Because of this shift, a measure of financial obligations that excludes automobile

13. U.S. Census Bureau, "Housing Vacancies and Homeownership Historical Tables," table 14, <http://www.census.gov/hhes/www/housing/hvs/historic/hist14.html>.

14. See Ana M. Aizcorbe, Martha Starr, and James T. Hickman, "The Replacement Demand for Motor Vehicles: Evidence from the Survey of Consumer Finances," Board of Governors Finance and Economics Discussion Series 2003–44, www.federalreserve.gov/pubs/feds/.

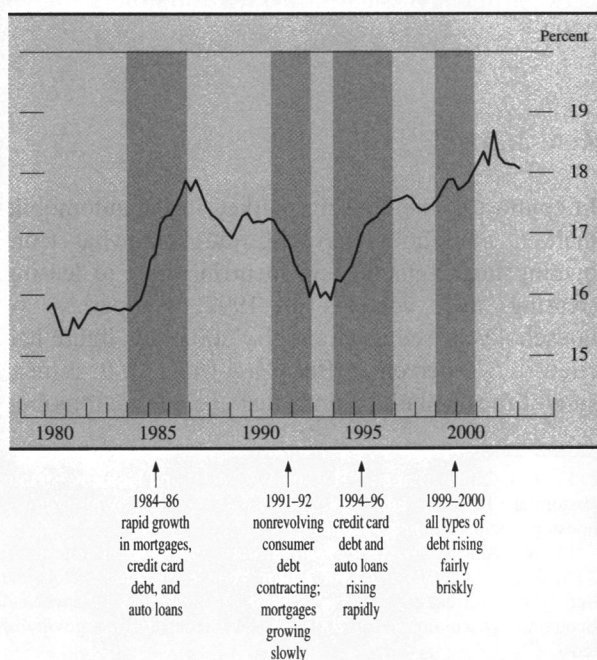
leases understates increases in consumers' required automobile finance payments. Accordingly, we added automobile lease expenditures from the NIPA to our estimate of household debt payments. Lease payments account for roughly $\frac{1}{3}$ percentage point of the difference between the FOR and the DSR.

Comparison of the DSR and the FOR

Broadening the measure of household liabilities had a larger effect on the level of the DSR than on its contour over time. Mainly because of the addition of rental payments on tenant-occupied housing, the new FOR measure is about $5\frac{1}{4}$ percentage points higher on average than the revised DSR measure between 1980 and 2002 (chart 1). The FOR has varied between 15 percent and 19 percent since 1980, with a high in the fourth quarter of 2001 (chart 3).

The growth in debt outstanding explains much of the movement in this measure, although changes in interest rates and maturities contribute as well. In the mid-1980s, rapid growth in the major categories of household debt—mortgages, credit card debt, and automobile loans—led to a rise of 2 percentage points in the FOR. During the recession in the early 1990s, nonrevolving consumer debt contracted, mortgage growth was sluggish, and the FOR dropped $1\frac{1}{4}$ percentage points. In the mid-1990s and again around the turn of the century, rapid debt growth pushed the FOR higher.

3. The financial obligations ratio, 1980–2003:Q2



DEBT SERVICE AND FINANCIAL OBLIGATIONS BY HOMEOWNERSHIP STATUS

Record low interest rates and rising house prices over the past few years have prompted millions of homeowners to refinance their mortgages and to tap into their home equity.¹⁵ The net effect of these refinancings on the outstanding debt of homeowners is ambiguous. If homeowners reduce their mortgage payments through refinancing or if they pay off higher-cost consumer debt with the proceeds of a cash-out refinancing (that is, tap into their equity and take out cash), homeowner debt service will decrease. By lowering required monthly payments, this balance sheet restructuring may make homeowners' consumption less vulnerable to income declines. However, if homeowners use the proceeds of a cash-out refinancing to finance new consumption, homeowner debt service may increase. For these reasons, it is useful to separate financial obligations of homeowners from those of renters. The changes in the ratio of homeowners' financial obligations to their incomes may summarize the net effect of the refinancing boom on the financial situations of homeowners.

Separating homeowner and renter financial obligations also allows the creation of a renter financial obligations ratio. In general, renters have less income than do homeowners and are more likely to have trouble repaying their financial obligations. In 2001, the median income of renters was \$24,700; the median income of homeowners was \$52,100. In the same year, 14 percent of renters and only 4 percent of homeowners said that they had been delinquent sixty days or more on a loan in the past year.¹⁶ Thus, a separate financial obligations ratio for renters may indicate how the debt obligations of households with less income and less wealth have changed over time.

However, splitting homeowners' and renters' financial obligations involves complications in terms of both computation and interpretation. First, the aggregate data series used in calculating the FOR are not, in general, available separately for homeowners and renters. Thus, the income and obligation series for each group must be estimated using household-level survey data. The methods used to estimate these series are described later in this article. Second, the rise in the rate of homeownership opens the possibil-

15. See Glenn Canner, Karen Dynan, and Wayne Passmore, "Mortgage Refinancing in 2001 and Early 2002," *Federal Reserve Bulletin*, vol. 88 (December 2002), pp. 469–81, for more discussion of the recent refinancing boom.

16. See Aizcorbe, Kennickell, and Moore, "Recent Changes in U.S. Family Finances," tables 1 and 14.

4. Distribution of the debt of homeowners and renters, by loan type, 1990–2002¹

Percent

Type of loan	Homeowners	Renters
Mortgage	82	...
Credit card	7	40
Auto	7	35
RV and marine	1	1
Mobile home	1	...
Student	1	20
Personal	2	4

NOTE. Details may not sum to 100 because of rounding.

1. Percentages are calculated separately for each year and then averaged.

... Not applicable.

SOURCES. Federal Reserve, flow of funds accounts and G.19 Consumer Credit statistical release; data split with shares estimated from the SCF.

ity that the characteristics of homeowners as a group may have changed over time. Therefore, changes in the homeowner FOR may reflect changes in the characteristics of new homeowners rather than changes in the financial commitments of existing homeowners. A rough estimate of the extent of this effect, presented at the end of the article, suggests that up to half the rise in the homeowner FOR over the 1990s may be due to the increase in homeownership.

Estimating the Financial Obligations of Homeowners and Renters

The debt of renters and owners is distributed differently across loan types. Mortgages are the dominant component of the debt of homeowners, whereas credit card, auto, and student loans are the major components of the debt of renters (table 4). As a result, changes in mortgage interest rates will affect the FOR only of homeowners, whereas changes in consumer loan interest rates will disproportionately affect the FOR of renters.

To split aggregate debt service, for each type of loan we estimate the share of debt service accruing to homeowners and renters. These shares, which are estimated from the SCF, are then applied to each loan type's aggregate debt service. Auto lease payments are also split based on estimates from the SCF, whereas homeowners' insurance and property taxes are assigned entirely to homeowners and rent payments are assigned entirely to renters.

Estimating the Income of Homeowners and Renters

Conceptually, estimating the income of homeowners and renters is similar to estimating their debt pay-

ments. Using survey data, we estimate the shares of various types of income accruing to homeowners and renters. We then use these shares to split the aggregate NIPA income data between homeowners and renters.

In practice, estimating the income of homeowners and renters is more complicated than estimating their debt payments for two reasons. First, the definition of income in NIPA data is different from that in survey data. The NIPA definition includes components such as the rental value of owner-occupied housing, employer contributions to private pension funds, and the value of Medicare and Medicaid entitlements, which are generally excluded from survey-based definitions. Second, some sources of survey data may undercount high-income households, whose income is a significant fraction of aggregate income. Moreover, in some surveys the true incomes of these high-income households are replaced with lower figures in an attempt to maintain the households' confidentiality. Because an overwhelming percentage of high-income households are homeowners, excluding their income may induce a downward bias in the estimate of the homeowner share of income.

To mitigate the difficulties raised by differences in income definitions, each component of NIPA income is matched to its closest equivalent in survey data (table 5). This method assumes only that the same share of income accrues to renters and homeowners within each subcategory for the NIPA and survey data, rather than within the NIPA and survey data as a whole. For components in which the income of high-income households plays a significant role—wage, self-employment, rental, dividend, and interest income—the homeowner/renter split is based on the Survey of Consumer Finances, which oversamples these households specifically. For other income sources, the split is based on the March supplement to the Current Population Survey (CPS), which is conducted more frequently than is the SCF and is

5. NIPA income subcategories and survey data equivalents

NIPA income subcategory	Survey source
Wage	SCF
Employee benefits	CPS
Self-employment income	SCF
Rental income net of imputed rent	SCF
Imputed rent of homeowners ¹ .....	...
Personal dividend and interest income	SCF
Transfer income (net of Medicare and Medicaid)	CPS
Medicare and Medicaid	CPS

1. Assigned entirely to homeowner category.

... Not applicable.

SCF Survey of Consumer Finances.

CPS Current Population Survey.

Microdata Sets Used to Calculate the Homeowner and Renter FORs

The Federal Reserve Board conducts the Survey of Consumer Finances (SCF) every three years. The survey is designed to provide comprehensive data on the wealth (both the assets and the liabilities) of American households. The SCF oversamples high-income households because these households hold a disproportionate share of the nation's wealth. Weighting is used in estimation to give each survey case its approximate representation in the full population of households. Survey waves are currently available for 1983, 1986, 1989, 1992, 1995, 1998, and 2001. The 2001 survey data were released publicly approximately fifteen months after the completion of the interviews and contained data from interviews with 4,442 households.

The Bureau of the Census conducts the Current Population Survey (CPS) monthly and asks detailed questions about income annually in its March supplement. The survey is designed to provide information on the labor force characteristics of the U.S. population. The CPS web site has March supplement data from 1992 onward, and the Unicon Corporation's "CPS Utilities" provides this data from 1962 onward. The data for the 2002 March supplement were released approximately six months after the completion of the interviews and contained data from approximately 78,000 households.

based on a larger number of households. (See the box for more information on these surveys.) Besides being more frequent, the CPS also asks more detailed questions about the many possible sources of transfer income, such as food stamps and Temporary Assistance to Needy Families, and thereby yields a potentially better measure for this category than does the SCF. Federal and state tax shares are estimated with the internal version of the SCF and the National Bureau of Economic Research's TAXSIM model.¹⁷

The income of homeowners and renters is distributed differently across the sources of income. Dividends, interest, and self-employment income represent 28 percent of the income of homeowners but only 8 percent of the income of renters (table 6). Transfer income and Medicaid make up only 9 percent of the income of homeowners but 23 percent of the income of renters. Thus, changes in the stock and bond markets will affect homeowners disproportionately, and changes in the rules governing transfer programs will influence primarily renters.

17. State identifiers are not released on the public version of the SCF. For more information on the TAXSIM model, see www.nber.org/~taxsim.

6. Distribution of homeowner and renter income across sources, 2001

Percent

Income source	Homeowners	Renters
Wages	53	63
Dividends, interest, and self-employment income	28	8
Transfers and Medicaid	9	23
Employee benefits and Medicare ..	9	7

NOTE. Details do not sum to 100 because rental income and imputed rent of homeowners are excluded from the table.

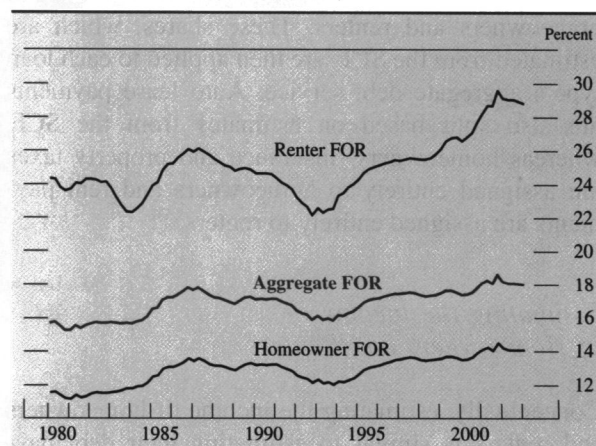
SOURCE. NIPA income data split with shares estimated from the CPS and SCF.

The Financial Obligations Ratios for Homeowners and Renters

The financial obligations ratio for renters is substantially higher than that for homeowners (chart 4). The renter ratio is higher than the owner ratio because renters as a group spend a greater share of income on housing and on consumer debt payments. Renters as a group spent 17 percent of their total after-tax income on rent payments, whereas homeowners as a group spent only 7.7 percent of their total after-tax income on mortgage payments, homeowners' insurance, and property taxes. Renters also spent 5 percentage points more of their income than homeowners did on consumer debt payments.

The financial obligations ratios for homeowners and renters also have different contours over time. The homeowner FOR moved largely in lockstep with the aggregate measure over the 1980s and 1990s, whereas the renter FOR accelerated over the 1990s. Over the 1992–2002 period, the homeowner ratio rose 2.0 percentage points, and the renter ratio rose 6.8 percentage points.

4. Financial obligations ratios for homeowners and renters, 1980–2003:Q2



The renter ratio has risen more sharply than has the homeowner ratio since the early 1990s because renters experienced less growth in income than homeowners did. From the fourth quarter of 1992 to the fourth quarter of 2001, which is the most recent peak of the FOR series, the income of renters rose 22 percent, and the income of homeowners rose 60 percent. In addition, for the first part of this period—roughly from 1993 to 1995—renter debt payments rose at a faster rate than homeowner debt payments did.

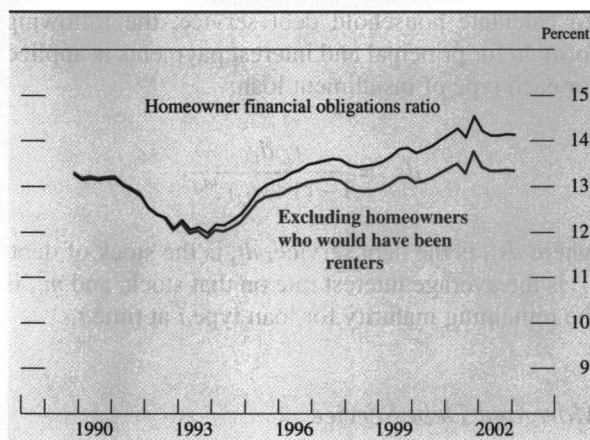
The Rise in Homeownership and the Homeowner Financial Obligations Ratio

The increase in homeownership over the 1990s appeared to stem in part from changes in the mortgage market, as the mortgage industry became more sophisticated at developing products for borrowers with impaired credit or with limited funds for a down payment. If these new homeowners, who would have been renters in the past, have high debt levels relative to their incomes, the homeowner FOR will increase. However, this increase will not signal that existing homeowners have taken on more debt; it will reflect simply the changing composition of the homeowner pool.

The effect of this rise in homeownership on the homeowner FOR cannot be precisely estimated because we have no way of identifying current homeowners who would have been renters under the prevailing lending standards of the past. However, recent research by Federal Reserve staff suggests that the increase in homeownership over the 1990s was concentrated among households with limited funds for a down payment.¹⁸ As a rough attempt to quantify the magnitude of this new-homeowner effect, we isolated the new homeowners in the 1995, 1998, and 2001 Surveys of Consumer Finances with the largest mortgage loans relative to their house values. For each of these waves of the SCF, we chose enough of these households so that, when they were removed from the homeowner group, the homeownership rate would be reduced to its 1992 value.

Removing these new homeowners from the homeowner group subtracts about half the growth in the homeowner FOR over the 1990s (chart 5). This change may be an upper bound on the magnitude of the effect because we removed from the homeowner

5. Effect of rise in homeownership on homeowner financial obligations ratio, 1989–2003:Q2



pool some of the households with the highest levels of debt. Indeed, excluding these households decreases the debt service payments of homeowners 11 percent, whereas their income decreases only 4 percent. This estimate suggests that the rise in the homeowner FOR over the 1990s reflects an increase in both the indebtedness of homeowners and in the rate of homeownership.

SUMMARY

Recent changes in financial markets have necessitated changes to the structure and the methodology of the debt service ratio statistics. The new household financial obligations ratio, introduced in this article, adds rent, auto lease payments, and other recurring obligations to the household debt service ratio. Both the new household FOR and the revised household DSR incorporate an expanded measure of consumer credit and revised estimates of loan maturities and interest rates. The new FORs for homeowners and renters provide separate estimates of the indebtedness of these groups relative to their respective incomes.

On net, these changes in methodology have raised the level of the DSR but have not substantively changed its trajectory over time. As was true before the revision, the DSR in 2002 was similar to the peak level reached in the 1980s. The homeowner FOR, like the aggregate FOR, increased gradually during the 1990s, whereas the renter FOR rose more steeply. However, both the homeowner and the renter FORs have remained largely unchanged over recent quarters. Homeowners appear to have managed their liabilities through the recent period of economic weakness by rebalancing their portfolios toward lower-cost mortgage debt.

18. See Irina Barakova, Raphael Bostic, Paul Calem, and Susan Wachter, "Does Credit Quality Matter for Homeownership?" unpublished paper, Federal Reserve Board, January 6, 2003.

APPENDIX: DEBT SERVICE CALCULATION

To calculate household debt service, the following formula for principal and interest payments is applied for each type of installment loan:

$$ds_{i,t} = \frac{r_{i,t} d_{i,t}}{1 - (1 + r_{i,t})^{-m_{i,t}}},$$

where $ds_{i,t}$ is the debt service, $d_{i,t}$ is the stock of debt, $r_{i,t}$ is the average interest rate on that stock, and $m_{i,t}$ is the remaining maturity for loan type i at time t .

Mortgage Debt Service

To calculate the mortgage debt service, we use mortgage debt as published by the Federal Reserve in its flow of funds accounts and the effective interest rate on outstanding mortgage debt as calculated by the Bureau of Economic Analysis based on a perpetual inventory of mortgage loans. The remaining maturity equals the weighted average maturity on mortgage loans in pools securitized by Fannie Mae, Freddie Mac, and other lenders.

Nonrevolving Consumer Debt Service

We use nonrevolving consumer debt as published by the Federal Reserve in its G.19 Consumer Credit statistical release. In general, this debt is split into loans for new automobiles, loans for used automobiles, student loans, mobile-home loans, RV and marine loans, and personal loans by applying shares of these loans estimated from survey data.

The average interest rate on the stock of loans for new automobiles is estimated by applying a distribu-

tion of loans by vintage, which was calculated from the SCF, to a quarterly interest rate series for new auto loans newly originated by commercial banks and finance companies. Using the same method, we estimate the rate on the stock of used automobiles with a quarterly interest rate on used auto loans newly originated by finance companies. The average interest rate on the stock of student loans, mobile-home loans, RV and marine loans, and personal loans is a backward moving average of the rate on new loans for that type of debt (or a proxy for that interest rate).

Average remaining maturities on the stock of new and used automobile loans are estimated with the same procedure as that for the interest rates. We assume that remaining maturities on other types of loans are fixed over time.

Revolving Consumer Debt Service

We use revolving consumer debt as published by the Federal Reserve in its G.19 Consumer Credit statistical release. We assume that revolving debt is composed of credit card debt only, although other types of revolving debt are likely included.¹⁹ The assumed minimum required payment rate is 2½ percent of the balance per month, based on the January 1999 Senior Loan Officer Opinion Survey, in which most banks indicated that required monthly minimum payments on credit cards ranged between 2 percent and 3 percent and had not changed substantially over the previous decade. □

19. The largest type of revolving debt outside credit card debt is likely the overdraft protection provided on many checking accounts.

Announcements

FEDERAL OPEN MARKET COMMITTEE STATEMENT

The Federal Open Market Committee decided on September 16, 2003, to keep its target for the federal funds rate at 1 percent.

The Committee continues to believe that an accommodative stance of monetary policy, coupled with robust underlying growth in productivity, is providing important ongoing support to economic activity. The evidence accumulated over the intermeeting period confirms that spending is firming, although the labor market has been weakening. Business pricing power and increases in core consumer prices remain muted.

The Committee perceives that the upside and downside risks to the attainment of sustainable growth for the next few quarters are roughly equal. In contrast, the probability, though minor, of an unwelcome fall in inflation exceeds that of a rise in inflation from its already low level.

The Committee judges that, on balance, the risk of inflation becoming undesirably low remains the predominant concern for the foreseeable future. In these circumstances, the Committee believes that policy accommodation can be maintained for a considerable period.

Voting for the FOMC monetary policy action were: Alan Greenspan, Chairman; Ben S. Bernanke; Susan S. Bies; J. Alfred Broadus, Jr.; Roger W. Ferguson, Jr.; Edward M. Gramlich; Jack Gynn; Donald L. Kohn; Michael H. Moskow; Mark W. Olson; Robert T. Parry; and Jamie B. Stewart, Jr.

STATEMENT BY CHAIRMAN ALAN GREENSPAN ON THE NOMINATIONS OF VICE CHAIRMAN FERGUSON AND GOVERNOR BERNANKE

"I welcome the announcement that President Bush is nominating Roger W. Ferguson, Jr., for a second term as Vice Chairman and nominating Ben S. Bernanke for a full term as a Governor of the Federal Reserve Board.

In making these nominations, the President affirms the many contributions Governors Ferguson and Ber-

nanke have brought to the Board. They are exemplary public servants, with strong experience and sound judgment. The Board will benefit greatly from their continued service, upon their confirmation by the Senate."

STATEMENT BY VICE CHAIRMAN ROGER W. FERGUSON, JR., ON NOMINATION TO SECOND TERM

"I am honored President Bush has announced his intention to nominate me to serve another term as Vice Chairman of the Federal Reserve Board. I am particularly mindful that the policy decisions of the Federal Reserve influence the economic well-being of all Americans. I have been privileged to serve as part of this dedicated institution since 1997. I very much look forward to continuing this work with Chairman Greenspan and my colleagues on the Board, upon my confirmation by the Senate."

STATEMENT BY GOVERNOR BEN S. BERNANKE ON NOMINATION TO FULL TERM

"I am honored and grateful that President Bush has announced his intention to nominate me to a full term on the Federal Reserve Board. I appreciate his confidence. I'm very pleased to have the opportunity to continue my work with Chairman Greenspan and my colleagues on the Board."

RESULTS OF THE SHARED NATIONAL CREDIT REVIEW OF SYNDICATED BANK LOANS

The quality of large syndicated bank loans stabilized this year, according to the Shared National Credit (SNC)¹ review released September 10, 2003, by fed-

NOTE. The charts, tables, and appendixes to this announcement are available at www.federalreserve.gov/boarddocs/press/bcreg/2003/20030910.

1. The Shared National Credit (SNC) Program was established in 1977 by the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency, and in 2001 the Office of Thrift Supervision became an assisting agency. The annual program, which seeks to provide an efficient and consistent review and classification of large

eral bank regulators. However, regulators noted that adversely rated loans remain at an elevated level and will require continued vigilance. The results—reported by the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Office of Thrift Supervision—are based on analyses that were prepared in the second quarter and reflect business and economic conditions at that time.

Total loan commitments² classified as either substandard, doubtful, or loss fell \$4.9 billion, or 3 percent, over the previous year, compared with a net increase of \$39.8 billion, or 34 percent, the year before. Commitments rated special mention decreased \$23.8 billion, or 30 percent, in contrast to 2002 when they grew \$3.5 billion, or 4.6 percent. None of these figures include the effects of hedging or other techniques that individual organizations might have employed to mitigate risk.

The ratio of classified loans to total commitments rose to 9.3 percent, close to the previous peak in 1991, driven by a 12 percent decline in total commitments. At the same time, total adversely rated credits (classified and special mention combined) stabilized at 12.6 percent of total commitments.

Adversely rated credits (also known as criticized credits) are the total of loans classified substandard, doubtful, loss, and loans rated special mention. Under the agencies' Uniform Loan Classification Standards,³ classified loans have well-defined weak-

nesses, including default in some cases, while special mention loans exhibit potential weaknesses, which may result in further deterioration if left uncorrected.

Overview

In aggregate, the SNC program covered 8,232 credits totaling \$1.6 trillion in loan commitments to 5,111 borrowers in 2003. Total commitments were down 20 percent from the 2001 peak of \$2.0 trillion, driven by lower customer demand, tighter underwriting standards, attractive capital market financing alternatives, and repositioning by banks to exit nonstrategic business lines and less-profitable customer relationships.

For the 2003 review, total loan commitments classified as substandard remained roughly even with the previous year, while doubtful credits edged up \$3.2 billion, or 12.3 percent. At the same time, commitments classified as loss remained elevated at \$10.7 billion, but were down 43.8 percent from the extraordinary level of the previous year. That decline in turn led to a fall in total classifieds of 3.2 percent. Although total classified commitments fell moderately, the portion of outstanding classified loans not accruing interest⁴ was unchanged from the previous year, at \$51.0 billion.

Industry Trends

The quality of the SNC portfolio was mixed as modest-to-strong improvements in the majority of industry sectors were nearly offset by deterioration in the energy sector (oil, gas, pipelines, and utilities). In total, improving industry segments more than offset deteriorating ones by \$4.9 billion. The strongest improvement occurred in manufacturing, with an \$18.2 billion decline in classified commitments largely driven by loan repayments from a handful of substandard borrowers. Classifications in the tele-

syndicated loans, generally covers loans or loan commitments of at least \$20 million that are shared by three or more financial institutions, with a few exceptions.

2. Loan commitments included both drawn and undrawn portions of a loan or loan facility.

3. Excerpt from SR Letter 79-556 defining regulatory classifications:

Classification ratings are defined as "substandard," "doubtful," and "loss." A substandard asset is inadequately protected by the current sound worth and paying capacity of the obligor or of the collateral pledged, if any. Assets so classified must have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the bank will sustain some loss if the deficiencies are not corrected. An asset classified as doubtful has all the weakness inherent in one classified as substandard with the added characteristic that the weaknesses make the collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable. Assets classified as loss are considered uncollectible and of such little value that their continuance as bankable assets is not warranted. This classification does not mean that the asset has absolutely no recovery or salvage value, but rather it is not practical or desirable to defer writing off this basically worthless asset even though partial recovery may be effected in the future.

Excerpt from June 10, 1993, Interagency Statement on the Supervisory Definition of Special Mention Assets:

A special mention asset has potential weaknesses that deserve management's close attention. If left uncorrected, these potential

weaknesses may result in deterioration of the repayment prospects for the asset or in the institution's credit position at some future date. Special mention assets are not adversely classified and do not expose an institution to sufficient risk to warrant adverse classification.

4. Non-accrual loans are defined for regulatory reporting purposes as "loans and lease financing receivables that are required to be reported on a non-accrual basis because (a) they are maintained on a cash basis because of a deterioration in the financial position of the borrower, (b) payment in full of interest or principal is not expected, or (c) principal or interest has been in default for 90 days or longer, unless the obligation is both well secured and in the process of collection." Non-accrual classifieds are those funded or outstanding portions of loans classified as substandard and doubtful that are not accruing interest. For 2003, this category consisted of \$23.6 billion in loans rated substandard and \$27.4 billion rated doubtful.

communication and cable segment fell \$2.4 billion, but remained at significantly elevated levels. Other segments, such as financial services and insurance, showed modest declines, with classification rates that were below those for the entire SNC program. In contrast, the energy sector showed rapid deterioration with a \$21.1 billion rise in classifieds, which were largely attributable to leveraged firms involved in energy trading. In addition, the well-known problems facing U.S. passenger airlines drove a \$1.1 billion net increase in classifieds for the lodging and transportation sector. Credits identified for special mention fell \$23.8 billion with strong declines experienced in nearly every industry. These declines were driven by a migration of a portion of special mention credits from the previous year to classified categories, as well as a decline in newly identified potential weaknesses.

Despite a decline of 44 percent in loans identified in the loss classification, this year's level of losses, \$10.7 billion, was the second highest on record. Of total losses, \$5.0 billion, or 47 percent, were directly attributable to the weakened telecommunication and energy sectors, the Argentina default, and asbestos-related litigation. The remaining losses were spread widely across a variety of industries. In contrast, during 2002 more than 60 percent of losses were attributable to the telecommunications and energy sectors. Nearly half of 2003 SNC classified commitments were related to the telecommunications and energy sectors, compared with roughly one-third in 2002.

Trends by Entity Type

During 2003, the share of SNC commitments held by nonbanks⁵ continued to grow, edging up 1 percentage point, to 11 percent, although the share held by foreign banking organizations (FBOs) fell to 44 percent and that held by U.S. banks⁶ held steady at 45 percent. U.S. banks experienced a 20 percent decline in classified assets during 2003, compared with a rise of 5.5 percent at FBOs and a 6.0 percent rise at nonbanks. These disparate trends further differentiated the quality of holdings among entity types, with classifieds amounting to just 5.8 percent of total commitments for U.S. banks, compared with 9.0 per-

cent at FBOs and 24.4 percent at nonbanks. Similarly, total non-accrual outstandings fell for U.S. banks and rose for FBOs. However, despite a rise in classified commitments, non-accrual outstandings for nonbanks fell.

To a great extent, the deteriorating trend in SNC credit quality at FBOs is explained by their higher share of riskier energy commitment holdings relative to U.S. banks. Of the \$21.1 billion increase in energy commitments, \$16.1 billion was attributable to FBOs, resulting in a 23.5 percent classification rate in energy commitments. In contrast, U.S. banks experienced a \$2.9 billion increase, and a classification rate of 10.2 percent in energy commitments. At the same time, nonbank classifieds were up \$2.1 billion, amounting to 31.4 percent of energy commitments. Notably, both FBOs and nonbanks increased their dollar holdings of energy commitments in 2002 and only began reducing them in 2003, although U.S. banks reduced their exposure in both 2002 and 2003. The increasing share held by nonbanks likely stems from the purchase of troubled loans in the secondary market at steep discounts.

The significantly higher classification rate for nonbank holdings is consistent with market observations that nonbanks continue to be active participants in the subinvestment-grade portion of the syndicated loan market and are active purchasers of distressed loans in the secondary markets at discounts to par value; all dollar amounts in this release are par amounts.

Response by Banks

Banking organizations have continued to remain vigilant in identifying problem credits and have generally reflected the appropriate risk rating in their internal credit ratings. Although credit problems have stabilized, banking organizations must continue to carefully monitor the condition of their borrowers in the current environment to ensure that they promptly identify and address any emerging weaknesses and adjust levels of loan-loss allowances appropriately.⁷

RELEASE OF DATE OF ISSUE FOR SERIES-2004 \$20 NOTE

The U.S. government announced on September 9, 2003, that the first newly redesigned Series-2004

5. Nonbanks include independent investment brokerages, investment vehicles, and other institutional investors.

6. To better reflect ultimate ownership, U.S. banks are defined to exclude U.S.-chartered subsidiaries of foreign banking organizations for the years 2001 through 2003. These U.S. subsidiaries of FBOs are included in the FBO totals.

7. For further guidance, institutions should refer to the July 12, 1999, Joint Interagency Letter to Financial Institutions on the allowance for loan losses, as well as the July 2, 2001, Interagency Policy Statement on Allowance for Loan and Lease Losses (ALLL) Methodologies and Documentation for Banks and Savings Institutions.

\$20 notes, featuring background colors and improved security features, will be issued on October 9. On the day of issue, the Federal Reserve System will begin distributing the new notes to the public through the nation's commercial banks. "This is the most secure note the U.S. government has ever produced," said Federal Reserve Board Governor Mark W. Olson. "Its enhanced security will help ensure that our currency continues to represent value, trust, and confidence to people all over the world. It will co-circulate with older-design notes, and the public can rest assured that all U.S. notes will continue to be legal tender." The U.S. government launched a worldwide public education program last May when the new \$20 design was unveiled, to create awareness among the general public and to help banks and businesses prepare for the new \$20 note. A wealth of training and informational materials, highlighted by an interactive demonstration of the bill's security features, is available to download or order through www.moneyfactory.com/newmoney. Since the Treasury's Bureau of Engraving and Printing (BEP) began taking orders last May, more than 7,500 businesses and organizations have ordered training materials. The September 9 announcement of the October 9 date of issue signaled to banks and businesses that they should make final preparations for the new notes.

"Our aim is the seamless introduction of the newly redesigned bills," said BEP Director Tom Ferguson. "To that end, the Bureau of Engraving and Printing has been working with the vending machine industry for more than a year to ensure that they have the information they need to make their equipment compatible with the newly redesigned bill by the time it enters circulation on October 9. Additionally, we have been working with businesses and industry associations across the country to provide them with the materials they need to educate their employees on the new \$20 note and its updated security features."

Counterfeiting: Increasingly Digital

To stay ahead of counterfeiters, the U.S. government plans to introduce new currency designs every seven to ten years. The new design for the \$20 note will be followed by new designs for the \$50 and \$100 notes over the next few years. Redesign of the \$5 and \$10 notes is under consideration, but there are no plans to redesign the \$1 and \$2 notes.

Counterfeiters are increasingly turning to digital methods, as advances in technology make digital

counterfeiting of currency easier and cheaper. In 1995, for example, less than 1 percent of counterfeit notes detected in the United States was digitally produced. By 2002, that number had grown to nearly 40 percent, according to the U.S. Secret Service.

Yet despite the efforts of counterfeiters, U.S. currency counterfeiting has been kept at low levels, with current estimates putting the level of counterfeit notes in circulation worldwide at about 1 to 2 notes in every 10,000 genuine notes.

Security Features

The new \$20 design retains three important security features that were first introduced in the late 1990s and are easy for consumers and merchants alike to check:

- The watermark—the faint image similar to the large portrait, which is part of the paper itself and is visible from both sides when held up to the light.
- The security thread—also visible from both sides when held up to the light, this vertical strip of plastic is embedded in the paper. "USA TWENTY" and a small flag are visible along the thread.
- The color-shifting ink—the numeral "20" in the lower-right corner on the face of the note changes from copper to green when the note is tilted. The color shift is more dramatic and easier to see on the new-design notes.

Because these features are difficult for counterfeiters to reproduce well, they often do not try. Counterfeiters are hoping that cash-handlers and the public will not check their money closely.

The New Color of Money

The most noticeable difference in the notes is the subtle green, peach, and blue colors featured in the background. Different colors will be used for different denominations, which will help everyone—particularly those who are visually impaired—to tell denominations apart.

Although consumers should not use color to check the authenticity of their currency (relying instead on the user-friendly security features noted above), color does add complexity to the note, making counterfeiting more difficult.

The new bills are the same size and use the same, although enhanced, portrait of Andrew Jackson on the face of the note and historical vignette of the

White House on the back. The redesign also features symbols of freedom—a blue eagle in the background to the left of the portrait and a metallic green eagle and shield to the right of the portrait in the case of the \$20 note.

REQUESTS FOR COMMENTS ON PROPOSED RULEMAKING FOR RISK-BASED CAPITAL STANDARDS

The federal bank and thrift regulatory agencies on September 12, 2003, requested public comment on an interim final rule and a notice of proposed rule-making (NPR) to amend their risk-based capital standards for the treatment of assets in asset-backed commercial paper (ABCP) programs consolidated under the recently issued Financial Accounting Standards Board Interpretation No. 46, Consolidation of Variable Interest Entities (FIN 46). The NPR would also modify the risk-based capital treatment of certain securitizations with early amortization provisions.

An ABCP program is usually carried out through a bankruptcy-remote special purpose entity generally sponsored and administered by a banking organization (banks, bank holding companies, and thrift institutions) to provide funding to its corporate customers by purchasing asset pools from, or extending loans to, those customers. The ABCP provides funding for these assets through the issuance of commercial paper in the market. These issuances may be credit enhanced by various means, usually by a sponsoring bank.

Under the interim rule, sponsoring banking organizations may remove consolidated ABCP program assets from their risk-weighted asset base for purposes of calculating their risk-based capital ratios. However, sponsoring banking organizations must continue to include any other exposures they have to these programs, such as credit enhancements, in risk-weighted assets. The interim rule also amends the risk-based capital standards to exclude from tier 1 and total capital any minority interests in ABCP programs consolidated by sponsoring banking organizations under FIN 46. The interim rule will be in effect only for the regulatory reporting periods ending September 30, 2003, December 31, 2003, and March 31, 2004.

The risk-based capital treatment set forth in the interim rule does not alter the accounting rules for balance sheet consolidation as set forth under generally accepted accounting principles. Consequently, banking organizations will be required to report con-

solidated ABCP program assets in their tier 1 leverage ratio calculation.

The NPR solicits comments on a permanent, risk-sensitive, risk-based capital treatment for the risks arising from ABCP programs. In particular, it proposes to permanently permit banking organizations to exclude from their risk-weighted asset base those assets in ABCP programs consolidated on sponsoring banking organizations' balance sheets as a result of FIN 46. In addition, the NPR also would require banking organizations to hold risk-based capital against liquidity facilities provided to ABCP programs with an original maturity of one year or less. This treatment recognizes that such facilities, which currently are not assessed a capital requirement, expose banking organizations to credit risk.

The agencies are also proposing a risk-based capital charge for certain types of securitizations of revolving retail credit facilities (for example, credit card receivables) that incorporate early amortization provisions. The goal of these capital proposals is to more closely align the risk-based capital requirements with the associated risk of the exposures.

The interim final rule and NPR are being issued 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.

NEW ONLINE APPLICATION GUIDE FOR U.S. AND FOREIGN BANKING ORGANIZATIONS

An online guide for U.S. and foreign banking organizations submitting applications to the Federal Reserve has been added to the Board of Governors' public web site.

The new web page, www.federalreserve.gov/generalinfo/applications/afi/, describes the regulatory requirements and processing procedures for applications, notifications, and requests necessary for a broad range of activities, including mergers of banking organizations.

The site describes specific types of applications as well as the statutory factors considered by the Federal Reserve in evaluating applications, including the banking organization's record of compliance with the Community Reinvestment Act. It provides links to application forms and lists contacts at each Reserve Bank for questions regarding the submission of applications or the submission of public comments on applications.

RELEASE OF MINUTES OF BOARD'S DISCOUNT RATE MEETINGS

The Federal Reserve Board on August 21, 2003, released the minutes of its discount rate meetings from May 19, 2003, to June 25, 2003.

ENFORCEMENT ACTIONS

The Federal Reserve Board on August 20, 2003, announced the issuance of a consent order of assessment of a civil money penalty against the Community State Bank, Avilla, Indiana, a state member bank. Community State Bank, without admitting to any allegations, consented to the issuance of the order in connection with its alleged violations of the Board's Regulations implementing the National Flood Insurance Act.

The order requires Community State Bank to pay a civil money penalty of \$5,250, which will be remitted to the Federal Emergency Management Agency for deposit into the National Flood Mitigation Fund.

The Federal Reserve Board on August 20, 2003, announced the execution of an amendment to the written agreement by and among the Consolidated Bank and Trust Company, Richmond, Virginia, the Bureau of Financial Institutions of the Commonwealth of Virginia, Richmond, Virginia, and the Federal Reserve Bank of Richmond.

The Federal Reserve Board on August 27, 2003, announced the issuance of a combined consent order to cease and desist and an order of assessment of a civil money penalty against WestLB AG, Düsseldorf, Germany, and its New York branch.

The foreign bank, without admitting to any allegations, consented to the issuance of the combined order for violations of anti-tying restrictions in section 106 of the Bank Holding Company Act Amendments of 1970 and related unsafe and unsound banking practices. The combined order resolves allegations that in 2001, WestLB conditioned the availability or price of credit to corporate customers on the corporate customer's appointment of WestLB as an underwriter for issuances of debt securities.

The order requires that WestLB pay a civil money penalty of \$3 million and implement various policies and procedures designed to prevent future violations of this law.

The Federal Reserve Board on September 2, 2003, announced the execution of a written agreement by

and between the Ridgedale State Bank, Minnetonka, Minnesota, and the Federal Reserve Bank of Minneapolis.

The Federal Reserve Board also announced the issuance of a cease and desist order against Robert C. Arneson, the president and a director of the Ridgedale State Bank, Minnetonka, Minnesota.

These enforcement actions were issued in coordination with the U.S. Securities and Exchange Commission, which announced settlements with the Ridgedale State Bank and Mr. Arneson for alleged securities law violations.

The Federal Reserve Board on September 2, 2003, announced the execution of a written agreement by and among Gold Banc Corporation, Leawood, Kansas; the Gold Bank, Leawood, Kansas; the Office of the State Bank Commissioner; and the Federal Reserve Bank of Kansas City.

The Federal Reserve Board on September 11, 2003, announced the issuance of a cease and desist order against Craig Van Stone, a former senior vice president, chief financial officer, and cashier of the Premier Bank, Denver, Colorado, addressing Mr. Van Stone's compliance with the Bank Secrecy Act.

TERMINATION OF ENFORCEMENT ACTIONS

The Federal Reserve Board on September 15, 2003, announced the termination of the enforcement actions listed below. The Federal Reserve's enforcement action web site, <http://www.federalreserve.gov/boarddocs/enforcement>, reports the terminations as they occur.

- The PNC Financial Services Group, Inc.,
Pittsburgh, Pennsylvania
Written agreement dated July 12, 2002
Terminated September 12, 2003
- United Central Bank, Garland, Texas
Cease and desist order dated October 26, 2000
Terminated August 29, 2003
- ShoreBank Cleveland, Cleveland, Ohio
Written agreement dated August 21, 1998
Terminated August 21, 2003
- Olathe Bancorporation, Inc., Olathe, Colorado,
and Olathe State Bank, Olathe, Colorado
Written agreement dated September 12, 2000
Terminated July 11, 2003

- Allfirst Financial Inc., The Allfirst Bank, and Allied Irish Banks, p.l.c.
Written agreement dated May 15, 2002
Terminated February 24, 2003

NEW SCHEDULE FOR THE *FEDERAL RESERVE BULLETIN*

The Federal Reserve Board on October 3, 2003, announced the move to a quarterly publication schedule for the *Federal Reserve Bulletin* and the creation of a new monthly statistical supplement.

Beginning in the first quarter of 2004, the *Bulletin* will be enhanced and published four times a year. A quarterly report on the condition of the banking system and an annual report on changes in consumer regulations are among the new materials to be presented in the *Bulletin*. The *Bulletin* will continue to include topical research articles and summaries of Board survey findings, the Board's semiannual Monetary Policy Reports, a Legal Developments section, and other features such as lists of staff members, lists of Federal Reserve publications, and maps of the Federal Reserve Districts.

The Legal Developments section of the quarterly *Bulletin* will contain Board orders issued under the Bank Holding Company Act, the Bank Merger Act, the Federal Reserve Act, and the International Banking Act. Final rules and pending cases involving the Board are available on the Board's web site under "Legal Developments" at www.federalreserve.gov/releases/h2/.

The revised publication schedule responds to the results of customer surveys, the increased use of the Internet to access information on a timelier basis, and the Board's desire to provide a broader range of articles on topics of interest to *Bulletin* readers. A quarterly schedule will also make the planning and production of the *Bulletin* more efficient.

The tables that now appear in the Financial and Business Statistics section of the *Bulletin* will be published monthly as a separate publication titled *Statistical Supplement to the Federal Reserve Bulletin*. All tables that now appear in the *Federal Reserve Bulletin*, including special tables, will appear in the *Statistical Supplement*. All statistical series will be published with the same frequency that they have currently in the *Bulletin*. The first issue of the *Statistical Supplement* will be published in January 2004. The Publications Committee will monitor the usefulness of this publication in meeting the needs of the

public over time, especially in light of the widespread dissemination of data through the Internet.

A *Bulletin* editorial advisory board has been established under the direction of Lucretia Boyer, the Federal Reserve Board's Chief of Publications, to oversee the quality of content of these two publications and to ensure a diverse range of *Bulletin* articles.

Separate subscriptions for the two publications will be available starting with the January 2004 issue of the *Statistical Supplement*. For further subscription information, contact Publications Fulfillment at 202-452-3244 or 202-452-3245 or send an e-mail to publications-bog@frbog.frb.gov.

Articles published in the *Bulletin* will remain available online at www.federalreserve.gov/pubs/bulletin/default.htm.

STAFF CHANGES

Donald J. Winn, Director of the Office of Board Members and long-time congressional liaison for the Board died on August 14, 2003, after an extended illness. Mr. Winn was a trusted adviser to four chairmen in his nearly thirty years at the Board.

The Federal Reserve Board on September 10, 2003, announced the appointment of Winthrop P. Hambley as Assistant to the Board and head of the Congressional Liaison Office. Mr. Hambley, who had been Deputy Congressional Liaison, succeeded Donald J. Winn.

Laricke Blanchard, who had served as Assistant Congressional Liaison since April 2002, was appointed an officer of the Board with the title Special Assistant to the Board.

The Board also announced the appointment of Michelle Andrews Smith as Director of the Office of Board Members, also succeeding Mr. Winn. The Office of Board Members includes the Public Affairs Office, the Publications Department, the Correspondence Unit, the Office of Congressional Liaison, and the administrative staff that supports Board members. Ms. Smith will continue as Assistant to the Board for Public Affairs and, with her new position, will add responsibility for directing the internal management of the rest of the Office of Board Members.

Gary Gillum, a Senior Economist in the Division of Monetary Affairs, retired on October 3 after more than 39 years of service. □

Legal Developments

FINAL RULE—AMENDMENT TO REGULATION Z

The Board of Governors of the Federal Reserve System (Board) is amending 12 C.F.R. Part 226, the staff commentary that interprets the requirements of Regulation Z (Truth in Lending). The Board is required to adjust annually the dollar amount that triggers requirements for certain home mortgage loans bearing fees above a certain amount. The Home Ownership and Equity Protection Act of 1994 (HOEPA) sets forth rules for home-secured loans in which the total points and fees payable by the consumer at or before loan consummation exceed the greater of \$400 or 8 percent of the total loan amount. In keeping with the statute, the Board has annually adjusted the \$400 amount based on the annual percentage change reflected in the Consumer Price Index that is in effect on June 1. The adjusted dollar amount for 2004 is \$499.

Effective January 1, 2004, 12 C.F.R. Part 226 is amended as follows:

Part 226—Truth in Lending (Regulation Z)

1. The authority citation for Part 226 continues to read as follows:

Authority: 12 U.S.C. 3806; 15 U.S.C. 1604 and 1637(c)(5).

2. In Supplement 1 to Part 226, under *Section 226.32—Requirements for Certain Closed-End Home Mortgages*, under Paragraph 32(a)(1)(ii), paragraph 2. ix. is added.

Supplement I to Part 226—Official Staff Interpretations

* * * * *

Subpart E—Special Rules for Certain Home Mortgage Transactions

* * * * *

Section 226.32—Requirements for Certain Closed-End Home Mortgages

32(a) Coverage

* * * * *

Paragraph 32(a)(1)(ii)

* * * * *

2. Annual adjustment of \$400 amount.

* * * * *

- ix. For 2004, \$499, reflecting a 2.22 percent increase in the CPI-U from June 2002 to June 2003, rounded to the nearest whole dollar.

* * * * *

FINAL RULE—AMENDMENT TO REGULATION CC

The Board of Governors is amending 12 C.F.R. Part 229, Appendix A of its Regulation CC (Availability of Funds and Collection of Checks). The Board of Governors is amending Appendix A of Regulation CC to delete the reference to the Pittsburgh check processing office of the Federal Reserve Bank of Cleveland and reassign the Federal Reserve routing symbols currently listed under that office to the head office of the Federal Reserve Bank of Cleveland. These amendments reflect the restructuring of check processing operations within the Federal Reserve System. The Board also is amending appendices A and E of Regulation CC to replace all references to Thomson Financial Publishing Inc. with more general references to “an agent of the American Bankers Association.”

Effective November 1, 2003, 12 C.F.R. Part 229 is amended as follows:

Part 229—Availability of Funds and Collection of Checks (Regulation CC)

1. The authority citation for Part 229 continues to read as follows:

Authority: 12 U.S.C. 4001 *et seq.*

2. The first sentence of A. and the Fourth Federal Reserve District routing symbol list in Appendix A are revised to read as follows:

Appendix A to Part 229—Routing Number Guide to Next-Day Availability Checks and Local Checks.

- A. Each bank is assigned a routing number by an agent of the American Bankers Association. * * *

* * * * *

Fourth Federal Reserve District
[Federal Reserve Bank of Cleveland]

Head Office

0410	2410
0412	2412
0430	2430
0432	2432
0433	2433
0434	2434

Cincinnati Branch

0420	2420
0421	2421
0422	2422
0423	2423

Columbus Office

0440	2440
0441	2441
0442	2442

* * * * *

3. Appendix E is amended by removing the phrase "Thomson Financial Publishing Inc." in sections II.DD., XVIII.A.2.b.ii., and XXII.B.2.b.i. and adding the phrase "an agent of the American Bankers Association" in its place.

**ORDERS ISSUED UNDER BANK HOLDING
COMPANY ACT**

Orders Issued Under Section 3 of the Bank Holding
Company Act

Woori Finance Holdings Co., Ltd.
Seoul, Korea

Woori Bank
Seoul, Korea

Order Approving the Formation of a Bank Holding
Company and the Acquisition of a Bank

Woori Finance Holdings Co., Ltd. ("WFH") has requested the Board's approval under section 3 of the Bank Holding Company Act ("BHC Act") (12 U.S.C. § 1842) to become a bank holding company and acquire indirectly all the voting shares of Panasia Bank, National Association, Fort Lee, New Jersey ("Panasia"). Woori Bank ("Woori"), a wholly owned subsidiary of WFH and a bank holding company within the meaning of the BHC Act, has also

requested the Board's approval under section 3 to acquire indirectly all the voting shares of Panasia.¹

Notice of the proposals, affording interested persons an opportunity to submit comments, has been published (68 *Federal Register* 14,658 and 17,808 (2003)). The time for filing comments has expired, and the Board has considered the proposal in light of the factors set forth in section 3 of the BHC Act.

WFH is a Korean financial holding company controlled by the Korea Deposit Insurance Company ("KDIC").²⁵ With total consolidated assets of \$97 billion, WFH is the second largest banking organization in Korea.³ Woori, with total consolidated assets of \$74 billion, is WFH's lead subsidiary bank and the third largest bank in Korea. In the United States, Woori operates agencies in New York City and Los Angeles. Woori America, with total assets of \$354 million, controls approximately \$319 million in deposits, representing less than 1 percent of total deposits in insured depository institutions in the United States ("total U.S. insured deposits").⁴ Woori America operates branches in New York and New Jersey.⁵

Panasia, with total assets of \$213 million, controls \$187 million in deposits, representing less than 1 percent of total U.S. insured deposits. Panasia serves Korean-American communities in the New York City, Philadelphia, and Washington, D.C. metropolitan areas.⁶

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 holding company or bank located in a state other than the home state of the applicant if certain conditions are met. For purposes of the BHC Act, the home state of WFH and Woori ("Applicants") is New York,²⁶ and

1. Woori owns all of the capital stock of Woori America Bank, New York, New York ("Woori America"), a state-chartered nonmember bank. Under the proposal, Woori America would acquire all the voting shares of Panasia, and Panasia immediately would be merged with and into Woori America. The proposed merger has been approved by the Federal Deposit Insurance Corporation ("FDIC") pursuant to the Bank Merger Act, and the New York State Banking Department.

2. In 2002, the KDIC sold approximately 12 percent of the voting shares of WFH in a public offering, and it now owns approximately 88 percent of WFH. Under Korea's Financial Holding Companies Act, the KDIC is required to divest fully its ownership in WFH by the end of 2005.

3. Foreign asset and ranking data are as of December 31, 2002, and use exchange rates then in effect.

4. Domestic asset data are as of March 31, 2003, and deposit data are as of December 31, 2002. Insured depository institutions include all insured banks, savings banks, and savings associations.

5. Woori America has its head office and two branches in New York City and branches in Fort Lee and Ridgely, New Jersey.

6. Panasia, currently a subsidiary of National Penn Bancshares, Boyertown, Pennsylvania, operates offices in Fort Lee, Palisades Park, and Closter, New Jersey; Philadelphia and Cheltenham, Pennsylvania; and Annandale, Virginia.

7. A bank holding company's home state is the state in which the total deposits of all banking subsidiaries of such 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).

Panasia is located in New Jersey, Pennsylvania, and Virginia.⁸ Based on a review of all the facts of record, including a review of relevant federal and state statutes, the Board finds that all conditions for an interstate acquisition enumerated in section 3(d) are met in this case.⁹ Accordingly, the Board is permitted to approve the proposal under section 3(d) of the BHC Act.

Factors Under the Bank Holding Company Act

The BHC Act sets forth the factors that the Board must consider when reviewing the formation of bank holding companies or the acquisition of banks. These factors are the competitive effects of the proposal in the relevant geographic markets; the convenience and needs of the communities to be served, including the records of performance of the insured depository institutions involved in the transaction under the Community Reinvestment Act ("CRA");¹⁰ the financial and managerial resources and future prospects of the companies and banks involved in the proposal; the availability of information to determine and enforce compliance with the BHC Act and other applicable federal banking laws; and, in the case of applications involving a foreign bank such as Woori, whether the foreign bank is subject to comprehensive supervision and regulation on a consolidated basis by its home country supervisor.¹¹

The Board has considered these factors in light of a record that includes information provided by Applicants, confidential supervisory and examination information, and publicly reported financial and other information. The Board also has consulted with and considered information provided by the primary home country supervisor of Woori.

Competitive Considerations

Section 3 of the BHC Act prohibits the Board from approving a proposal that would result in a monopoly or be in furtherance of a monopoly. The BHC Act also prohibits the Board from approving a proposed bank acquisition 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 effects of the proposal in meeting the convenience and needs of the community to be served.¹²

Woori America and Panasia compete directly in the New York–New Jersey Metropolitan banking market ("New York banking market").¹³ Consummation of the proposal would be consistent with the Department of Justice Merger Guidelines ("DOJ Guidelines") and Board policies and precedent.¹⁴ In light of all the facts of record, the Board concludes that consummation of the proposal would not have a significantly adverse effect on competition or on the concentration of banking resources in any relevant banking market, and that competitive considerations are consistent with approval.¹⁵

Convenience and Needs Considerations

The Board has carefully considered the effect of the proposal on the convenience and needs of the communities to be served in light of all the facts of record, including the records of the relevant depository institutions under the CRA. As provided in the CRA, the Board evaluates the record of an institution in light of examinations of the CRA performance records of the institution by the appropriate federal supervisory agencies. An institution's most recent CRA performance evaluation is a particularly important consideration in the applications process because it represents a detailed, on-site evaluation of the institution's over-

12. 12 U.S.C. § 1842(c)(1).

13. The New York banking market is defined as New York City; Bronx, Dutchess, Kings, Nassau, Orange, Putnam, Queens, Richmond, Rockland, Suffolk, Sullivan, Ulster, 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 Fairfield and portions of Litchfield and New Haven Counties in Connecticut.

14. Under the DOJ Guidelines, 49 *Federal Register* 26,823 (1984), a market is considered unconcentrated if the post-merger Herfindahl–Hirschman Index ("HHI") is below 1000. 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 or acquisition increases the HHI by at least 200 points. The Department of Justice has stated that the higher than normal HHI thresholds for screening bank mergers or acquisitions for anticompetitive effects implicitly recognize the competitive effects of limited-purpose lenders and other nondepository financial institutions.

15. Woori America controls deposits of \$296 million in the New York banking market, representing less than 1 percent of total deposits in depository institutions in the market ("market deposits"), and Panasia controls deposits of \$141 million in the market. On consummation of the proposal, Woori America would be the 79th largest depository institution in the New York banking market, controlling deposits of \$437 million, representing less than 1 percent of market deposits. The HHI would remain unchanged at 960 after consummation of the proposal, and numerous competitors would remain in the market. Deposit and market share data are as of June 30, 2002, and are based on calculations in which the deposits of thrift institutions are included at 50 percent. The Board previously has indicated that thrift institutions have become, or have the potential to become, significant competitors of commercial banks. See *Midwest Financial Group*, 75 *Federal Reserve Bulletin* 386 (1989); *National City Corporation*, 70 *Federal Reserve Bulletin* 743 (1984).

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

9. Applicants meet the capital and managerial requirements established under applicable law. 12 U.S.C. § 1842(d)(1)(A). On consummation of the proposal, Applicants would control less than 10 percent of total U.S. insured deposits and would not exceed applicable deposit limitations in any state as established under state and federal law. 12 U.S.C. § 1842(d)(2). None of the relevant states specifies a minimum period of time a bank to be acquired through an interstate acquisition must have been in existence. 12 U.S.C. § 1842(d)(1)(B). All other requirements of section 3(d) of the BHC Act would be met on consummation of the proposal.

10. 12 U.S.C. § 2901 *et seq.*

11. 12 U.S.C. § 1842(c).

all record of performance under the CRA by its appropriate federal supervisor.¹⁶

The Board notes that Woori America and Panasia received “satisfactory” ratings at their most recent CRA performance examinations.¹⁷ Based on all the facts of record, the Board concludes that considerations relating to the convenience and needs of the communities to be served are consistent with approval.

Financial, Managerial, and Other Supervisory Factors

The BHC Act requires the Board to consider the financial and managerial resources and future prospects of the companies and banks involved in an acquisition.¹⁸ In assessing the financial and managerial strength of Applicants and the banks to be acquired, the Board has reviewed information provided by Applicants, confidential supervisory and examination information, and publicly reported and other financial information. In addition, the Board has consulted relevant supervisory authorities in Korea.¹⁹

In evaluating financial factors in expansion proposals by banking organizations, the Board consistently has considered capital adequacy to be especially important. Woori America is well capitalized and would remain so on consummation of the proposal. The capital ratios of WFH and Woori would continue to exceed the minimum levels required under the Basel Capital Accord and are considered equivalent to the capital ratios that would be required of a U.S. banking organization. The Board notes that the proposed transaction is relatively small and would be financed by Woori with internally available funds.

The Board has reviewed supervisory information from the home country authorities responsible for supervising Woori, as well as reports of examination from the appropriate federal and state supervisors of Woori America and the U.S. operations of Woori concerning the proposal and the managerial resources of Applicants and Woori America. Based on all the facts of record, the Board concludes that the financial and managerial resources and future prospects of Applicants, Woori America, and Panasia are consistent with approval under section 3 of the BHC Act.

Section 3 of the BHC Act also provides that the Board may not approve an application involving a foreign bank unless the bank is subject to comprehensive supervision or regulation on a consolidated basis by the appropriate authorities in the bank’s home country.²⁰ In this light, the

Board has considered the following information. In early 1997, the Korean economy experienced difficulties in the financial sector.²¹ To address these difficulties, the Korean government took measures to reform the financial sector, including restructuring bank regulation and supervision through the establishment of a new supervisory authority for Korean financial institutions, the Financial Supervisory Commission (“FSC”). The FSC is responsible for promulgating supervisory regulations, making policy decisions about supervision, and imposing sanctions on financial institutions. The Korean Financial Supervisory Service (“FSS”), the executive body of the FSC, is responsible for regulation and supervision of Korean financial institutions. The FSS has a broad range of supervisory and enforcement tools to carry out its supervisory functions.

In addition to restructuring the supervisory agencies, Korea has instituted several new requirements and prudential limitations applicable to banks that are intended to address gaps in the supervisory system that became evident during and after the financial crisis in 1997. The changes include a new asset quality assessment framework, tighter limitations on loans to a single borrower and to conglomerates (including through trust accounts), limits on loans to a shareholder that owns more than 10 percent of a financial holding company or a bank, a prompt corrective action framework, measures to strengthen of capital requirements, and improvements in accounting policies to bring them more into accordance with international accounting standards.

The FSS also has instituted restrictions on relationships between Korean banks and their affiliates. Transactions between a bank and its subsidiaries must be on terms that are fair and reasonable. In addition, Korean banks are generally prohibited from making a loan to any officer or employee of the bank or of its subsidiaries.

Financial holding companies were introduced in Korea by legislation that became effective in 2000.²² Prior

16. *Interagency Questions and Answers Regarding Community Reinvestment*, 66 *Federal Register* 36,620 and 36,639 (2001).

17. Woori America received a “satisfactory” CRA performance rating from the FDIC, as of November 1997; and Panasia received a “satisfactory” CRA performance rating from the OCC, as of September 2002.

18. 12 U.S.C. § 1842(c)(2).

19. The Korean Financial Supervisory Service has indicated that it has no objection to the acquisition of Panasia by Applicants, and the proposal has been approved by Korea’s Ministry of Finance and Economy.

20. 12 U.S.C. § 1842(c)(3)(B). Under Regulation Y, the Board uses the standards enumerated in Regulation K to determine whether a foreign bank that has applied under section 3 of the BHC Act is subject to consolidated home country supervision. See 12 C.F.R.

225.13(a)(4). Regulation K provides that a foreign bank will be considered to be subject to comprehensive supervision or regulation on a consolidated basis if the Board determines that the bank is supervised or regulated in such a manner that its home country supervisor receives sufficient information on the worldwide operations of the bank, including its relationship to any affiliates, to assess the bank’s overall financial condition and its compliance with law and regulation. See 12 C.F.R. 211.24(c)(1).

21. In the aftermath of Korea’s financial crisis, the Board determined that the Korean authorities were actively working to establish a framework for consolidated supervision in connection with applications to establish branches. *Housing & Commercial*, 83 *Federal Reserve Bulletin* 935 (1997), *Kookmin Bank*, 86 *Federal Reserve Bulletin* 291 (2000) and 87 *Federal Reserve Bulletin* 786 (2001). As noted below, there have been significant reforms of the Korean bank supervisory regime since 1997. The International Monetary Fund (“IMF”) recently conducted a Financial System Stability Assessment for Korea in which it reviewed compliance by Korea with the Basel Core Principles for Effective Banking Supervision. The IMF staff concluded that the supervisory and regulatory regime for the financial sector has been substantially strengthened, and recent reforms have helped achieve a high degree of observance of international standards and codes. See IMF Country Report No. 03/81 (March 2003).

22. A Korean financial holding company may only engage in activities through its subsidiaries, unless the activities concern the management of those subsidiaries and related businesses.

approval from the FSS is required to establish a financial holding company and before the company may invest in subsidiaries. Supervision of financial holding companies currently consists of consolidated reporting requirements and annual examinations.

The FSS has primary responsibility for the supervision of WFH and Woori. The FSS conducts annual on-site examinations of Woori, and targeted examinations when considered necessary. The examinations cover areas such as capital adequacy, liquidity, asset quality, and risk management processes. These examinations include a review of Woori's internal audit function and internal audit reports. Woori's foreign branches and subsidiaries are also subject to on-site examination.

Woori is subject to extensive reporting requirements by the FSS, including information filed monthly, quarterly, semiannually and annually. These reports include information on overseas branches and subsidiaries. The FSS also reviews Woori's internal and external audit reports.

Under Korean law, banks are subject to limitations on loans to one borrower or a group of borrowers under common control. With respect to affiliate transactions, a bank is limited to an aggregate exposure to related parties of 20 percent of the bank's capital.

In addition, several other regulators oversee Korean banks, including Woori. The KDIC, the Bank of Korea, and the Korean Financial Intelligence Unit all have limited authority to conduct special examinations of Korean financial institutions. Korean financial supervisors, including Korea's Securities and Futures Commission, share supervisory information about Korean financial institutions as appropriate.

Based on this finding and all the facts of record, the Board concludes that Woori is subject to comprehensive supervision on a consolidated basis by its home country supervisor.²³

In addition, section 3 of the BHC Act requires the Board to determine that a foreign bank has provided adequate assurances that it will make available to the Board such information on its operations and activities and those of its affiliates that the Board deems appropriate to determine and enforce compliance with the BHC Act.²⁴ The Board has reviewed the restrictions on disclosure in relevant jurisdictions in which WFH and Woori have material operations and has communicated with relevant government authorities concerning access to information. In addition, WFH and Woori have committed to make available to the Board such information on their operations and the operations of their affiliates that the Board deems necessary to determine and enforce compliance with the BHC Act, the IBA, and other applicable federal laws. WFH and

Woori also have committed to cooperate with the Board to obtain any waivers or exemptions that may be necessary to enable WFH and its affiliates to make such information available to the Board. In light of these commitments, the Board concludes that WFH and Woori have provided adequate assurances of access to any appropriate information that the Board may request. For these reasons, and based on all the facts of record, the Board concludes that the supervisory factors it is required to consider under section 3(c)(3) of the BHC Act are consistent with approval.

Conclusion

Based on the foregoing and in light of all the facts of record, the Board has determined that the applications should be, and hereby are, approved. In reaching this conclusion, the Board has considered all the facts of record in light of the factors that it is required to consider under the BHC Act and other applicable statutes. The Board's approval is specifically conditioned on compliance by Applicants with all the representations and commitments made in connection with the applications, commitments referred to in this order, and the receipt of all other regulatory approvals. These representations, commitments, and conditions 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 transaction shall not be consummated before the fifteenth calendar day after the effective date of this order, and the proposal may 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 August 4, 2003.

Voting for this action: Chairman Greenspan, Vice Chairman Ferguson, and Governors Bies, Olson, Bernanke, and Kohn. Absent and not voting: Governor Gramlich.

ROBERT DE V. FRIERSON
Deputy Secretary of the Board

Orders Issued Under Section 4 of the Bank Holding Company Act

Arvest Bank Group, Inc.
Bentonville, Arkansas

Order Approving the Acquisition of a Savings Association

Arvest Bank Group, Inc. ("Arvest"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act") has requested the Board's approval under section 4(c)(8) and 4(j) of the BHC Act (12 U.S.C.

23. The FSS also has supervisory authority with respect to WFH and its nonbanking subsidiaries. The FSS conducts inspections of WFH and its subsidiaries and requires WFH to submit reports about its operations on a consolidated basis. The FSS also may review transactions between WFH and its subsidiaries and has authority to require WFH to take measures necessary to ensure the safety and soundness of the WFH organization.

24. 12 U.S.C. § 1842(c)(3)(A).

§ 1843(c)(8) and 1843(j)) and section 225.24 of the Board's Regulation Y (12 C.F.R. 225.24) to acquire Superior Financial Corp., Little Rock ("Superior"), and its wholly owned subsidiary, Superior Federal Bank, FSB, Fort Smith ("Thrift"), both in Arkansas. Arvest would thereby engage in operating a savings association. Arvest also proposes to acquire the nondepository subsidiaries of Superior and engage in a variety of nonbanking activities in accordance with the BHC Act and applicable Board regulations.¹

Notice of the proposal, affording interested persons an opportunity to comment, has been published in the *Federal Register* (68 *Federal Register* 39,952 (2003)). The time for filing comments has expired, and the Board has considered the notice and all comments received in light of the factors set forth in section 4 of the BHC Act.

Arvest, with total assets of \$4.9 billion, operates depository institutions in Arkansas, Missouri, and Oklahoma.² Arvest is the second largest depository organization in Arkansas, controlling deposits of \$2.3 billion, representing 6.5 percent of total deposits of insured depository institutions in the state ("state deposits").³ Arvest is the seventh largest depository organization in Oklahoma, controlling deposits of \$1.6 billion, representing 4 percent of state deposits.

Superior operates depository institutions in Arkansas and Oklahoma. Superior is the eighth largest depository organization in Arkansas, controlling deposits of \$875.4 million, representing 2.5 percent of state deposits. In Oklahoma, Superior is the twentieth largest depository organization, controlling deposits of \$323.1 million, representing less than 1 percent of state deposits.

On consummation of the proposal, Arvest would remain the second largest depository organization in Arkansas, controlling deposits of \$3.2 billion, representing 9 percent of state deposits, and would become the sixth largest depository organization in Oklahoma, controlling deposits of \$2 billion, representing 4.8 percent of state deposits.

The Board previously has determined by regulation that the operation of a savings association by a bank holding company is closely related to banking for purposes of section 4(c)(8) of the BHC Act.⁴ The Board requires that savings associations acquired by bank holding companies conform their direct and indirect activities to those permissible for bank holding companies under section 4 of the BHC Act. Arvest has committed to conform all the activi-

ties of Superior to those permissible under section 4(c)(8) of the BHC Act and Regulation Y. In addition, the Board has determined that extending credit, providing securities brokerage services, providing credit insurance, and providing general insurance in a town with a population of 5000 or less are activities that are closely related to banking.⁵ Arvest has committed to conduct each of the activities in accordance with the Board's regulations and orders governing them.

In reviewing the proposal, the Board is required by section 4(j)(2)(A) of the BHC Act to determine that the acquisition of Superior and Thrift by Arvest "can reasonably be expected to produce benefits to the public . . . that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices."⁶ As part of its evaluation of a proposal under these public interest factors, the Board reviews the financial and managerial resources of the companies involved, the effect of the proposal on competition in the relevant markets, the record of the relevant insured depository institutions under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*) ("CRA"), and other public interest factors.

Financial and Managerial Considerations

The Board has carefully reviewed the financial and managerial resources of the institutions involved. The Board has considered, among other things, confidential reports of examination and supervisory information from their primary federal supervisors that assess the financial and managerial resources of the organizations, and information from Arvest. The Board notes that Arvest is and will remain well capitalized on consummation of the proposal. Based on all the facts of record, the Board concludes that the financial and managerial resources of the institutions involved are consistent with approval of the proposal.

Competitive Considerations

As part of its consideration of the public interest factors under section 4 of the BHC Act, the Board has considered carefully the competitive effects of the proposal in light of all the facts of record.⁷ Arvest and Superior compete directly in five banking markets.⁸ The Board has reviewed carefully the competitive effects of the proposal in each of these banking markets in light of all the facts of record, including the number of competitors that would remain in the market, the relative share of total deposits in depository institutions in the market ("market deposits") that Arvest would control,⁹ the concentration level of market deposits

1. Arvest would acquire Superior Finance Company, Superior Financial Services, Inc., and Southwest Protective Life Insurance Company, all in Fort Smith, and Superior Insurance Services, Paris, Arkansas. These subsidiaries engage in the following nonbanking activities: extending credit, providing securities brokerage services, providing credit insurance, and providing insurance agency activities in a town with a population of 5000 or less pursuant to sections 225.28(b)(1), (7)(i), (11)(i), and (11)(iii) of Regulation Y (12 C.F.R. 225.28(b)(1), (7)(i), (11)(i), and (11)(iii)).

2. Asset data are as of March 31, 2003.

3. Deposit and market share data are as of June 30, 2002. In this context, depository institutions include commercial banks, savings banks, and savings associations.

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

5. 12 C.F.R. 225.28(b)(1), (7)(i), (11)(i), and (11)(iii).

6. 12 U.S.C. § 1843(j)(2)(A).

7. See, e.g., *First Hawaiian, Inc.*, 77 *Federal Reserve Bulletin* (1991).

8. The markets are described in Appendix A.

9. Market share data are based on calculations in which the deposits of thrift institutions are included at 50 percent before consummation. The Board has previously indicated that thrift institutions have

and the increase in this level as measured by the Herfindahl-Hirschman Index ("HHI") under the Department of Justice Merger Guidelines ("DOJ Merger Guidelines"),¹⁰ and other characteristics of the markets.

Consummation of the proposal would be consistent with the DOJ Guidelines in all five banking markets. After consummation of the proposal, four of these markets would remain moderately concentrated as measured by the HHI.¹¹

The Fayetteville/Springdale banking market, however, is highly concentrated. Arvest is the largest depository organization in the market, controlling approximately \$1.9 billion in deposits, representing 42.2 percent of market deposits. Superior is the twentieth largest depository organization in the market, controlling deposits of \$16.6 million, representing less than 1 percent of market deposits. On consummation of the proposal, Arvest would remain the largest depository organization in the market, controlling deposits of \$1.9 billion, representing 42.8 percent of market deposits.

The HHI would increase 48 points to 2073 in the Fayetteville/Springdale banking market, consistent with the DOJ Guidelines. In addition, 20 other depository institutions would remain in the market, and factors indicate that the Fayetteville/Springdale market is attractive for entry. Since 1997, the Fayetteville-Springdale metropolitan statistical area ("MSA") has had the highest annual average rates of increase in population and per-capita income of any MSA in Arkansas. Two commercial banks have also entered the market *de novo* since 2000.

Based on all the facts of record, the Board concludes that consummation of the proposal would not result in any significantly adverse effects on competition or on the concentration of banking resources in the Fayetteville/Springdale banking market or in any other relevant banking market.

The Board also has considered the effects of the proposed transaction on competition for nonbanking activities.

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. Because Superior's deposits are being acquired by a commercial banking organization, they are included at 100 percent in the calculation of Arvest's post-consummation share of market deposits. See *Norwest Corporation*, 78 *Federal Reserve Bulletin* 452 (1992); *First Banks, Inc.*, 76 *Federal Reserve Bulletin* 669 (1990).

10. Under these guidelines, 49 *Federal Register* 26,823 (1984), a market is considered moderately concentrated if the post-merger HHI is between 1000 and 1800 and highly concentrated if the post-merger HHI is more than 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 thresholds for an increase in the HHI when screening bank mergers and acquisitions for anticompetitive effects implicitly recognize the competitive effects of limited-purpose and other nondepository financial entities.

11. These markets and the competitive effects of the proposal on the concentration of banking resources in the markets are described in Appendix B.

To the extent that Arvest and Superior offer different types of nonbanking products or services, the proposal would not result in a significant loss of competition. Arvest and Superior compete directly in providing insurance agency and securities brokerage services. The markets for these nonbanking activities are regional or national in scope and are unconcentrated. The record in this case also indicates that there are numerous providers of these services. Based on all the facts of record, the Board concludes that consummation of the proposal would have a *de minimis* effect on competition for these nonbanking activities.

CRA Record of Performance

In acting on notices to acquire a savings association, the Board also reviews the records of performance of the relevant insured depository institutions under the CRA.¹² The CRA requires the federal supervisory agencies to encourage financial institutions to help meet the credit needs of local communities in which they operate, consistent with their safe and sound operation, and requires the appropriate federal financial supervisory agency to take into account an institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, in evaluating bank expansionary proposals.

Arvest's only subsidiary insured depository institution, Arvest Bank, Fayetteville, Arkansas, received a "satisfactory" rating at its most recent CRA performance evaluation by the Federal Reserve Bank of St. Louis, as of September 2002. Thrift received a "satisfactory" rating at its most recent CRA performance evaluation by the Office of Thrift Supervision, as of January 2001. Based on all the facts of record, the Board concludes that the CRA performance records of the institutions involved are consistent with approval of the proposal.

Other Considerations

As part of its evaluation of the public interest factors, the Board also has reviewed carefully the public benefits and possible adverse effects of the proposal. The record indicates that consummation of the proposal would result in benefits to consumers and businesses currently served by Superior. Superior's consumer and commercial customers would have access to Arvest's expanded lines of products and services. The Board notes that there are also public benefits to be derived from allowing capital markets to operate so that bank holding companies can make potentially profitable investments in nonbanking companies and from permitting banking organizations to allocate their resources in the manner they consider to be most efficient when such investments and actions are consistent, as in this case, with the relevant considerations under the BHC Act.¹³

12. See, e.g., *Citigroup Inc.*, 88 *Federal Reserve Bulletin* 485 (2002); *Banc One Corporation*, 83 *Federal Reserve Bulletin* 602 (1997).

13. See *BB&T Corporation*, 87 *Federal Reserve Bulletin* 545 (2001).

Based on the foregoing and all the facts of record, the Board has determined that consummation of the proposal can reasonably be expected to produce public benefits that would outweigh any potential adverse effects under the standard of review set forth in section 4(j)(2) of the BHC Act.

Conclusion

Based on the foregoing, the Board has determined that the proposal should be, and hereby is, approved. The Board's approval is specifically conditioned on compliance by Arvest with all the commitments made in connection with the notice. The Board's determination also is subject to all the conditions 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 holding company or any of its subsidiaries as the Board finds necessary to ensure compliance with, or to prevent evasion of, the provisions and purposes of the BHC Act and the Board's regulations and orders issued thereunder. The commitments and conditions relied on by the Board in reaching this decision are 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 transaction may 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 the Federal Reserve Bank of St. Louis, acting pursuant to delegated authority.

By order of the Board of Governors, effective August 22, 2003.

Voting for this action: Vice Chairman Ferguson and Governors Gramlich, Bies, Olson, Bernanke, and Kohn. Absent and not voting: Chairman Greenspan.

ROBERT DE V. FRIERSON
Deputy Secretary of the Board

Appendix A

Banking Markets in which Arvest and Superior Compete Directly

Arkansas

Fayetteville–Springdale

Benton, Madison, and Washington Counties.

Fort Smith (AR–OK)

Crawford and Sebastian Counties and the city of Mansfield in Arkansas, and Sequoyah County and the northern half of LeFlore County in Oklahoma.

Harrison

Boone, Marion, Newton, and Searcy Counties.

Little Rock

Pulaski and Saline Counties; the townships of Magness, Ward, Caroline, York, Oak Grove, and Butler in Lonoke County; and the townships of El Paso, Royal, and Union in White County.

Oklahoma

Tulsa

The Tulsa Ranally Metro Area; Mayes County, excluding the towns of Disney, Langley, Pensacola, and Spavinaw; and the northern half of Okmulgee County, including the towns of Okmulgee, Beggs, and Morris.

Appendix B

Certain Banking Markets in which Arvest and Superior Compete

Arkansas

Fort Smith (AR–OK)

Arvest is the fourteenth largest depository organization in the market, controlling deposits of approximately \$63.5 million, representing 2.2 percent of market deposits. Superior is the fourth largest depository organization in the market, controlling deposits of \$164.6 million, representing 5.8 percent of market deposits. On consummation of the proposal, Arvest would become the third largest depository organization in the market, controlling deposits of approximately \$392.7 million, representing 13 percent of market deposits. The HHI would not increase.

Harrison

Arvest is the third largest depository organization in the market, controlling deposits of approximately \$129 million, representing 16.7 percent of market deposits. Superior is the eleventh largest depository organization in the market, controlling deposits of \$9.8 million, representing 1.3 percent of market deposits. On consummation of the proposal, Arvest would become the largest depository organization in the market, controlling deposits of approximately \$148.7 million, representing 19 percent of market deposits. The HHI would increase by 54 points to 1370.

Little Rock

Arvest is the eleventh largest depository organization in the market, controlling deposits of approximately \$161.3 million, representing 2.5 percent of market deposits. Superior is the thirteenth largest depository organization in the market, controlling deposits of \$156.1 million, representing

2.5 percent of market deposits. On consummation of the proposal, Arvest would become the fifth largest depository organization in the market, controlling deposits of approximately \$473.4 million, representing 7.3 percent of market deposits. The HHI would not increase.

Oklahoma

Tulsa

Arvest is the fifth largest depository organization in the market, controlling deposits of approximately \$535 million, representing 5 percent of market deposits. Superior is the thirty-ninth largest depository organization in the market, controlling deposits of \$29.7 million, representing less than 1 percent of market deposits. On consummation of the proposal, Arvest would remain the fifth largest depository organization in the market, controlling deposits of approximately \$594.5 million, representing 5.6 percent of market deposits. The HHI would not increase.

ORDERS ISSUED UNDER INTERNATIONAL BANKING ACT

CITIC Ka Wah Bank Limited
Hong Kong Special Administrative Region
People's Republic of China

Order Approving Establishment of Branches

CITIC Ka Wah Bank Limited ("Bank"),¹ Hong Kong S.A.R., the People's Republic of China, a foreign bank within the meaning of the International Banking Act ("IBA"), has applied under section 7(d) of the IBA (12 U.S.C. § 3105(d)) to establish branches in New York, New York, and Los Angeles, California. The Foreign Bank Supervision Enhancement Act of 1991, which amended the IBA, provides that a foreign bank must obtain the approval of the Board to establish a branch in the United States.

Notice of the application, affording interested persons an opportunity to comment, has been published in newspapers of general circulation in New York, New York (*New York Post*, August 23, 2002, and November 11, 2002), and Los Angeles, California (*Pasadena Star-News*, August 26, 2002). The time for filing comments has expired, and all comments have been considered.

Bank, with total assets of \$9.3 billion,² engages primarily in commercial and retail banking in Hong Kong. In January 2002, all of Bank's shares were acquired by CITIC Ka Wah Bank Limited ("CKWB"), Hong Kong, S.A.R., the People's Republic of China. Under an internal reorganization in November 2002, CKWB transferred substantially all its banking business to Bank, and Bank assumed

CKWB's name.³ CKWB had branches in New York, New York, and Los Angeles, California, and substantially all the assets and liabilities of these branches have been transferred to Bank as part of the reorganization.⁴ On November 4, 2002, the Federal Reserve System granted Bank's request to proceed with the acquisition of the banking business of CKWB before final action on Bank's application to establish offices in the United States.⁵

As discussed above, Bank conducts business as CITIC Ka Wah Bank Limited and is a wholly owned subsidiary of CITIC FHC. China International Trust & Investment Corporation ("CITIC"), Beijing, People's Republic of China, a state-owned enterprise, holds 55 percent of the shares of CITIC FHC, and no other shareholder holds more than 5 percent of the shares. CITIC's business is predominantly financial in nature, including investments in two commercial banks, a securities firm, trust and leasing companies, and an insurance company, and it also has investments in industrial and nonfinancial services companies.⁶

Bank's New York branch engages in commercial and retail lending, wholesale deposit services, loan participations and syndications, funds transfer and remittance services, trade financing, foreign exchange and money market trading, domestic and international bank facilities, and safe deposit box services. The Los Angeles branch engages in lending and other financing activities, but only takes deposits permitted for a corporation organized under section 25A of the Federal Reserve Act (12 U.S.C. § 611 *et seq.*).

In order to approve an application by a foreign bank to establish a branch in the United States, the IBA and Regulation K require the Board to determine that the foreign bank applicant engages directly in the business of banking outside of 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 (12 U.S.C. § 3105(d)(2); 12 C.F.R. 211.24).⁷ The Board may also take

3. CKWB became a financial holding company over Bank and was renamed CITIC International Financial Holdings Limited ("CITIC FHC").

4. Bank could not retain the FDIC-insured status of CKWB's New York branch after the transfer. Accordingly, the insured deposits at CKWB's New York branch were not transferred to Bank's New York branch.

5. Prior Board approval generally is required for the establishment of branches by foreign banks. Regulation K provides that "to establish" an office means, among other things, to acquire directly, through merger, consolidation, or similar transaction with another foreign bank, the operations of an office that is open and conducting business. 12 C.F.R. § 211.21(k). The regulation further provides that under certain circumstances, a branch may be established through merger, consolidation, or similar transaction before receiving Board approval. 12 C.F.R. § 211.24(a)(6).

6. CITIC is a qualifying foreign banking organization within the meaning of Regulation K (12 C.F.R. § 211.23).

7. 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

1 Bank, formerly known as The Hongkong Chinese Bank Limited, assumed the name of its former parent bank after filing the application and now conducts business as CITIC Ka Wah Bank Limited.

2. Asset data are as of December 31, 2002.

into account additional standards as set forth in the IBA and Regulation K (12 U.S.C. § 3105(d)(3)–(4); 12 C.F.R. 211.24(c)(2)–(3)).

The IBA includes a limited exception to the general requirement relating to comprehensive, consolidated supervision (12 U.S.C. § 3105(d)(6)). This exception provides that if the Board is unable to find that a foreign bank seeking to establish a branch, agency, or commercial lending company is subject to comprehensive supervision or regulation on a consolidated basis by the appropriate authorities in its home country, the Board may nevertheless approve the application if: (i) the appropriate authorities in the home country of the foreign bank are actively working to establish arrangements for the consolidated supervision of such bank; and (ii) all other factors are consistent with approval (12 U.S.C. § 3105(d)(6)(A)). In deciding whether to exercise its discretion to approve an application under authority of this exception, the Board shall also consider whether the foreign bank has adopted and implemented procedures to combat money laundering. The Board also may take into account whether the home country of the foreign bank is developing a legal regime to address money laundering or is participating in multilateral efforts to combat it (12 U.S.C. § 3105(d)(6)(B)).

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

With respect to supervision by home country authorities, the Board previously has determined, in connection with applications involving other banks in Hong Kong, that those banks were subject to comprehensive supervision on a consolidated basis by the Hong Kong Monetary Authority (“HKMA”), the principal supervisory authority of banks in Hong Kong.⁸ Bank is supervised by the HKMA on substantially the same terms and conditions as those other banks. In this case, however, Bank is part of a large financial group headquartered in the People’s Republic of China. This group, headed by Bank’s ultimate parent, CITIC, includes a bank in the People’s Republic of China. Although the HKMA has authority to limit transactions by Bank with its affiliates and to obtain information from them, the HKMA does not have supervisory responsibility for CITIC.

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; (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.

8. See *Bank of East Asia, Ltd.*, 84 *Federal Reserve Bulletin* 886 (1998); *Hong Kong and Shanghai Banking Co.*, 81 *Federal Reserve Bulletin* 902 (1995); *Liu Chong Hing Bank, Ltd.*, 81 *Federal Reserve Bulletin* 905 (1995); *Dah Sing Bank, Ltd.*, 80 *Federal Reserve Bulletin* 182 (1994).

Hong Kong is a member of the Financial Action Task Force and subscribes to its recommendations on measures to combat money laundering. In accordance with these recommendations, Hong Kong has enacted laws and created legislative and regulatory standards to deter money laundering. Money laundering is a criminal offense in Hong Kong, and financial institutions are required to establish internal policies, procedures, and systems for the detection and prevention of money laundering throughout their worldwide operations. Bank has policies and procedures to comply with these laws and regulations. Bank’s compliance with applicable laws and regulations is monitored by the HKMA and Bank’s internal and external auditors.

Based on all the facts of record, it has been determined that Bank’s home jurisdiction supervisory authority is actively working, in conjunction with the relevant supervisory authorities of the People’s Republic of China, to establish arrangements for the consolidated supervision of Bank, and that considerations relating to the steps taken by Bank and its home jurisdiction to combat money laundering are consistent with approval under this standard.⁹

The additional standards set forth in section 7 of the IBA and Regulation K (see 12 U.S.C. § 3105(d)(3)–(4); 12 C.F.R. 211.24(c)(2)–(3)) have also been taken into account. The HKMA has no objection to the establishment of the proposed branches.

Hong Kong’s risk-based capital standards are consistent with those established by the Basel Capital Accord. Bank’s capital is in excess of the minimum levels that would be required by the Accord and is considered equivalent to capital that would be required of a U.S. banking organization. Managerial and other financial resources of Bank also are considered consistent with approval, and Bank appears to have the experience and capacity to support the proposed branches. In addition, Bank has established controls and procedures for the proposed branches to ensure compliance with U.S. law, as well as controls and procedures for its worldwide operations generally.

With respect to access to information about Bank’s operations, the restrictions on disclosure in relevant jurisdictions in which Bank operates have been reviewed and relevant government authorities have been communicated with regarding access to information. Bank and its ultimate parent have committed to make available to the Board such information on the operations of Bank and any of its affiliates 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 to the Board may be prohibited by law or otherwise, Bank and its ultimate parent have committed to cooperate with the Board to obtain any necessary consents or waivers that might be required from third parties for disclosure of such information.

9. In reaching this view, the oversight of Bank’s parent companies has been considered. Financial holding companies in Hong Kong are subject to the supervision of the HKMA and, accordingly, the HKMA supervises CITIC FHC. The Hong Kong Banking Ordinance also contains restrictions on transactions with affiliates.

tion. In addition, subject to certain conditions, the HKMA 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, it has been determined that Bank has provided adequate assurances of access to any necessary information that the Board may request.

On the basis of all the facts of record, and subject to the commitments made by Bank and its ultimate parent, as well as the terms and conditions set forth in this order, Bank's application to establish branches is hereby approved.¹⁰ Should any restrictions on access to information on the operations or activities of Bank and its affiliates subsequently interfere with the Board's ability to obtain information to determine and enforce compliance by Bank or its affiliates with applicable federal statutes, the Board may require termination of any of Bank's direct or indirect

10. Approved by the Director of the Division of Banking Supervision and Regulation, with the concurrence of the General Counsel, pursuant to authority delegated by the Board.

activities in the United States. Approval of this application also is specifically conditioned on compliance by Bank and its ultimate parent with the commitments made in connection with this application and with the conditions in this order.¹¹ The commitments and conditions referred to above are conditions imposed in writing in connection with this decision and may be enforced in proceedings under 12 U.S.C. § 1818 against Bank and its affiliates.

By order, approved pursuant to authority delegated by the Board, effective August 6, 2003.

ROBERT DEV. FRIERSON
Deputy Secretary of the Board

11. The Board's authority to approve the establishment of the proposed branches parallels the continuing authority of the Office of the Comptroller of the Currency to license offices of a foreign bank. The Board's approval of this application does not supplant the authority of the Office of the Comptroller of the Currency to license the proposed offices of Bank in accordance with any terms or conditions that it may impose.

INDEX OF ORDERS ISSUED OR ACTIONS TAKEN BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM— (April 1, 2003–June 30, 2003)

Applicant	Merged or Acquired Bank of Activity	Date of Approval	Bulletin Volume and Page
BB&T Corporation, Winston-Salem, North Carolina	First Virginia Banks, Inc., Falls Church, Virginia First Virginia Bank, Falls Church, Virginia	May 13, 2003	89, 335
Charles Schwab Corporation, San Francisco, California	Charles Schwab Bank, National Association, Reno, Nevada	April 7, 2003	89, 300
HSH Nordbank Aktiengesellschaft, Hamburg/Kiel, Germany	To establish a branch in New York, New York	May 30, 2003	89, 344
The Royal Bank of Scotland Group plc, Edinburg, Scotland	Port Financial Corp., Brighton, Massachusetts	June 30, 2003	89, 386
The Royal Bank of Scotland plc, Edinburg, Scotland	Cambridge Bancorp. Cambridge, Massachusetts		
RBSG International Holdings Ltd., Edinburgh, Scotland	Cambridge Trust Company, Cambridge, Massachusetts		
Citizens Financial Group, Inc., Providence, Rhode Island	Cambridge Trust Company, Cambridge Massachusetts		
Union Bank of Israel Ltd., Tel Aviv, Israel	To establish a representative office in New York, New York	April 10, 2003	89, 302

*APPLICATIONS APPROVED UNDER BANK HOLDING COMPANY ACT
By Federal Reserve Banks*

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

Section 3

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Alpha Financial Group, Inc. Employee Stock Ownership Plan, Toluca, Illinois	Alpha Financial Group, Inc., Toluca, Illinois Alpha Community Bank, Toluca, Illinois	Chicago	July 31, 2003
Arthur Financial Corporation, Union, South Carolina	Arthur State Bank, Union, South Carolina	Richmond	August 22, 2003
Blackhawk Bancorp, Inc., Beloit, Wisconsin	DunC Corp., Rockford, Illinois First Bank, bc, Capron, Illinois	Chicago	August 5, 2003
Campbell Hill Bancshares, Inc., Campbell Hill, Illinois	Southwest Illinois Bancshares, Inc., Coulterville, Illinois The First National Bank of Coulterville, Coulterville, Illinois	St. Louis	August 27, 2003
Carver Financial Corporation, Savannah, Georgia	The Carver State Bank, Savannah, Georgia	Atlanta	August 13, 2003
Coastal Financial Corporation, Everett, Washington	Coastal Community Bank, Everett, Washington	San Francisco	August 18, 2003
Coffeyville Bancorp, Inc., Coffeyville, Kansas	CSB Bancorp, Inc., Coffeyville, Kansas Community State Bank, Coffeyville, Kansas	Kansas City	August 8, 2003
Cornerstone Bancshares, Inc., Lebanon, Missouri	Heritage Bank of the Ozarks, Lebanon, Missouri	St. Louis	August 20, 2003
Country Bank Holding Company, Inc., New York, New York	Country Bank, New York, New York	New York	July 31, 2003

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
FOJ Partners, LP, Union, South Carolina	Arthur Financial Corporation, Union, South Carolina	Richmond	August 22, 2003
FOJ Partners II, LP, Union, South Carolina			
FOJ Management Company LLC, Union, South Carolina			
JCO Partners, LP, Union, South Carolina			
JCO Partners II, LP, Union, South Carolina			
JCO Ventures, LLC, Union, South Carolina			
HAO Partners, LP, Union, South Carolina			
HAO Partners II, LP, Union, South Carolina			
HAO Management Company LLC, Union, South Carolina			
Frances W. Arthur Irrevocable Trust #2 for the Benefit of Frances Oxner Jorgenson, Union, South Carolina			
Heartland Financial USA, Inc., Dubuque, Iowa	Arizona Bank & Trust, Mesa, Arizona	Chicago	July 31, 2003
Heritage Oaks Bancorp, Paso Robles, California	Hacienda Bank, Santa Maria, California	San Francisco	August 18, 2003
Hume Bancshares Acquisition Corp., St. Louis, Missouri	Hume Bancshares, Inc., Hume, Missouri Hume Bank, Hume, Missouri	Kansas City	August 6, 2003
Industry Bancshares, Inc., Industry, Texas	Fayetteville Bancshares, Inc., Fayetteville, Texas	Dallas	July 31, 2003
Industry Holdings, Inc., Wilmington, Delaware	Fayetteville Bank, Fayetteville, Texas		
Lakeland Bancorp, Oak Ridge, New Jersey	CSB Financial Corporation, Teaneck, New Jersey Community State Bank, Teaneck, New Jersey	New York	August 6, 2003
Lauritzen Corporation, Omaha, Nebraska	First National of Nebraska, Inc., Omaha, Nebraska	Kansas City	August 7, 2003
Marco Community Bancorp, Inc., Marco Island, Florida	Marco Community Bank, Marco Island, Florida	Atlanta	July 25, 2003
Mercantile Bancorp, Inc., Quincy, Illinois	Mid-America Bancorp, Inc., Leawood, Kansas Heartland Bank, Leawood, Kansas	St. Louis	August 6, 2003
Merchants and Manufacturers Bancorporation Inc., Brookfield, Wisconsin	Random Lake Bancorp, Limited, Random Lake, Wisconsin Wisconsin State Bank, Random Lake, Wisconsin	Chicago	August 21, 2003
Merchants Merger Corp., Brookfield, Wisconsin			

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Merchants and Manufacturers Bancorporation Inc., Brookfield, Wisconsin	Reedsburg Bancorporation, Inc., Reedsburg, Wisconsin	Chicago	August 21, 2003
Merchants New Merger Corp., Brookfield, Wisconsin	Reedsburg Bank, Reedsburg, Wisconsin		
Oswego Community Bank Employee Stock Ownership Plan, Oswego, Illinois	Oswego Bancshares, Inc., Oswego, Illinois	Chicago	August 22, 2003
	Oswego Community Bank, Oswego, Illinois		
Pebblespring Holding Company, Berwyn, Pennsylvania	Eagle National Bank, Upper Darby, Pennsylvania	Philadelphia	August 15, 2003
Peoples Bancshares Corp., Boonville, Indiana	Peoples Trust and Savings Bank, Boonville, Indiana	St. Louis	August 6, 2003
Red River Bancshares, Inc., Alexandria, Louisiana	Bank of Lecompte, Lecompte, Louisiana	Atlanta	August 14, 2003
TeamCo, Inc., Oak Lawn, Illinois	Oak Lawn Bank, Oak Lawn, Illinois	Chicago	August 21, 2003
Tradition Bancshares, Inc., Houston, Texas	Tradition Bank, Houston, Texas	Dallas	August 7, 2003
Tradition Bancshares of Delaware, Inc., Wilmington, Delaware	First National Bank of Bellaire, Houston, Texas		
United Bankshares, Inc., Charleston, West Virginia	George Mason Bankshares, Inc., Fairfax, Virginia	Richmond	August 26, 2003
	Sequoia Bancshares, Inc., Bethesda, Maryland		

Section 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
Bank of Hawaii Corporation, Honolulu, Hawaii	Chicago Equity Partners, Chicago, Illinois	San Francisco	August 21, 2003
First National Bank of Berryville Employee Stock Ownership Plan, Berryville, Arkansas	To engage in leasing personal property	St. Louis	August 12, 2003
First Carroll Bankshares, Inc., Berryville, Arkansas			
Hinsbrook Bancshares, Inc., Glen Ellyn, Illinois	To engage <i>de novo</i> in extending credit and servicing loans	Chicago	August 12, 2003
Southwest Bancorp, Inc., Stillwater, Oklahoma	SNB Bank of Wichita, Wichita, Kansas	Kansas City	August 18, 2003
West Bancorporation, Inc., West Des Moines, Iowa	WB Capital Management Inc., West Des Moines, Iowa	Chicago	August 8, 2003

Sections 3 and 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
The South Financial Group, Inc., Greenville, South Carolina	MountainBank Financial Corporation, Hendersonville, North Carolina	Richmond	August 7, 2003

APPLICATIONS APPROVED UNDER BANK MERGER ACT
By Federal Reserve Banks

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

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Dallas Investment Company, Carroll, Iowa	Perry Investment Company, Carroll, Iowa	Chicago	August 6, 2003
Planters Bank and Trust Company of Virginia, Staunton, Virginia	First Virginia Bank-Southwest, Roanoke, Virginia First Virginia Bank-Colonial, Richmond, Virginia	Richmond	August 26, 2003
Red River Bank, Alexandria, Louisiana	Bank of Lecompte, Lecompte, Louisiana	Atlanta	August 14, 2003
Second Bank & Trust, Culpeper, Virginia	First Virginia Bank-Blue Ridge, Staunton, Virginia	Richmond	August 26, 2003
Suburban Community Bank, Chalfont, Pennsylvania	UNB Acquisition National Bank, Souderton, Pennsylvania	Philadelphia	August 20, 2003
United Bank, Fairfax, Virginia	SequoiaBank, Bethesda, Maryland	Richmond	August 26, 2003
Univest Corporation of Pennsylvania, Souderton, Pennsylvania	Suburban Community Bank, Chalfont, Pennsylvania	Philadelphia	July 25, 2003
Univest National Bank, Souderton, Pennsylvania			

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.

Tavera v. Von Nothaus, et al., No. 03-763 (D. Oregon, filed June 5, 2003). Civil rights action for violation of rights in connection with the plaintiff's prosecution for passing "Liberty dollar coins" as lawful money.

Apffel v. Board of Governors, No. 03-343 (S.D. Texas, filed May 20, 2003). Freedom of Information Act case.

Albrecht v. Board of Governors, No. 02-5325 (D.C. Cir., filed October 18, 2002). Appeal of district court order dismissing challenge to the method of funding of the retirement plan for certain Board employees.

Community Bank & Trust v. United States, No. 01-571C (Ct. Fed. Cl., filed October 3, 2001). Action challenging

on constitutional grounds the failure to pay interest on reserve accounts held at Federal Reserve Banks.

Artis v. Greenspan, No. 01-CV-0400 (EGS) (D.D.C., complaint filed February 22, 2001). Employment discrimination action. On August 15, 2001, the district court consolidated the action with *Artis v. Greenspan*, No. 99-CV-2073 (EGS) (D.D.C., filed August 3, 1999), also an employment discrimination action.

Fraternal Order of Police v. Board of Governors, No. 1:98CV03116 (WBB) (D.D.C., filed December 22, 1998). Declaratory judgment action challenging Board regulation on labor-management relations at Reserve Banks.

To Readers of the Legal Developments Section of the *Bulletin*

The materials currently contained in the Legal Developments section of the *Federal Reserve Bulletin* are also available in various publications, in press releases, and on the Board's web site. The Board's Legal Developments web site, launched in September 2002, provides a convenient way of gaining access to material that has been published in the *Bulletin* for many years. The site is updated as orders and actions are finalized.

- Selected rulemaking actions (proposed and final) are first issued as press releases, which are available on the Board's web site at www.federalreserve.gov/boarddocs/press/bcreg/2003/. They are then published in the *Federal Register* (www.gpoaccess.gov/fr/index.html). On the Board's site, they can also be found in the Legal Developments section of the Banking Information and Regulation page at www.federalreserve.gov/boarddocs/legaldevelopments/rulemaking/. Interested persons may view proposals published for comment and comments received at www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm. Comments on proposals may also be submitted through this web site, by electronic mail, or in writing.
- Board orders issued under the Bank Holding Company Act, the Bank Merger Act, the Federal Reserve Act, and the International Banking Act are issued as attachments to press releases, which are available from 1996 on the Board's web site at www.federalreserve.gov/boarddocs/press/orders/2003/. Board orders issued under the Bank Holding Company Act can also be found at www.federalreserve.gov/boarddocs/legaldevelopments/ordersbhc/. Board orders issued under the Bank Merger Act, the Federal Reserve Act, and the International Bank-

ing Act, can also be found at www.federalreserve.gov/boarddocs/legaldevelopments/ordersother/.

- Applications approved under the Bank Holding Company Act, the Bank Merger Act, the Federal Reserve Act, and the International Banking Act are listed in the Board's weekly H.2 release "Actions of the Board, Its Staff, and the Federal Reserve Banks; Applications and Reports Received," which is available in paper copies by subscription from Publications Fulfillment and on the Board's web site at www.federalreserve.gov/releases/h2.
- Enforcement actions are issued as press releases. Actions since 1997 are available at www.federalreserve.gov/boarddocs/press/enforcement/2003/; actions since 1989 can be located by going to "Enforcement Actions" from the Banking and Information and Regulation page at www.federalreserve.gov/boarddocs/enforcement/.

Paper copies of these documents are also available upon request from the Board's Freedom of Information Office. Requests may be submitted by facsimile (202-872-7565); online at www.federalreserve.gov/generalinfo/foia/request.cfm; or by mail to the Secretary, Board of Governors of the Federal Reserve System, Freedom of Information Office, Washington, DC 20551.

Pending cases are listed in the Board's *Annual Report* in the "Litigation" chapter and on the web site at www.federalreserve.gov/boarddocs/legaldevelopments/cases.htm.

Because it is available elsewhere in a more timely fashion, much of the material currently being published in the Legal Developments section of the *Bulletin* will no longer be included in the *Bulletin* when it becomes a quarterly. Only Board orders will be included.

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SYMBOLS AND ABBREVIATIONS

c	Corrected	G-10	Group of Ten
e	Estimated	GDP	Gross domestic product
n.a.	Not available	GNMA	Government National Mortgage Association
n.e.c.	Not elsewhere classified	GSE	Government-sponsored enterprise
p	Preliminary	HUD	Department of Housing and Urban Development
r	Revised (Notation appears in column heading when about half the figures in the column have been revised from the most recently published table.)	IMF	International Monetary Fund
*	Amount insignificant in terms of the last decimal place shown in the table (for example, less than 500,000 when the smallest unit given is in millions)	IOs	Interest only, stripped, mortgage-backed 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	NAICS	North American Industry Classification System
CD	Certificate of deposit	NOW	Negotiable order of withdrawal
CMO	Collateralized mortgage obligation	OCDs	Other checkable deposits
CRA	Community Reinvestment Act of 1977	OPEC	Organization of Petroleum Exporting Countries
FAMC	Federal Agricultural Mortgage Corporation	OTS	Office of Thrift Supervision
FFB	Federal Financing Bank	PMI	Private mortgage insurance
FHA	Federal Housing Administration	POs	Principal only, stripped, mortgage-backed securities
FHLBB	Federal Home Loan Bank Board	REIT	Real estate investment trust
FHLMC	Federal Home Loan Mortgage Corporation	REMICs	Real estate mortgage investment conduits
FmHA	Farmers Home Administration	RHS	Rural Housing Service
FNMA	Federal National Mortgage Association	RP	Repurchase agreement
FSA	Farm Service Agency	RTC	Resolution Trust Corporation
FSLIC	Federal Savings and Loan Insurance Corporation	SCO	Securitized credit obligation
G-7	Group of Seven	SDR	Special drawing right
		SIC	Standard Industrial Classification
		TIIS	Treasury inflation-indexed securities
		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 U.S. Treasury.

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

1.10 RESERVES AND MONEY STOCK MEASURES

Percent annual rate of change, seasonally adjusted¹

Monetary or credit aggregate	2002		2003		2003				
	Q3	Q4	Q1	Q2*	Mar.	Apr. ¹	May ¹	June ¹	July
<i>Reserves of depository institutions²</i>									
1 Total	-2.2	1.0	11.3	6.7	4.5	-4.9	5.3	53.0	31.7
2 Required	-4.9	-1.4	11.4	8.1	14.9	-1.9	2.8	48.0	31.3
3 Nonborrowed	-3.7	1.9	12.8	6.2	4.6	-5.1	4.5	49.9	32.7
4 Monetary base ³	6.9	5.1	7.6	5.9	6.7	5.3	5.1	3.4	.6
<i>Concepts of money⁴</i>									
5 M1	3.0	4.9	7.5	9.2	3.5 ⁵	.4	20.3	13.3	5.3
6 M2	8.8	7.0	6.4 ⁶	8.4	2.5 ⁵	4.6	17.8	9.5	9.6
7 M3	7.2 ⁷	7.8 ⁸	5.6	6.0	3.7 ⁵	2.1	12.4	8.6	22.0
<i>Nontransaction components</i>									
8 In M2 ⁹	10.4	7.6	6.0 ⁶	8.2	2.3 ⁵	5.8	17.1	8.5	10.8
9 In M3 only ⁶	3.6 ⁷	9.5 ⁸	3.9 ⁶	.8	6.4 ⁵	-3.5	.6	6.5	49.5
<i>Time and savings deposits</i>									
<i>Commercial banks</i>									
10 Savings, including MMDAs	20.1	16.8	13.6	16.5	4.3	17.7	23.5	21.5	28.1
11 Small time ¹	-4.0	-7.4 ²	-7.1 ¹	-8.6	-6.8	-8.5	-10.2	-10.9	-19.1
12 Large time ^{3,9} .....	.5	-5.6	-4.5	2.1	9.5	-1.0	7.0	-6.6	154.0
<i>Thrift institutions</i>									
13 Savings, including MMDAs	20.6 ¹	20.0	21.9 ¹	24.6	19.5	19.1	40.5	13.2	21.4
14 Small time ¹	-10.5	-6.0	-6.6 ¹	-9.0	-6.4 ¹	-7.3	-11.8	-13.2	-14.6
15 Large time ³	-2.6	11.9	8.9	-2.1	-8.1	2.0	-10.2	11.3	34.6
<i>Money market mutual funds</i>									
16 Retail .....	.9	-6.3	-10.0 ¹	-8.2	-8.1 ¹	-20.1	9.1	-7.9	-15.0
17 Institution-only	-7	2.1	-4.9	-14.7	-13.1	-22.4	-20.1	20.3	42.1
<i>Repurchase agreements and eurodollars</i>									
18 Repurchase agreements ¹⁰	28.7 ¹	47.7 ¹	31.4 ¹	27.8	46.2 ¹	23.8	19.3	6.3	-57.9
19 Eurodollars ¹⁰	-3.5	28.9	19.2 ¹	20.9	20.9 ¹	23.1	44.8	-20.9	27.0

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 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.

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 RESERVE BALANCES OF DEPOSITORY INSTITUTIONS¹

Millions of dollars

Factor	Average of daily figures			Average of daily figures for week ending on date indicated						
	2003			2003						
	May	June	July	June 18	June 25	July 2	July 9	July 16	July 23	July 30
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	714,217	715,547	716,576	713,851	717,693	719,477	718,395	715,469	716,706	713,382
2 Securities held outright	649,309	651,774	652,630	651,783	651,960	652,162	652,443	652,538	652,764	652,843
3 U.S. Treasury ²	649,299	651,764	652,620	651,773	651,950	652,152	652,433	652,528	652,754	652,833
4 Bills ³	237,126	238,596	239,480	238,605	238,790	238,998	239,285	239,385	239,616	239,701
5 Notes and bonds, nominal ³	397,882	398,853	398,853	398,853	398,853	398,853	398,853	398,853	398,853	398,853
6 Notes and bonds, inflation-indexed ³	12,814	12,814	12,814	12,814	12,814	12,814	12,814	12,814	12,814	12,814
7 Inflation compensation ⁴	1,477	1,500	1,473	1,501	1,493	1,486	1,480	1,475	1,470	1,465
8 Federal agency ⁵	10	10	10	10	10	10	10	10	10	10
9 Repurchase agreements ⁵	26,121	25,074	24,153	23,179	26,321	28,714	26,000	22,893	24,250	20,857
10 Loans to depository institutions	57	174	114	74	407	188	99	114	119	126
11 Primary credit	4	100	5	3	322	99	8	6	4	1
12 Secondary credit	0	0	0	0	0	0	0	1	0	0
13 Seasonal credit	53	74	109	71	84	89	91	107	115	125
14 Float	-350	-166	147	4	22	-627	620	452	42	-477
15 Other Federal Reserve assets	39,080	38,692	39,532	38,811	38,983	39,040	39,233	39,472	39,531	40,033
16 Gold stock	11,043	11,044	11,044	11,044	11,044	11,044	11,044	11,044	11,044	11,044
17 Special drawing rights certificate account	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
18 Treasury currency outstanding	34,937	35,022 ⁶	35,099	35,020 ⁷	35,043 ⁷	35,065	35,079	35,093	35,107	35,121
ABSORBING RESERVE FUNDS										
19 Currency in circulation	690,751	691,893 ⁶	694,585	691,540 ⁶	691,146 ⁶	693,612	697,860	694,522	692,713	692,558
20 Reverse repurchase agreements ⁶	21,137	22,038	20,180	21,464	22,714	23,129	20,844	20,067	19,677	19,916
21 Foreign official and international accounts	21,137	21,530	20,180	21,142	21,036	23,129	20,844	20,067	19,677	19,916
22 Dealers	0	508	0	321	1,679	0	0	0	0	0
23 Treasury cash holdings	351	375	334	379	368	360	327	327	330	343
24 Deposits with Federal Reserve Banks, other than reserve balances	18,232	18,169	17,943	18,555	18,637	17,882	17,742	17,957	18,098	18,005
25 U.S. Treasury, general account	6,678	6,747	6,213	7,147	7,199	6,087	6,218	6,479	6,067	6,205
26 Foreign official	122	157	224	88	162	412	279	109	124	259
27 Service-related	11,178	11,028	11,192	11,088	11,056	11,136	11,016	11,062	11,401	11,290
28 Required clearing balances	10,849	10,832	10,864	10,830	10,830	10,838	10,838	10,863	10,863	10,896
29 Adjustments to compensate for float	329	196	327	258	226	297	178	199	538	394
30 Other	254	237	315	232	220	248	229	307	506	251
31 Other liabilities and capital	20,300	20,170	19,956	20,322	20,106	20,045	19,817	19,878	20,000	20,228
32 Reserve balances with Federal Reserve Banks ⁷	11,626	11,168	11,921	9,855	13,009	12,758	10,128	11,054	14,238	10,696
End-of-month figures										
Wedgesday figures										
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	719,092	722,933	721,467	714,955	723,424	717,341	722,448	716,149	724,764	718,066
2 Securities held outright	651,127	652,128	652,913	651,932	652,003	652,363	652,461	652,700	652,837	652,866
3 U.S. Treasury ²	651,117	652,118	652,903	651,922	651,993	652,353	652,451	652,690	652,827	652,856
4 Bills ³	237,933	238,965	239,773	238,756	238,835	239,201	239,305	239,550	239,692	239,726
5 Notes and bonds, nominal ³	398,853	398,853	398,853	398,853	398,853	398,853	398,853	398,853	398,853	398,853
6 Notes and bonds, inflation-indexed ³	12,814	12,814	12,814	12,814	12,814	12,814	12,814	12,814	12,814	12,814
7 Inflation compensation ⁴	1,517	1,485	1,462	1,498	1,491	1,484	1,479	1,473	1,468	1,463
8 Federal agency ⁵	10	10	10	10	10	10	10	10	10	10
9 Repurchase agreements ⁵	30,240	31,750	29,000	23,000	32,000	26,000	29,250	24,000	32,000	26,250
10 Loans to depository institutions	80	768	145	86	95	92	104	121	118	141
11 Primary credit	15	686	11	3	3	1	1	8	1	5
12 Secondary credit	0	0	0	0	0	0	0	0	0	0
13 Seasonal credit	65	82	133	83	92	91	102	113	118	137
14 Float	-599	-525	-195	1,131	323	-144	1,336	97	-32	-1,187
15 Other Federal Reserve assets	38,244	38,812	39,605	38,806	39,003	39,030	39,298	39,230	39,841	39,996
16 Gold stock	11,044	11,044	11,043	11,044	11,044	11,044	11,044	11,044	11,044	11,043
17 Special drawing rights certificate account	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
18 Treasury currency outstanding	34,976	35,065 ⁶	35,135	35,020 ⁷	35,043 ⁷	35,065	35,079	35,093	35,107	35,121
ABSORBING RESERVE FUNDS										
19 Currency in circulation	692,355	693,315 ⁶	694,064	692,525 ⁶	692,710 ⁶	698,314	697,411	694,748	693,626	694,578
20 Reverse repurchase agreements ⁶	22,285	22,080	19,827	22,901	21,592	21,045	20,254	20,346	19,672	19,316
21 Foreign official and international accounts	22,285	22,080	19,827	20,651	21,592	21,045	20,254	20,346	19,672	19,316
22 Dealers	0	0	0	2,250	0	0	0	0	0	0
23 Treasury cash holdings	375	365	364	368	365	327	327	329	339	364
24 Deposits with Federal Reserve Banks, other than reserve balances	17,803	19,222	18,219	19,499	16,987	17,539	17,925	17,233	18,014	18,561
25 U.S. Treasury, general account	6,505	6,939	6,356	8,086	5,306	5,707	6,356	5,724	6,058	6,174
26 Foreign official	79	898	318	96	404	476	327	128	134	852
27 Service-related	11,003	11,136	11,287	11,088	11,056	11,136	11,016	11,062	11,400	11,290
28 Required clearing balances	10,832	10,838	10,830	10,830	10,830	10,838	10,838	10,863	10,862	10,896
29 Adjustments to compensate for float	170	297	390	258	226	297	178	199	538	394
30 Other	217	249	258	229	220	220	225	318	423	246
31 Other liabilities and capital	19,973	19,898	19,674	19,937	20,021	19,635	19,675	19,649	20,085	19,745
32 Reserve balances with Federal Reserve Banks ⁷	14,521	16,364	17,697	7,990	20,036	8,790	15,180	12,180	21,380	13,866

1. Amounts of vault cash held as reserves are shown in table 1.12, line 2.
 2. Includes securities lent to dealers, which are fully collateralized by other U.S. Treasury securities.
 3. Face value of the securities.
 4. Compensation that adjusts for the effect of inflation on the original face value of inflation-indexed securities.

5. Cash value of agreements, which are fully collateralized by U.S. Treasury and federal agency securities.
 6. Cash value of agreements, which are fully collateralized by U.S. Treasury securities.
 7. 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									
	2000	2001	2002	2003						
	Dec.	Dec.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July
1 Reserve balances with Reserve Banks ²	7,022	9,053	9,926	10,075	9,860	9,840	10,598	11,405	11,297 ^r	12,158
2 Total vault cash ³	45,246	43,918	43,368	46,209 ^r	45,942 ^r	43,088 ^r	41,991 ^r	41,636 ^r	41,961 ^r	42,657
3 Applied vault cash ⁴	31,451	32,024	30,347	32,794	32,079	30,757	30,574	30,395	30,574	31,438
4 Surplus vault cash ⁵	13,795	11,894	13,021	13,415 ^r	13,863 ^r	12,331 ^r	11,417 ^r	11,241 ^r	11,386 ^r	11,220
5 Total reserves ⁶	38,473	41,077	40,274	42,869	41,939	40,597	41,172	41,801	41,872 ^r	43,595
6 Required reserves	37,046	39,428	38,264	41,162	39,973	38,961	39,640	40,182	40,018	41,679
7 Excess reserve balances at Reserve Banks ⁷	1,427	1,649	2,009	1,707	1,965	1,636	1,532	1,619	1,854 ^r	1,916
8 Total borrowing at Reserve Banks	210	67	80	27	25	22	29	55	161	130
9 Primary	...	...	...	12	21	14	8	3	87	21
10 Secondary	...	...	...	0	0	0	0	0	0	0
11 Seasonal	111	33	45	13	5	8	21	53	74	110
12 Adjustment	99	34	35	2	...	...	...	...	...	...
Reserve classification	Biweekly averages of daily figures for two-week periods ending on dates indicated									
	2003									
	Apr. 2	Apr. 16	Apr. 30	May 14	May 28	June 11	June 25	July 9 ^r	July 23	Aug. 6
1 Reserve balances with Reserve Banks ²	9,843	9,452	11,852	9,772	13,116	11,050	11,437	11,453	12,644	12,100
2 Total vault cash ³	43,918 ^r	41,682 ^r	42,024 ^r	41,432 ^r	41,968 ^r	41,040 ^r	42,303 ^r	43,030	41,789	43,758
3 Applied vault cash ⁴	31,830	29,833	31,136	29,696	31,211	29,854	30,798	31,534	30,545	32,892
4 Surplus vault cash ⁵	12,089 ^r	11,849 ^r	10,889 ^r	11,736 ^r	10,758 ^r	11,186 ^r	11,505 ^r	11,497	11,244	10,866
5 Total reserves ⁶	41,672	39,285	42,987	39,468	44,326	40,904	42,235	42,986	43,189	44,991
6 Required reserves	40,058	37,784	41,436	37,924	42,712	38,909	40,631	40,744	41,601	42,867
7 Excess reserve balances at Reserve Banks ⁷	1,614	1,501	1,551	1,543	1,614	1,994	1,604	2,242	1,588	2,124
8 Total borrowing at Reserve Banks	11	33	29	51	58	69	241	144	117	140
9 Primary	3	15	2	3	2	7	163	54	5	11
10 Secondary	0	0	0	0	0	0	0	0	1	0
11 Seasonal	8	18	27	48	56	63	78	90	111	129
12 Adjustment	...	...	...	...	...	...	...	...	...	...

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).

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per year

Current and previous levels

Federal Reserve Bank	Primary credit ¹			Secondary credit ²			Seasonal credit ³		
	On 9/19/03	Effective date	Previous rate	On 9/19/03	Effective date	Previous rate	On 9/19/03	Effective date	Previous rate
Boston	2.00	6/25/03	2.25	2.50	6/25/03	2.75	1.05	9/4/03	1.10
New York		6/25/03			6/25/03				
Philadelphia		6/26/03			6/26/03				
Cleveland		6/26/03			6/26/03				
Richmond		6/26/03			6/26/03				
Atlanta		6/26/03			6/26/03				
Chicago		6/26/03			6/26/03				
St. Louis		6/26/03			6/26/03				
Minneapolis		6/26/03			6/26/03				
Kansas City		6/26/03			6/26/03				
Dallas		6/26/03			6/26/03				
San Francisco	2.00	6/25/03	2.25	2.50	6/25/03	2.75	1.05	9/4/03	1.10

Range of rates for primary credit

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 Jan. 9, 2003 (beginning of program)	2.25	2.25						
2003—June 25	2.00–2.25	2.00						
26	2.00	2.00						
In effect September 19, 2003	2.00	2.00						

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, 1995	5.25	5.25	2000—Feb. 2	5.00–5.25	5.25	2001—June 27	3.25–3.50	3.25
1996—Jan. 31	5.00–5.25	5.00	4	5.25	5.25	29	3.25	3.25
Feb. 3	5.00	5.00	Mar. 21	5.25–5.50	5.50	Aug. 21	3.00–3.25	3.00
1998—Oct. 15	4.75–5.00	4.75	23	5.50	5.50	23	3.00	3.00
16	4.75	4.75	May 16	5.50–6.00	5.50	Sept. 17	2.50–3.00	2.50
Nov. 17	4.50–4.75	4.50	19	6.00	6.00	18	2.50	2.50
19	4.50	4.50				Oct. 2	2.00–2.50	2.00
1999—Aug. 24	4.50–4.75	4.75	2001—Jan. 3	5.75–6.00	5.75	4	2.00	2.00
26	4.75	4.75	4	5.50–5.75	5.50	Nov. 6	1.50–2.00	1.50
Nov. 16	4.75–5.00	4.75	5	5.50	5.50	8	1.50	1.50
18	5.00	5.00	31	5.00–5.50	5.00	Dec. 11	1.25–1.50	1.25
			Feb. 1	5.00	5.00	13	1.25	1.25
			Mar. 20	4.50–5.00	4.50			
			21	4.50	4.50	2002—Nov. 6	0.75–1.25	0.75
			Apr. 18	4.00–4.50	4.00	7	0.75	0.75
			20	4.00	4.00			
			2001—May 15	3.50–4.00	3.50	In effect Jan. 8, 2003 (end of program)	0.75	0.75
			17	3.50	3.50			

1. Available for very short terms as a backup source of liquidity to depository institutions that are in generally sound financial condition in the judgment of the lending Federal Reserve Bank.

2. Available in appropriate circumstances to depository institutions that do not qualify for primary credit.

3. 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.

4. Was available until January 8, 2003, to help depository institutions meet temporary needs for funds that could not be met through reasonable alternative sources. For earlier data, see the following publications of the Board of Governors: *Banking and Monetary Statistics, 1914–1941*, and *1941–1970*; and the *Statistical Digest, 1970–1979, 1980–1989*, and *1990–1995*. See also the Board's Statistics: Releases and Historical Data web pages (<http://www.federalreserve.gov/releases/H15/data.htm>).

1.15 RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS¹

Type of deposit	Requirement	
	Percentage of deposits	Effective date
<i>Net transaction accounts²</i>		
1 \$0 million–\$6 million ³	0	12/26/02
2 More than \$6 million–\$42.1 million ⁴	3	12/26/02
3 More than \$42.1 million ⁵	10	12/26/02
4 Nonpersonal time deposits ⁶	0	12/27/90
5 Eurocurrency liabilities ⁷	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. 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 26, 2002, for depository institutions that report weekly, and with the period beginning January 16, 2003, for institutions that report quarterly, the exemption was raised from \$5.7 million to \$6.0 million.

4. The Monetary Control Act of 1980 requires that the amount of transaction accounts against which the 3 percent reserve requirement applies be modified annually by 80 percent of the percentage change in transaction accounts held by all depository institutions, determined as of June 30 of each year. Effective with the reserve maintenance period beginning December 26, 2002, for depository institutions that report weekly, and with the period beginning January 16, 2003, for institutions that report quarterly, the amount was increased from \$41.3 million to \$42.1 million.

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

6. For institutions that report weekly, the reserve requirement on nonpersonal time deposits with an original maturity of less than 1.5 years was reduced from 3 percent to 1.5 percent for the maintenance period that began December 13, 1990, and to zero for the maintenance period that began December 27, 1990. For institutions that report quarterly, the reserve requirement on nonpersonal time deposits with an original maturity of less than 1.5 years was reduced from 3 percent to zero on January 17, 1991.

The reserve requirement on nonpersonal time deposits with an original maturity of 1.5 years or more has been zero since October 6, 1983.

7. 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 1.5 years (see note 5).

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS¹

Millions of dollars

Type of transaction and maturity	2000	2001	2002	2002	2003					
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June
U.S. TREASURY SECURITIES ²										
Outright transactions										
Treasury bills										
1 Gross purchases	8,676	15,503	21,421	0	0	4,161	1,863	3,543	1,684	1,032
2 Gross sales	0	0	0	0	0	0	0	0	0	0
3 Exchanges	477,904	542,736	657,931	53,374	71,075	53,860	47,424	51,834	76,354	60,706
4 For new bills	477,904	542,736	657,931	53,374	71,075	53,860	47,424	51,834	76,354	60,706
5 Redemptions	24,522	10,095	0	0	0	0	0	0	0	0
Others within one year										
6 Gross purchases	8,809	15,663	12,720	0	0	478	1,318	1,422	786	0
7 Gross sales	0	0	0	0	0	0	0	0	0	0
8 Maturity shifts	62,025	70,336	89,108	13,448	6,216	3,214	8,334	8,333	7,228	7,531
9 Exchanges	-54,656	-72,004	-92,075	-12,059	-6,834	-13,313	-8,211	-7,293	-6,999	-6,700
10 Redemptions	3,779	16,802	0	0	0	0	0	0	0	0
One to five years										
11 Gross purchases	14,482	22,814	12,748	339	0	2,127	710	733	1,057	0
12 Gross sales	0	0	0	0	0	0	0	0	0	0
13 Maturity shifts	-52,068	-45,211	-73,093	-13,448	-6,216	2,160	-8,334	-8,333	-1,513	-7,531
14 Exchanges	46,177	64,519	88,276	12,059	6,834	11,817	8,211	7,293	6,747	6,700
Five to ten years										
15 Gross purchases	5,871	6,003	5,074	314	0	769	522	0	234	0
16 Gross sales	0	0	0	0	0	0	0	0	0	0
17 Maturity shifts	-6,801	-21,063	-11,588	0	0	-3,877	0	0	-5,463	0
18 Exchanges	6,585	6,063	3,800	0	0	1,497	0	0	252	0
More than ten years										
19 Gross purchases	5,833	8,531	2,280	0	0	0	50	0	0	0
20 Gross sales	0	0	0	0	0	0	0	0	0	0
21 Maturity shifts	-3,155	-4,062	-4,427	0	0	-1,497	0	0	-252	0
22 Exchanges	1,894	1,423	0	0	0	0	0	0	0	0
All maturities										
23 Gross purchases	43,670	68,513	54,242	653	0	7,534	4,463	5,699	3,761	1,032
24 Gross sales	0	0	0	0	0	0	0	0	0	0
25 Redemptions	28,301	26,897	0	0	0	0	0	0	0	0
26 Net change in U.S. Treasury securities	15,369	41,616	54,242	653	0	7,534	4,463	5,699	3,761	1,032
FEDERAL AGENCY OBLIGATIONS										
Outright transactions										
27 Gross purchases	0	0	0	0	0	0	0	0	0	0
28 Gross sales	0	0	0	0	0	0	0	0	0	0
29 Redemptions	51	120	0	0	0	0	0	0	0	0
30 Net change in federal agency obligations	-51	-120	0	0	0	0	0	0	0	0
TEMPORARY TRANSACTIONS										
Repurchase agreements ³										
31 Gross purchases	890,236	1,497,713	1,143,126	112,750	135,749	121,896	95,001	112,251	124,741	90,500
32 Gross sales	987,501	1,490,838	1,153,876	101,750	150,499	119,746	90,151	106,500	132,002	88,990
Matched sale-purchase agreements										
33 Gross purchases	4,415,905	4,722,667	4,981,624	195,565	0	0	0	0	0	0
34 Gross sales	4,397,835	4,724,743	4,958,437	175,820	0	0	0	0	0	0
Reverse repurchase agreements ⁴										
35 Gross purchases	0	0	231,272	231,272	392,530	343,748	388,069	451,149	441,555	456,652
36 Gross sales	0	0	252,363	252,363	389,810	343,395	389,469	452,545	443,025	456,447
37 Net change in temporary transactions	-79,195	4,800	-8,653	9,654	-12,029	2	2,200	2,104	-8,731	-6,535
38 Total net change in System Open Market Account	-63,877	46,295	45,589	10,307	-12,029	7,537	6,664	7,803	-4,971	-5,504

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. Transactions include the rollover of inflation compensation into new securities.

3. Cash value of agreements, which are collateralized by U.S. government and federal agency obligations.

4. Cash value of agreements, which are collateralized by U.S. Treasury securities.

A10 Domestic Financial Statistics □ October 2003

1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements¹

Millions of dollars

Account	Wednesday					End of month		
	2003					2003		
	July 2	July 9	July 16	July 23	July 30	May	June	July
Consolidated condition statement								
ASSETS								
1 Gold certificate account	11,039	11,039	11,039	11,039	11,039	11,040	11,040	11,039
2 Special drawing rights certificate account	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
3 Coin	904	874	872	872	869	924	942	878
4 Securities, repurchase agreements, and loans	678,454	681,815	676,822	684,956	679,257	681,447	684,646	682,057
5 Securities held outright	652,363	652,461	652,700	652,837	652,866	651,127	652,128	652,913
6 U.S. Treasury ²	652,353	652,451	652,690	652,827	652,856	651,117	652,118	652,903
7 Bills ³	239,201	239,305	239,550	239,692	239,726	237,933	238,965	239,773
8 Notes and bonds, nominal ⁴	398,853	398,853	398,853	398,853	398,853	398,853	398,853	398,853
9 Notes and bonds, inflation-indexed ⁵	12,814	12,814	12,814	12,814	12,814	12,814	12,814	12,814
10 Inflation compensation ⁴	1,484	1,479	1,473	1,468	1,463	1,517	1,485	1,462
11 Federal agency ⁶	10	10	10	10	10	10	10	10
12 Repurchase agreements ⁵	26,000	29,250	24,000	32,000	26,250	30,240	31,750	29,000
13 Loans	92	104	121	118	141	80	768	145
14 Items in process of collection	9,457	10,110	8,534	7,680	7,843	5,684	2,330	6,558
15 Bank premises	1,581	1,582	1,585	1,588	1,586	1,579	1,580	1,586
16 Other assets	37,400	37,712	37,607	38,216	38,377	36,689	37,195	38,004
17 Denominated in foreign currencies ⁶	17,951	17,824	17,714	17,921	17,707	18,080	17,849	17,598
18 All other ⁷	19,448	19,888	19,893	20,295	20,670	18,609	19,346	20,406
19 Total assets	741,035	745,332	738,658	746,550	741,172	739,563	739,932	742,321
LIABILITIES								
20 Federal Reserve notes, net of F.R. Bank holdings	664,475	663,529	660,851	659,725	660,686	658,674	659,552	660,167
21 Reverse repurchase agreements ⁸	21,045	20,254	20,346	19,672	19,316	22,285	22,080	19,827
22 Deposits	26,422	33,479	29,600	39,452	33,151	32,470	35,806	35,972
23 Depository institutions	20,019	26,571	23,429	32,837	25,879	25,669	27,720	29,041
24 U.S. Treasury, general account	5,707	6,356	5,724	6,058	6,174	6,505	6,939	6,356
25 Foreign official	476	327	128	134	852	79	898	318
26 Other	220	225	318	423	246	217	249	258
27 Deferred availability cash items	9,457	8,395	8,211	7,617	8,275	6,161	2,596	6,681
28 Other liabilities and accrued dividends ⁹	2,101	2,107	2,080	2,138	2,151	2,329	2,227	2,143
29 Total liabilities	723,500	727,764	721,089	728,603	723,578	721,919	722,262	724,789
CAPITAL ACCOUNTS								
30 Capital paid in	8,659	8,660	8,662	8,714	8,719	8,575	8,657	8,719
31 Surplus	8,380	8,378	8,378	8,380	8,363	8,380	8,356	8,327
32 Other capital accounts	496	529	529	852	513	689	657	486
33 Total capital	17,535	17,567	17,569	17,947	17,594	17,644	17,670	17,532
MEMO								
34 Marketable securities held in custody for foreign official and international accounts ¹⁰	951,017	938,109	939,558	931,836	930,019	931,570	945,930	936,251
35 U.S. Treasury	763,039	755,623	756,862	749,564	746,813	741,378	760,406	754,101
36 Federal agency	187,977	182,486	182,696	182,272	183,207	190,191	185,524	182,150
37 Securities lent to dealers	2,461	609	661	1,688	2,534	597	4,950	2,390
Federal Reserve notes and collateral statement								
38 Federal Reserve notes outstanding	767,466	768,847	770,017	772,010	774,095	760,717	766,845	774,672
39 Less: Notes held by F.R. Banks not subject to collateralization	98,395	100,612	104,446	107,559	108,713	97,928	102,691	109,856
40 Federal Reserve notes to be collateralized	669,071	668,236	665,571	664,451	665,381	662,789	664,155	664,816
41 Collateral held against Federal Reserve notes	669,071	668,236	665,571	664,451	665,381	662,789	664,155	664,816
42 Gold certificate account	11,039	11,039	11,039	11,039	11,039	11,040	11,040	11,039
43 Special drawing rights certificate account	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
44 U.S. Treasury and agency securities pledged ¹¹	655,832	654,996	652,331	651,211	652,142	649,549	650,915	651,577
45 Other eligible assets	0	0	0	0	0	0	0	0
MEMO								
46 Total U.S. Treasury and agency securities ¹¹	678,363	681,711	676,700	684,837	679,116	681,367	683,878	681,913
47 Less: face value of securities under reverse repurchase agreements ¹²	21,050	20,258	20,351	19,677	19,321	22,295	22,086	19,831
48 U.S. Treasury and agency securities eligible to be pledged	657,313	661,453	656,349	665,161	659,795	659,072	661,792	662,081

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. Includes securities lent to dealers, which are fully collateralized by other U.S. Treasury securities.

3. Face value of the securities.

4. Compensation that adjusts for the effect of inflation on the original face value of inflation-indexed securities.

5. Cash value of agreements, which are fully collateralized by U.S. Treasury and federal agency securities.

6. Valued daily at market exchange rates.

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

8. Cash value of agreements, which are fully collateralized by U.S. Treasury securities.

9. Includes exchange-translation account reflecting the daily revaluation at market exchange rates of foreign exchange commitments.

10. Includes U.S. Treasury STRIPS and other zero coupon bonds at face value.

11. Includes face value of U.S. Treasury and agency securities held outright, compensation to adjust for the effect of inflation on the original face value of inflation-indexed securities, and cash value of repurchase agreements.

12. Face value of agreements, which are fully collateralized by U.S. Treasury securities.

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loans and Securities

Millions of dollars

Type of holding and maturity	Wednesday					End of month		
	2003					2003		
	July 2	July 9	July 16	July 23	July 30	May	June	July
1 Total loans	92	104	121	118	141	80	768	145
2 Within 15 days	13	44	64	102	116	66	752	99
3 16 days to 90 days	79	60	57	16	25	14	16	45
4 91 days to 1 year	0	0	0	0	0	0	0	0
5 Total U.S. Treasury securities¹	652,353	652,451	652,690	652,827	652,856	651,117	652,118	652,903
6 Within 15 days	41,102	40,668	46,121	46,160	46,048	36,449	27,419	36,979
7 16 days to 90 days	146,726	147,314	141,599	140,922	141,180	153,457	153,840	134,047
8 91 days to 1 year	158,535	158,485	158,993	159,773	159,660	154,081	157,337	172,745
9 Over 1 year to 5 years	179,355	179,353	179,352	179,350	179,349	180,472	186,886	184,345
10 Over 5 years to 10 years	46,661	46,659	46,657	46,656	46,654	46,672	46,661	44,823
11 Over 10 years	79,973	79,971	79,969	79,967	79,965	79,987	79,974	79,965
12 Total federal agency securities	10	10	10	10	10	10	10	10
13 Within 15 days	0	0	0	0	0	0	0	0
14 16 days to 90 days	0	0	0	0	0	0	0	0
15 91 days to 1 year	10	10	10	10	10	10	10	10
16 Over 1 year to 5 years	0	0	0	0	0	0	0	0
17 Over 5 years to 10 years	0	0	0	0	0	0	0	0
18 Over 10 years	0	0	0	0	0	0	0	0
19 Total repurchase agreements²	26,000	29,250	24,000	32,000	26,250	30,240	31,750	29,000
20 Within 15 days	21,000	24,250	19,000	29,000	24,250	22,240	23,750	24,000
21 16 days to 90 days	5,000	5,000	5,000	3,000	2,000	8,000	8,000	5,000
22 Total reverse repurchase agreements²	21,045	20,254	20,346	19,672	19,316	22,285	22,080	19,827
23 Within 15 days	21,045	20,254	20,346	19,672	19,316	22,285	22,080	19,827
24 16 days to 90 days	0	0	0	0	0	0	0	0

Note. Components may not sum to totals because of rounding.

1. Includes the original face value of inflation-indexed securities and compensation that adjusts for the effect of inflation on the original face value of such securities.

2. Cash value of agreements classified by remaining maturity of the agreements.

1.20 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND MONETARY BASE¹

Billions of dollars, averages of daily figures

Item	1999 Dec.	2000 Dec.	2001 Dec.	2002 Dec.	2002	2003							
					Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ²	Seasonally adjusted												
	1 Total reserves ¹	41.81	38.54	41.24	40.22	40.22	40.73	40.82	40.97	40.81	40.99	42.80	43.93
	2 Nonborrowed reserves ⁴	41.49	38.33	41.18	40.14	40.14	40.70	40.80	40.95	40.78	40.93	42.63 ⁵	43.80
	3 Required reserves	40.51	37.11	39.60	38.21	38.21	39.02	38.86	39.34	39.27	39.37	40.94	42.01
	4 Monetary base ³	593.16	584.77	635.62	681.90	681.90	685.72	691.31	695.14	698.23	701.18	703.17 ⁶	703.53
	Not seasonally adjusted												
	5 Total reserves ⁸	41.89	38.53	41.20	40.13	40.13	42.85	41.94	40.60	41.16	41.79	41.86	43.58
	6 Nonborrowed reserves	41.57	38.32	41.13	40.05	40.05	42.83	41.91	40.57	41.14	41.73	41.70	43.45
	7 Required reserves ⁷	40.59	37.10	39.55	38.12	38.12	41.15	39.97	38.96	39.63	40.17	40.00	41.66
	8 Monetary base ⁵	600.72	590.06	639.91	686.23	686.23	688.33	690.25	693.91	697.83	701.58	703.33 ⁹	705.80
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ⁹													
9 Total reserves ¹⁰	41.65	38.47	41.08	40.27	40.27	42.87	41.94	40.60	41.17	41.80	41.87	43.60	
10 Nonborrowed reserves	41.33	38.26	41.01	40.19	40.19	42.84	41.91	40.58	41.14	41.75	41.71	43.47	
11 Required reserves	40.36	37.05	39.43	38.26	38.26	41.16	39.97	38.96	39.64	40.18	40.02	41.68	
12 Monetary base ¹¹	608.02	596.98	648.74	697.15	697.15	699.25	701.04	705.04	709.10	712.76	714.36 ¹²	717.01	
13 Excess reserves ¹²	1.30	1.43	1.65	2.01	2.01	1.71	1.97	1.64	1.53	1.62	1.85 ¹³	1.92	
14 Borrowings from the Federal Reserve .....	.32	.21	.07	.08	.08	.03	.03	.02	.03	.06	.16	.13	

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. 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.

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

7. 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).

8. 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.

9. 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.

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

11. 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.

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

1.21 MONEY STOCK MEASURES¹

Billions of dollars, averages of daily figures

Item	1999 Dec.	2000 Dec.	2001 Dec.	2002 Dec.	2003			
					Apr. ¹	May ¹	June ¹	July
	Seasonally adjusted							
<i>Measures²</i>								
1 M1	1,121.4	1,084.7	1,172.9	1,210.4	1,237.4	1,258.3	1,272.2	1,277.8
2 M2	4,649.7	4,931.5 ²	5,444.6 ²	5,791.8 ²	5,908.5	5,996.2	6,043.6	6,092.1
3 M3	6,534.9	7,099.4 ²	8,004.5 ²	8,522.7 ²	8,610.7	8,699.6	8,761.6	8,922.2
<i>M1 components</i>								
4 Currency ³	517.7	531.5	581.9	627.3	643.2	645.8	646.5	646.2
5 Travelers checks ³	8.3	8.0	7.8	7.5	7.4	7.5	7.9	8.2
6 Demand deposits ⁵	352.1	306.9	326.1	297.1	304.4	315.4	322.5	322.5
7 Other checkable deposits ⁶	243.4	238.2	257.2	278.5	282.4	289.6	295.3	300.9
<i>Nontransaction components</i>								
8 In M2 ²	3,528.3	3,846.8 ²	4,271.7 ²	4,581.4 ²	4,671.2	4,737.9	4,771.4	4,814.3
9 In M3 only ⁸	1,885.1	2,167.9	2,559.9	2,730.9 ²	2,702.1	2,703.4	2,718.0	2,830.2
<i>Commercial banks</i>								
10 Savings deposits, including MMDAs	1,288.8	1,422.9	1,734.6	2,047.9	2,146.4	2,188.4	2,227.6	2,279.8
11 Small time deposits ⁹	634.6	699.5	634.2	591.0 ²	576.5	571.6	566.4	557.4
12 Large time deposits ^{10,11}	652.2	718.3	671.1	676.6	687.1	691.1	687.3	775.5
<i>Thrift institutions</i>								
13 Savings deposits, including MMDAs	452.0	454.3	572.4	714.5 ²	767.4	793.3	802.0	816.3
14 Small time deposits ⁹	319.5	344.8	339.1	302.2 ²	294.6	291.7	288.5	285.0
15 Large time deposits ¹⁰	91.9	103.0	114.9	117.3	117.9	116.9	118.0	121.4
<i>Money market mutual funds</i>								
16 Retail	833.4	925.4 ²	991.5 ²	925.9 ²	886.1	892.8	886.9	875.8
17 Institution-only	634.8	788.8	1,190.3	1,234.5	1,144.0	1,124.8	1,143.8	1,183.9
<i>Repurchase agreements and eurodollars</i>								
18 Repurchase agreements ¹²	335.7	363.5	375.0	474.6 ²	509.3	517.5	520.2	495.1
19 Eurodollars ¹²	170.5	194.3	208.6	227.9	243.9	253.0	248.6	254.2
	Not seasonally adjusted							
<i>Measures²</i>								
20 M1	1,147.8	1,112.1	1,202.9	1,240.3	1,253.5	1,251.8	1,269.4	1,274.2
21 M2	4,676.8	4,966.9 ²	5,487.6 ²	5,841.1 ²	5,975.2	5,961.6	6,012.6	6,058.1
22 M3	6,577.5	7,154.0 ²	8,076.3 ²	8,600.3 ²	8,672.5	8,675.3	8,730.7	8,863.8
<i>M1 components</i>								
23 Currency ³	521.7	535.6	585.4	630.6	643.3	646.5	647.7	648.7
24 Travelers checks ³	8.4	8.1	7.9	7.7	7.5	7.5	7.7	7.8
25 Demand deposits ⁵	371.7	326.7	348.1	317.5	308.2	308.0	318.8	319.9
26 Other checkable deposits ⁶	246.0	241.6	261.5	284.5	294.5	289.7	295.2	297.8
<i>Nontransaction components</i>								
27 In M2 ²	3,529.0	3,854.8 ²	4,284.6 ²	4,600.8 ²	4,721.7	4,709.8	4,743.3	4,783.8
28 In M3 only ⁸	1,900.7	2,187.1	2,588.7	2,759.2 ²	2,697.3	2,713.7	2,718.1	2,805.7
<i>Commercial banks</i>								
29 Savings deposits, including MMDAs	1,288.7	1,427.5	1,742.4	2,060.4	2,171.0	2,177.5	2,217.5	2,263.9
30 Small time deposits ⁹	635.6	700.6	635.1	591.7	575.5	571.0	565.8	557.2
31 Large time deposits ^{10,11}	653.6	718.5	670.0	675.0	685.6	696.9	691.9	775.4
<i>Thrift institutions</i>								
32 Savings deposits, including MMDAs	451.9	455.8	575.0	718.9 ²	776.2	789.4	798.3	810.7
33 Small time deposits ⁹	320.0	345.4	339.6	302.5	294.1	291.3	288.1	284.9
34 Large time deposits ¹⁰	92.1	103.0	114.7	117.0	117.6	117.9	118.8	121.4
<i>Money market mutual funds</i>								
35 Retail	832.7	925.5 ²	992.5 ²	927.4 ²	904.9	880.6	873.5	867.2
36 Institution-only	648.6	806.1	1,218.3	1,262.3	1,141.1	1,118.9	1,131.0	1,161.6
<i>Repurchase agreements and eurodollars</i>								
37 Repurchase agreements ¹²	334.7	364.2	376.5	476.4 ²	505.4	525.0	529.5	496.6
38 Eurodollars ¹²	171.7	195.2	209.1	228.5	247.5	255.0	246.9	250.7

Footnotes appear on following page.

NOTES TO TABLE I.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 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 deposit-

ory 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.

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			
	2002	2003							2003			
	July	Jan. ¹	Feb. ¹	Mar. ¹	Apr. ¹	May ¹	June ¹	July	July 9	July 16	July 23	July 30
	Seasonally adjusted											
Assets												
1 Bank credit	5,579.1 ¹	5,884.9	5,962.0	5,992.6	6,024.2	6,126.2	6,181.4	6,220.8	6,227.0	6,194.4	6,222.8	6,233.0
2 Securities in bank credit	1,591.8	1,710.3	1,753.9	1,766.2	1,777.8	1,834.9	1,856.9	1,810.6	1,837.2	1,775.2	1,804.9	1,814.4
3 U.S. government securities	917.5	1,030.4	1,059.2	1,072.3	1,105.0	1,136.4	1,152.6	1,115.7	1,132.6	1,081.9	1,118.3	1,122.3
4 Other securities	674.3	679.9	694.8	693.9	672.8	698.5	704.3	695.0	704.6	693.3	686.6	692.0
5 Loans and leases in bank credit ²	3,987.3 ¹	4,174.6	4,208.1	4,226.4	4,246.4	4,291.3	4,324.5	4,410.2	4,389.8	4,419.2	4,417.9	4,418.7
6 Commercial and industrial	978.7	960.8	954.5	948.8	947.2	937.6	924.6	928.0	928.0	929.1	929.5	925.9
7 Real estate	1,871.6 ¹	2,046.0	2,079.2	2,094.3	2,110.4	2,133.0	2,155.6	2,193.5	2,194.6	2,188.6	2,184.9	2,204.7
8 Revolving home equity	192.3	217.6	222.7	230.5	234.8	238.4	244.8	248.9	248.4	247.6	249.3	250.5
9 Other	1,679.2 ¹	1,828.4	1,856.5	1,863.8	1,875.6	1,894.6	1,910.8	1,944.6	1,946.2	1,941.0	1,935.6	1,954.2
10 Consumer	564.0	591.8	591.7	586.9	583.9	587.9	592.5	592.4	588.6	592.0	595.1	596.3
11 Security ³	178.0	174.8	181.3	193.6	190.4	209.8	211.2	213.7	200.8	225.4	223.8	207.6
12 Other loans and leases	395.1 ¹	401.2	401.3	402.7	414.6	423.0	440.6	482.6	477.8	484.0	484.5	484.2
13 Interbank loans	286.2 ¹	306.4	304.2	313.0	304.8	317.6	321.5	322.0	307.6	325.5	322.3	333.5
14 Cash assets ⁴	311.4	313.7	318.3	323.5	319.5	317.6	331.4	337.0	330.6	331.9	347.2	342.3
15 Other assets ⁵	487.8 ¹	511.9	535.9	526.4	532.5	554.7	563.8	571.3	570.2	566.4	574.8	574.2
16 Total assets ⁶	6,589.6 ¹	6,940.1	7,043.8	7,079.1	7,105.7	7,240.4	7,322.4	7,375.7	7,360.2	7,342.5	7,391.4	7,407.5
Liabilities												
17 Deposits	4,414.4	4,506.9	4,535.4	4,585.7	4,613.5	4,646.6	4,706.8	4,753.5	4,721.8	4,754.1	4,752.5	4,779.5
18 Transaction	612.9	608.0	613.7	619.4	632.2	633.3	637.9	653.8	606.1	641.7	674.1	709.4
19 Nontransaction	3,801.5	3,899.0	3,921.6	3,966.3	3,981.4	4,013.2	4,068.9	4,099.7	4,115.7	4,112.4	4,078.4	4,070.1
20 Large time	1,045.3	979.4	995.2	1,001.6	985.4	999.1	1,002.5	1,019.8	1,017.2	1,013.3	1,014.9	1,031.1
21 Other	2,756.2	2,919.6	2,926.4	2,964.7	2,996.0	3,014.2	3,066.4	3,079.9	3,098.4	3,099.1	3,063.5	3,039.0
22 Borrowings	1,228.5 ¹	1,336.8	1,368.4	1,390.0	1,397.1	1,438.8	1,478.8	1,514.8	1,505.2	1,495.1	1,515.0	1,535.4
23 From banks in the U.S.	384.3	380.8	388.1	397.3	397.4	389.8	408.0	410.1	411.2	402.7	404.5	418.9
24 From others	844.1 ¹	956.0	980.3	992.7	999.7	1,049.0	1,070.7	1,104.7	1,094.0	1,092.5	1,110.5	1,116.5
25 Net due to related foreign offices	93.0	154.8	144.2	135.7	139.2	146.4	126.4	142.7	150.9	134.2	151.2	143.0
26 Other liabilities	408.3	442.4	455.7	450.5	457.0	481.5	493.4	463.0	479.1	455.2	449.8	463.3
27 Total liabilities	6,144.3 ¹	6,440.9	6,503.7	6,561.9	6,606.8	6,713.3	6,805.3	6,874.0	6,857.1	6,838.6	6,868.6	6,921.3
28 Residual (assets less liabilities) ⁷	445.4 ¹	499.2	540.1	517.3	498.9	527.1	517.1	501.7	503.2	503.9	522.9	486.2
	Not seasonally adjusted											
Assets												
29 Bank credit	5,556.4 ¹	5,901.9	5,965.3	5,981.4	6,018.8	6,120.9	6,177.9	6,196.1	6,207.8	6,172.0	6,181.9	6,206.0
30 Securities in bank credit	1,578.8	1,720.7	1,763.1	1,771.2	1,775.6	1,832.6	1,850.7	1,795.4	1,823.6	1,758.7	1,785.6	1,800.7
31 U.S. government securities	910.8	1,035.2	1,065.5	1,077.3	1,104.8	1,134.3	1,147.9	1,107.6	1,126.3	1,072.9	1,107.3	1,115.2
32 Other securities	668.0	685.5	697.6	693.9	670.8	698.3	702.9	687.8	697.3	685.8	678.3	685.5
33 Loans and leases in bank credit ²	3,977.6 ¹	4,181.2	4,202.3	4,210.2	4,243.2	4,288.2	4,327.2	4,400.7	4,384.2	4,413.2	4,396.3	4,405.3
34 Commercial and industrial	979.7	954.9	952.5	950.2	951.0	941.3	928.6	929.0	931.9	930.8	928.2	923.9
35 Real estate	1,870.1 ¹	2,046.4	2,075.0	2,085.3	2,106.8	2,136.9	2,156.9	2,191.9	2,194.3	2,188.6	2,180.2	2,201.9
36 Revolving home equity	192.3	217.0	223.0	228.4	234.5	239.6	245.7	248.9	248.5	247.8	248.9	250.5
37 Other	1,677.8 ¹	1,829.4	1,852.0	1,856.9	1,872.3	1,897.2	1,911.2	1,943.0	1,945.8	1,940.8	1,931.2	1,951.3
38 Consumer	558.5	599.5	594.9	584.6	581.0	586.7	589.1	586.9	582.1	586.4	589.3	591.2
39 Credit cards and related plans	215.0	234.0	225.8	219.6	215.3	220.5	221.4	217.9	214.0	217.6	219.6	221.7
40 Other	343.5	365.5	369.1	365.0	365.8	366.2	367.7	368.9	368.2	368.8	369.7	369.5
41 Security ³	173.2	181.0	183.0	189.2	189.6	202.0	209.8	207.6	191.7	220.3	216.1	203.9
42 Other loans and leases	396.1 ¹	399.4	396.9	400.9	414.8	421.4	442.7	485.2	484.2	487.1	482.5	484.5
43 Interbank loans	282.1 ¹	303.3	301.4	319.5	315.9	313.3	322.8	317.5	311.6	321.1	307.6	324.8
44 Cash assets ⁴	301.4	329.7	318.8	312.7	317.7	314.0	322.2	326.3	325.4	322.6	322.9	331.4
45 Other assets ⁵	486.2 ¹	515.6	533.4	525.5	531.9	552.6	558.0	569.2	571.0	565.6	568.8	570.2
46 Total assets ⁶	6,551.2 ¹	6,973.7	7,042.0	7,062.5	7,109.1	7,224.8	7,304.9	7,333.7	7,340.7	7,305.7	7,305.8	7,357.0
Liabilities												
47 Deposits	4,384.9	4,530.3	4,556.3	4,592.8	4,638.7	4,639.6	4,695.9	4,723.9	4,720.6	4,729.1	4,689.3	4,735.8
48 Transaction	604.7	622.0	606.1	611.0	638.0	623.1	632.5	645.2	606.3	633.5	646.8	700.4
49 Nontransaction	3,780.2	3,908.2	3,950.2	3,981.8	4,000.6	4,016.5	4,063.4	4,078.8	4,114.3	4,095.5	4,042.5	4,035.4
50 Large time	1,033.1	996.0	1,005.8	1,004.3	989.8	1,002.7	1,000.7	1,008.7	1,005.5	1,002.7	1,003.6	1,020.7
51 Other	2,747.1	2,912.3	2,944.3	2,977.5	3,010.8	3,013.7	3,062.8	3,070.0	3,108.9	3,092.8	3,038.9	3,014.7
52 Borrowings	1,222.6 ¹	1,349.9	1,370.6	1,386.4	1,401.3	1,444.6	1,477.8	1,507.8	1,501.4	1,490.9	1,507.5	1,522.6
53 From banks in the U.S.	381.3	385.4	391.6	400.7	401.5	392.2	406.2	406.7	409.1	399.9	399.8	414.6
54 From others	841.3 ¹	964.5	979.0	985.6	999.7	1,052.4	1,071.6	1,101.0	1,092.2	1,091.0	1,107.7	1,108.1
55 Net due to related foreign offices	84.2 ¹	158.9	149.6	133.9	130.1	146.0	137.9	133.5	137.9	123.5	142.4	137.4
56 Other liabilities	399.7	446.1	462.0	446.7	444.4	480.6	490.2	453.1	464.4	443.5	441.0	457.5
57 Total liabilities	6,091.4 ¹	6,485.1	6,538.4	6,559.8	6,614.5	6,710.8	6,787.4	6,818.3	6,824.4	6,786.9	6,780.2	6,853.4
58 Residual (assets less liabilities) ⁷	459.8 ¹	488.7	503.5	502.7	494.6	514.1	517.5	515.4	516.3	518.8	525.6	503.7

Footnotes appear on p. A21.

A16 Domestic Financial Statistics □ October 2003

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			
	2002	2003							2003			
	July	Jan. ¹	Feb. ¹	Mar. ¹	Apr. ¹	May ¹	June ¹	July	July 9	July 16	July 23	July 30
Seasonally adjusted												
Assets												
1 Bank credit	4,965.8 ¹	5,251.3	5,315.3	5,329.0	5,369.6	5,457.9	5,512.5	5,575.6	5,576.7	5,544.9	5,581.6	5,593.0
2 Securities in bank credit	1,352.9	1,441.8	1,474.8	1,482.2	1,500.4	1,546.1	1,569.0	1,544.2	1,567.1	1,507.8	1,539.5	1,552.2
3 U.S. government securities	841.2	921.0	942.7	949.7	979.6	1,005.5	1,023.4	996.3	1,012.3	961.8	998.2	1,004.7
4 Other securities	511.7	520.8	532.1	532.6	520.8	540.6	545.5	547.9	554.8	546.0	541.3	547.5
5 Loans and leases in bank credit ²	3,612.9 ¹	3,809.5	3,840.5	3,846.7	3,869.3	3,911.8	3,943.6	4,031.4	4,009.6	4,037.1	4,042.1	4,040.8
6 Commercial and industrial	787.8	783.6	780.3	777.2	775.1	767.7	762.2	766.3	765.0	766.3	768.5	765.6
7 Real estate	1,852.8 ¹	2,026.3	2,059.5	2,074.5	2,091.4	2,113.9	2,136.4	2,174.4	2,175.5	2,169.5	2,165.8	2,185.5
8 Revolving home equity	192.3	217.6	222.7	230.5	234.8	238.4	244.8	248.9	248.4	247.6	249.3	250.5
9 Other	1,660.4 ¹	1,808.7	1,836.8	1,844.0	1,856.6	1,875.4	1,891.6	1,925.5	1,927.1	1,921.9	1,916.5	1,935.0
10 Consumer	564.0	591.8	591.7	586.9	583.9	587.9	592.5	592.4	588.6	592.0	595.1	596.3
11 Security ³	86.4	71.5	73.2	72.2	72.4	91.3	90.0	95.6	83.3	104.9	107.5	89.5
12 Other loans and leases	321.9 ¹	336.4	335.7	336.0	346.5	351.2	362.4	402.7	397.2	404.4	405.2	403.9
13 Interbank loans	269.1 ¹	278.3	277.2	285.8	282.3	292.9	290.8	288.8	274.8	293.2	287.8	299.5
14 Cash assets ⁴	263.6	273.6	279.6	279.7	269.4	265.5	275.3	281.0	273.6	274.9	291.4	288.0
15 Other assets ⁵	460.2 ¹	477.3	500.9	495.3	497.5	513.1	518.6	527.4	530.2	523.7	530.7	525.7
16 Total assets ⁶	5,884.2 ¹	6,204.2	6,296.8	6,313.8	6,344.0	6,454.2	6,521.9	6,597.7	6,580.5	6,561.5	6,616.5	6,631.1
Liabilities												
17 Deposits	3,913.7	4,080.4	4,092.5	4,137.2	4,177.1	4,207.8	4,256.3	4,290.5	4,261.0	4,291.4	4,288.1	4,312.7
18 Transaction	603.0	598.2	603.5	607.9	620.8	622.3	626.3	642.1	595.1	629.8	662.9	697.0
19 Nontransaction	3,310.6	3,482.2	3,489.0	3,529.4	3,556.3	3,585.5	3,630.0	3,648.4	3,666.0	3,661.5	3,625.2	3,615.7
20 Large time	557.7	577.6	583.5	583.6	582.1	593.5	589.9	585.6	585.4	579.4	579.1	593.1
21 Other	2,752.9	2,904.6	2,905.5	2,945.8	2,974.2	2,990.2	3,040.1	3,062.8	3,080.6	3,082.1	3,046.1	3,022.6
22 Borrowings	1,027.1 ¹	1,063.2	1,093.8	1,096.7	1,098.4	1,131.7	1,159.8	1,214.5	1,208.2	1,190.4	1,220.8	1,234.6
23 From banks in the U.S.	364.2	349.8	357.0	363.6	369.9	358.2	372.9	372.8	376.4	361.7	370.3	380.3
24 From others	662.9 ¹	713.3	736.7	733.0	728.5	773.5	787.0	841.7	831.8	828.8	850.6	854.3
25 Net due to related foreign offices	175.4 ¹	225.2	222.7	219.5	212.1	224.3	208.3	229.0	228.7	218.2	236.5	239.1
26 Other liabilities	316.9	346.6	355.8	355.0	365.8	376.2	383.4	359.0	376.1	352.8	347.5	356.4
27 Total liabilities	5,433.2 ¹	5,715.3	5,764.7	5,808.5	5,853.4	5,940.0	6,007.8	6,092.9	6,074.0	6,052.9	6,093.0	6,142.8
28 Residual (assets less liabilities) ⁷	451.0 ¹	488.8	532.0	505.4	490.6	514.2	514.1	504.8	506.5	508.6	523.4	488.2
Not seasonally adjusted												
Assets												
29 Bank credit	4,949.4 ¹	5,260.6	5,314.2	5,319.6	5,364.4	5,457.3	5,512.5	5,558.2	5,567.5	5,528.2	5,549.6	5,572.5
30 Securities in bank credit	1,339.9	1,452.2	1,484.0	1,487.3	1,498.2	1,543.8	1,562.8	1,529.0	1,553.5	1,491.3	1,520.2	1,538.5
31 U.S. government securities	834.4	925.8	949.1	954.7	979.5	1,003.5	1,018.7	988.2	1,006.0	952.8	987.2	997.5
32 Other securities	505.4	526.4	534.9	532.6	518.8	540.3	544.1	540.8	547.5	538.5	533.0	541.0
33 Loans and leases in bank credit ²	3,609.5 ¹	3,808.4	3,830.3	3,832.3	3,866.1	3,913.5	3,949.7	4,029.2	4,014.0	4,036.9	4,029.4	4,034.1
34 Commercial and industrial	789.9	777.6	776.9	777.0	779.9	773.3	766.7	768.3	769.8	768.7	768.3	765.0
35 Real estate	1,851.3 ¹	2,026.7	2,055.3	2,065.5	2,087.8	2,117.7	2,137.7	2,172.8	2,175.2	2,169.5	2,161.1	2,182.7
36 Revolving home equity	192.3	217.0	223.0	228.4	234.5	239.6	245.7	248.9	248.5	247.8	248.9	250.5
37 Other	1,659.0 ¹	1,809.7	1,832.2	1,837.1	1,853.3	1,878.1	1,892.0	1,923.9	1,926.7	1,921.7	1,912.2	1,932.2
38 Consumer	558.5	599.5	594.9	584.6	581.0	586.7	589.1	586.9	582.1	586.4	589.3	591.2
39 Credit cards and related plans	215.0	234.0	225.8	219.6	215.3	220.5	221.4	217.9	214.0	217.6	219.6	221.7
40 Other	343.5	365.5	369.1	365.0	365.8	366.2	367.7	368.9	368.2	368.8	369.7	369.5
41 Security ³	85.3	70.7	72.0	71.9	71.3	85.8	91.1	94.3	82.0	103.5	105.1	88.8
42 Other loans and leases	324.4 ¹	333.9	331.2	333.3	346.2	350.1	364.9	406.9	404.8	408.8	405.6	406.4
43 Interbank loans	265.0 ¹	275.1	274.4	292.3	293.4	288.6	292.0	284.2	278.7	288.9	273.2	290.8
44 Cash assets ⁴	256.1	286.6	279.1	270.1	269.8	263.5	268.7	273.3	271.8	268.8	270.4	279.5
45 Other assets ⁵	459.6 ¹	479.8	497.7	493.6	497.0	510.9	514.6	526.8	532.5	524.0	526.5	523.0
46 Total assets ⁶	5,855.6 ¹	6,225.9	6,288.9	6,299.4	6,349.8	6,444.9	6,512.3	6,567.6	6,575.9	6,534.8	6,544.7	6,590.9
Liabilities												
47 Deposits	3,895.0	4,087.5	4,103.3	4,140.3	4,196.3	4,195.5	4,247.2	4,270.8	4,271.5	4,276.0	4,234.6	4,277.8
48 Transaction	594.9	612.0	595.8	599.8	627.3	612.6	621.2	633.5	595.2	621.8	635.8	688.1
49 Nontransaction	3,300.1	3,475.6	3,507.4	3,540.5	3,569.0	3,582.9	3,626.0	3,637.3	3,676.4	3,654.2	3,598.7	3,589.7
50 Large time	556.2	578.9	584.4	582.1	580.2	593.5	589.5	584.0	584.9	578.0	576.8	591.1
51 Other	2,743.9	2,896.7	2,923.0	2,958.4	2,988.7	2,989.4	3,036.5	3,053.3	3,091.5	3,076.2	3,021.9	2,998.7
52 Borrowings	1,021.2 ¹	1,076.3	1,096.0	1,093.0	1,102.6	1,137.4	1,158.9	1,207.5	1,204.4	1,186.2	1,213.3	1,221.8
53 From banks in the U.S.	361.2	354.4	360.5	367.0	374.0	360.5	371.0	369.5	374.3	358.9	365.6	376.0
54 From others	660.1 ¹	721.9	735.4	726.0	728.6	776.9	787.8	838.0	830.1	827.4	847.7	845.9
55 Net due to related foreign offices	170.5 ¹	226.7	226.8	215.4	203.5	223.5	207.3	222.9	219.7	210.8	230.8	235.7
56 Other liabilities	310.5	348.6	361.2	349.7	353.5	375.0	381.8	351.6	364.5	343.6	341.1	352.5
57 Total liabilities	5,397.3 ¹	5,739.1	5,787.3	5,798.5	5,855.9	5,931.4	5,995.1	6,052.8	6,060.2	6,016.6	6,019.7	6,087.8
58 Residual (assets less liabilities) ⁷	458.4 ¹	486.8	501.6	500.9	494.0	513.5	517.3	514.8	515.7	518.2	525.0	503.1

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			
	2002	2003							2003			
	July ^c	Jan. ^c	Feb. ^c	Mar. ^c	Apr. ^c	May ^c	June ^c	July	July 9	July 16	July 23	July 30
Seasonally adjusted												
<i>Assets</i>												
1 Bank credit	2,692.2	2,862.8	2,909.2	2,906.9	2,926.9	3,001.9	3,037.0	3,073.6	3,087.2	3,048.3	3,067.1	3,078.7
2 Securities in bank credit	715.3	774.4	805.5	803.2	810.0	856.5	880.5	847.4	874.2	813.5	835.9	853.2
3 U.S. government securities	412.1	461.0	479.7	476.5	493.3	520.0	536.0	502.9	522.4	472.3	499.4	507.8
4 Trading account	42.9	41.2	54.5	41.8	40.7	43.6	38.7	37.6	38.8	33.4	36.4	41.8
5 Investment account	369.2	419.8	425.3	434.7	452.6	476.4	497.3	465.3	483.5	438.9	463.0	466.0
6 Other securities	303.1	313.3	325.7	326.6	316.8	336.6	344.5	344.4	351.8	341.2	336.5	345.4
7 Trading account	169.0	160.0	172.6	171.6	161.5	183.4	188.0	173.2	182.0	170.7	164.2	172.7
8 Investment account	134.1	153.3	153.1	155.0	155.3	153.2	156.5	171.2	169.8	170.5	172.3	172.7
9 State and local government	28.3	29.4	29.6	30.1	30.9	31.3	32.2	32.3	32.6	32.4	32.4	31.9
10 Other	105.8	123.9	123.5	124.9	124.4	121.9	124.3	138.9	137.2	138.1	139.9	140.8
11 Loans and leases in bank credit ²	1,976.9	2,088.4	2,103.8	2,103.7	2,116.9	2,145.4	2,156.4	2,226.2	2,213.0	2,234.8	2,231.2	2,225.4
12 Commercial and industrial	500.6	488.1	483.1	479.2	476.9	468.8	462.0	464.2	464.7	464.8	465.4	461.8
13 Bankers acceptances	0	0	0	0	0	0	0	0	n.a.	n.a.	n.a.	n.a.
14 Other	500.6	488.1	483.1	479.2	476.9	468.8	462.0	464.2	464.7	464.8	465.4	461.8
15 Real estate	889.9	1,008.5	1,030.1	1,037.4	1,043.1	1,058.0	1,065.7	1,089.8	1,094.0	1,087.0	1,078.1	1,097.1
16 Revolving home equity	122.1	139.8	142.3	147.7	150.3	152.6	156.1	159.7	158.4	159.3	160.2	161.4
17 Other	767.9	868.6	887.8	889.7	892.9	905.4	909.6	930.1	935.6	927.7	917.9	935.7
18 Consumer	283.5	297.1	295.0	291.6	290.0	290.2	291.9	289.3	288.3	289.7	290.7	289.4
19 Security ³	79.6	63.5	65.0	64.0	64.3	82.6	80.9	86.6	74.3	95.7	98.7	80.4
20 Federal funds sold to and repurchase agreements with broker-dealers	67.2	52.8	54.2	52.6	52.4	63.0	63.5	68.7	55.8	78.3	80.4	62.8
21 Other	12.4	10.6	10.7	11.4	11.8	19.5	17.4	17.9	18.5	17.4	18.3	17.6
22 State and local government	13.0	12.0	12.3	12.5	12.4	12.4	12.7	13.0	13.0	12.8	12.9	13.5
23 Agricultural	9.2	8.2	7.9	7.9	7.7	7.5	7.4	7.3	7.3	7.3	7.3	7.3
24 Federal funds sold to and repurchase agreements with others	14.5	24.4	24.4	24.0	25.2	27.0	28.4	25.8	25.2	26.7	25.5	24.4
25 All other loans	66.1	75.6	75.2	76.7	87.8	89.1	96.8	140.2	136.2	140.7	143.0	141.9
26 Lease-financing receivables	120.5	111.1	110.8	110.5	109.4	109.8	110.7	109.9	110.1	110.0	109.6	109.8
27 Interbank loans	176.6	166.0	161.9	171.4	170.7	170.8	165.0	168.8	157.2	169.0	169.0	179.3
28 Federal funds sold to and repurchase agreements with commercial banks	87.1	96.4	90.9	100.0	98.7	100.4	97.4	97.4	88.0	99.1	96.9	104.4
29 Other	89.4	69.6	71.0	71.5	72.0	70.3	67.7	71.4	69.2	69.9	72.2	74.8
30 Cash assets ⁴	146.2	149.6	150.9	148.1	135.6	132.7	141.4	144.1	142.1	136.8	151.8	148.2
31 Other assets ⁵	321.0	334.4	354.7	347.1	347.0	357.0	360.2	364.8	364.0	363.7	369.9	365.0
32 Total assets⁶	3,291.7	3,468.1	3,532.0	3,528.6	3,536.4	3,618.2	3,659.5	3,707.7	3,707.1	3,674.0	3,714.2	3,727.8
<i>Liabilities</i>												
33 Deposits	1,883.1	1,985.8	1,986.5	2,005.4	2,029.8	2,036.5	2,065.7	2,083.4	2,065.2	2,082.6	2,080.0	2,096.4
34 Transaction	299.2	288.4	290.5	290.7	295.9	297.0	299.8	306.8	280.7	300.8	318.2	337.3
35 Nontransaction	1,583.9	1,697.4	1,696.0	1,714.7	1,733.9	1,739.6	1,765.9	1,776.6	1,784.6	1,781.7	1,761.8	1,759.1
36 Large time	259.0	271.0	273.6	269.0	267.1	279.0	271.1	268.9	267.2	262.3	262.9	278.0
37 Other	1,324.9	1,426.4	1,422.4	1,445.7	1,466.8	1,460.5	1,494.8	1,507.7	1,517.3	1,519.5	1,498.9	1,481.2
38 Borrowings	689.5	655.9	683.0	689.4	687.2	712.4	736.0	782.8	783.4	765.9	786.1	790.5
39 From banks in the U.S.	245.3	193.9	196.5	204.9	209.1	200.5	213.5	210.8	219.9	205.7	207.6	207.5
40 From others	444.2	462.0	486.6	484.5	478.0	511.9	522.5	572.0	563.5	560.2	578.5	583.0
41 Net due to related foreign offices	165.6	210.1	210.1	208.9	199.3	211.9	196.3	217.2	215.2	207.1	225.9	227.2
42 Other liabilities	254.2	275.7	279.7	275.1	284.8	292.7	298.8	272.2	290.1	265.8	259.2	269.9
43 Total liabilities	2,992.4	3,127.5	3,159.4	3,178.7	3,201.1	3,253.6	3,296.8	3,355.6	3,353.9	3,321.3	3,351.1	3,384.0
44 Residual (assets less liabilities) ⁷	299.3	340.7	372.5	349.9	335.3	364.7	362.7	352.2	353.2	352.7	363.1	343.8

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				
		2002	2003						2003				
			July	Jan. ¹	Feb. ¹	Mar. ¹	Apr. ¹	May ¹	June ¹	July	July 9	July 16	July 23	July 30
Not seasonally adjusted													
<i>Assets</i>													
45	Bank credit	2,680.6 ¹	2,870.0	2,911.3	2,900.8	2,923.4	3,002.9	3,039.2	3,061.3	3,081.1	3,035.9	3,044.7	3,064.8
46	Securities in bank credit	703.9	783.0	813.8	805.5	806.4	855.1	874.8	834.0	861.5	798.9	819.2	842.0
47	U.S. government securities	407.0	464.1	485.2	478.8	491.7	518.8	531.7	496.7	517.1	465.2	491.0	503.2
48	Trading account	42.4	41.5	55.1	42.1	40.6	43.5	38.4	37.2	38.4	32.9	35.8	41.4
49	Investment account	364.6	422.5	430.1	436.7	451.1	475.2	493.3	459.5	478.6	432.3	455.2	461.8
50	Mortgage-backed securities	289.3	325.1	331.3	334.7	354.4	380.2	389.4	364.1	380.6	338.0	360.9	369.6
51	Other	75.3	97.5	98.8	102.0	96.7	95.0	103.9	95.4	98.0	94.3	94.3	92.2
52	One year or less	18.6	21.3	22.9	24.4	24.6	23.2	24.3	24.1	24.5	23.8	24.3	23.4
53	One to five years	43.9	58.6	57.4	57.3	55.2	55.2	57.3	51.2	51.4	50.3	51.2	50.5
54	More than five years	12.7	17.5	18.6	20.3	16.9	16.7	22.3	20.1	22.0	20.2	18.8	18.3
55	Other securities	296.9	318.9	328.5	326.7	314.7	336.3	343.1	337.3	344.5	333.7	328.2	338.9
56	Trading account	165.5	162.9	174.1	171.7	160.5	183.2	187.3	169.6	178.2	167.0	160.2	169.4
57	Investment account	131.3	156.0	154.4	155.0	154.3	153.1	155.8	167.7	166.3	166.7	168.0	169.4
58	State and local government	27.7	30.0	29.8	30.1	30.7	31.3	32.1	31.6	31.9	31.7	31.6	31.3
59	Other	103.6	126.1	124.6	124.9	123.6	121.8	123.8	136.1	134.4	135.0	136.4	138.1
60	Loans and leases in bank credit ²	1,976.7 ¹	2,087.1	2,097.6	2,095.3	2,117.0	2,147.8	2,164.4	2,227.3	2,219.6	2,237.1	2,225.5	2,222.8
61	Commercial and industrial	501.8 ¹	483.6	481.1	479.1	479.5	471.9	464.3	465.4	467.3	465.9	465.5	461.7
62	Bankers acceptances	.0	.0	.0	.0	.0	.0	.0	n.a.	n.a.	n.a.	n.a.	n.a.
63	Other	501.8 ¹	483.6	481.1	479.1	479.5	471.9	464.3	465.4	467.3	465.9	465.5	461.7
64	Real estate	890.0 ¹	1,007.4	1,025.8	1,030.6	1,041.3	1,062.3	1,068.1	1,089.9	1,095.7	1,088.3	1,076.5	1,095.6
65	Revolving home equity	122.4	139.0	142.6	146.1	150.2	153.8	157.0	160.2	158.9	159.8	160.6	161.9
66	Other	449.8	545.4	560.2	561.1	569.7	588.2	591.5	613.1	621.0	611.9	599.2	617.0
67	Commercial	317.7 ¹	323.0	323.0	323.4	321.3	320.3	319.6	316.6	315.9	316.6	316.6	316.8
68	Consumer	281.9	301.9	298.2	292.1	290.6	291.1	292.0	287.4	286.5	287.7	288.7	287.3
69	Credit cards and related plans	110.6	115.3	109.8	105.9	103.5	103.8	104.8	99.9	99.3	100.0	100.6	100.0
70	Other	171.3	186.6	188.5	186.2	187.1	187.3	187.2	187.5	187.2	187.7	188.1	187.3
71	Security ³	78.6 ¹	63.0	63.9	63.5	62.9	77.3	82.1	85.4	72.8	94.5	96.6	80.0
72	Federal funds sold to and repurchase agreements with broker-dealers	66.3	52.5	53.4	52.2	51.3	59.0	64.5	67.7	54.7	77.3	78.7	62.4
73	Other	12.2	10.6	10.6	11.3	11.6	18.3	17.6	17.6	18.1	17.2	17.9	17.5
74	State and local government	13.0 ¹	12.0	12.3	12.5	12.4	12.4	12.7	13.0	13.0	12.8	12.9	13.5
75	Agricultural	9.3	8.2	7.8	7.8	7.7	7.6	7.5	7.4	7.4	7.4	7.4	7.4
76	Federal funds sold to and repurchase agreements with others	14.5 ¹	24.4	24.4	24.0	25.2	27.0	28.4	25.8	25.2	26.7	25.5	24.4
77	All other loans	67.7	73.7	71.9	74.5	87.6	88.5	98.9	143.6	142.0	144.1	143.6	143.8
78	Lease-financing receivables	120.0	112.8	112.1	111.2	109.8	109.8	110.3	109.4	109.8	109.6	108.9	109.2
79	Interbank loans	176.7 ¹	169.2	160.1	171.5	174.1	171.5	169.3	168.9	158.8	170.0	164.6	178.4
80	Federal funds sold to and repurchase agreements with commercial banks	87.2 ¹	98.2	90.0	100.0	100.6	100.9	99.9	97.4	88.9	99.6	94.3	103.9
81	Other	89.5 ¹	71.0	70.1	71.4	73.5	70.7	69.4	71.4	69.9	70.3	70.3	74.5
82	Cash assets ⁴	140.7 ¹	158.4	150.9	143.2	138.4	131.8	137.0	138.7	138.4	134.1	138.8	142.2
83	Other assets ⁵	320.4	336.9	351.6	345.5	346.6	354.8	356.2	364.2	366.4	364.0	365.7	362.3
84	Total assets ⁶	3,274.2 ¹	3,490.0	3,528.7	3,515.7	3,538.5	3,616.6	3,657.4	3,689.5	3,701.3	3,660.4	3,670.4	3,704.6
<i>Liabilities</i>													
85	Deposits	1,877.3 ¹	1,986.7	1,990.5	2,003.4	2,037.2	2,032.2	2,066.1	2,077.4	2,075.3	2,080.6	2,053.7	2,082.5
86	Transaction	293.5 ¹	297.2	286.2	286.3	302.0	292.7	297.0	300.9	278.4	296.2	300.8	331.8
87	Nontransaction	1,583.8 ¹	1,689.5	1,704.4	1,717.2	1,735.2	1,739.5	1,769.1	1,776.5	1,796.9	1,784.4	1,752.9	1,750.7
88	Large time	257.5 ¹	272.2	274.6	267.6	265.3	277.2	270.6	267.3	266.7	260.8	260.7	275.9
89	Other	1,326.3 ¹	1,417.3	1,429.8	1,449.6	1,469.9	1,462.3	1,498.5	1,509.3	1,530.1	1,523.6	1,492.2	1,474.8
90	Borrowings	683.6 ¹	669.0	685.2	685.8	691.3	718.2	735.0	775.8	779.6	761.6	778.6	777.7
91	From banks in the U.S.	242.3 ¹	198.4	200.0	208.3	213.2	202.9	211.6	207.4	217.9	202.9	202.9	203.2
92	From nonbanks in the U.S.	441.3 ¹	470.6	485.2	477.5	478.1	515.3	523.4	568.4	561.7	558.8	575.7	574.6
93	Net due to related foreign offices	160.7 ¹	211.6	214.3	204.8	190.6	211.0	195.2	211.1	206.2	199.7	220.1	223.8
94	Other liabilities	247.7	277.7	285.2	269.8	272.6	291.6	297.2	264.8	278.5	256.6	252.7	266.0
95	Total liabilities	2,969.3 ¹	3,145.0	3,175.2	3,163.8	3,191.8	3,253.0	3,293.6	3,329.1	3,339.6	3,298.6	3,305.0	3,350.0
96	Residual (assets less liabilities) ⁷	304.9 ¹	345.0	353.5	351.9	346.7	363.6	363.8	360.5	361.7	361.9	365.3	354.6

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			
	2002		2003						2003			
	July ^a	Jan. ^a	Feb. ^a	Mar. ^a	Apr. ^a	May ^a	June ^a	July	July 9	July 16	July 23	July 30
Seasonally adjusted												
<i>Assets</i>												
1 Bank credit	2,273.6	2,388.6	2,406.0	2,422.1	2,442.7	2,456.0	2,475.6	2,502.0	2,489.6	2,496.6	2,514.5	2,514.3
2 Securities in bank credit	637.6	667.4	669.4	679.1	690.3	689.5	688.4	696.8	692.9	694.3	703.7	699.0
3 U.S. government securities	429.0	460.0	463.0	473.2	485.3	485.5	487.4	493.3	489.9	489.5	498.9	496.9
4 Other securities	208.6	207.5	206.4	205.9	204.0	204.0	201.0	203.5	203.0	204.8	204.8	202.1
5 Loans and leases in bank credit ²	1,636.0	1,721.1	1,736.7	1,743.0	1,752.4	1,766.5	1,787.1	1,805.2	1,796.6	1,802.3	1,810.9	1,815.4
6 Commercial and industrial	287.2	295.5	297.3	298.0	298.2	298.8	300.2	302.0	300.3	301.6	303.1	303.8
7 Real estate	962.8	1,017.8	1,029.4	1,037.1	1,048.3	1,055.9	1,070.8	1,084.5	1,081.4	1,082.5	1,087.7	1,088.5
8 Revolving home equity	70.3	77.7	80.4	82.8	84.5	85.8	88.8	89.1	89.9	88.3	89.1	89.1
9 Other	892.5	940.1	949.0	954.3	963.8	970.1	982.0	995.4	991.5	994.1	998.6	999.3
10 Consumer	280.5	294.8	296.7	295.3	293.8	297.7	300.6	303.1	300.3	302.3	304.4	307.0
11 Security ³	6.8	8.0	8.2	8.1	8.1	8.7	9.2	9.0	9.0	9.1	8.8	9.1
12 Other loans and leases	98.7	105.1	105.1	104.5	104.0	105.4	106.4	106.5	105.6	106.9	106.9	107.1
13 Interbank loans	92.6	112.3	115.3	114.4	111.6	122.1	125.7	120.0	117.6	124.2	118.8	120.2
14 Cash assets ⁴	117.4	124.0	128.7	131.6	133.7	132.7	133.9	136.8	131.5	138.1	139.6	139.8
15 Other assets ⁵	139.2	142.9	146.1	148.2	150.4	156.1	158.4	162.6	166.1	160.0	160.8	160.7
16 Total assets⁶	2,592.5	2,736.0	2,764.8	2,785.2	2,807.6	2,835.9	2,862.4	2,890.0	2,873.4	2,887.5	2,902.2	2,903.2
<i>Liabilities</i>												
17 Deposits	2,030.6	2,094.6	2,106.0	2,131.9	2,147.4	2,171.3	2,190.6	2,207.0	2,195.8	2,208.8	2,208.1	2,216.3
18 Transaction	303.8	309.8	313.0	317.2	325.0	325.4	326.5	335.3	334.4	329.0	344.7	359.7
19 Nontransaction	1,726.8	1,784.8	1,793.0	1,814.7	1,822.4	1,846.0	1,864.1	1,871.8	1,881.4	1,879.8	1,863.4	1,856.6
20 Large time	298.7	306.6	309.9	314.5	315.0	316.3	318.8	316.7	318.1	317.1	316.1	315.2
21 Other	1,428.0	1,478.2	1,483.1	1,500.1	1,507.4	1,529.7	1,545.3	1,555.1	1,563.3	1,562.7	1,547.3	1,541.4
22 Borrowings	337.6	407.3	410.7	407.2	411.3	419.3	423.8	431.7	424.8	424.6	434.8	444.1
23 From banks in the U.S.	118.9	156.0	160.5	158.8	160.8	157.7	159.4	162.1	156.5	156.0	162.7	172.8
24 From others	218.7	251.3	250.2	248.5	250.5	261.6	264.4	269.6	268.4	268.6	272.1	271.3
25 Net due to related foreign offices	9.8	15.1	12.6	10.7	12.8	12.4	12.0	11.8	13.5	11.1	10.7	11.9
26 Other liabilities	62.8	71.0	76.1	80.0	80.9	83.4	84.6	86.8	86.0	87.0	88.4	86.5
27 Total liabilities	2,440.8	2,587.9	2,605.3	2,629.7	2,652.4	2,686.4	2,711.0	2,737.3	2,720.1	2,731.5	2,741.9	2,758.8
28 Residual (assets less liabilities)⁷	151.7	148.2	159.5	155.5	155.2	149.5	151.4	152.6	153.3	155.9	160.3	144.4
Not seasonally adjusted												
<i>Assets</i>												
29 Bank credit	2,268.8	2,390.6	2,402.9	2,418.8	2,440.9	2,454.4	2,473.3	2,496.9	2,486.4	2,492.3	2,504.9	2,507.7
30 Securities in bank credit	636.0	669.2	670.2	681.8	691.8	688.7	688.0	695.0	692.0	692.4	701.0	696.4
31 U.S. government securities	427.4	461.7	463.8	475.9	487.8	484.7	487.0	491.5	489.0	487.6	496.3	494.3
32 Other securities	208.6	207.5	206.4	205.9	204.0	204.0	201.0	203.5	203.0	204.8	204.8	202.1
33 Loans and leases in bank credit ²	1,632.8	1,721.3	1,732.7	1,737.0	1,749.1	1,765.7	1,785.3	1,801.9	1,794.4	1,799.8	1,803.9	1,811.3
34 Commercial and industrial	288.1	294.1	295.9	297.9	300.4	301.4	302.4	302.9	302.6	302.8	302.9	303.3
35 Real estate	961.3	1,019.3	1,029.5	1,034.9	1,046.5	1,055.4	1,069.6	1,082.9	1,079.4	1,081.2	1,084.7	1,087.1
36 Revolving home equity	69.9	78.0	80.5	82.4	84.3	85.9	88.7	88.7	89.6	88.0	88.3	88.7
37 Other	891.4	941.3	949.0	952.6	962.2	969.5	980.9	994.2	989.8	993.2	996.3	998.4
38 Consumer	276.6	297.7	296.7	292.5	290.4	295.6	297.1	299.5	295.6	298.7	300.6	303.9
39 Credit cards and related plans	104.4	118.7	116.1	113.8	111.7	116.6	116.6	118.0	114.6	117.5	119.0	121.7
40 Other	172.2	178.9	180.6	178.7	178.7	178.9	180.5	181.5	181.0	181.1	181.6	182.2
41 Security ³	6.7	7.6	8.1	8.4	8.4	8.5	9.1	8.9	9.3	9.0	8.4	8.8
42 Other loans and leases	100.0	102.7	102.6	103.3	103.5	104.8	107.0	107.8	107.5	108.2	107.3	108.2
43 Interbank loans	88.3	106.0	114.3	120.8	119.3	117.1	122.7	115.4	120.0	118.9	108.6	112.4
44 Cash assets ⁴	115.4	128.2	128.3	126.9	131.4	131.7	131.7	134.6	133.4	134.7	131.6	137.3
45 Other assets ⁵	139.2	142.9	146.1	148.2	150.4	156.1	158.4	162.6	166.1	160.0	160.8	160.7
46 Total assets⁶	2,581.4	2,735.8	2,760.2	2,783.7	2,811.3	2,828.2	2,854.9	2,878.0	2,874.5	2,874.4	2,874.3	2,886.3
<i>Liabilities</i>												
47 Deposits	2,017.8	2,100.8	2,112.7	2,136.9	2,159.1	2,163.3	2,181.1	2,193.4	2,196.3	2,195.4	2,180.9	2,195.3
48 Transaction	301.4	314.7	309.7	313.6	325.3	319.9	324.2	332.6	316.8	325.6	335.1	356.2
49 Nontransaction	1,716.3	1,786.1	1,803.1	1,823.3	1,833.8	1,843.4	1,856.8	1,860.8	1,875.9	1,869.8	1,845.8	1,839.0
50 Large time	298.7	306.6	309.9	314.5	315.0	316.3	318.8	316.7	318.1	317.1	316.1	315.2
51 Other	1,417.6	1,479.4	1,493.2	1,508.8	1,518.8	1,527.1	1,538.0	1,544.0	1,561.4	1,552.6	1,529.7	1,523.9
52 Borrowings	337.6	407.3	410.7	407.2	411.3	419.3	423.8	431.7	424.8	424.6	434.8	444.1
53 From banks in the U.S.	118.9	156.0	160.5	158.8	160.8	157.7	159.4	162.1	156.5	156.0	162.7	172.8
54 From others	218.7	251.3	250.2	248.5	250.5	261.6	264.4	269.6	268.4	268.6	272.1	271.3
55 Net due to related foreign offices	9.8	15.1	12.6	10.7	12.8	12.4	12.0	11.8	13.5	11.1	10.7	11.9
56 Other liabilities	62.8	71.0	76.1	80.0	80.9	83.4	84.6	86.8	86.0	87.0	88.4	86.5
57 Total liabilities	2,427.9	2,594.1	2,612.1	2,634.7	2,664.1	2,678.4	2,701.5	2,723.7	2,720.6	2,718.1	2,714.7	2,737.8
58 Residual (assets less liabilities)⁷	153.5	141.7	148.2	149.0	147.2	149.9	153.4	154.3	154.0	156.3	159.7	148.5

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			
	2002	2003							2003			
	July	Jan.	Feb.	Mar.	Apr.	May	June	July	July 9	July 16	July 23	July 30
Seasonally adjusted												
<i>Assets</i>												
1 Bank credit	613.3	633.6	646.7	663.6	654.6 ^r	668.3	668.8	645.3	650.3	649.5	641.2	640.0
2 Securities in bank credit	238.9	268.5	279.1	284.0	277.4 ^r	288.8	287.9	266.4	270.1	267.4	265.4	262.2
3 U.S. government securities	76.3	109.4	116.4	122.6	125.4	130.9	129.1	119.4	120.3	120.1	120.1	117.7
4 Other securities	162.6	159.1	162.7	161.3	152.0 ^r	158.0	158.8	147.0	149.8	147.3	145.3	144.5
5 Loans and leases in bank credit ²	374.4	365.1	367.6	379.7	377.2	379.4	381.0	378.8	380.2	382.1	375.8	377.8
6 Commercial and industrial	190.9	177.2	174.1	171.7	172.1	169.9	162.4	161.7	163.0	162.8	161.0	160.3
7 Real estate	18.8	19.7	19.7	19.8	19.0	19.2	19.2	19.1	19.1	19.1	19.0	19.2
8 Security ³	91.6	103.4	108.1	121.4	118.0	118.5	121.2	118.1	117.5	120.6	116.4	118.1
9 Other loans and leases	73.2	64.8	65.6	66.7	68.1	71.8	78.2	80.0	80.6	79.6	79.3	80.3
10 Interbank loans	17.1	28.1	27.0	27.2	22.5	24.7	30.8	33.2	32.8	32.2	34.5	34.0
11 Cash assets ⁴	47.8	40.1	38.7	43.8	50.1	52.2	56.2	56.1	56.9	57.0	55.8	54.3
12 Other assets ⁵	27.6	34.6	35.1	31.1	35.1 ^r	41.6 ^r	45.2	43.9	40.1	42.7	44.0	48.6
13 Total assets ⁶	705.5	735.9	747.1	765.3	761.7 ^r	786.3 ^r	800.5	778.0	779.7	781.0	775.0	776.4
<i>Liabilities</i>												
14 Deposits	500.7	426.6	442.9	448.4	436.4	438.7	450.6	463.0	460.8	462.7	464.4	466.8
15 Transaction	9.9	9.7	10.3	11.5	11.3	11.0	11.6	11.7	11.1	11.8	11.2	12.4
16 Nontransaction	490.8	416.8	432.6	436.9	425.1	427.7	439.0	451.3	449.7	450.9	453.2	454.4
17 Borrowings	201.4	273.6	274.7	293.4	298.7	307.1	318.9	300.3	297.0	304.7	294.2	300.8
18 From banks in the U.S.	20.1	31.0	31.1	33.7	27.5	31.6	35.2	37.3	34.8	41.0	34.2	38.6
19 From others	181.2	242.6	243.6	259.7	271.2	275.5	283.8	263.0	262.2	263.7	259.9	262.2
20 Net due to related foreign offices	-82.3	-70.4	-78.4	-83.8	-72.9 ^r	-77.8	-81.9	-86.3	-77.7	-84.1	-85.3	-96.1
21 Other liabilities	91.4	95.8	99.9	95.4	91.2	105.3 ^r	110.0	104.1	103.0	102.4	102.3	106.9
22 Total liabilities	711.1	725.6	739.0	753.4	753.4	773.3 ^r	797.5	781.1	783.0	785.8	775.5	778.4
23 Residual (assets less liabilities) ⁷	-5.6	10.3	8.1	11.9	8.4	12.9	3.0	-3.1	-3.3	-4.8	-6	-2.0
Not seasonally adjusted												
<i>Assets</i>												
24 Bank credit	607.0	641.3	651.1	661.8	654.4 ^r	663.6	665.4	637.9	640.3	643.8	632.3	633.5
25 Securities in bank credit	238.9	268.5	279.1	284.0	277.4 ^r	288.8	287.9	266.4	270.1	267.4	265.4	262.2
26 U.S. government securities	76.3	109.4	116.4	122.6	125.4	130.9	129.1	119.4	120.3	120.1	120.1	117.7
27 Trading account	10.7	32.6	36.4	37.2	39.7	43.0	42.9	40.2	37.0	41.4	42.3	41.5
28 Investment account	65.7	76.8	80.0	85.5	85.7	87.9	86.2	79.2	83.3	78.8	77.8	76.2
29 Other securities	162.6	159.1	162.7	161.3	152.0 ^r	158.0	158.8	147.0	149.8	147.3	145.3	144.5
30 Trading account	109.4	101.9	102.0	101.7	97.9	105.1	105.6	95.6	97.9	96.0	94.0	93.7
31 Investment account	53.2	57.2	60.7	59.7	54.2	52.9	53.2	51.4	51.9	51.3	51.3	50.8
32 Loans and leases in bank credit ²	368.1	372.8	372.0	377.9	377.0	374.7	377.5	371.5	370.2	376.3	366.9	371.3
33 Commercial and industrial	189.7	177.3	175.6	173.2	171.1	168.1	161.9	160.7	162.1	162.1	159.9	158.9
34 Real estate	18.8	19.7	19.7	19.8	19.0	19.2	19.2	19.1	19.1	19.1	19.0	19.2
35 Security ³	87.9	110.4	111.0	117.3	118.3	116.2	118.7	113.3	109.7	116.8	111.1	115.1
36 Other loans and leases	71.6	65.5	65.7	67.6	68.6	71.3	77.8	78.3	79.4	78.3	77.0	78.1
37 Interbank loans	17.1	28.1	27.0	27.2	22.5	24.7	30.8	33.2	32.8	32.2	34.5	34.0
38 Cash assets ⁴	45.3	43.1	39.7	42.6	47.9	50.5	53.5	53.0	53.7	53.8	52.5	51.9
39 Other assets ⁵	26.6	35.7	35.6	31.8	34.9	41.7 ^r	43.4	42.4	38.4	41.5	42.3	47.3
40 Total assets ⁶	695.6	747.8 ^r	753.0	763.1	759.2 ^r	780.0 ^r	792.6	766.1	764.8	770.8	761.1	766.1
<i>Liabilities</i>												
41 Deposits	489.9	442.7	453.0	452.5	442.4	444.1	448.7	453.1	449.1	453.1	454.7	458.1
42 Transaction	9.8	10.0	10.3	11.1	10.7	10.6	11.3	11.6	11.1	11.8	11.0	12.3
43 Nontransaction	480.1	432.7	442.8	441.3	431.7	433.6	437.5	441.5	438.0	441.3	443.7	445.7
44 Borrowings	201.4	273.6	274.7	293.4	298.7	307.1	318.9	300.3	297.0	304.7	294.2	300.8
45 From banks in the U.S.	20.1	31.0	31.1	33.7	27.5	31.6	35.2	37.3	34.8	41.0	34.2	38.6
46 From others	181.2	242.6	243.6	259.7	271.2	275.5	283.8	263.0	262.2	263.7	259.9	262.2
47 Net due to related foreign offices	-86.3	-67.8	-77.3	-81.6 ^r	-73.3	-77.5	-83.7	-89.4	-81.8	-87.3	-88.4	-98.3
48 Other liabilities	89.2	97.4	100.7	97.0	90.9	105.6 ^r	108.4	101.6	99.9	99.8	100.0	105.1
49 Total liabilities	694.1	746.0	751.1	761.3	758.6 ^r	779.4 ^r	792.3	765.5	764.2	770.3	760.5	765.6
50 Residual (assets less liabilities) ⁷	1.5	1.9	1.9	1.8	.6	.6	.3	.6	.6	.6	.6	.6

Footnotes appear on p. A21.

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

F. Memo items

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2002	2003							2003			
		July	Jan.	Feb.	Mar.	Apr.	May	June	July	July 9	July 16	July 23	July 30
	Not seasonally adjusted											
MEMO												
Large domestically chartered banks, adjusted for mergers												
1 Revaluation gains on off-balance-sheet items ⁸	105.8	107.6	116.8	115.1	105.7	128.1	134.9 ^r	112.5	121.1	112.8	103.9	110.2
2 Revaluation losses on off-balance- sheet items ⁸	89.7	86.2	94.9	91.3	81.4	105.1	109.9	85.3	93.9	84.7	75.5	83.8
3 Mortgage-backed securities ⁹	322.2	370.9	376.9	381.4	400.8	427.1	436.7	412.6	429.2	385.9	409.0	419.0
4 Pass-through	237.0	271.6	276.9	276.2	288.5	314.2	324.7	301.5	317.3	277.7	301.1	303.6
5 CMO, REMIC, and other	85.2	99.3	100.0	105.1	112.2	112.9	111.9	111.1	111.9	108.2	107.9	115.4
6 Net unrealized gains (losses) on available-for-sale securities ¹⁰	8.3	11.8	11.7	11.7	10.6	12.1	14.1	7.0	10.1	8.6	6.3	2.3
7 Off-shore credit to U.S. residents ¹¹	19.1	18.3	18.2	18.2	17.5	17.3	16.6	15.5	15.2	15.4	15.6	15.7
8 Securitized consumer loans ¹²	145.5	149.7	150.6	152.5	154.2	155.0	156.7	161.1	160.9	160.7	160.5	162.4
9 Credit cards and related plans	128.1	132.2	134.8	136.7	138.7	139.4	140.6	144.0	144.0	143.9	143.8	144.4
10 Other	17.4	17.5	15.8	15.8	15.5	15.5	16.1	17.0	16.9	16.8	16.7	18.0
11 Securitized business loans ¹²	10.6 ^r	10.5 ^r	10.6 ^r	10.4 ^r	10.0 ^r	10.2 ^r	9.9 ^r	8.4	9.7	7.9	7.9	7.8
Small domestically chartered commercial banks, adjusted for mergers												
12 Mortgage-backed securities ⁹	295.7	308.7	314.5	325.7	335.6	334.3	332.3	326.8	328.3	323.9	328.7	326.0
13 Securitized consumer loans ¹²	203.0	205.4	204.2	202.8	205.2	205.0	205.0	201.8	202.6	201.7	201.7	200.9
14 Credit cards and related plans	199.4	197.0	195.8	194.3	196.9	196.8	196.9	193.7	194.5	193.6	193.6	192.8
15 Other	3.6	8.5	8.4	8.5	8.3	8.2	8.1	8.1	8.1	8.1	8.1	8.1
Foreign-related institutions												
16 Revaluation gains on off-balance- sheet items ⁸	61.6	67.0	67.1	65.4	64.9	73.5	72.6	65.3	66.4	65.9	64.7	63.8
17 Revaluation losses on off-balance- sheet items ⁸	57.4	63.0	64.9	63.6	62.4	72.6	72.6	64.8	66.2	65.2	64.0	63.3
18 Securitized business loans ¹²	9.4	5.6	4.6	4.1	3.3	3.0	2.5	1.6	1.6	1.6	1.6	1.6

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 OUTSTANDING

Millions of dollars, seasonally adjusted, end of period

Item	Year ending December					2003					
	1998	1999	2000	2001	2002	Jan.	Feb.	Mar.	Apr.	May	June
1 All issuers	1,163,303	1,403,023	1,619,274	1,458,870	1,347,997	1,373,133	1,346,782	1,341,270	1,342,147	1,365,704	1,324,911
Financial companies ¹											
2 Dealer-placed paper, total ²	614,142	786,643	963,070	967,748	976,163	983,059	952,868	946,773	961,002	1,003,088	974,116
3 Directly placed paper, total ³	322,030	337,240	312,771	266,276	217,787	236,820	239,037	244,504	232,879	222,597	219,960
4 Nonfinancial companies ⁴	227,132	279,140	343,433	224,847	154,047	153,254	154,876	149,993	148,266	140,020	130,835

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.

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
2000—Jan. 1	8.50	2000	9.23	2001—Jan.	9.05	2002—Jan.	4.75
Feb. 3	8.75	2001	6.91	Feb.	8.50	Feb.	4.75
Mar. 22	9.00	2002	4.67	Mar.	8.32	Mar.	4.75
May 17	9.50			Apr.	7.80	Apr.	4.75
		2000—Jan.	8.50	May	7.24	May	4.75
2001—Jan. 4	9.00	Feb.	8.73	June	6.98	June	4.75
Feb. 1	8.50	Mar.	8.83	July	6.75	July	4.75
Mar. 21	8.00	Apr.	9.00	Aug.	6.67	Aug.	4.75
Apr. 19	7.50	May	9.24	Sept.	6.28	Sept.	4.75
May 16	7.00	June	9.50	Oct.	5.53	Oct.	4.75
June 28	6.75	July	9.50	Nov.	5.10	Nov.	4.35
Aug. 22	6.50	Aug.	9.50	Dec.	4.84	Dec.	4.25
Sept. 18	6.00	Sept.	9.50				
Oct. 3	5.50	Oct.	9.50			2003—Jan.	4.25
Nov. 7	5.00	Nov.	9.50			Feb.	4.25
Dec. 12	4.75	Dec.	9.50			Mar.	4.25
						Apr.	4.25
2002—Nov. 7	4.25					May	4.25
						June	4.22
2003—June 27	4.00					July	4.00
						Aug.	4.00

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	2000	2001	2002	2003				2003, week ending				
				Apr.	May	June	July	June 27	July 4	July 11	July 18	July 25
MONEY MARKET INSTRUMENTS												
1 Federal funds ^{1,2,3}	6.24	3.88	1.67	1.26	1.26	1.22	1.01	1.21	1.13	0.96	1.02	1.01
2 Discount window primary credit ^{2,4}	n.a.	n.a.	n.a.	2.25	2.25	2.20	2.00	2.21	2.00	2.00	2.00	2.00
Commercial paper ^{3,5,6}												
Nonfinancial												
3 1-month	6.27	3.78	1.67	1.22	1.21	1.06	1.01	0.97	1.01	1.01	1.01	1.02
4 2-month	6.29	3.68	1.67	1.21	1.20	1.03	1.02	0.95	1.01	1.01	1.01	1.02
5 3-month	6.31	3.65	1.69	1.20	1.19	1.01	1.01	0.92	1.02	1.01	1.00	1.01
Financial												
6 1-month	6.28	3.80	1.68	1.24	1.24	1.08	1.02	0.98	1.03	1.02	1.01	1.02
7 2-month	6.30	3.71	1.69	1.23	1.22	1.04	1.03	0.95	1.03	1.02	1.02	1.03
8 3-month	6.33	3.65	1.70	1.23	1.20	1.02	1.03	0.94	1.03	1.02	1.02	1.02
Certificates of deposit, secondary market ^{3,7}												
9 1-month	6.35	3.84	1.72	1.26	1.26	1.10	1.05	1.00	1.05	1.05	1.05	1.05
10 3-month	6.46	3.71	1.73	1.24	1.22	1.04	1.05	0.98	1.05	1.04	1.05	1.05
11 6-month	6.59	3.66	1.81	1.23	1.19	1.02	1.06	0.97	1.05	1.05	1.06	1.07
12 Eurodollar deposits, 3-month ^{3,8}	6.45	3.70	1.73	1.23	1.21	1.03	1.04	0.96	1.05	1.04	1.05	1.04
U.S. Treasury bills												
Secondary market ^{3,5}												
13 4-week	n.a.	2.43	1.60	1.14	1.06	0.96	0.88	0.83	0.84	0.88	0.84	0.88
14 3-month	5.82	3.40	1.61	1.13	1.07	0.92	0.90	0.86	0.87	0.88	0.89	0.91
15 6-month	5.90	3.34	1.68	1.14	1.08	0.92	0.95	0.89	0.94	0.94	0.94	0.96
U.S. TREASURY NOTES AND BONDS												
Constant maturities ⁹												
16 1-year	6.11	3.49	2.00	1.27	1.18	1.01	1.12	1.02	1.07	1.08	1.10	1.13
17 2-year	6.26	3.83	2.64	1.62	1.42	1.23	1.47	1.28	1.31	1.35	1.45	1.56
18 3-year	6.22	4.09	3.10	2.06	1.75	1.51	1.93	1.59	1.67	1.74	1.90	2.07
19 5-year	6.16	4.56	3.82	2.93	2.52	2.27	2.87	2.36	2.49	2.60	2.82	3.08
20 7-year	6.20	4.88	4.30	3.47	3.07	2.84	3.45	2.93	3.07	3.19	3.40	3.65
21 10-year	6.03	5.02	4.61	3.96	3.57	3.33	3.98	3.42	3.58	3.72	3.93	4.18
22 20-year	6.23	5.63	5.43	4.91	4.52	4.34	4.92	4.43	4.56	4.68	4.88	5.09
23 Treasury long-term average ^{10,11} 25 years and above	n.a.	n.a.	5.41	4.99	4.61	4.45	5.00	4.54	4.67	4.78	4.95	5.15
STATE AND LOCAL NOTES AND BONDS												
Moody's series ¹²												
24 Aaa	5.58	5.01	4.87	4.60	4.16	4.07	4.59	4.25	4.34	4.40	4.56	4.75
25 Baa	6.19	5.75	5.64	5.34	4.91	4.68	5.17	4.85	4.94	5.00	5.12	5.31
26 Bond Buyer series ¹³	5.71	5.15	5.04	4.74	4.41	4.33	4.74	4.47	4.51	4.56	4.71	4.83
CORPORATE BONDS												
27 Seasoned issues, all industries ¹⁴	7.98	7.49	7.10	6.32	5.88	5.70	6.13	5.76	5.88	5.97	6.09	6.24
Rating group												
28 Aaa ¹⁵	7.62	7.08	6.49	5.74	5.22	4.97	5.49	5.06	5.20	5.30	5.45	5.62
29 Aa	7.83	7.26	6.93	6.22	5.85	5.72	6.07	5.76	5.87	5.94	6.04	6.16
30 A	8.11	7.67	7.18	6.45	6.08	5.92	6.35	5.96	6.10	6.23	6.30	6.44
31 Baa	8.37	7.95	7.80	6.85	6.38	6.19	6.62	6.26	6.36	6.42	6.57	6.75
MEMO												
32 Dividend-price ratio ¹⁶ Common stocks	1.15	1.32	1.61	1.81	1.72	1.64	1.64	1.66	1.64	1.63	1.63	1.64

NOTE. Some of the data in this table also appear in the Board's H.15 (519) weekly statistical release. 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. The rate charged for discounts made and advances extended under the Federal Reserve's primary credit discount window program, which became effective January 9, 2003. This rate replaces that for adjustment credit, which was discontinued after January 8, 2003. For further information, see <http://www.federalreserve.gov/boarddocs/press/bcreg/2002/200210312/default.htm>. The rate reported is that for the Federal Reserve Bank of New York. Historical series for the rate on adjustment credit is available at: <http://www.federalreserve.gov/releases/h15/data.htm>.

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 the Board's Commercial Paper web pages (<http://www.federalreserve.gov/releases/cp>) for more information.

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

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

9. Yields on actively traded issues adjusted to constant maturities.

10. Based on the unweighted average of the bid yields for all Treasury fixed-coupon securities with remaining terms to maturity of 25 years and over.

11. A factor for adjusting the daily long-term average in order to estimate a 30-year rate can be found at <http://www.treas.gov/offices/domestic-finance/debt-management/interest-rate/ltcompositeindex.html>.

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

13. 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.

14. Daily figures are averages of Aaa, Aa, A, and Baa yields from Moody's Investors Service. Based on yields to maturity on selected long-term bonds.

15. Effective December 7, 2001, the Moody's Aaa yield includes yields only for industrial firms. Prior to December 7, 2001, the Aaa yield represented both utilities and industrial.

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

SOURCE: U.S. Department of the Treasury.

1.36 STOCK MARKET Selected Statistics

Indicator	2000	2001	2002	2002		2003							
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	
Prices and trading volume (averages of daily figures)													
Common stock prices (indexes)													
1 New York Stock Exchange (Dec. 31, 1965 = 50)	6,806.46	6,407.95	5,571.46	5,104.89	5,075.76	5,055.78	4,738.56	4,724.22	4,977.45	5,269.96	5,583.60	5,567.94	
2 Industrial	809.40	749.46	656.44	597.75	593.15	587.78	553.90	558.10	583.74	613.26	649.25	648.00	
3 Transportation	414.73	444.45	430.63	405.03	401.39	394.60	367.55	366.90	395.85	425.12	441.81	445.29	
4 Utility	478.99	377.72	260.50	229.41	236.71	236.42	214.64	211.45	221.06	238.33	254.16	244.67	
5 Finance	552.48	596.61	554.88	523.50	519.72	522.51	485.72	486.71	522.05	549.91	579.48	588.81	
6 Standard & Poor's Corporation (1941-43 = 10) ¹	1,427.22	1,194.18	993.94	909.93	899.18	895.84	837.62	846.62	890.03	935.96	988.00	992.54	
7 American Stock Exchange (Aug. 31, 1973 = 50) ²	922.22	879.08	860.11	820.62	823.77	824.64	818.84	822.34	837.92	894.74	962.46	959.26	
Volume of trading (thousands of shares)													
8 New York Stock Exchange	1,026,867	1,216,529	1,411,689	1,427,254	1,210,332	1,441,846	1,302,011	1,403,742	1,381,580	1,455,858	1,472,560	1,412,818	
9 American Stock Exchange	51,437	68,074	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Customer financing (millions of dollars, end-of-period balances)													
10 Margin credit at broker-dealers ³	198,790	150,450	134,380	133,060	134,380	134,910	134,030	135,910	140,450	146,380	148,550	148,450	
Free credit balances at brokers ⁴													
11 Margin accounts ⁵	100,680	101,640	95,690	91,240	95,690	96,430	95,400	90,830	88,770	88,540	87,920	91,210	
12 Cash accounts	84,400	78,040	73,340	67,380	73,340	66,200	67,260	68,860	70,080	71,270	74,350	76,170	
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.

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars, end of month

Item	2001			2002				2003	
	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30 ¹	Dec. 31 ¹	Mar. 31 ¹	June 30 ¹
1 Federal debt outstanding	5,753.9	5,834.5	5,970.3	6,032.4	6,153.3	6,255.4	6,433.0	6,487.7	6,697.1
2 Public debt securities	5,726.8	5,807.5	5,943.4	6,006.0	6,126.5	6,228.2	6,405.7	6,460.8	6,670.1
3 Held by public	3,274.2	3,338.7	3,393.8	3,443.7	3,463.5	3,552.6	3,647.4	3,710.8	3,816.3
4 Held by agencies	2,452.6	2,468.8	2,549.7	2,562.4	2,662.9	2,675.6	2,758.3	2,750.0	2,853.8
5 Agency securities	27.1	27.0	26.8	26.4	26.8	27.2	27.3	26.9	27.0
6 Held by public	27.1	27.0	26.8	26.4	26.8	27.2	27.3	26.9	27.0
7 Held by agencies	.0	.0	.0	.0	.0	.0	.0	.0	.0
8 Debt subject to statutory limit	5,645.0	5,732.6	5,871.4	5,935.1	6,058.3	6,161.4	6,359.4	6,400.0	6,625.5
9 Public debt securities	5,644.8	5,732.4	5,871.2	5,935.0	6,058.1	6,161.1	6,359.1	6,399.8	6,625.3
10 Other debt ¹	.2	.2	.3	.2	.2	.3	.3	.2	.2
MEMO									
11 Statutory debt limit	5,950.0	5,950.0	5,950.0	5,950.0	6,400.0	6,400.0	6,400.0	6,400.0	7,384.0

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 *Monthly Treasury Statement*.

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

Billions of dollars, end of period

Type and holder	1999	2000	2001	2002	2002		2003	
					Q3	Q4	Q1	Q2
1 Total gross public debt	5,776.1	5,662.2	5,943.4	6,405.7	6,228.2	6,405.7	6,460.8	6,670.1
<i>By type</i>								
2 Interest-bearing	5,766.1	5,618.1	5,930.8	6,391.4	6,216.3	6,391.4	6,474.0	6,656.5 ¹
3 Marketable	3,281.0	2,966.9	2,982.9	3,205.1	3,136.6	3,205.1	3,331.8	3,379.0 ¹
4 Bills	737.1	646.9	811.3	888.8	868.3	888.8	955.0	927.8
5 Notes	1,784.5	1,557.3	1,413.9	1,580.8	1,521.5	1,580.8	1,622.9	1,713.7
6 Bonds	643.7	626.5	602.7	588.7	592.9	588.7	585.7	582.4
7 Inflation-indexed notes and bonds ¹	100.7	121.2	140.1	146.9	138.9	146.9	153.2	155.0
8 Nonmarketable ²	2,485.1	2,651.2	2,947.9	3,186.3	3,079.6	3,186.3	3,142.2	3,277.6
9 State and local government series	165.7	151.0	146.3	153.4	144.3	153.4	148.8	140.5
10 Foreign issues ³	31.3	27.2	15.4	11.2	12.5	11.2	12.2	11.7
11 Government	31.3	27.2	15.4	11.2	12.5	11.2	12.2	11.7
12 Public	.0	.0	.0	.0	.0	.0	.0	.0
13 Savings bonds and notes	179.4	176.9	181.5	184.8	185.6	184.8	187.3	189.9
14 Government account series ⁴	2,078.7	2,266.1	2,574.8	2,806.9	2,707.3	2,806.9	2,763.8	2,905.5
15 Non-interest-bearing	10.0	44.2	12.7	14.3	12.0	14.3	13.8	13.6 ¹
<i>By holder⁵</i>								
16 U.S. Treasury and other federal agencies and trust funds	2,064.2	2,270.1	2,572.2	2,757.8	2,701.3	2,757.8	2,763.3	2,853.3
17 Federal Reserve Banks ⁶	478.0	511.7	551.7	629.4	604.2	629.4	641.5	652.1
18 Private investors	3,233.9	2,880.4	2,819.5	3,018.5	2,924.8	3,018.5	3,056.0 ¹	3,164.7
19 Depository institutions	248.7	201.5	181.5	222.6	210.4	222.6	153.1 ¹	144.8
20 Mutual funds	228.6	220.8	257.5	279.0	255.6	279.0	296.3 ¹	298.5
21 Insurance companies	123.4	110.2	105.7	133.9	126.8	133.9	151.2 ¹	161.7
22 State and local treasuries ⁷	266.8	236.2	256.5	274.2	269.4	274.2	306.2 ¹	318.5
Individuals								
23 Savings bonds	186.4	184.8	190.3	194.9	193.3	194.9	196.9	199.1
24 Pension funds	321.0	304.1	281.6	289.9	284.9	289.9	244.2 ¹	254.5
25 Private	109.8	108.4	104.2	113.6	110.9	113.6	66.9 ¹	69.1
26 State and local	211.2	195.7	177.4	176.3	174.1	176.3	177.2 ¹	185.4
27 Foreign and international ⁸	1,268.7	1,034.2	1,053.1	1,212.7	1,167.1	1,212.7	1,254.6 ¹	1,355.3
28 Other miscellaneous investors ^{7,9}	590.3	588.7	493.3	433.8	429.9	433.8	443.4	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. U.S. Treasury securities bought outright by Federal Reserve Banks, see *Bulletin* table 1.18.

7. 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.

8. 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.

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

SOURCES: Data by type of security, U.S. Treasury Department, *Monthly Statement of the Public Debt of the United States*; data by holder, Federal Reserve Board of Governors, *Flow of Funds Accounts of the United States* and U.S. Treasury Department, *Treasury Bulletin*, unless otherwise noted.

1.42 U.S. GOVERNMENT SECURITIES DEALERS Transactions¹

Millions of dollars, daily averages

Item	2003			2003, week ending								
	Apr.	May	June	June 4	June 11	June 18	June 25	July 2	July 9	July 16	July 23	July 30
<i>By type of security</i>												
1 U.S. Treasury bills	45,958	48,474	50,058	52,776	48,763	46,850	49,540	55,708	45,238	34,925	29,761	40,126
Treasury coupon securities by maturity												
2 Three years or less	118,650	167,853	152,654	180,090	139,465	138,686	155,625	165,529	122,801	123,842	138,491	164,430
3 More than three but less than or equal to six years	98,983	139,291	131,546	127,409	137,071	128,937	117,719	153,869	130,356	118,553	125,366	155,688
4 More than six but less than or equal to eleven years	72,089	117,206	106,432 ^r	101,488	107,075	113,351	98,517	111,966	122,596	125,941	120,954	152,760
5 More than eleven years	19,829	36,907	31,439	30,080	34,987	28,876	30,363	32,948	29,077	28,365	26,363	36,986
6 Inflation-indexed ²	3,092	4,303	2,949	3,530	3,260	2,590	2,818	2,666	11,622	7,639	4,498	3,707
<i>Federal agency and government-sponsored enterprises</i>												
7 Discount notes	52,188	60,395	62,416	63,377	60,806	63,515	60,888	64,852	50,285	52,219	48,328	52,289
Coupon securities by maturity												
8 Three years or less	11,020	11,262	13,029	11,265	10,915	16,133	13,244	12,786	9,687	11,484	12,064	13,121
9 More than three years but less than or equal to six years	9,753	10,180	10,171	8,033	9,985	12,146	9,087	11,133	5,060	5,751	13,035	7,761
10 More than six years but less than or equal to eleven years	5,166	7,723	9,211	7,548	10,413	12,598	7,613	5,889	5,598	8,417	6,383	6,657
11 More than eleven years	647	1,078	1,486	1,291	1,614	1,858	1,210	1,311	911	1,042	981	1,039
12 Mortgage-backed	216,931	255,830	228,360	234,479	286,827	242,180	159,775	216,071	327,320	271,103	202,235	199,351
<i>Corporate securities</i>												
13 One year or less	125,402	121,358	140,708	127,082	120,172	137,740	157,533	165,464	126,939	134,641	124,979	118,830
14 More than one year	20,592	23,053	21,940	22,000	20,712	21,941	23,008	22,144	16,891	21,652	22,150	20,597
<i>By type of counterparty</i>												
<i>With interdealer broker</i>												
15 U.S. Treasury	164,812	236,729	219,499 ^r	231,733	221,425	211,806	211,037	230,978	208,710	201,354	204,364	251,770
16 Federal agency and government-sponsored enterprises	8,077	10,429	11,148	8,252	11,461	14,664	10,267	9,131	6,695	7,829	9,099	8,357
17 Mortgage-backed	56,005	71,749	62,176	61,846	74,856	68,994	43,360	61,368	77,196	66,859	61,978	55,577
18 Corporate	554	532	581	553	674	609	469	595	372	505	630	776
<i>With other</i>												
19 U.S. Treasury	193,790	277,305	255,580 ^r	263,641	249,198	247,483	243,545	291,708	252,981	237,910	241,070	301,927
20 Federal agency and government-sponsored enterprises	70,697	80,208	85,166	83,264	82,273	91,585	81,776	86,838	64,846	71,084	71,693	72,511
21 Mortgage-backed	160,926	184,080	166,185	172,633	211,971	173,187	116,416	154,703	250,124	204,244	140,257	143,774
22 Corporate	145,441	143,879	162,067	148,529	140,210	159,073	180,073	187,012	143,458	155,789	146,500	138,652

NOTE. Major changes in the report form filed by primary dealers induced a break in the dealer data series as of the week ending July 4, 2001. Current weekly data may be found at the Federal Reserve Bank of New York web site (<http://www.newyorkfed.org/pihome/statistics>) under the Primary Dealer heading.

1. The figures represent purchases and sales in the market by the primary U.S. government securities dealers reporting to the Federal Reserve Bank of New York. Outright transactions include all U.S. government, federal agency, government-sponsored enterprise, mortgage-

backed, and corporate securities scheduled for immediate and forward delivery, as well as all U.S. government securities traded on a when-issued basis between the announcement and issue date. Data do not include transactions under repurchase and reverse repurchase (resale) agreements. Averages are based on the number of trading days in the week.

2. Outright Treasury inflation-indexed securities (TIIS) transactions are reported at principal value, excluding accrued interest, where principal value reflects the original issuance par amount (unadjusted for inflation) times the price times the index ratio.

1.43 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing¹

Millions of dollars

Item, by type of security	2003			2003, week ending							
	Apr.	May	June	June 4	June 11	June 18	June 25	July 2	July 9	July 16	July 23
Net outright positions ²											
1 U.S. Treasury bills	21,878	10,092	9,882	31,880	17,006	4,854	2,788	-721	7,986	6,445	17,917
Treasury coupon securities by maturity											
2 Three years or less	-15,269	-12,954	-11,958	-11,112	-14,046	-17,261	-4,987	-12,044	-20,746	-26,386	-13,692
3 More than three years but less than or equal to six years	-46,833	-42,497	-45,702	-40,696	-41,486	-43,518	-50,122	-52,478	-50,779	-53,573	-58,291
4 More than six but less than or equal to eleven years	-12,234	-8,149	-11,295	-3,930	-8,532	-10,346	-11,614	-21,939	-18,959	-18,430	-18,715
5 More than eleven	5,442	3,180	680	84	-671	1,720	-5	2,551	4,440	4,797	4,738
6 Inflation-indexed	1,544	-127	854	175	810	1,181	965	848	1,524	1,134	-93
Federal agency and government-sponsored enterprises											
7 Discount notes	55,454	62,728	61,088	64,700	56,803	60,626	61,098	64,831	67,610	66,300	57,106
Coupon securities, by maturity											
8 Three years or less	19,419	20,165	17,246	18,674	18,237	15,967	16,401	17,688	17,293	17,562	13,110
9 More than three years but less than or equal to six years	3,770	4,807	2,400	4,091	4,109	1,179	1,157	2,104	3,842	4,364	4,727
10 More than six but less than or equal to eleven years	3,328	3,875	4,057	1,980	4,874	4,049	4,109	4,516	4,648	7,256	5,834
11 More than eleven	2,351	2,366	2,748	2,314	2,496	2,925	2,962	2,898	2,454	2,340	2,143
12 Mortgage-backed	46,326	42,381	55,930	52,140	47,767	61,720	53,673	65,442	61,991	62,210	61,753
Corporate securities											
13 One year or less	29,461	25,518	33,054	25,084	35,805	36,639	31,697	32,457	22,859	36,888	36,612
14 More than one year	48,800	58,309	58,821	58,257	58,531	60,765	59,318	56,260	52,296	55,365	51,260
Financing ³											
Securities in, U.S. Treasury											
15 Overnight and continuing	656,984	694,287	739,231	715,409	736,562	730,168	760,103	745,495	734,326	734,833	711,835
16 Term	791,597	881,597	944,185	915,202	980,859	985,588	963,466	831,069	871,586	922,611	978,365
Federal agency and government-sponsored enterprises											
17 Overnight and continuing	152,545	152,445	151,751	156,862	150,840	154,483	151,836	144,996	152,938	151,908	145,151
18 Term	229,326	243,263	254,853	247,768	261,047	261,788	256,753	239,480	244,501	248,488	248,088
Mortgage-backed securities											
19 Overnight and continuing	40,105	42,935	36,223	31,609	42,939	35,100	36,291	31,989	41,047	35,677	38,519
20 Term	244,815	247,674	249,278	246,398	247,475	258,791	244,765	247,109	250,192	247,779	261,280
Corporate securities											
21 Overnight and continuing	66,811	68,094	71,329	69,675	70,022	71,200	71,818	73,975	75,059	76,486	76,948
22 Term	25,873	27,031	28,474	28,293	28,419	28,693	27,409	29,879	30,474	30,264	29,930
MEMO											
Reverse repurchase agreements											
23 Overnight and continuing	461,743	482,620	510,880	506,154	522,296	505,687	527,342	482,902	483,051	476,612	457,947
24 Term	1,117,241	1,220,752	1,297,890	1,253,396	1,333,776	1,351,985	1,319,089	1,177,830	1,226,445	1,271,003	1,332,263
Securities out, U.S. Treasury											
25 Overnight and continuing	621,314	674,535	711,222	699,293	715,513	713,018	726,439	690,942	688,981	695,254	673,657
26 Term	729,460	801,453	849,957	820,373	896,211	877,742	872,015	739,089	771,753	813,745	868,056
Federal agency and government-sponsored enterprises											
27 Overnight and continuing	282,367	297,432	295,952	307,065	298,459	297,807	291,220	287,582	298,345	289,818	283,984
28 Term	175,326	186,301	195,981	193,388	196,465	199,129	201,495	185,252	192,686	195,836	188,841
Mortgage-backed securities											
29 Overnight and continuing	334,764	357,464	356,571	333,580	342,752	373,056	369,984	352,456	348,669	390,005	391,859
30 Term	152,637	147,596	141,975	139,780	137,057	156,962	135,959	138,058	146,109	158,812	173,779
Corporate securities											
31 Overnight and continuing	143,957	146,125	156,474	140,883	155,048	161,359	157,083	163,253	154,736	163,731	158,566
32 Term	22,754	25,505	26,437	28,420	27,824	27,057	25,067	23,959	25,444	27,989	28,007
MEMO											
Repurchase agreements											
33 Overnight and continuing	1,187,404	1,262,067	1,305,120	1,266,858	1,297,897	1,334,381	1,334,188	1,264,178	1,261,107	1,318,921	1,275,855
34 Term	1,027,811	1,106,335	1,163,284	1,127,615	1,202,635	1,208,707	1,183,130	1,045,353	1,090,292	1,149,272	1,210,387

NOTE: Major changes in the report form filed by primary dealers included a break in many series as of the week ending July 4, 2001. Current weekly data may be found at the Federal Reserve Bank of New York web site (<http://www.newyorkfed.org/pihome/statistics>) under the Primary Dealer heading.

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. Net outright positions include all U.S. government, federal agency, government-sponsored enterprise, mortgage-backed, and corporate securities scheduled for immediate and forward delivery, as well as U.S. government securities traded on a when-issued basis between the announcement and issue date.

3. Figures cover financing U.S. government, federal agency, government-sponsored enterprise, mortgage-backed, and corporate securities. Financing transactions for Treasury inflation-indexed securities (TIIS) are reported in actual funds paid or received, except for pledged securities. TIIS that are issued as pledged securities are reported at par value, which is the value of the security at original issuance (unadjusted for inflation).

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1999	2000	2001	2002	2003				
					Jan.	Feb.	Mar.	Apr.	May
1 Federal and federally sponsored agencies	1,616,492	1,851,632	2,121,057	2,351,039	n.a.	n.a.	n.a.	n.a.	n.a.
2 Federal agencies	26,376	25,666	276	2	26,929	26,408	26,886	26,450	26,500
3 Defense Department ¹	6	6	6	6	6	6	6	6	6
4 Export-Import Bank ^{2,3}	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
5 Federal Housing Administration ⁴	126	255	26,828	26,828	354	152	166	195	218
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	26,370	25,660	270	270	26,923	26,402	26,880	26,444	26,494
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	1,590,116	1,825,966	2,120,781	2,351,037	n.a.	n.a.	n.a.	n.a.	n.a.
11 Federal Home Loan Banks	529,005	594,404	623,740	674,841	672,304	684,495	687,573	706,215	717,900
12 Federal Home Loan Mortgage Corporation	360,711	426,899	565,071	648,894	n.a.	n.a.	n.a.	n.a.	n.a.
13 Federal National Mortgage Association	547,619	642,700	763,500	851,000	860,300	871,000	873,900	871,500	876,200
14 Farm Credit Banks ⁸	68,883	74,181	76,673	85,088	85,206	86,045	86,802	87,591	89,007
15 Student Loan Marketing Association ⁹	41,988	45,375	48,350	47,900	50,700	50,900	49,100	51,200	54,200
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 debt¹³	42,152	40,575	39,096	37,017	35,992	35,794	35,780	35,808	36,383
<i>Lending to federal and federally sponsored agencies</i>									
20 Export-Import Bank ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
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.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
24 United States Railway Association ⁶	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<i>Other lending¹⁴</i>									
25 Farmers Home Administration	6,665	5,275	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
26 Rural Electrification Administration	14,085	13,126	13,876	14,489	14,714	14,750	14,750	14,760	14,793
27 Other	21,402	22,174	25,220	22,528	21,278	21,044	21,030	21,048	21,590

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 Agriculture 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 State and Local Governments

Millions of dollars

Type of issue or issuer, or use	2000	2001	2002	2002	2003						
				Dec.	Jan.	Feb.	Mar. ^f	Apr. ^f	May ^f	June ^f	July
1 All issues, new and refunding¹	180,403	292,027	364,020^e	27,418	27,138^e	30,100^e	27,908	34,840	34,773	47,388	32,807
<i>By type of issue</i>											
2 General obligation	64,475	118,554	145,323	8,431	8,112	12,759 ^e	9,721	14,794	11,978	23,752	12,326
3 Revenue	115,928	170,047	214,788	18,961	17,049	17,341	18,187	20,046	22,796	23,636	20,480
<i>By type of issuer</i>											
4 State	19,944	30,099	33,931	1,670	1,927	3,654	1,277	5,521	2,818	14,411	3,270
5 Special district or statutory authority ²	121,185	197,462	259,070	20,151	17,979	20,785 ^e	19,603	23,850	21,653	25,467	21,934
6 Municipality, county, or township	39,273	61,040	67,121	5,570	5,290	5,661 ^e	7,028	5,469	10,303	7,510	7,603
7 Issues for new capital	154,257	200,363	243,266^e	19,754	18,805	20,274	15,922	24,670	19,993	35,813	21,401
<i>By use of proceeds</i>											
8 Education	38,665	50,054	57,894	5,292	4,823	7,065	5,336	7,580	6,056	5,996	5,763
9 Transportation	19,730	21,411	22,093	1,060	1,417	1,625	1,233	3,479	1,891	2,048	1,699
10 Utilities and conservation	11,917	21,917	33,404	2,031	2,196	176	593	821	1,008	2,016	359
11 Social welfare	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
12 Industrial aid	7,122	6,607	7,227	796	422	1,084	1,606	1,816	3,103	1,773	2,426
13 Other purposes	47,309	55,733	73,033	4,992	7,400	7,178	3,722	8,404	5,595	19,862	6,697

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	2000	2001	2002	2002		2003					
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
1 All issues¹	1,079,727	1,541,821	1,429,298	119,659	127,061	127,304	134,957	155,821	125,223	170,003	179,615
2 Bonds²	944,810	1,413,267	1,318,863	109,726	120,183	120,177	127,818	149,928	116,861	161,265	163,726
<i>By type of offering</i>											
3 Sold in the United States	822,012	1,356,879	1,232,618	104,112	114,332	113,951	118,567	144,315	114,277	149,437	147,835
4 Sold abroad	122,798	56,389	86,246	5,614	5,851	6,226	9,250	5,613	2,585	11,828	15,890
MEMO											
5 Private placements, domestic	18,370	16,385	16,224	3,525	5,060	4,700	0	0	0	3,258	7,647
<i>By industry group</i>											
6 Nonfinancial	258,804	459,560	282,484	22,029	20,751	28,461	26,991	27,514	22,153	48,353	52,139
7 Financial	686,006	953,707	1,036,379	87,697	99,433	91,716	100,826	122,414	94,708	112,912	111,587
8 Stocks³	311,941	230,632	170,673	9,933	6,878	7,127	7,139	5,893	8,362	8,738	15,889
<i>By type of offering</i>											
9 Public	134,917	128,554	110,435	9,933	6,878	7,127	7,139	5,893	8,362	8,738	15,889
10 Private placement ⁴	177,024	102,078	60,238	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<i>By industry group</i>											
11 Nonfinancial	118,369	77,577	62,115	4,533	4,154	3,793	2,679	1,053	1,592	3,075	4,727
12 Financial	16,548	50,977	48,320	5,400	2,724	3,334	4,460	4,840	6,770	5,663	11,162

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, Yankee bonds, and private placements listed. 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 for private placements are not available at a monthly frequency.

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

A30 Domestic Financial Statistics □ October 2003

1.47 OPEN-END INVESTMENT COMPANIES Net Sales and Assets¹

Millions of dollars

Item	2001	2002	2002	2003						
			Dec.	Jan.	Feb.	Mar.	Apr.	May	June ²	July
1 Sales of own shares ²	1,806,474	1,825,890	134,383	152,647	122,321	140,643	141,465	142,688	157,773	154,333
2 Redemptions of own shares	1,677,266	1,702,657	135,213	138,951	113,643	129,337	112,109	118,794	130,024	140,261
3 Net sales ³	129,208	123,233	-830	13,696	8,678	11,306	29,356	23,894	27,749	14,072
4 Assets ⁴	4,689,624	4,119,322	4,119,322	4,060,568	4,031,818	4,059,934	4,327,560	4,563,023	4,653,085	4,714,195
5 Cash ⁵	219,620	208,479	208,479	212,792	199,546	214,146	230,032	232,836	236,547	218,148
6 Other	4,470,004	3,910,843	3,910,843	3,847,776	3,832,272	3,845,788	4,097,528	4,330,187	4,416,538	4,496,047

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.

1.51 DOMESTIC FINANCE COMPANIES Assets and Liabilities¹

Billions of dollars, end of period; not seasonally adjusted

Account	2000	2001	2002	2001	2002				2003		
				Q4	Q1	Q2	Q3	Q4	Q1 ¹	Q2	
ASSETS											
1 Accounts receivable, gross ²	958.7	948.3	945.4	948.3	930.0	941.9	945.6	945.4	934.9	947.9	
2 Consumer	328.0	340.1	315.6	340.1	329.8	332.0	334.5	315.6	307.1	308.6	
3 Business	458.4	447.0	455.3	447.0	443.0	449.4	445.5	455.3	453.9	455.8	
4 Real estate	172.3	161.3	174.5	161.3	157.2	160.5	165.5	174.5	173.9	183.4	
5 LESS: Reserves for unearned income	69.7	60.6	57.0	60.6	59.5	58.5	58.0	57.0	54.2	53.8	
6 Reserves for losses	16.7	21.0	23.8	21.0	21.5	21.6	22.0	23.8	24.0	24.5	
7 Accounts receivable, net	872.3	866.7	864.5	866.7	849.0	861.9	865.6	864.5	856.7	869.6	
8 All other	461.5	523.4	584.7	523.4	515.2	530.6	558.0	584.7	610.9	655.9	
9 Total assets	1,333.7	1,390.1	1,449.3	1,390.1	1,364.2	1,392.5	1,423.6	1,449.3	1,467.7	1,525.5	
LIABILITIES AND CAPITAL											
10 Bank loans	35.9	50.8	48.0	50.8	49.4	56.9	74.9	48.0	47.3	53.2	
11 Commercial paper	238.8	158.6	141.5	158.6	137.0	130.8	143.1	141.5	127.3	145.3	
<i>Debt</i>											
12 Owed to parent	102.5	99.2	88.2	99.2	82.6	83.3	82.9	88.2	87.7	96.6	
13 Not elsewhere classified	502.2	567.4	624.9	567.4	574.4	597.2	584.9	624.9	639.1	657.9	
14 All other liabilities	301.8	325.5	339.0	325.5	329.1	331.5	343.4	339.0	344.4	359.1	
15 Capital, surplus, and undivided profits	152.5	188.6	207.6	188.6	191.7	192.9	194.5	207.6	221.9	213.5	
16 Total liabilities and capital	1,333.7	1,390.1	1,449.3	1,390.1	1,364.2	1,392.5	1,423.6	1,449.3	1,467.7	1,525.5	

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		2000	2001	2002	2003					
					Jan.	Feb.	Mar.	Apr. ^c	May ^c	June
		Seasonally adjusted								
1	Total	1,185.6	1,246.6	1,270.5	1,274.4	1,268.0	1,275.0	1,281.7	1,287.9	1,276.9
2	Consumer	464.4	513.3	513.1	517.3	510.6	513.6	516.7	514.4	507.7
3	Real estate	198.9	207.7	216.5	215.4	215.6	215.4	220.4	224.6	224.1
4	Business	522.3	525.6	540.9	541.8	541.8	546.0	544.6	548.9	545.1
		Not seasonally adjusted								
5	Total	1,192.2	1,253.7	1,277.8	1,277.0	1,268.3	1,278.3	1,284.9	1,288.3	1,284.0
6	Consumer	468.3	518.1	518.4	518.5	510.8	510.2	513.1	510.0	507.1
7	Motor vehicle loans	141.6	173.9	160.2	160.2	162.3	156.0	160.6	174.3	177.9
8	Motor vehicle leases	108.2	103.5	83.3	81.9	80.3	81.8	81.2	79.0	76.7
9	Revolving ²	37.6	31.5	38.9	38.7	37.3	36.4	38.3	35.9	37.3
10	Other ³	40.7	31.1	33.1	33.1	32.6	32.9	33.1	32.0	31.3
	Securitized assets ⁴									
11	Motor vehicle loans	97.1	131.9	151.9	154.3	148.7	152.3	149.7	138.8	135.2
12	Motor vehicle leases	6.6	6.8	5.7	5.7	5.6	6.2	6.1	6.0	6.0
13	Revolving	19.6	25.0	31.1	30.4	30.1	30.7	30.6	30.7	29.5
14	Other	17.1	14.3	14.0	14.2	13.8	13.9	13.6	13.3	13.2
15	Real estate	198.9	207.7	216.5	215.4	215.6	215.4	220.4	224.6	224.1
16	One- to four-family	130.6	120.1	135.0	134.1	134.3	133.9	138.8	143.0	142.5
17	Other	41.7	41.2	39.5	39.6	39.9	40.1	40.4	40.7	40.9
	Securitized real estate assets ⁴									
18	One- to four-family	24.7	40.7	39.7 ^c	39.4 ^c	39.1 ^c	39.2 ^c	38.9	38.6	38.4
19	Other	1.9	5.7	2.2	2.2	2.2	2.2	2.2	2.2	2.2
20	Business	525.0	527.9	543.0	543.1	541.9	552.8	551.4	553.7	552.9
21	Motor vehicles	75.5	54.0	60.7	58.6	60.3	65.3	64.1	68.0	69.9
22	Retail loans	18.3	16.1	15.4	15.1	14.8	16.3	16.8	17.1	17.2
23	Wholesale loans ⁵	39.7	20.3	29.3	27.5	30.5	34.0	34.5	36.1	38.4
24	Leases	17.6	17.6	16.0	15.9	15.0	15.0	12.8	14.8	14.2
25	Equipment	283.5	289.4	292.1	292.0	288.9	287.5	286.0	284.5	283.4
26	Loans	70.2	77.8	83.3	80.1	80.3	78.0	79.0	77.6	77.5
27	Leases	213.3	211.6	208.8	208.6	209.5	209.5	207.0	207.0	205.9
28	Other business receivables ⁶	99.4	103.5	102.5	104.7	104.4	101.1	103.0	103.1	102.6
	Securitized assets ⁴									
29	Motor vehicles	37.8	50.1	50.2	50.3	50.9	53.1	53.1	52.2	50.0
30	Retail loans	3.2	5.1	2.4 ^c	2.4 ^c	2.3 ^c	2.2 ^c	2.2	2.2	2.2
31	Wholesale loans	32.5	42.5	45.9 ^c	46.1 ^c	46.8 ^c	48.6 ^c	48.6	47.8	45.6
32	Leases	2.2	2.5	1.9 ^c	1.8 ^c	1.8 ^c	2.2 ^c	2.2	2.2	2.1
33	Equipment	23.1	23.2	20.2	20.1	19.4	21.9	21.4	21.6	23.5
34	Loans	15.5	16.4	13.0 ^c	12.9	12.3 ^c	12.2 ^c	11.8	12.0	12.9
35	Leases	7.6	6.8	7.2	7.2	7.1 ^c	9.7 ^c	9.6	9.6	10.6
36	Other business receivables ⁶	5.6	7.7	17.4 ^c	17.3	18.0 ^c	23.9 ^c	23.9	24.2	23.6

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.

¹ 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.

² 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.

³ Excludes revolving credit reported as held by depository institutions that are subsidiaries of finance companies.

⁴ Includes personal cash loans, mobile home loans, and loans to purchase other types of consumer goods, such as appliances, apparel, boats, and recreation vehicles.

⁵ Outstanding balances of pools upon which securities have been issued; these balances are no longer carried on the balance sheets of the loan originator.

⁶ Credit arising from transactions between manufacturers and dealers, that is, floor plan financing.

⁷ 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	2000	2001	2002	2003						
				Jan.	Feb.	Mar.	Apr.	May	June	July
	Terms and yields in primary and secondary markets									
PRIMARY MARKETS										
Terms ¹										
1 Purchase price (thousands of dollars)	234.5	245.0	261.1	278.9	235.1	252.9	266.0	275.3	283.3	283.4
2 Amount of loan (thousands of dollars)	177.0	184.2	197.0	214.0	179.3	184.2	205.0	210.7	213.7	214.4
3 Loan-to-price ratio (percent)	77.4	77.3	77.8	79.3	78.0	76.2	78.8	78.7	78.0	78.2
4 Maturity (years)	29.2	28.8	28.9	28.9	28.3	28.2	29.0	28.8	28.8	28.7
5 Fees and charges (percent of loan amount) ² . . . . .	.70	.67	.62	.79	.37	.40	.62	.61	.64	.62
Yield (percent per year)										
6 Contract rate ³	7.41	6.90	6.35	6.00	5.76	5.69	5.83	5.66	5.42	5.44
7 Effective rate ^{1,3}	7.52	7.00	6.44	6.12	5.82	5.75	5.92	5.75	5.51	5.53
8 Contract rate (HUD series) ⁴	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
SECONDARY MARKETS										
Yield (percent per year)										
9 FHA mortgages (section 203) ⁵	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
10 GNMA securities ⁶	7.57	6.36	5.81	5.18	5.03	4.94	4.97	4.55	4.27	5.02
	Activity in secondary markets									
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
Mortgage holdings (end of period)										
11 Total	610,122	707,015	790,800	810,609	816,747	815,964	817,894	815,560	812,467	836,104
12 FHA/VA insured	61,539	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
13 Conventional	548,583	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
14 Mortgage transactions purchased (during period)	154,231	270,384	370,641	57,281	40,420	34,304	43,028	43,749	41,182	72,447
Mortgage commitments (during period)										
15 Issued ⁷	163,689	304,084	400,327	27,814	52,479	42,005	42,906	75,569	79,172	n.a.
16 To sell ⁸	11,786	7,586	12,268	2,717	1,241	2,457	1,479	1,785	3,657	n.a.
FEDERAL HOME LOAN MORTGAGE CORPORATION										
Mortgage holdings (end of period) ⁹										
17 Total	385,693	491,719	568,173	568,494	561,534	569,522	568,975	572,801	586,361	595,202
18 FHA/VA insured	3,332	3,506	4,573	4,256	3,796	3,540	n.a.	n.a.	n.a.	n.a.
19 Conventional	382,361	488,213	563,600	564,238	557,738	565,982	n.a.	n.a.	n.a.	n.a.
Mortgage transactions (during period)										
20 Purchases	174,043	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
21 Sales	166,901	389,611	547,046	48,169	41,831	59,065	51,737	66,175	58,124	70,269
22 Mortgage commitments contracted (during period) ⁹	169,231	417,434	620,981	55,057	48,446	69,200	n.a.	n.a.	n.a.	n.a.

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 the Federal National Mortgage Association exclude swap activity.

1.54 MORTGAGE DEBT OUTSTANDING¹

Millions of dollars, end of period

Type of holder and property	1999	2000	2001	2002				2003
				Q1	Q2	Q3	Q4	
1 All holders	6,315,447 ²	6,884,942 ²	7,585,319 ²	7,752,374 ²	7,967,494 ²	8,201,739 ²	8,459,605 ²	8,671,432
<i>By type of property</i>								
2 One- to four-family residences	4,787,225	5,205,428	5,738,111	5,877,230 ²	6,049,571 ²	6,247,731	6,459,308 ²	6,641,409
3 Multifamily residences	368,742 ²	403,724 ²	449,704 ²	457,381 ²	468,374 ²	476,708 ²	488,428 ²	496,475
4 Nonfarm, nonresidential	1,056,516 ²	1,166,933 ²	1,281,168 ²	1,299,634 ²	1,329,097 ²	1,353,685 ²	1,387,110 ²	1,407,138
5 Farm	102,964	108,858	116,336	118,130 ²	120,452	123,614	124,759 ²	126,410
<i>By type of holder</i>								
6 Major financial institutions	2,394,271	2,618,969	2,791,076	2,790,860 ²	2,861,224 ²	2,981,790 ²	3,089,824 ²	3,166,701
7 Commercial banks ²	1,495,420	1,660,054	1,789,819	1,799,118	1,873,362	1,962,198	2,058,426 ²	2,099,352
8 One- to four-family	879,576	965,635	1,023,851	1,017,001	1,070,513	1,143,985	1,222,056 ²	1,244,822
9 Multifamily	67,665	77,803	84,851	86,676	90,745	90,930	94,178	96,830
10 Nonfarm, nonresidential	516,333	582,577	645,619	659,452	675,119	689,481	704,167 ²	718,996
11 Farm	31,846	34,039	35,498	35,990	36,985	37,802	38,025	38,704
12 Savings institutions ³	668,064	722,974	758,236	748,349 ²	742,744 ²	773,652	781,378	815,873
13 One- to four-family	548,222	594,221	620,579	606,662 ²	599,377 ²	625,402	631,392	662,858
14 Multifamily	59,309	61,258	64,592	65,192 ²	66,016 ²	68,668	68,679	69,757
15 Nonfarm, nonresidential	60,063	66,965	72,534	75,945 ²	76,799 ²	79,022	80,730	82,669
16 Farm	470	529	531	550 ²	552	560	577	589
17 Life insurance companies	230,787	235,941	243,021	243,393 ²	245,118 ²	245,939 ²	250,019 ²	251,476
18 One- to four-family	5,934	4,903	4,931	4,938	5,162	5,176	4,657 ²	4,684
19 Multifamily	32,818	33,681	35,631	35,671	35,818	35,921	36,816 ²	36,975
20 Nonfarm, nonresidential	179,048	183,757	188,376	188,699 ²	190,050 ²	190,687 ²	195,040 ²	196,232
21 Farm	12,987	13,600	14,083	14,085	14,088	14,144	13,506 ²	13,585
22 Federal and related agencies	320,054	344,225	376,999	385,027	396,091	412,014	432,790 ²	455,606
23 Government National Mortgage Association	7	6	8	8	8	8	5	6
24 One- to four-family	7	6	8	8	8	8	5	6
25 Multifamily	0	0	0	0	0	0	0	0
26 Farmers Home Administration ⁴	73,871	73,323	72,452	72,362	71,970	72,030	72,377	69,988
27 One- to four-family	16,506	16,372	15,824	15,665	15,273	15,139	14,908	14,652
28 Multifamily	11,741	11,733	11,712	11,707	11,692	11,686	11,669	11,654
29 Nonfarm, nonresidential	41,355	41,070	40,965	41,134	41,188	41,439	42,101	40,093
30 Farm	4,268	4,148	3,952	3,855	3,817	3,766	3,700	3,590
31 Federal Housing Admin. and Dept. of Veterans Affairs	3,712	3,507	3,290	3,361	3,473	2,973	3,854	3,824
32 One- to four-family	1,851	1,308	1,260	1,255	1,254	1,252	1,262	1,255
33 Multifamily	1,861	2,199	2,031	2,105	2,218	1,721	2,592	2,569
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	152	45	13	7	22	13	46	118
40 One- to four-family	25	7	2	1	4	2	7	19
41 Multifamily	29	9	3	1	4	2	9	23
42 Nonfarm, nonresidential	98	29	8	4	14	8	30	76
43 Farm	0	0	0	0	0	0	0	0
44 Federal National Mortgage Association	149,422	155,626	169,908	176,051	180,491	184,191	185,797 ²	195,633
45 One- to four-family	141,195	144,150	155,060	160,300	164,038	167,006	172,226 ²	180,829
46 Multifamily	8,227	11,476	14,848	15,751	16,453	17,185	13,571 ²	14,804
47 Federal Land Banks	34,187	36,326	40,885	41,981	42,951	44,782	46,257	46,974
48 One- to four-family	2,012	2,137	2,406	2,470	2,527	2,635	2,722	2,764
49 Farm	32,175	34,189	38,479	39,511	40,424	42,147	43,535	44,210
50 Federal Home Loan Mortgage Corporation	56,676	59,240	62,792	59,624	58,872	60,934	63,887 ²	64,388
51 One- to four-family	44,321	42,871	40,309	35,955	34,062	34,616	35,851	35,880
52 Multifamily	12,355	16,369	22,483	23,669	24,810	26,318	28,036	28,508
53 Mortgage pools or trusts ⁵	2,946,546 ²	3,226,058 ²	3,700,582 ²	3,854,494 ²	3,971,458 ²	4,052,418 ²	4,161,020 ²	4,265,292
54 Government National Mortgage Association	582,263	611,553	591,368	587,204	583,745	567,386	537,888 ²	515,822
55 One- to four-family	565,189	592,624	569,460	564,108	559,549	542,208	512,098 ²	489,063
56 Multifamily	17,074	18,929	21,908	23,096	24,196	25,178	25,790	26,759
57 Federal Home Loan Mortgage Corporation	749,081	822,310	948,409	1,012,478	1,053,261	1,058,176	1,082,062	1,073,016
58 One- to four-family	744,619	816,602	940,933	1,005,136	1,045,981	1,050,899	1,072,990	1,064,114
59 Multifamily	4,462	5,708	7,476	7,342	7,280	7,277	9,072	8,902
60 Federal National Mortgage Association	960,883	1,057,750	1,290,351	1,355,404	1,404,594	1,458,948	1,538,287	1,637,474
61 One- to four-family	924,941	1,016,398	1,238,125	1,301,374	1,349,442	1,402,929	1,478,610	1,576,495
62 Multifamily	35,942	41,352	52,226	54,030	55,152	56,016	59,677	60,979
63 Farmers Home Administration ⁴	0	0	0	0	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	0	0	0	0	0	0	0	0
68 Private mortgage conduits	654,319	734,445 ²	870,454 ²	899,408 ²	929,858 ²	967,911 ²	1,002,783 ²	1,038,980
69 One- to four-family	455,021	499,834	591,200	616,300	638,300	669,300	691,600 ²	725,100
70 Multifamily	41,952 ²	47,529 ²	53,537 ²	53,918 ²	55,234 ²	56,582 ²	59,034 ²	59,169
71 Nonfarm, nonresidential	157,346 ²	187,082 ²	225,717 ²	229,199 ²	236,324 ²	242,029 ²	252,149 ²	254,711
72 Farm	0	0	0	0	0	0	0	0
73 Individuals and others ⁷	654,576	695,691	716,662 ²	721,993	738,721	755,517 ²	775,971 ²	783,833
74 One- to four-family	456,009	492,429	506,669	514,560	525,893	540,187	558,434	564,262
75 Multifamily	75,076	75,457	78,252	78,085	78,639	79,127	79,228	79,478
76 Nonfarm, nonresidential	102,274	105,453	107,949	105,210	109,604	111,008 ²	112,894 ²	114,361
77 Farm	21,217	22,352	23,792	24,138	24,585	25,194	25,415 ²	25,733

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	2000	2001	2002	2003					
				Jan.	Feb.	Mar.	Apr.	May	June
	Seasonally adjusted								
1 Total	1,559,532	1,666,816	1,726,120	1,741,124	1,743,548	1,744,549	1,753,339	1,761,329 ²	1,761,214
2 Revolving	667,395	701,285	712,002	714,885	718,214	720,684	722,754	726,807	725,549
3 Nonrevolving ²	892,137	965,531	1,014,118	1,026,238	1,025,334	1,023,865	1,030,585	1,034,523 ²	1,035,666
	Not seasonally adjusted								
4 Total	1,593,116	1,701,856	1,761,968	1,756,104	1,742,542	1,734,292	1,741,889	1,749,478 ²	1,752,132
By major holder									
5 Commercial banks	541,470	558,421	587,165	582,065	581,490	575,259	576,011	580,580	581,553
6 Finance companies	219,848	236,559	232,269	232,099	232,291	225,245	231,934	242,181	246,510
7 Credit unions	184,434	189,570	195,744	195,164	194,438	193,082	194,546	195,491	197,978
8 Savings institutions	64,557	69,070	68,494	68,854	69,178	69,537	69,911	70,297	70,671
9 Nonfinancial business	82,662	67,955	56,894	52,838	49,563	48,477	47,697	48,097	47,482
10 Pools of securitized assets ³	500,145	580,281	621,402	625,086	615,581	622,692	621,790	612,831 ²	607,938
By major type of credit ⁴									
11 Revolving	693,020	727,297	737,993	726,331	718,434	713,554	718,953	722,371	722,396
12 Commercial banks	218,063	224,878	230,990	220,535	218,821	212,418	212,605	216,791	216,129
13 Finance companies	37,627	31,538	38,948	38,733	37,348	36,350	38,281	35,899	37,254
14 Credit unions	22,226	22,265	22,228	21,645	21,161	20,830	21,038	21,165	21,351
15 Savings institutions	16,560	17,767	16,225	16,141	16,064	15,979	16,144	16,313	16,478
16 Nonfinancial business	42,430	29,790	19,221	16,547	14,203	13,666	13,112	13,293	12,908
17 Pools of securitized assets ³	356,114	401,059	410,381	412,731	410,837	414,311	417,773	418,910	418,276
18 Nonrevolving	900,096	974,559	1,023,975	1,029,773	1,024,107	1,020,738	1,022,936	1,027,107 ²	1,029,737
19 Commercial banks	323,407	333,543	356,175	361,529	362,669	362,841	363,406	363,789	365,424
20 Finance companies	182,221	205,021	193,321	193,366	194,944	188,895	193,653	206,282	209,256
21 Credit unions	162,208	167,305	173,516	173,519	173,277	172,252	173,508	174,326	176,627
22 Savings institutions	47,997	51,303	52,269	52,713	53,114	53,558	53,767	53,984	54,194
23 Nonfinancial business	40,232	38,165	37,673	36,291	35,360	34,811	34,584	34,804	34,574
24 Pools of securitized assets ³	144,031	179,222	211,021	212,355	204,744	208,381	204,017	193,921 ²	189,662

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	2000	2001	2002	2002	2003					
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June
INTEREST RATES										
<i>Commercial banks²</i>										
1 48-month new car	9.34	8.50	7.54	n.a.	n.a.	7.11	n.a.	n.a.	7.05	n.a.
2 24-month personal	13.90	13.22	12.25	n.a.	n.a.	11.70	n.a.	n.a.	12.19	n.a.
Credit card plan										
3 All accounts	15.71	14.89	13.42	n.a.	n.a.	13.20	n.a.	n.a.	12.90	n.a.
4 Accounts assessed interest	14.91	14.44	13.09	n.a.	n.a.	12.85	n.a.	n.a.	12.82	n.a.
<i>Auto finance companies</i>										
5 New car	6.61	5.65	4.29	3.50	3.13	3.99	3.83	2.51	2.40	2.93
6 Used car	13.55	12.18	10.74	10.48	10.37	10.43	10.16	9.91	9.82	9.81
OTHER TERMS ³										
<i>Maturity (months)</i>										
7 New car	54.9	55.1	56.8	57.5	58.5	59.2	59.5	60.1	60.7	62.4
8 Used car	57.0	57.5	57.5	56.7	57.5	57.7	57.8	57.7	57.7	57.8
<i>Loan-to-value ratio</i>										
9 New car	92	91	94	96	96	97	96	97	97	97
10 Used car	99	100	100	100	100	99	99	99	99	100
<i>Amount financed (dollars)</i>										
11 New car	20,923	22,822	24,747	26,647	26,443	24,864	25,152	27,540	27,920	26,945
12 Used car	14,058	14,416	14,532	14,639	14,499	14,231	14,253	14,475	14,568	14,567

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	1997	1998	1999	2000	2001	2001	2002				2003	
						Q4	Q1	Q2	Q3	Q4 ^r	Q1 ^r	Q2
	Nonfinancial sectors											
1 Total net borrowing by domestic nonfinancial sectors	788.1 ^r	1,041.9 ^r	1,030.9 ^r	853.5 ^r	1,114.4 ^r	1,163.5 ^r	992.5 ^r	1,628.8 ^r	1,338.3 ^r	1,539.0	1,243.4	2,523.8
By sector and instrument												
2 Federal government	23.1	-52.6	-71.2	-295.9	-5.6	43.4	39.8	526.0	265.7	198.5	79.9	888.2
3 Treasury securities	23.2	-54.6	-71.0	-294.9	-5.0	44.2	41.6	524.2	264.2	198.1	81.5	887.7
4 Budget agency securities and mortgages	-1	2.0	-2	-1.0	-5	-7	-1.8	1.8	1.6	.4	-1.6	.5
5 Nonfederal	765.0 ^r	1,094.5 ^r	1,102.1 ^r	1,149.3 ^r	1,120.0 ^r	1,120.1 ^r	952.6 ^r	1,102.8 ^r	1,072.5 ^r	1,340.5	1,163.5	1,635.6
By instrument												
6 Commercial paper	13.7	24.4	37.4	48.1	-88.3	45.5	-144.4	-81.7	-17.4	-13.2	-15.2	-87.3
7 Municipal securities and loans	56.9	84.2	54.4	23.6	122.9 ^r	174.6	76.8 ^r	196.1 ^r	154.2 ^r	216.1	90.3	189.4
8 Corporate bonds	150.5	235.2	217.8	161.3	340.5	325.0	253.6	191.4	-29.0	114.4	178.6	309.6
9 Bank loans n.e.c.	106.4	109.8	82.9	101.8	-82.0	-165.5	-16.4	-192.1	-124.5	-15.3	-55.3	-63.9
10 Other loans and advances	43.1 ^r	68.5 ^r	26.1 ^r	84.5 ^r	1.8 ^r	-119.7 ^r	-38.0 ^r	65.1 ^r	61.2 ^r	-3	-14.5	80.7
11 Mortgages	322.4 ^r	485.8 ^r	563.3 ^r	563.9 ^r	699.1 ^r	725.7 ^r	702.8 ^r	825.8 ^r	920.4 ^r	1,045.9	886.7	1,141.0
12 Home	258.3	384.6	424.4	418.2	532.7	533.1	602.4	658.6	780.4	843.5	763.8	951.4
13 Multifamily residential	7.2 ^r	23.3 ^r	35.2 ^r	32.9 ^r	45.6 ^r	54.3 ^r	28.5 ^r	41.7 ^r	31.7 ^r	67.1	33.3	50.5
14 Commercial	53.8 ^r	71.3 ^r	98.0 ^r	106.2 ^r	113.4 ^r	131.6 ^r	65.0 ^r	116.5 ^r	95.2 ^r	130.8	83.2	127.8
15 Farm	3.1	6.5	5.8	6.5	7.5	6.8	6.9	9.1	13.1 ^r	4.6	6.4	11.3
16 Consumer credit	72.0 ^r	86.7 ^r	120.2 ^r	166.2 ^r	126.0 ^r	134.5	118.1 ^r	98.2 ^r	107.6 ^r	-7.1	93.0	66.2
By borrowing sector												
17 Household	330.8 ^r	450.8 ^r	498.6 ^r	558.8 ^r	614.6 ^r	596.7 ^r	720.9 ^r	689.7 ^r	791.0 ^r	885.6	837.2	1,000.2
18 Nonfinancial business	392.7 ^r	576.1 ^r	565.0 ^r	575.1 ^r	399.6 ^r	381.2 ^r	162.9 ^r	229.7 ^r	140.2 ^r	267.2	252.1	460.3
19 Corporate	291.8 ^r	408.4 ^r	377.2 ^r	380.1 ^r	235.3 ^r	231.8 ^r	47.3 ^r	88.5 ^r	-2.9 ^r	107.6	134.2	311.5
20 Nonfarm noncorporate	94.7	159.7	182.4	184.1	156.8	141.1	110.3	132.7	128.8	156.3	113.4	146.0
21 Farm	6.2	8.0	5.5	10.9	7.5	8.3	5.3	8.5	14.2 ^r	3.4	4.6	2.8
22 State and local government	41.5	67.7	38.5	15.5	105.8 ^r	142.1	68.9 ^r	183.4 ^r	141.3 ^r	187.7	74.2	175.1
23 Foreign net borrowing in United States	71.8	31.2 ^r	13.0 ^r	57.0 ^r	-49.7 ^r	3.3 ^r	65.1 ^r	2.1 ^r	-44.0 ^r	1.1	18.4	-48.4
24 Commercial paper	3.7	7.8	16.3	31.7	-14.2	5.9	66.8	36.5	3.9	37.3	52.6	73.5
25 Bonds	61.4	22.8 ^r	1.9 ^r	15.2 ^r	-24.5 ^r	17.0 ^r	-14.5 ^r	-54.0 ^r	-35.3 ^r	-30.1	-29.4	-93.5
26 Bank loans n.e.c.	8.5	6.6	.5	11.4	-7.3	-16.3	13.9	22.0	-11.7	-2.9	-4.0	-31.4
27 Other loans and advances	-1.8	-6.0	-5.7	-1.3	-3.7	-3.3	-1.2 ^r	-2.4 ^r	-1.0	-3.2	-8	3.0
28 Total domestic plus foreign	859.9 ^r	1,073.1 ^r	1,043.9 ^r	910.5 ^r	1,064.6 ^r	1,166.9 ^r	1,057.5 ^r	1,630.9 ^r	1,294.2 ^r	1,540.0	1,261.8	2,475.4
	Financial sectors											
29 Total net borrowing by financial sectors	662.2	1,085.6	1,073.5 ^r	821.8 ^r	934.0 ^r	964.4 ^r	866.1 ^r	867.2 ^r	858.5 ^r	1,102.7	1,002.6	871.8
By instrument												
30 Federal government-related	212.9	470.9	592.0	433.5	629.3	591.8	691.1	487.8	420.8	616.4	452.0	460.4
31 Government-sponsored enterprise securities	98.4	278.3	318.2	234.1	290.8	306.5	191.3	141.7	249.1	321.5	179.7	209.8
32 Mortgage pool securities	114.6	192.6	273.8	199.4	338.5	285.3	499.8	346.1	171.6	294.9	272.3	250.6
33 Loans from U.S. government	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
34 Private	449.3	614.7	481.6 ^r	388.3 ^r	304.7 ^r	372.6 ^r	175.0 ^r	379.4 ^r	437.7 ^r	486.4	550.6	411.4
35 Open market paper	166.7	161.0	176.2	127.7	-61.9	-13.6	-178.3	-109.1	84.3	-77.3	58.8	-93.6
36 Corporate bonds	218.9	310.2	207.5 ^r	212.3 ^r	317.3 ^r	361.1 ^r	351.1 ^r	434.6 ^r	194.4 ^r	684.4	432.5	497.7
37 Bank loans n.e.c.	13.3	28.5	-14.4	-4	13.1	17.7	-6	31.2	81.9	-107.9	-42.7	21.0
38 Other loans and advances	35.6	90.2	107.1	42.5	34.9	8.9	-3.8 ^r	15.8 ^r	71.9	-17.4	105.5	-17.0
39 Mortgages	14.9	24.8	5.1	6.2	1.3	-1.6	6.6	7.0	5.3	4.7	-3.5	3.3
By borrowing sector												
40 Commercial banking	46.1	72.9	67.2	60.0	52.9	44.1	24.4 ^r	12.6 ^r	62.3 ^r	100.3	76.1	85.1
41 Savings institutions	19.7	52.2	48.0	27.3	7.4	-68.6	-33.1	-12.2 ^r	37.1	-46.7	48.2	-30.3
42 Credit unions	.1	.6	2.2	.0	1.5	4.4	2.4	2.0	3.1	.4	2.8	1.6
43 Life insurance companies	.2	.7	.7	.7	.6	1.4	2.4	1.2	2.0	2.5	4.4	1.5
44 Government-sponsored enterprises	98.4	278.3	318.2	234.1	290.8	306.5	191.3	141.7	249.1	321.5	179.7	209.8
45 Federally related mortgage pools	114.6	192.6	273.8	199.4	338.5	285.3	499.8	346.1	171.6	294.9	272.3	250.6
46 Issuers of asset-backed securities (ABSs)	202.2	321.4	212.3	201.9 ^r	292.3 ^r	416.8 ^r	258.3 ^r	230.6 ^r	195.8 ^r	389.9	315.2	286.7
47 Finance companies	57.8	57.1	70.7 ^r	81.9 ^r	1.3 ^r	-23.6 ^r	-28.9 ^r	83.9 ^r	110.9 ^r	7.4	-2	153.8
48 Mortgage companies	-4.6	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
49 Real estate investment trusts (REITs)	39.6	62.7	6.3	2.7	2.5	7.8	7.4	25.3	27.7	18.6	17.5	12.9
50 Brokers and dealers	8.1	7.2	-17.2	15.6	1.4	-18.9	-15.7	17.5	15.2	-24.0	38.4	-16.2
51 Funding corporations	79.9	40.0	91.5	-4	-55.2	9.1	-42.2	18.5	-16.4	37.8	48.0	-83.6

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS¹—Continued

Billions of dollars; quarterly data at seasonally adjusted annual rates

Transaction category or sector	1997	1998 ^a	1999	2000 ^a	2001 ^a	2001	2002				2003	
						Q4	Q1 ^a	Q2 ^a	Q3 ^a	Q4 ^a	Q1 ^a	Q2
	All sectors											
52 Total net borrowing, all sectors	1,522.2 ^a	2,158.7	2,117.4 ^a	1,732.3	1,998.7	2,131.2 ^a	1,923.6	2,498.1	2,152.7	2,642.7	2,264.4	3,347.2
53 Open market paper	184.1	193.1	229.9	207.6	-164.4	37.8	-255.9	-154.3	70.8	-53.3	96.3	-107.5
54 U.S. government securities	236.0	418.3	520.7	137.6	623.8	635.2	730.9	1,013.8	686.5	814.9	531.9	1,348.6
55 Municipal securities	56.9	84.2	54.4	23.6	122.9	174.6	76.8	196.1	154.2	216.1	90.3	189.4
56 Corporate and foreign bonds	430.8	568.2	427.3 ^a	388.7	633.3	703.2 ^a	590.2	572.0	130.0	768.6	581.7	713.7
57 Bank loans n.e.c.	128.2	145.0	69.0	112.8	-76.2	-164.0	-3.0	-139.0	-54.4	-126.1	-102.0	-74.3
58 Other loans and advances	76.9 ^a	152.7	127.5 ^a	125.6	32.9	-114.2 ^a	-43.0	78.6	132.2	-20.9	90.1	66.7
59 Mortgages	337.3 ^a	510.6	568.5 ^a	570.1	700.4	724.1 ^a	709.4	832.8	925.7	1,050.6	883.2	1,144.3
60 Consumer credit	72.0 ^a	86.7	120.2 ^a	166.2	126.0	134.5	118.1	98.2	107.6	-7.1	93.0	66.2
	Funds raised through mutual funds and corporate equities											
61 Total net issues	218.7	166.1	191.5	238.4	305.0	406.4 ^a	437.0	276.5	-83.6	291.0	288.7	400.4
62 Corporate equities	-46.5	-113.4	.2	3.4	103.6	150.5 ^a	50.1	176.5	-120.7	84.1	99.6	52.0
63 Nonfinancial corporations	-77.4	-215.5	-110.4	-118.2	-47.4	-4.2	-11.0	15.5	-141.2	-30.9	-80.1	-57.6
64 Foreign shares purchased by U.S. residents	57.6	101.4	114.3	106.7	109.1	83.9 ^a	-7.0	77.4	-51.3	51.6	132.5	56.0
65 Financial corporations	-26.7	.8	-3.7	14.9	41.9	70.9	68.1	83.6	71.8	63.4	47.2	53.6
66 Mutual fund shares	265.1	279.5	191.2	235.0	201.4	255.9	386.9	100.0	37.1	206.9	189.1	348.4

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	1997	1998	1999	2000	2001	2001	2002				2003	
						Q4	Q1	Q2 ^a	Q3 ^a	Q4 ^a	Q1 ^a	Q2
NET LENDING IN CREDIT MARKETS ²												
1 Total net lending in credit markets	1,522.2 ^a	2,158.7 ^a	2,117.4 ^a	1,732.3 ^a	1,998.7 ^a	2,131.2 ^a	1,923.6 ^a	2,498.1	2,152.7	2,642.7	2,264.4	3,347.2
2 Domestic nonfederal nonfinancial sectors	15.5 ^a	250.9 ^a	257.1 ^a	-13.7 ^a	27.1 ^a	172.6 ^a	100.4 ^a	292.0	-116.4	132.6	-353.9	20.1
3 Household	25.5 ^a	119.1 ^a	247.1 ^a	-33.6 ^a	-7 ^a	145.3 ^a	48.9 ^a	257.6	-170.5	127.2	-326.4	-67.5
4 Nonfinancial corporate business	-12.7	-16.0	-15.6	19.4 ^a	-12.4	-17.1 ^a	69.3 ^a	-11.4	33.5	-42.4	54.9	34.4
5 Nonfarm noncorporate business	2.6	13.3	-2.9	1.3	2.0	2.0	3.3	3.3	2.8	4.0	-2	4.1
6 State and local governments	.1	134.5	28.4	-8	38.1	42.4	-21.1 ^a	42.5	17.8	43.8	-82.1	49.1
7 Federal government	3.2 ^a	11.7 ^a	6.5 ^a	11.6 ^a	6.0	-1.5 ^a	9.3 ^a	-3.7	31.1	3.1	-18.3	-1.4
8 Rest of the world	259.6	167.7 ^a	96.6 ^a	129.5 ^a	234.6 ^a	274.7 ^a	248.0 ^a	458.0	393.9	351.0	359.5	1,055.8
9 Financial sectors	1,243.9	1,728.4	1,757.3 ^a	1,604.8 ^a	1,731.0 ^a	1,685.4 ^a	1,565.9 ^a	1,751.8	1,844.1	2,156.0	2,277.1	2,272.7
10 Monetary authority	38.3	21.1	25.7	33.7	39.9	85.1	81.6	43.4	67.3	118.7	32.3	25.0
11 Commercial banking	324.3	305.6	312.2	357.9	205.2	314.6	188.9	384.3	624.0	420.4	349.0	616.3
12 U.S.-chartered banks	274.9	312.1	318.6	339.5	191.6	275.0	168.2	343.8	599.9	463.3	305.6	547.7
13 Foreign banking offices in United States	40.2	-11.6	-17.0	23.9	-6	-7.8	2.1	33.7	21.8	-32.8	23.3	12.2
14 Bank holding companies	5.4	-9	6.2	-12.2	4.2	13.6	12.0	1.9	-1.6	.2	20.8	39.7
15 Banks in U.S.-affiliated areas	3.7	6.0	4.4	6.7	10.0	33.9	6.6	4.9	4.0	-10.2	-7	16.8
16 Savings institutions	-4.7	36.2	67.7	56.2	42.8	73.1	12.3	-23.5	80.3	72.5	189.4	88.0
17 Credit unions	16.8	18.9	27.5	28.0	41.5	60.5	58.3	61.8	6.1	44.4	43.5	71.2
18 Bank personal trusts and estates	-25.0	-12.8	27.8	8	-28.1	-28.1	1.0	.9	.8	.8	-19.3	-17.6
19 Life insurance companies	104.8	76.9	53.5	57.9	130.9	81.3	278.1 ^a	206.6	279.0	168.2	276.0	216.0
20 Other insurance companies	25.2	5.8	-3.0	-8.7	9.0	28.5	36.7	35.4	21.7	65.6	57.7	42.9
21 Private pension funds	45.7 ^a	-26.1 ^a	14.1 ^a	31.3 ^a	6.7 ^a	-20.9 ^a	47.1 ^a	22.1	40.2	.2	7.3	39.5
22 State and local government retirement funds	67.1	72.1	46.9	54.6	-17.7	-2.7	70.5	-54.5	-10.4	60.7	.1	62.7
23 Money market mutual funds	87.5	244.0	182.0	143.0	246.0	49.1	-239.1	-87.5	-75.7	301.2	-187.0	214.0
24 Mutual funds	80.9	127.3	48.4	21.0	126.0	139.3	243.3	41.9	162.7	118.4	220.2	213.0
25 Closed-end funds	-2.9	5.2	8.5	-6.3	6.9	16.3	24.4	-2.6	-1.7	17.0	31.1	24.1
26 Government-sponsored enterprises	106.3	314.0	291.3	256.4	309.0	335.3	236.7	130.1	203.5	277.8	302.7	112.6
27 Federally related mortgage pools	114.6	192.6	273.8	199.4	338.5	285.3	499.8	346.1	171.6	294.9	272.3	250.6
28 Asset-backed securities issuers (ABSS)	163.8	281.7	194.1	172.1 ^a	266.2 ^a	394.1 ^a	234.1 ^a	208.4	173.2	368.1	291.4	266.1
29 Finance companies	23.1	77.3	97.1 ^a	108.6 ^a	-4.8 ^a	-99.6 ^a	-26.5 ^a	42.2	83.9	-14.8	-2.4	56.6
30 Mortgage companies	-9.1	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
31 Real estate investment trusts (REITs)	20.2	-5.1	-2.6	-7.1	6.7	14.0	26.3	31.8	27.7	6.7	-8.6	31.0
32 Brokers and dealers	14.9	6.8	-34.7	68.9	92.4	-110.5	-219.5	402.8	-208.6	138.8	19.6	1.3
33 Funding corporations	50.4	-15.8	124.0	35.0	-95.8	60.4 ^a	6.1 ^a	-45.0	165.2	-324.3	374.5	-43.3
RELATION OF LIABILITIES TO FINANCIAL ASSETS												
34 Net flows through credit markets	1,522.2 ^a	2,158.7 ^a	2,117.4 ^a	1,732.3 ^a	1,998.7 ^a	2,131.2 ^a	1,923.6 ^a	2,498.1	2,152.7	2,642.7	2,264.4	3,347.2
Other financial sources												
35 Official foreign exchange	.7	6.6	-8.7	-4	4.3	.2	-3.0	12.9	24.6	4.9	4.9	.6
36 Special drawing rights certificates	-5	.0	-3.0	-4.0	.0	.0	.0	.0	.0	.0	.0	.0
37 Treasury currency	.5	.6	1.0	2.4	1.3	.0	.9	.6	2.4	.0	.6	1.6
38 Foreign deposits	107.7	6.5	61.1 ^a	134.2 ^a	30.7 ^a	9.6 ^a	-43.8 ^a	66.1	53.0	20.3	-73.7	78.6
39 Net interbank transactions	-19.7	-31.8	15.0	15.1	-28.0	24.5	3.3	-166.5	62.4	170.0	-4.1	-123.5
40 Checkable deposits and currency	41.2	47.3	151.2	-71.4	204.3	278.1	-200.5	210.2	208.0	-43.7	271.3	94.2
41 Small time and savings deposits	97.1	152.4	45.1	188.8	267.2	329.7	288.3	215.6	323.4	257.2	261.6	437.6
42 Large time deposits	122.5	91.8	131.1	116.2	68.6	77.8	270.0	34.8	36.8	-140.2	191.6	43.4
43 Money market fund shares	155.9	287.2	249.1	233.3	428.6	379.8	-312.5	104.2	-196.6	337.6	-441.4	186.0
44 Security repurchase agreements	120.9	91.3	169.8	113.2	22.3	-138.3	119.4	362.4	-91.1	29.2	-50.4	564.3
45 Corporate equities	-46.5	-113.4 ^a	.2	3.4 ^a	103.6 ^a	150.5 ^a	50.1 ^a	176.5	-120.7	84.1	99.6	52.0
46 Mutual fund shares	265.1	279.5	191.2	235.0	201.4	255.9	386.9	100.0	37.1	206.9	189.1	348.4
47 Trade payables	139.8	106.4	268.5 ^a	419.5 ^a	-73.4 ^a	-126.1 ^a	194.8 ^a	48.9	126.2	157.1	141.4	202.4
48 Security credit	111.0	103.2	104.4	146.1	3.1	-383.7	-190.7	-131.9	-69.6	44.1	229.8	641.8
49 Life insurance reserves	59.3	48.0	50.8	50.2	77.2	119.6	54.0 ^a	71.4	60.8	54.2	94.0	70.0
50 Pension fund reserves	201.4	217.4	181.8	209.0	210.8	158.0	148.8 ^a	191.7	287.2	232.7	269.5	245.5
51 Taxes payable	22.3	19.6	30.7	32.8	17.4	-55.2	7.2 ^a	40.5	53.8	7.2	55.2	45.1
52 Investment in bank personal trusts	-53.0	-46.1	-8.1	56.6	-59.9	-57.7	-3.7	-2.4	-2.1	-1.3	-79.9	-43.7
53 Noncorporate proprietors' equity	-40.7	-57.8	-62.4	-11.5	-18.6	8.4	1.5	-32.9	-83.9	-40.9	-22.1	8.0
54 Miscellaneous	496.9 ^a	953.3 ^a	1,125.5 ^a	1,371.8 ^a	683.1 ^a	200.5 ^a	120.3 ^a	641.9	876.1	160.6	789.2	908.8
55 Total financial sources	3,304.2 ^a	4,320.6 ^a	4,811.9 ^a	4,972.6 ^a	4,142.8 ^a	3,362.7 ^a	2,815.1 ^a	4,442.2	3,740.4	4,182.8	4,190.5	7,108.5
Liabilities not identified as assets (-)												
56 Treasury currency	-2	-1	-7	-1.2	-1	.0	-1.5	-9	1.1	-1.1	-2	.5
57 Foreign deposits	106.2	-8.5	42.8 ^a	78.5 ^a	11.1 ^a	-46.9 ^a	-87.1 ^a	99.1	23.9	36.7	-70.4	112.7
58 Net interbank liabilities	-19.9	3.8	.1	20.4	17.2	22.6	39.8	-13.0	16.7	-15.1	6.1	-42.2
59 Security repurchase agreements	63.2	57.7	35.7	122.6	-53.9	-166.2	156.9	227.6	-291.8	-62.0	112.2	292.4
60 Taxes payable	28.0	19.7	11.7	26.2	22.0	34.6	17.9 ^a	-52.2	21.5	-55.6	-20.2	-12.4
61 Miscellaneous	-285.5 ^a	-208.5 ^a	-279.7 ^a	-527.2 ^a	-341.2 ^a	-278.7 ^a	-336.8 ^a	15.2	98.9	75.3	-329.2	129.1
Flows not included in assets (-)												
62 Federal government checkable deposits	-2.7	2.6	-7.4	9.0	5.7	-91.8	15.1	77.1	-40.3	-51.7	153.1	-104.9
63 Other checkable deposits	-3.9	-3.1	-8	1.7	4.5	5.7	6.1	7.1	7.6	8.4	9.0	9.7
64 Trade credit	-25.5	-43.3	6.8	22.4 ^a	-6.5	73.6 ^a	-26.6 ^a	-53.6	-14.8	18.5	-3.8	24.3
65 Total identified to sectors as assets	3,397.9 ^a	4,452.4 ^a	4,955.0 ^a	5,192.2 ^a	4,414.1 ^a	3,749.3 ^a	2,987.9 ^a	4,097.1	3,865.4	4,181.8	4,291.9	6,649.1

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	1998	1999	2000	2001	2001	2002				2003	
					Q4	Q1	Q2	Q3	Q4 ^a	Q1 ^a	Q2
	Nonfinancial sectors										
1 Total credit market debt owed by domestic nonfinancial sectors	16,240.8 ^a	17,306.5 ^a	18,171.0 ^a	19,286.0 ^a	19,286.0 ^a	19,530.4 ^a	19,842.6 ^a	20,182.9 ^a	20,655.2	20,953.2	21,486.6
By sector and instrument											
2 Federal government	3,752.2	3,681.0	3,385.1	3,379.5	3,379.5	3,430.3	3,451.4	3,540.8	3,637.0	3,700.6	3,806.9
3 Treasury securities	3,723.7	3,652.7	3,357.8	3,352.7	3,352.7	3,404.0	3,424.6	3,513.6	3,609.8	3,673.7	3,779.9
4 Budget agency securities and mortgages	28.5	28.3	27.3	26.8	26.8	26.3	26.8	27.2	27.3	26.9	27.0
5 Nonfederal	12,488.7 ^a	13,625.5 ^a	14,785.9 ^a	15,906.5 ^a	15,906.5 ^a	16,100.1 ^a	16,391.2 ^a	16,642.1 ^a	17,018.1	17,252.7	17,679.7
By instrument											
6 Commercial paper	193.0	230.3	278.4	190.1	190.1	167.5	148.4	142.2	126.0	127.1	107.5
7 Municipal securities and loans	1,402.9	1,457.2	1,480.9	1,603.7 ^a	1,603.7 ^a	1,627.5 ^a	1,682.0 ^a	1,707.9 ^a	1,764.5	1,791.8	1,844.9
8 Corporate bonds	1,846.0	2,063.9	2,225.1	2,565.6	2,565.6	2,629.0	2,676.9	2,669.6	2,698.2	2,742.9	2,820.3
9 Bank loans n.e.c.	1,150.2	1,233.2	1,335.0	1,253.5	1,253.5	1,240.1	1,195.0	1,162.2	1,166.5	1,141.8	1,129.5
10 Other loans and advances	826.1 ^a	852.4 ^a	936.9 ^a	938.7 ^a	938.7 ^a	934.7 ^a	948.1 ^a	955.0 ^a	960.7	962.3	979.8
11 Mortgages	5,640.4 ^a	6,238.1 ^a	6,802.0 ^a	7,501.1 ^a	7,501.1 ^a	7,665.4 ^a	7,879.6 ^a	8,112.8 ^a	8,369.4	8,578.9	8,872.6
12 Home	4,362.9	4,787.2	5,205.4	5,738.1	5,738.1	5,877.2	6,049.6	6,247.9	6,459.3	6,638.0	6,884.2
13 Multifamily residential	307.9 ^a	343.4 ^a	376.4 ^a	421.9 ^a	421.9 ^a	429.1 ^a	439.5 ^a	447.4 ^a	458.7	467.1	479.7
14 Commercial	873.0 ^a	1,005.1 ^a	1,111.4 ^a	1,224.7 ^a	1,224.7 ^a	1,241.0 ^a	1,270.1 ^a	1,293.9 ^a	1,326.6	1,347.4	1,379.4
15 Farm	96.6	102.3	108.9	116.3	116.3	118.1	120.4	123.6	124.8	126.4	129.3
16 Consumer credit	1,430.1 ^a	1,550.4 ^a	1,727.7 ^a	1,853.7 ^a	1,853.7 ^a	1,835.8 ^a	1,861.1 ^a	1,892.5 ^a	1,932.9	1,907.8	1,925.1
By borrowing sector											
17 Households	6,012.0 ^a	6,511.0 ^a	7,080.8 ^a	7,695.4 ^a	7,695.4 ^a	7,812.5 ^a	7,996.6 ^a	8,200.1 ^a	8,467.2	8,610.8	8,874.2
18 Nonfinancial business	5,338.3 ^a	5,937.7 ^a	6,512.8 ^a	6,913.0 ^a	6,913.0 ^a	6,967.6 ^a	7,024.0 ^a	7,048.0 ^a	7,107.5	7,175.0	7,289.8
19 Corporate	3,790.7 ^a	4,202.2 ^a	4,582.4 ^a	4,818.3 ^a	4,818.3 ^a	4,845.7 ^a	4,864.2 ^a	4,854.1 ^a	4,872.9	4,912.5	4,987.7
20 Nonfarm noncorporate	1,383.7	1,566.1	1,750.2	1,907.0	1,907.0	1,934.7	1,968.0	1,999.0	2,039.0	2,067.5	2,104.1
21 Farm	163.9	169.4	180.2	187.7	187.7	187.1	191.8	194.9	195.6	194.9	198.1
22 State and local government	1,138.3	1,176.9	1,192.3	1,298.1 ^a	1,298.1 ^a	1,320.0 ^a	1,370.6 ^a	1,394.0 ^a	1,443.4	1,466.9	1,515.7
23 Foreign credit market debt held in United States	639.3 ^a	652.5 ^a	709.5 ^a	659.7 ^a	659.7 ^a	675.9 ^a	674.1 ^a	665.7 ^a	665.8	669.8	656.9
24 Commercial paper	72.9	89.2	120.9	106.7	106.7	123.6	130.2	134.0	142.8	155.7	173.1
25 Bonds	450.6 ^a	452.5 ^a	467.7 ^a	443.2 ^a	443.2 ^a	439.6 ^a	426.1 ^a	417.3 ^a	409.8	402.4	379.0
26 Bank loans n.e.c.	58.7	59.2	70.5	63.2	63.2	66.7	72.2	69.3	68.6	67.6	59.7
27 Other loans and advances	57.1	51.6	50.3	46.6	46.6	46.0 ^a	45.5	45.1 ^a	44.6	44.1	45.0
28 Total credit market debt owed by nonfinancial sectors, domestic and foreign	16,880.1 ^a	17,958.9 ^a	18,880.5 ^a	19,945.7 ^a	19,945.7 ^a	20,206.3 ^a	20,516.6 ^a	20,848.6 ^a	21,320.9	21,623.0	22,143.5
	Financial sectors										
29 Total credit market debt owed by financial sectors	6,543.6	7,617.2 ^a	8,439.0 ^a	9,370.3 ^a	9,370.3 ^a	9,565.8 ^a	9,778.0 ^a	9,982.6 ^a	10,293.9	10,520.9	10,734.1
By instrument											
30 Federal government-related	3,292.0	3,884.0	4,317.4	4,944.1	4,944.1	5,116.9	5,238.8	5,344.0	5,498.1	5,611.1	5,726.2
31 Government-sponsored enterprise securities	1,273.6	1,591.7	1,825.8	2,114.0	2,114.0	2,161.8	2,197.2	2,259.5	2,339.9	2,384.8	2,437.2
32 Mortgage pool securities	2,018.4	2,292.2	2,491.6	2,830.1	2,830.1	2,955.1	3,041.6	3,084.5	3,158.2	3,226.3	3,289.0
33 Loans from U.S. government	0	0	0	0	0	0	0	0	0	0	0
34 Private	3,251.6	3,733.2 ^a	4,121.5 ^a	4,426.2 ^a	4,426.2 ^a	4,448.9 ^a	4,539.2 ^a	4,638.6 ^a	4,795.8	4,909.8	5,007.8
35 Open market paper	906.7	1,082.9	1,210.7	1,148.8	1,148.8	1,090.9	1,046.9	1,049.5	1,078.7	1,076.5	1,036.5
36 Corporate bonds	1,878.7	2,086.3 ^a	2,298.5 ^a	2,615.8 ^a	2,615.8 ^a	2,707.4 ^a	2,823.6 ^a	2,878.9 ^a	3,031.9	3,144.7	3,276.2
37 Bank loans n.e.c.	105.8	91.5	91.1	104.2	104.2	102.3	110.6	130.3	105.3	92.9	98.7
38 Other loans and advances	288.7	395.8	438.3	473.2	473.2	462.4	470.6 ^a	491.0 ^a	489.8	506.5	506.5
39 Mortgages	71.6	76.7	82.9	84.2	84.2	85.9	87.6	88.9	90.1	89.2	90.1
By borrowing sector											
40 Commercial banks	188.6	230.0	266.7	296.0	296.0	295.8	310.2 ^a	318.7 ^a	325.6	324.8	336.7
41 Bank holding companies	193.5	219.3	242.5	266.1	266.1	269.0	264.2	271.8	286.4	302.8	319.0
42 Savings institutions	212.4	260.4	287.7	295.1	295.1	280.5	275.3	286.3 ^a	281.4	287.2	277.1
43 Credit unions	1.1	3.4	3.4	4.9	4.9	5.5	6.0	6.8	6.9	7.6	8.0
44 Life insurance companies	2.5	3.2	2.5	3.1	3.1	3.7	4.0	4.5	5.1	6.3	6.6
45 Government-sponsored enterprises	1,273.6	1,591.7	1,825.8	2,114.0	2,114.0	2,161.8	2,197.2	2,259.5	2,339.9	2,384.8	2,437.2
46 Federally related mortgage pools	2,018.4	2,292.2	2,491.6	2,830.1	2,830.1	2,955.1	3,041.6	3,084.5	3,158.2	3,226.3	3,289.0
47 Issuers of asset-backed securities (ABSs)	1,398.0	1,610.3	1,812.3 ^a	2,104.6 ^a	2,104.6 ^a	2,161.4 ^a	2,220.6 ^a	2,272.8 ^a	2,373.2	2,444.1	2,517.5
48 Brokers and dealers	42.5	25.3	40.9	42.3	42.3	38.4	42.8	46.6	40.6	50.2	46.2
49 Finance companies	625.5	696.1 ^a	778.0 ^a	779.2 ^a	779.2 ^a	763.8 ^a	788.9 ^a	808.0 ^a	822.6	813.6	856.3
50 Mortgage companies	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0
51 Real estate investment trusts (REITs)	158.8	165.1	167.8	170.2	170.2	172.1	178.4	185.3	190.0	194.4	197.6
52 Funding corporations	412.6	504.0	503.7	448.4	448.4	442.6	432.8	421.5	447.9	462.7	426.8
	All sectors										
53 Total credit market debt, domestic and foreign	23,423.8 ^a	25,576.1 ^a	27,319.4 ^a	29,316.0 ^a	29,316.0 ^a	29,772.1 ^a	30,294.7 ^a	30,831.2 ^a	31,614.9	32,143.9	32,877.5
54 Open market paper	1,172.6	1,402.4	1,610.0	1,445.6	1,445.6	1,382.0	1,325.5	1,325.7	1,347.5	1,359.2	1,317.1
55 U.S. government securities	7,044.2	7,564.9	7,702.5	8,323.6	8,323.6	8,547.2	8,690.2	8,884.8	9,135.1	9,311.7	9,533.1
56 Municipal securities	1,402.9	1,457.2	1,480.9	1,603.7 ^a	1,603.7 ^a	1,627.5 ^a	1,682.0 ^a	1,707.9 ^a	1,764.5	1,791.8	1,844.9
57 Corporate and foreign bonds	4,175.4 ^a	4,602.6 ^a	4,991.4 ^a	5,624.7 ^a	5,624.7 ^a	5,776.1 ^a	5,926.6 ^a	5,965.8 ^a	6,139.9	6,290.0	6,475.5
58 Bank loans n.e.c.	1,314.8	1,383.8	1,496.6	1,421.0	1,421.0	1,409.1	1,377.8	1,361.7	1,340.4	1,302.3	1,287.9
59 Other loans and advances	1,171.9 ^a	1,299.9 ^a	1,425.5 ^a	1,458.4 ^a	1,458.4 ^a	1,443.1 ^a	1,464.3 ^a	1,491.1 ^a	1,495.1	1,512.9	1,531.3
60 Mortgages	5,712.0 ^a	6,314.8 ^a	6,884.9 ^a	7,585.3 ^a	7,585.3 ^a	7,751.3 ^a	7,967.2 ^a	8,201.7 ^a	8,459.5	8,668.2	8,962.6
61 Consumer credit	1,430.1 ^a	1,550.4 ^a	1,727.7 ^a	1,853.7 ^a	1,853.7 ^a	1,835.8 ^a	1,861.1 ^a	1,892.5 ^a	1,932.9	1,907.8	1,925.1

1. Data in this table 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	1998	1999	2000	2001	2001	2002				2003	
					Q4	Q1	Q2 ²	Q3	Q4 ²	Q1 ²	Q2 ²
CREDIT MARKET DEBT OUTSTANDING ²											
1 Total credit market assets	23,423.8 ²	25,576.1 ¹	27,319.4 ¹	29,316.0 ²	29,316.0 ²	29,772.1 ¹	30,294.7	30,831.2 ²	31,614.9	32,143.9	32,877.5
2 Domestic nonfederal nonfinancial sectors	3,304.8 ²	3,622.8 ²	3,572.5 ²	3,585.9 ²	3,585.9 ²	3,594.8 ²	3,652.9	3,601.4 ²	3,644.0	3,539.0	3,528.7
3 Household	2,256.3 ²	2,564.4 ²	2,490.1 ²	2,475.8 ²	2,475.8 ²	2,493.8 ²	2,539.0	2,477.1 ²	2,497.6	2,422.1	2,384.9
4 Nonfinancial corporate business	241.5	226.0	249.4	237.1	237.1	231.6 ²	229.5	238.9 ²	249.3	239.5	249.4
5 Nonfarm noncorporate business	67.5	64.6	65.9	67.9	67.9	68.7	69.6	70.3 ²	71.3	71.2	72.2
6 State and local governments	739.4	767.8	767.0	805.1	805.1	800.6 ²	814.7	815.1 ²	825.9	806.2	822.2
7 Federal government	221.5 ²	261.1 ²	272.7 ²	278.7 ²	278.7 ²	281.0 ²	280.1	287.9 ²	288.7	284.1	283.7
8 Rest of the world	2,273.5 ²	2,306.8 ²	2,476.9 ²	2,724.3 ²	2,724.3 ²	2,789.5 ²	2,900.9	3,003.2 ²	3,131.0	3,223.9	3,484.7
9 Financial sectors	17,624.1	19,385.4	20,997.4 ²	22,727.1 ²	22,727.1 ²	23,106.8 ²	23,460.8	23,938.7 ²	24,551.1	25,096.9	25,580.3
10 Monetary authority	452.5	478.1	511.8	551.7	551.7	575.4	590.7	604.2	629.4	641.5	652.1
11 Commercial banking	4,336.1	4,648.3	5,006.3	5,210.5	5,210.5	5,231.3	5,328.3	5,476.2	5,614.9	5,673.6	5,829.1
12 U.S.-chartered banks	3,761.4	4,080.0	4,419.5	4,610.1	4,610.1	4,629.3	4,719.7	4,858.4	5,003.9	5,055.6	5,198.1
13 Foreign banking offices in United States	504.5	487.4	511.3	510.7	510.7	507.7	512.6	521.2	516.9	519.0	517.9
14 Bank holding companies	26.5	32.7	20.5	24.7	24.7	27.7	28.1	27.7	27.8	33.0	42.9
15 Banks in U.S.-affiliated areas	43.8	48.3	55.0	65.0	65.0	66.6	67.9	68.8	66.3	66.1	70.3
16 Savings institutions	964.7	1,032.4	1,088.6	1,131.4	1,131.4	1,134.7	1,130.9	1,153.8	1,166.8	1,214.4	1,238.8
17 Credit unions	324.2	351.7	379.7	421.2	421.2	434.3	452.9	455.3	463.9	473.2	494.2
18 Bank personal trusts and estates	194.1	222.0	222.8	194.7	194.7	195.0	195.2	195.4	195.6	190.8	186.4
19 Life insurance companies	1,828.0	1,886.0	1,943.9	2,074.8	2,074.8	2,141.2 ²	2,192.3	2,265.7 ²	2,307.8	2,373.0	2,426.7
20 Other insurance companies	521.1	518.2	509.4	518.4	518.4	527.6	536.4	541.9	558.3	572.7	583.4
21 Private pension funds	621.1 ¹	635.2 ²	666.5 ²	673.1 ¹	673.1 ¹	684.9 ²	690.4	700.5 ²	700.5	702.3	712.2
22 State and local government retirement funds	704.6	751.4	806.0	788.4	788.4	806.0	792.4	789.8	804.9	805.0	820.6
23 Money market mutual funds	965.9	1,147.8	1,290.9	1,536.9	1,536.9	1,496.9	1,419.6	1,405.7	1,511.6	1,485.5	1,480.3
24 Mutual funds	1,028.4	1,076.8	1,097.8	1,223.8	1,223.8	1,276.8	1,291.6	1,334.5	1,365.4	1,412.0	1,469.8
25 Closed-end funds	98.4	106.9	100.6	107.4	107.4	113.5	112.9	112.4	116.7	124.5	130.5
26 Government-sponsored enterprises	1,252.3	1,543.5	1,807.1	2,114.3	2,114.3	2,163.8	2,200.2	2,253.0 ²	2,320.9	2,387.0	2,419.0
27 Federally related mortgage pools	2,018.4	2,292.2	2,491.6	2,830.1	2,830.1	2,955.1	3,041.6	3,084.5	3,158.2	3,226.3	3,289.0
28 Asset-backed securities (ABSs) issuers	1,219.4	1,413.6	1,585.7 ²	1,851.9 ²	1,851.9 ²	1,902.6 ²	1,956.2	2,002.9 ²	2,097.8	2,162.8	2,231.0
29 Finance companies	645.5	742.6 ²	851.2 ²	846.4 ²	846.4 ²	834.4 ²	848.2	860.8 ²	867.6	861.1	879.2
30 Mortgage companies	32.1	32.1	32.1	32.1	32.1	32.1	32.1	32.1	32.1	32.1	32.1
31 Real estate investment trusts (REITs)	45.5	42.9	35.8	42.5	42.5	49.1	57.0	63.9	65.6	63.5	71.2
32 Brokers and dealers	189.4	154.7	223.6	316.0	316.0	299.6	352.6	335.2	344.4	390.9	340.2
33 Funding corporations	152.3	276.0	311.0	216.7	216.7	206.3 ²	191.2	214.6 ²	167.2	236.2	225.5
RELATION OF LIABILITIES TO FINANCIAL ASSETS											
34 Total credit market debt	23,423.8 ²	25,576.1 ¹	27,319.4 ¹	29,316.0 ²	29,316.0 ²	29,772.1 ¹	30,294.7	30,831.2 ²	31,614.9	32,143.9	32,877.5
Other liabilities											
35 Official foreign exchange	60.1	50.1	46.1	46.8	46.8	45.7	47.2	53.1	55.8	57.6	58.9
36 Special drawing rights certificates	9.2	6.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
37 Treasury currency	19.9	20.9	23.2	24.5	24.5	24.7	24.8	25.5	25.5	25.6	26.0
38 Foreign deposits	624.9 ²	686.1 ²	820.3 ²	851.0 ²	851.0 ²	840.1 ²	856.6	869.8 ²	874.9	856.5	876.1
39 Net interbank liabilities	189.4	202.4	221.2	191.4	191.4	162.4	131.4	150.7	205.9	175.5	155.6
40 Checkable deposits and currency	1,333.3	1,484.5	1,413.1	1,603.2	1,603.2	1,518.1	1,571.9	1,610.7	1,646.7	1,680.4	1,703.5
41 Small time and savings deposits	2,626.5	2,671.6	2,860.4	3,127.6	3,127.6	3,236.7	3,256.4	3,336.8	3,398.7	3,502.5	3,575.0
42 Large time deposits	805.3	936.4	1,052.6	1,121.1	1,121.1	1,178.9	1,188.7	1,199.9	1,171.5	1,209.1	1,222.4
43 Money market fund shares	1,329.7	1,578.8	1,812.1	2,240.7	2,240.7	2,203.3	2,151.2	2,105.9	2,223.9	2,156.2	2,120.8
44 Security repurchase agreements	913.8	1,083.6	1,196.8	1,231.8	1,231.8	1,262.4	1,343.1	1,313.7	1,336.8	1,323.1	1,453.5
45 Mutual fund shares	3,613.1	4,538.5	4,434.6	4,135.5	4,135.5	4,247.0	3,926.6	3,452.3	3,639.4	3,591.0	4,072.6
46 Security credit	572.2	676.6	822.7	825.9	825.9	778.0	745.6	726.3	738.8	796.6	957.4
47 Life insurance reserves	718.3	783.9	819.1	880.0	880.0	894.2 ²	901.2	902.9 ²	920.9	941.2	975.2
48 Pension fund reserves	8,210.5 ²	9,067.6 ²	9,070.9 ²	8,681.1 ²	8,681.1 ²	8,812.9 ²	8,329.4	7,725.4 ²	8,005.7	7,923.8	8,562.9
49 Trade payables	2,073.8	2,342.3 ²	2,761.8 ²	2,688.4 ²	2,688.4 ²	2,715.3 ²	2,717.9	2,767.1 ²	2,820.1	2,834.2	2,874.4
50 Taxes payable	170.7	201.4	234.2	251.6	251.6	259.7 ²	265.8	281.7 ²	278.8	298.6	306.4
51 Investment in bank personal trusts	1,001.0	1,130.4	1,095.8	960.7	960.7	963.2	893.5	811.6	840.9	806.3	858.4
52 Miscellaneous	8,298.5 ²	9,294.9 ²	10,470.7 ²	11,177.0 ²	11,177.0 ²	11,267.0 ²	11,556.2	12,003.5 ²	11,704.3	11,952.4	11,837.6
53 Total liabilities	55,993.9 ²	62,332.2 ²	66,477.2 ²	69,356.5 ²	69,356.5 ²	70,183.9 ²	70,204.6	70,170.3 ²	71,505.6	72,276.6	74,516.6
Financial assets not included in liabilities (+)											
54 Gold and special drawing rights	21.6	21.4	21.6	21.8	21.8	21.9	22.3	22.8	23.2	22.4	22.8
55 Corporate equities	15,547.3 ²	19,522.8 ²	17,627.0 ²	15,316.0 ²	15,316.0 ²	15,243.6 ²	13,344.2	10,951.6 ²	11,875.2	11,422.2	13,253.6
56 Household equity in noncorporate business	4,279.4	4,510.0	4,743.3 ²	4,824.6 ²	4,824.6 ²	4,848.0 ²	4,912.8	4,974.3 ²	5,020.1	5,069.5	5,105.0
Liabilities not identified as assets (-)											
57 Treasury currency	-6.4	-7.1	-8.5	-8.6	-8.6	-8.9	-9.1	-8.9	-9.1	-9.2	-9.1
58 Foreign deposits	525.5 ²	568.2 ²	646.6 ²	657.7 ²	657.7 ²	636.0 ²	660.7	666.7 ²	675.9	658.3	686.5
59 Net interbank transactions	-26.5	-28.5	-4.3	11.1	11.1	21.9	17.5	16.5	15.3	19.3	6.9
60 Security repurchase agreements	230.6	266.4	388.9	348.6	348.6	401.4	463.9	380.7 ²	356.2	397.6	477.1
61 Taxes payable	121.2	129.4	146.3	121.7	121.7	110.7 ²	163.6	155.0 ²	154.9	144.8	152.4
62 Miscellaneous	-1,934.5 ²	-2,331.6 ²	-3,422.0 ²	-3,594.1 ²	-3,594.1 ²	-3,472.3 ²	-3,502.4	-3,396.0 ²	-3,504.0	-3,520.5	-3,787.7
Floats not included in assets (-)											
63 Federal government checkable deposits	-3.9	-9.8	-2.3	-12.3	-12.3	-9.6	-9.3	-14.8	-11.7	27.4	-17.1
64 Other checkable deposits	23.1	22.3	24.0	28.6	28.6	26.3	31.4	25.8	35.9	34.2	40.1
65 Trade credit	84.8	95.6	122.0	115.5	115.5	61.0 ²	15.0	9.8 ²	96.4	47.1	19.7
66 Totals identified to sectors as assets	76,110.3 ²	86,905.3 ²	90,179.0 ²	90,988.8 ²	90,988.8 ²	91,677.9 ²	89,795.0	87,418.1 ²	89,717.7	90,106.5	94,422.0

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.

2.12 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION¹

Seasonally adjusted

Series	2002		2003		2002		2003		2002		2003	
	Q3	Q4	Q1	Q2 ²	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2 ²
	Output (1997=100)				Capacity (percent of 1997 output)				Capacity utilization rate (percent) ²			
1 Total industry	111.4	110.4	110.5	109.5	146.2	146.6	147.0	147.4	76.2	75.3	75.2	74.3
2 Manufacturing	112.3	111.2	111.0	110.3	151.1	151.4	151.7	152.0	74.3	73.5	73.2	72.6
3 Manufacturing (NAICS)	112.6	111.5	111.3	110.4	152.5	152.8	153.2	153.6	73.8	73.0	72.6	71.9
4 Durable manufacturing	122.3	121.4	121.2	120.3	173.4	174.2	175.0	176.0	70.5	69.7	69.3	68.4
5 Primary metal	85.9	86.0	83.9	79.7	111.4	110.8	110.7	110.8	77.1	77.6	75.8	71.9
6 Fabricated metal products	99.5	98.9	97.1	95.6	139.4	139.6	139.8	139.9	71.3	70.8	69.4	68.4
7 Machinery	88.7	86.7	87.2	88.0	129.9	129.9	129.8	129.6	68.3	66.7	67.2	67.9
8 Computer and electronic products	222.6	224.4	227.8	231.7	355.4	360.3	365.9	372.1	62.6	62.3	62.3	62.3
9 Electrical equipment, appliances, and components	97.7	96.8	95.7	94.9	128.6	128.2	128.0	127.8	75.9	75.5	74.7	74.3
10 Motor vehicles and parts	121.7	120.0	120.5	116.7	147.1	148.4	149.9	151.4	82.7	80.8	80.4	77.0
11 Aerospace and miscellaneous transportation equipment	85.9	85.1	85.8	86.3	145.3	145.1	145.1	145.1	59.1	58.7	59.1	59.5
12 Nondurable manufacturing	100.1	98.8	98.5	97.8	127.5	127.3	127.2	127.1	78.5	77.6	77.4	77.0
13 Food, beverage, and tobacco products	100.1	98.8	98.3	98.0	125.7	125.6	125.5	125.2	79.7	78.7	78.3	78.3
14 Textile and product mills	82.9	81.2	79.1	77.1	111.7	111.1	110.6	110.0	74.2	73.1	71.5	70.1
15 Paper	95.7	95.8	93.5	93.5	114.0	113.8	113.5	113.2	84.0	84.2	82.4	82.7
16 Petroleum and coal products	102.3	102.8	102.5	103.0	115.2	115.7	116.1	116.5	88.7	88.9	88.3	88.4
17 Chemical	106.4	104.1	105.4	105.2	141.2	141.3	141.5	141.7	75.3	73.7	74.5	74.3
18 Plastics and rubber products	107.3	105.6	105.3	104.1	133.6	132.9	132.4	131.6	80.4	79.4	79.5	79.1
19 Other manufacturing (non-NAICS)	106.0	106.0	107.0	107.7	129.5	128.7	128.2	127.8	81.8	82.3	83.4	84.3
20 Mining	93.5	93.7	93.1	93.1	110.1	110.2	110.3	110.4	84.9	85.1	84.4	84.3
21 Electric and gas utilities	112.5	111.5	114.3	110.2	127.6	129.7	131.5	133.1	88.2	86.0	86.9	82.8
MEMOS												
22 Computers, communications equipment, and semiconductors	295.5	300.4	306.4	315.7	475.3	483.3	493.3	504.9	62.2	62.2	62.1	62.5
23 Total excluding computers, communications equipment, and semiconductors	101.3	100.3	100.3	99.1	130.5	130.6	130.8	131.1	77.6	76.8	76.6	75.7
24 Manufacturing excluding computers, communications equipment, and semiconductors	100.5	99.4	99.1	98.2	132.6	132.6	132.6	132.7	75.8	75.0	74.7	74.1

2.12 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION¹—Continued

Seasonally adjusted

Series	1973	1975	Previous cycle ³		Latest cycle ⁴		2002	2003					
	High	Low	High	Low	High	Low	July	Feb.	Mar.	Apr. ^f	May ^g	June ^e	July ^h
Capacity utilization rate (percent) ²													
1 Total industry	88.8	74.0	86.6	70.8	85.1	78.6	76.4	75.3	74.8	74.3	74.3	74.2	74.5
2 Manufacturing	88.0	71.6	86.3	68.6	85.5	77.2	74.3	73.3	73.1	72.5	72.6	72.7	72.8
3 Manufacturing (NAICS)	88.1	71.4	86.3	67.9	85.5	77.0	74.0	72.7	72.4	71.8	71.9	72.0	72.1
4 Durable manufacturing	88.9	69.6	87.0	63.1	84.5	73.4	70.6	69.3	68.7	68.2	68.3	68.5	69.0
5 Primary metal	100.9	68.9	91.3	47.2	95.3	75.2	76.2	77.0	73.5	72.1	71.5	72.3	72.8
6 Fabricated metal products	91.8	69.6	83.1	61.7	80.1	71.0	71.5	69.5	68.8	68.4	68.4	68.2	68.3
7 Machinery	94.2	74.2	92.8	58.3	84.7	72.9	68.0	67.4	67.4	67.3	67.9	68.5	68.4
8 Computer and electronic products	87.0	66.9	89.8	77.3	81.5	76.4	62.6	62.2	62.3	62.1	62.5	62.3	62.7
9 Electrical equipment, appliances, and components	99.3	68.5	91.9	64.4	87.5	75.0	76.4	75.1	74.4	73.4	74.6	74.7	74.2
10 Motor vehicles and parts	95.3	55.3	96.2	45.2	90.0	56.6	83.2	80.1	78.7	77.4	76.3	77.4	79.3
11 Aerospace and miscellaneous transportation equipment	75.0	66.3	84.6	69.8	88.9	81.9	59.0	59.0	59.1	59.2	59.6	59.6	59.7
12 Nondurable manufacturing	87.5	72.5	85.7	75.6	86.9	81.8	78.7	77.4	77.6	76.9	77.0	77.0	76.7
13 Food, beverage, and tobacco products	85.9	78.0	84.3	80.2	85.5	81.3	80.0	78.2	78.3	78.1	78.2	78.5	78.0
14 Textile and product mills	89.8	62.8	90.1	72.3	91.1	77.1	75.0	71.7	72.2	70.7	70.0	69.4	68.7
15 Paper	97.4	74.7	95.6	81.3	94.0	85.4	83.5	81.9	83.4	82.1	83.0	82.9	82.7
16 Petroleum and coal products	93.2	81.0	92.3	71.1	88.9	82.5	89.5	87.7	89.3	87.9	89.3	87.9	88.9
17 Chemical	85.0	68.9	83.0	67.9	85.6	80.8	75.7	74.9	74.8	74.7	73.9	74.3	73.8
18 Plastics and rubber products	96.3	61.6	90.5	70.5	91.2	77.1	80.3	79.5	79.9	78.5	79.5	79.3	79.4
19 Other manufacturing (non-NAICS)	85.7	75.7	88.1	85.7	90.2	79.1	80.9	83.9	84.5	83.9	84.1	85.0	84.0
20 Mining	93.6	87.6	94.2	78.6	85.6	83.3	85.7	84.1	84.1	84.2	83.9	84.9	84.6
21 Electric and gas utilities	96.2	82.7	87.9	77.2	92.6	84.2	89.6	88.4	84.6	84.5	83.4	80.4	83.2
MEMOS													
22 Computers, communications equipment, and semiconductors	84.5	63.1	89.9	75.6	80.4	74.6	62.1	62.1	62.4	62.4	62.6	62.5	62.5
23 Total excluding computers, communications equipment, and semiconductors	89.1	74.3	86.6	70.5	85.5	78.8	77.9	76.8	76.2	75.7	75.7	75.6	75.9
24 Manufacturing excluding computers, communications equipment, and semiconductors	88.3	71.9	86.3	68.1	86.1	77.3	75.9	74.8	74.5	73.9	74.0	74.2	74.3

Note. The statistics in the G.17 release cover output, capacity, and capacity utilization in the industrial sector, which the Federal Reserve defines as manufacturing, mining, and electric and gas utilities. Manufacturing consists of those industries included in the North American Industry Classification System, or NAICS, manufacturing plus those industries—logging and newspaper, periodical, book, and directory publishing—that have traditionally been considered manufacturing and included in the industrial sector.

1. Data in this table also 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 2002. The recent annual revision is described in the April 2003 issue of the *Bulletin*.

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. Monthly highs, 1978–80; monthly lows, 1982.

4. Monthly highs, 1988–89; monthly lows, 1990–91.

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value¹

Monthly data seasonally adjusted

Group	2002 pro- por- tion	2002 avg.	2002						2003						
			July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr. ^f	May ^f	June ^f	July ^f
Index (1997=100)															
MAJOR MARKETS															
1 Total IP	100.0	110.5	111.6	111.3	111.2	110.6	110.8	109.9	110.7	110.7	110.1	109.5	109.5	109.5	110.0
Market groups															
2 Final products and nonindustrial supplies	59.8	109.3	110.1	109.8	109.8	109.1	109.3	108.2	109.1	109.3	108.7	108.2	108.4	108.4	108.9
3 Consumer goods	30.5	107.5	108.5	107.8	107.9	107.0	107.8	106.6	107.7	107.8	107.2	106.8	106.5	106.7	107.2
4 Durable	7.5	117.3	120.0	119.3	118.7	117.0	121.0	117.8	120.5	118.5	117.9	116.9	116.5	117.6	120.4
5 Automotive products	4.3	125.4	130.6	130.6	129.3	125.9	132.4	125.9	131.3	128.8	127.4	125.9	124.3	126.9	131.3
6 Home electronics	0.3	142.9	137.0	135.4	142.6	140.1	142.1	145.3	152.7	145.9	152.0	154.7	152.4	155.1	161.7
7 Appliances, furniture, carpeting	1.3	106.9	106.9	104.5	104.6	104.9	107.1	107.7	105.4	105.5	105.7	106.0	108.0	106.6	108.2
8 Miscellaneous goods	1.6	98.5	99.2	98.3	97.8	98.2	98.3	98.7	98.7	96.9	96.2	94.9	95.4	95.2	94.6
9 Nondurable	22.9	104.1	104.6	103.8	104.2	103.6	103.3	102.8	103.4	104.1	103.6	103.3	103.1	102.9	102.9
10 Non-energy	19.0	102.6	102.8	102.4	102.6	102.0	101.3	100.8	101.1	101.6	101.7	101.3	101.1	101.7	100.8
11 Foods and tobacco	10.3	99.5	99.8	99.2	99.1	98.7	97.9	97.4	97.6	97.2	97.2	97.0	97.0	97.3	96.6
12 Clothing	1.0	72.4	73.2	71.3	72.1	70.2	70.6	69.9	69.7	69.1	68.0	66.1	65.8	64.2	63.4
13 Chemical products	4.8	119.1	119.5	119.0	119.5	118.3	118.0	116.9	117.9	120.2	120.6	120.8	120.0	121.9	120.2
14 Paper products	2.3	108.1	107.1	108.4	109.8	110.0	108.8	109.0	108.3	110.2	111.0	110.0	110.3	111.5	110.4
15 Energy	4.0	112.0	114.0	111.6	112.8	111.8	114.0	113.3	115.7	117.2	113.8	113.9	113.3	109.7	113.8
16 Business equipment	9.7	107.3	107.3	108.1	106.9	106.0	106.1	104.6	105.6	105.9	105.5	104.8	105.3	105.7	106.1
17 Transit	1.7	81.2	80.2	81.1	79.7	77.3	77.9	75.4	75.7	74.5	73.9	73.6	73.5	73.5	73.5
18 Information processing	3.1	153.8	153.5	153.7	152.1	153.1	152.8	152.7	155.1	156.3	158.0	156.6	158.1	157.8	158.7
19 Industrial and other	4.9	91.5	92.0	92.9	92.0	91.2	91.1	89.7	90.4	90.8	89.9	89.2	89.5	90.5	90.9
20 Defense and space equipment	2.2	101.2	101.2	101.9	102.0	102.5	101.7	102.3	104.1	104.8	105.2	104.7	106.0	106.5	107.7
21 Construction supplies	6.8	104.0	104.4	104.8	104.5	104.2	103.8	102.4	102.3	101.8	101.4	101.0	101.6	101.6	101.8
22 Business supplies	10.3	121.9	123.2	122.6	123.6	123.1	122.5	121.9	122.8	123.7	122.5	121.3	122.1	121.4	122.1
23 Materials	40.2	112.2	113.8	113.6	113.4	112.8	113.1	112.4	113.0	112.8	112.1	111.4	111.3	111.1	111.6
24 Non-energy	30.5	115.8	117.2	117.4	117.2	116.7	116.7	115.6	116.0	115.9	115.4	114.5	114.5	114.5	114.7
25 Durable	18.6	128.0	129.4	130.0	129.5	129.5	129.7	128.1	129.1	128.6	127.6	126.6	127.0	127.2	127.9
26 Consumer parts	4.2	110.8	113.4	112.3	112.4	111.7	114.6	111.1	113.8	111.9	110.9	110.5	109.5	110.2	111.8
27 Equipment parts	5.9	182.6	184.2	186.3	185.7	185.7	185.3	184.4	186.0	186.2	186.2	186.3	188.2	188.9	189.7
28 Other	8.4	97.1	97.7	98.3	97.7	98.0	97.2	96.4	96.3	96.3	95.0	93.6	93.9	93.7	93.9
29 Nondurable	11.9	97.0	98.4	98.2	98.3	97.1	97.0	96.5	96.2	96.4	96.7	95.9	95.5	95.2	94.8
30 Textile	0.8	77.6	79.6	77.8	78.4	77.2	77.0	75.3	74.1	74.2	73.8	72.2	70.7	69.8	68.1
31 Paper	3.0	94.8	95.8	96.1	96.7	96.8	96.9	95.8	94.4	93.6	94.8	92.8	93.9	93.2	93.1
32 Chemical	4.2	99.1	101.3	100.7	100.2	98.2	97.9	97.3	98.3	99.2	99.3	99.3	97.1	96.4	96.6
33 Energy	9.7	98.7	101.0	99.3	99.1	98.4	99.4	99.7	100.9	100.8	99.2	99.2	98.6	98.3	99.6
SPECIAL AGGREGATES															
34 Total excluding computers, communication equipment, and semiconductors	94.7	100.5	101.5	101.2	101.2	100.5	100.6	99.8	100.5	100.5	99.8	99.2	99.2	99.1	99.6
35 Total excluding motor vehicles and parts	92.9	110.0	110.8	110.5	110.5	110.0	109.8	109.3	109.8	110.1	109.5	108.9	109.1	108.9	109.2
Gross value (billions of 1996 dollars, annual rates)															
36 Final products and nonindustrial supplies	59.8	2,800.8	2,829.2 ^f	2,822.7 ^f	2,818.9 ^f	2,794.7 ^f	2,817.8	2,783.5	2,808.6	2,807.2	2,791.9	2,777.2	2,780.6	2,780.3	2,805.3
37 Final products	42.7	2,022.7	2,043.2 ^f	2,039.1 ^f	2,032.4 ^f	2,011.7 ^f	2,037.3	2,010.7	2,032.1	2,028.9	2,019.7	2,011.2	2,009.3	2,013.7	2,033.9
38 Consumer goods	30.5	1,386.5	1,404.2 ^f	1,396.0 ^f	1,394.3	1,379.2 ^f	1,402.0	1,384.1	1,399.9	1,395.8	1,388.6	1,382.6	1,378.4	1,380.3	1,396.2
39 Equipment total	12.2	627.2	628.8 ^f	634.6 ^f	628.7 ^f	623.5 ^f	624.4	615.8	620.9	622.5	620.9 ^f	618.4	621.9	624.8	628.1
40 Nonindustrial supplies	17.1	778.1	786.1 ^f	783.6 ^f	786.7 ^f	783.3 ^f	780.5	772.8	776.4	778.3	772.0	765.7	771.3	766.3	771.0

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value¹—Continued

Monthly data seasonally adjusted

Group	NAICS code ²	2002 proportion	2002 avg.	2002						2003						
				July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr. ^f	May ^f	June ^f	July ^g
Index (1997=100)																
INDUSTRY GROUPS																
41 Manufacturing		84.6	111.4	112.3	112.4	112.1	111.4	111.6	110.6	111.1	111.1	110.9	110.1	110.3	110.6	110.8
42 Manufacturing (NAICS)		79.3	111.7	112.7	112.8	112.4	111.7	112.0	110.8	111.5	111.3	111.0	110.2	110.4	110.7	111.0
43 Durable manufacturing		43.4	121.1	122.2	122.7	122.0	121.5	122.2	120.5	121.9	121.3	120.5	119.8	120.2	120.7	121.8
44 Wood products	321	1.4	100.5	101.9	102.5	100.7	99.2	98.3	96.9	97.4	96.5	95.9	95.7	95.7	96.5	98.2
45 Nonmetallic mineral products	327	2.5	107.9	107.7	108.5	109.8	109.3	110.2	108.0	109.7	108.0	108.1	108.5	109.4	108.4	108.4
46 Primary metal	331	2.5	85.6	85.0	87.6	85.0	87.6	86.2	84.1	85.0	85.2	81.3	79.8	79.2	80.2	80.9
47 Fabricated metal products	332	6.1	99.0	99.7	99.3	99.4	99.8	98.7	98.3	97.9	97.1	96.1	95.7	95.7	95.4	95.5
48 Machinery	333	5.3	87.9	88.4	89.4	88.2	86.8	87.4	85.8	86.7	87.4	87.5	87.2	88.0	88.7	88.5
49 Computer and electronic products	334	8.1	220.4	221.5	223.0	223.2	224.2	224.5	224.5	226.6	227.5	229.3	229.6	232.5	233.1	236.1
50 Electrical equipment, appliances, and components	335	2.4	97.7	98.4	98.0	96.5	96.6	97.0	96.9	95.7	96.1	95.2	93.9	95.4	95.4	94.7
51 Motor vehicles and parts	3361-3	7.1	117.3	122.1	122.0	121.1	118.3	123.9	117.8	122.9	120.0	118.4	116.9	115.6	117.6	121.0
52 Aerospace and miscellaneous transportation equipment	3364-9	3.3	87.6	85.7	86.3	85.7	85.5	84.8	85.2	86.0	85.6	85.7	85.9	86.5	86.5	86.6
53 Furniture and related products	337	1.7	101.3	101.4	100.5	101.4	100.7	100.6	98.9	98.8	98.6	97.3	97.0	97.7	96.9	99.1
54 Miscellaneous	339	3.1	109.5	110.6	110.2	109.1	109.3	108.6	110.0	109.5	109.4	108.4	106.7	106.6	106.9	106.5
55 Nondurable manufacturing		35.9	99.5	100.4	100.0	100.0	99.1	98.9	98.3	98.2	98.5	98.6	97.8	97.9	97.8	97.4
56 Food, beverage, and tobacco products	311.2	11.7	100.2	100.5	100.0	99.9	99.5	98.6	98.3	98.5	98.2	98.2	97.9	98.0	98.2	97.6
57 Textile and product mills	313.4	1.3	82.5	83.9	82.5	82.3	81.3	81.7	80.8	78.4	79.2	79.7	77.9	77.0	76.3	75.3
58 Apparel and leather	315.6	1.1	72.2	73.0	71.2	71.8	70.2	70.5	69.7	69.7	69.0	68.0	66.1	65.8	64.3	63.6
59 Paper	322	3.1	94.4	95.2	95.8	96.1	95.7	96.8	95.0	93.0	94.6	93.0	93.0	93.9	93.7	93.3
60 Printing and support	323	2.7	97.8	98.4	98.6	99.9	99.5	98.4	98.9	99.1	97.7	96.3	94.8	95.7	95.4	95.2
61 Petroleum and coal products	324	1.9	102.9	103.0	102.7	101.0	99.4	103.9	105.0	102.0	101.8	103.8	102.4	104.0	102.6	103.8
62 Chemical	325	10.2	105.1	106.9	106.2	106.1	104.6	104.2	103.4	104.4	106.0	105.8	105.7	104.7	105.3	104.7
63 Plastics and rubber products	326	3.9	106.0	107.5	107.3	107.2	106.4	105.8	104.6	104.9	105.3	105.6	103.5	104.7	104.2	104.1
64 Other manufacturing (non-NAICS)	1133,5111	5.3	105.5	105.0	105.8	107.1	106.7	105.4	105.9	105.3	107.5	108.1	107.3	107.5	108.5	107.1
65 Mining	21	6.0	93.8	94.4	93.9	92.2	92.3	93.6	95.2	93.6	92.8	92.8	93.0	92.6	93.8	93.4
66 Utilities	2211.2	9.3	110.2	113.7	110.4	113.3	112.1	112.1	110.5	115.0	116.3	111.7	112.1	111.1	107.4	111.5
67 Electric	2211	8.1	111.8	115.7	112.2	115.8	113.7	113.3	112.2	116.8	118.0	113.6	113.7	112.7	108.7	113.8
68 Natural gas	2212	1.3	97.5	102.7	100.8	99.9	103.6	105.8	101.6	105.4	107.5	101.2	103.3	102.3	100.1	99.2
69 Manufacturing excluding computers, communications equipment, and semiconductors		79.3	99.8	100.6	100.6	100.4	99.7	99.8	98.8	99.3	99.2	98.9	98.1	98.2	98.5	98.6
70 Manufacturing excluding motor vehicles and parts		77.5	110.9	111.4	111.5	111.3	110.8	110.5	109.9	110.1	110.3	110.2	109.5	109.8	110.0	109.9

Note. The statistics in the G.17 release cover output, capacity, and capacity utilization in the industrial sector, which the Federal Reserve defines as manufacturing, mining, and electric and gas utilities. Manufacturing consists of those industries included in the North American Industry Classification System, or NAICS, manufacturing plus those industries—logging and newspaper, periodical, book, and directory publishing—that have traditionally been considered manufacturing and included in the industrial sector.

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 2002. The recent annual revision is described in the April 2003 issue of the *Bulletin*.

2. North American Industry Classification System.

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars; quarterly data seasonally adjusted except as noted¹

Item credits or debits	2000	2001	2002	2002				2003
				Q1	Q2	Q3	Q4	Q1 ^P
1 Balance on current account	-411,458	-393,745	-480,861	-106,728	-122,827	-122,724	-128,586	-136,112
2 Balance on goods and services	-375,384	-357,819	-418,038	-90,057	-104,888	-106,980	-116,116	-121,567
3 Exports	1,070,054	1,007,580	974,107	236,442	243,696	247,815	246,151	247,848
4 Imports	-1,445,438	-1,365,399	-1,392,145	-326,499	-348,584	-354,795	-362,267	-369,415
5 Income, net	19,605	10,689	-3,970	-733	-4,458	-1,747	2,966	2,571
6 Investment, net	24,191	15,701	1,271	550	-3,106	-481	4,306	3,942
7 Direct	94,929	106,485	93,475	23,924	21,410	21,914	26,225	24,477
8 Portfolio	-70,738	-90,784	-92,204	-23,374	-24,516	-22,395	-21,919	-20,535
9 Compensation of employees	-4,586	-5,012	-5,241	-1,283	-1,352	-1,266	-1,340	-1,371
10 Unilateral current transfers, net	-55,679	-46,615	-58,853	-15,938	-13,481	-13,997	-15,436	-17,116
11 Change in U.S. government assets other than official reserve assets, net (increase, -)	-941	-486	-32	133	42	-27	-180	37
12 Change in U.S. official reserve assets (increase, -)	-290	-4,911	-3,681	390	-1,843	-1,416	-812	83
13 Gold	0	0	0	0	0	0	0	0
14 Special drawing rights (SDRs)	-722	-630	-475	-109	-107	-132	-127	897
15 Reserve position in International Monetary Fund	2,308	-3,600	-2,632	652	-1,607	-1,136	-541	-644
16 Foreign currencies	-1,876	-681	-574	-153	-129	-148	-144	-170
17 Change in U.S. private assets abroad (increase, -)	-568,567	-344,542	-175,272	-35,750	-126,766	31,155	-43,910	-76,017
18 Bank-reported claims ²	-148,657	-134,945	-21,357	-148	-69,254	52,999	-4,954	-24,392
19 Nonbank-reported claims	-138,790	-4,997	-31,880	-1,886	-16,210	-11,862	-1,922	3,134
20 U.S. purchase of foreign securities, net	-121,908	-84,637	15,801	5,367	-5,843	21,641	-5,364	-25,785
21 U.S. direct investments abroad, net	-159,212	-119,963	-137,836	-39,083	-35,459	-31,623	-31,670	-28,974
22 Change in foreign official assets in United States (increase, +)	37,724	5,104	94,860	6,106	47,552	8,992	32,210	35,870
23 U.S. Treasury securities	-10,233	10,745	43,144	-1,039	15,138	1,415	27,630	18,099
24 Other U.S. government obligations	40,909	20,920	30,377	7,296	6,568	10,885	5,628	9,380
25 Other U.S. government liabilities ³	-1,825	-2,309	137	-597	365	464	-95	-694
26 Other U.S. liabilities reported by U.S. banks ⁴	5,746	-29,978	17,594	-280	24,575	-4,607	-2,094	7,759
27 Other foreign official assets ⁵	3,127	5,726	3,608	726	906	835	1,141	1,326
28 Change in foreign private assets in United States (increase, +)	988,415	760,427	612,123	140,707	173,690	132,486	165,238	152,782
29 U.S. bank-reported liabilities ⁴	116,971	118,379	91,126	-7,446	23,948	20,448	54,176	25,003
30 U.S. nonbank-reported liabilities	170,672	67,489	72,142	46,771	24,610	-8,102	8,863	32,636
31 Foreign private purchases of U.S. Treasury securities, net	-76,949	-7,438	96,217	11,789	14,218	57,505	12,705	13,487
32 U.S. currency flows	1,129	23,783	21,513	4,525	7,183	2,556	7,249	4,927
33 Foreign purchases of other U.S. securities, net	455,318	406,633	291,492	74,461	104,187	45,880	66,964	50,944
34 Foreign direct investments in United States, net	321,274	151,581	39,633	10,607	-456	14,199	15,281	25,785
35 Capital account transactions, net ⁵	-799	-1,062	-1,285	-277	-286	-364	-358	-340
36 Discrepancy	-44,084	-20,785	-45,852	-4,581	30,438	-48,102	-23,602	23,697
37 Due to seasonal adjustment	-	-	-	8,579	2,091	-12,409	1,744	8,916
38 Before seasonal adjustment	-44,084	-20,785	-45,852	-13,160	28,347	-35,693	-25,346	14,781
MEMO								
<i>Changes in official assets</i>								
39 U.S. official reserve assets (increase, -)	-290	-4,911	-3,681	390	-1,843	-1,416	-812	83
40 Foreign official assets in United States, excluding line 25 (increase, +)	39,549	7,413	94,723	6,703	47,187	8,528	32,305	36,564
41 Change in Organization of Petroleum Exporting Countries official assets in United States (part of line 22)	12,000	-1,725	-8,132	-8,532	838	-1,289	851	...

1. Seasonal factors are not calculated for lines 11-16, 18-20, 22-35, and 38-41.

2. Associated primarily with military sales contracts and other transactions arranged with or through foreign official agencies.

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

4. Reporting banks included all types of depository institutions as well as some brokers and dealers.

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*.

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Asset	2000	2001	2002	2003							
				Jan.	Feb.	Mar.	Apr.	May	June	July	Aug. ^P
1 Total	67,647	68,654	79,006	78,434	78,579	80,049	80,405	82,287	81,660	80,620 ^P	80,422
2 Gold stock ¹	11,046	11,045	11,043	11,043	11,043	11,043	11,043	11,044	11,044	11,043 ^P	11,043
3 Special drawing rights ^{2,3}	10,539	10,774	12,166	11,298	11,368	11,392	11,476	11,880	11,720	11,646	11,619
4 Reserve position in International Monetary Fund ²	14,824	17,854	21,979	21,953	21,686	22,858	22,738	23,214	23,210	22,746	22,463
5 Foreign currencies ⁴	31,238	28,981	33,818	34,140	34,482	34,756	35,148	36,149	35,686	35,185	35,297

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	2000	2001	2002	2003							
				Jan.	Feb.	Mar.	Apr.	May	June	July	Aug. ^P
1 Deposits	215	61	136	102	224	254	313	79	898	318	81
<i>Held in custody</i>											
2 U.S. Treasury securities ²	594,094	592,630	678,106	683,837	700,341	710,955	702,041	727,142	747,089	743,308	754,469
3 Earmarked gold ³	9,451	9,099	9,045	9,045	9,045	9,045	9,040	9,031	9,004	9,004	8,977

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	2000	2001	2002	2003					
			Dec.	Jan.	Feb.	Mar.	Apr.	May	June ^P
1 Total ¹	975,303	987,567	1,078,219	1,083,965	1,107,987	1,116,171	1,114,979 ^c	1,165,946 ^c	1,173,783
<i>By type</i>									
2 Liabilities reported by banks in the United States ²	144,593	123,425	144,080	140,071	151,605	148,939	150,701	174,748	169,324
3 U.S. Treasury bills and certificates ³	153,010	161,719	190,375	194,762	196,344	206,153	200,462	210,033	209,957
U.S. Treasury bonds and notes									
4 Marketable	450,832	454,306	464,115	464,427	469,250	470,572	470,151 ^c	484,900 ^c	499,945
5 Nonmarketable ⁴	5,348	3,411	2,769	2,786	2,803	2,821	2,839	2,857	2,876
6 U.S. securities other than U.S. Treasury securities ⁵	221,520	244,706	276,880	281,919	287,985	287,686 ^c	290,826 ^c	293,408 ^c	291,681
<i>By area</i>									
7 Europe ¹	240,325	243,448	271,250	269,290	281,471	276,924	273,557 ^c	288,567 ^c	279,405
8 Canada	13,727	13,440	11,120	10,496	9,837	9,854	9,746	9,942	9,998
9 Latin America and Caribbean	70,442	71,103	63,022	61,794	62,998	62,743	62,909	65,355	71,041
10 Asia	626,016	635,179	704,126	715,996	725,120	740,595	740,298 ^c	774,801	782,498
11 Africa	14,690	15,167	15,338	14,589	15,939	15,215	15,834	15,656	15,829
12 Other countries	10,101	9,228	13,361	11,798	12,620	10,838	12,633	11,623	15,010

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 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 Treasury by banks (including Federal Reserve Banks) and securities dealers in the United States, and in periodic benchmark surveys 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	1999	2000	2001	2002			2003
				June	Sept.	Dec.	Mar.
1 Banks' own liabilities	88,537	77,779	79,363	89,823	81,719	80,543	88,583
2 Deposits	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	50,582
3 Other liabilities	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	38,001
4 Banks' own claims	67,365	56,912	74,640	90,609	82,647	71,724	81,242
5 Deposits	34,426	23,315	44,094	56,221	47,779	34,287	54,194
6 Other claims	32,939	33,597	30,546	34,388	34,868	37,437	27,048
7 Claims of banks' domestic customers ²	20,826	24,411	17,631	15,848	20,475	33,659	27,706
8 Deposits	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5,065
9 Other claims	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	22,641

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	2000	2001	2002	2002	2003					
				Dec.	Jan.	Feb.	Mar.	Apr. ^f	May ^f	June ^p
By Holder and Type of Liability										
1 Total, all foreigners	1,511,410	1,636,538	1,832,746	1,832,746	1,782,342	1,946,084	2,008,047	2,175,908	2,197,504	2,201,093
2 Banks' own liabilities	1,077,636	1,181,097	1,288,991	1,288,991	1,239,613	1,390,175	1,452,838	1,609,681	1,608,620	1,595,977
3 By type of liability										
4 Deposits ²	221,248	191,742	175,220	175,220	169,503	788,923	807,496	827,841	811,968	853,067
5 Other	171,401	197,064	246,568	246,568	267,627	601,252	645,342	781,840	796,652	742,910
6 Of which: repurchase agreements ³	0	151,143	190,134	190,134	208,959	306,017	338,528	378,842	390,974	362,515
7 Banks' custody liabilities ⁴	433,774	455,441	543,755	543,755	542,729	555,909	555,209	566,227	588,884	605,116
8 By type of liability										
9 U.S. Treasury bills and certificates ⁵	177,846	186,115	229,827	229,827	231,872	234,547	245,814	242,568	252,008	251,477
10 Other negotiable and readily transferable instruments ⁶	145,840	139,807	163,091	163,091	160,148	172,382	169,890	179,939	194,951	206,353
11 Of which: negotiable time certificates of deposit held in custody for foreigners	34,217	20,440	25,821	25,821	25,448	28,313	28,765	31,450	33,543	43,272
12 Of which: short-term agency securities ⁷	0	59,781	72,731	72,731	67,427	75,249	73,925	76,960	85,226	82,348
13 Other	110,088	129,519	150,837	150,837	150,709	148,980	139,505	143,720	141,925	147,286
14 Nonmonetary international and regional organizations ⁸	12,543	10,830	13,467	13,467	14,624	12,085	9,377	9,003	8,962	11,781
15 Banks' own liabilities	12,140	10,169	12,362	12,362	13,921	11,439	9,331	8,950	8,946	11,678
16 Deposits ²	6,287	3,791	5,769	5,769	5,298	3,778	2,544	3,086	3,197	4,524
17 Other	5,853	6,378	6,593	6,593	8,623	7,661	6,787	5,864	5,749	7,154
18 Banks' custody liabilities ⁴	403	661	1,105	1,105	703	646	46	53	3	103
19 U.S. Treasury bills and certificates ⁵	252	600	1,089	1,089	687	621	4	33	3	13
20 Other negotiable and readily transferable instruments ⁶	149	61	16	16	16	25	30	20	13	70
21 Other	2	0	0	0	0	0	12	0	0	20
22 Official institutions ⁹	297,603	285,144	334,455	334,455	334,833	347,949	355,092	351,163	384,781	379,281
23 Banks' own liabilities	96,989	83,824	93,884	93,884	93,790	100,320	95,439	95,358	110,867	104,868
24 Deposits ²	39,525	22,668	20,733	20,733	17,378	25,713	21,970	24,026	22,586	22,990
25 Other	57,464	61,156	73,151	73,151	76,412	74,607	73,469	71,332	88,281	81,878
26 Banks' custody liabilities ⁴	200,614	201,320	240,571	240,571	241,043	247,629	259,653	255,805	273,914	274,413
27 U.S. Treasury bills and certificates ⁵	153,010	161,719	190,375	190,375	194,762	196,344	206,153	200,462	210,033	209,957
28 Other negotiable and readily transferable instruments ⁶	47,366	38,531	50,132	50,132	45,285	50,763	52,615	55,189	63,217	59,376
29 Other	238	1,070	64	64	996	522	885	154	664	5,080
30 Banks ¹⁰	972,932	1,053,084	1,176,534	1,176,534	1,116,543	1,141,699	1,173,159	1,320,589	1,312,795	1,327,431
31 Banks' own liabilities	821,306	914,492	981,645	981,645	921,792	947,736	990,887	1,129,091	1,119,409	1,123,995
32 Deposits ²	82,426	68,656	56,020	56,020	53,156	650,798	674,514	690,503	677,682	712,780
33 Other	53,893	53,545	58,422	58,422	66,153	296,938	316,373	438,588	441,727	411,215
34 Banks' custody liabilities ⁴	151,626	138,592	194,889	194,889	194,751	193,963	182,272	191,498	193,386	203,436
35 U.S. Treasury bills and certificates ⁵	16,023	11,541	21,311	21,311	20,244	18,171	20,730	21,989	20,269	20,342
36 Other negotiable and readily transferable instruments ⁶	36,036	24,059	46,770	46,770	48,614	52,390	48,295	51,753	57,564	65,799
37 Other	99,567	102,992	126,808	126,808	125,893	123,402	113,247	117,756	115,553	117,295
38 Other foreigners ¹¹	228,332	287,480	308,290	308,290	316,342	444,351	470,419	495,153	490,966	482,600
39 Banks' own liabilities	147,201	172,612	201,100	201,100	210,110	330,680	357,181	376,282	369,398	355,436
40 Deposits ²	93,010	96,627	92,698	92,698	93,671	108,634	108,468	110,226	108,503	112,773
41 Other	54,191	75,985	108,402	108,402	116,439	222,046	248,713	266,056	260,895	242,663
42 Banks' custody liabilities	81,131	114,868	107,190	107,190	106,232	113,671	113,238	118,871	121,568	127,164
43 U.S. Treasury bills and certificates ⁵	8,561	12,255	17,052	17,052	16,179	19,411	18,927	20,084	21,703	21,165
44 Other negotiable and readily transferable instruments ⁶	62,289	77,156	66,173	66,173	66,233	69,204	68,950	72,977	74,157	81,108
45 Other	10,281	25,457	23,965	23,965	23,820	25,056	25,361	25,810	25,708	24,891
MEMO										
44 Own foreign offices ¹²	684,987	792,291	867,203	867,203	802,483	911,640	948,708	1,106,252	1,093,122	1,090,608

1. Reporting banks include all types of depository institutions as well as some banks/financial holding companies and brokers and dealers. Excludes bonds and notes of maturities longer than one year. Effective February 2003, coverage is expanded to include liabilities of brokers and dealers to affiliated foreign offices.

2. Non-negotiable deposits and brokerage balances.

3. Data available beginning January 2001.

4. Financial claims on residents of the United States, other than long-term securities, held by or through reporting banks for foreign customers. Effective February 2003, also includes loans to U.S. residents in managed foreign offices of U.S. reporting institutions.

5. Includes nonmarketable certificates of indebtedness and Treasury bills issued to official institutions of foreign countries.

6. Principally bankers acceptances, commercial paper, negotiable time certificates of deposit, and short-term agency securities.

7. Data available beginning January 2001.

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." Includes positions with affiliated banking offices also included in memo line (44) below.

11. As of February 2003, includes positions with affiliated non-banking offices also included in memo line (44) below.

12. For U.S. banks, includes amounts owed to own foreign branches and foreign subsidiaries consolidated in the 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 office, and to foreign branches, agencies, or wholly owned subsidiaries of the head office or parent foreign bank. Effective February 2003, includes amounts owed to affiliated foreign offices of U.S. brokers and dealers.

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	2000	2001	2002	2002		2003					
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June ^P	
AREA OR COUNTRY											
45 Total, all foreigners	1,511,410	1,636,538	1,832,746	1,832,746	1,782,342	1,946,084	2,008,047	2,175,908 ^F	2,197,504 ^F	2,201,093	
46 Foreign countries	1,498,867	1,625,708	1,819,279	1,819,279	1,767,718	3,867,998	3,997,340	4,333,810 ^F	4,377,084 ^F	4,378,624	
47 Europe	446,788	521,331	627,537	627,537	560,622	708,524	726,141	723,710 ^F	762,312 ^F	733,066	
48 Austria	2,692	2,922	2,473	2,473	2,186	2,330	2,125	2,110	2,472	4,427	
49 Belgium ¹³	33,399	6,557	8,610	8,610	4,668	5,454	7,742	6,669 ^F	4,100 ^F	4,082	
50 Denmark	3,000	3,626	4,880	4,880	6,497	6,603	6,751	5,088	7,091	5,040	
51 Finland	1,411	1,446	1,693	1,693	2,583	1,861	845	1,007	2,291	2,159	
52 France	37,833	49,056	39,636	39,636	36,731	39,680	39,885	41,281 ^F	46,728 ^F	44,871	
53 Germany	35,519	22,375	34,394	34,394	31,977	39,690	43,681	42,498	44,155 ^F	45,825	
54 Greece	2,011	2,307	2,975	2,975	3,205	2,908	2,002	1,396 ^F	1,633	2,096	
55 Italy	5,072	6,354	4,826	4,826	4,421	4,812	4,982	6,431	5,938	6,766	
56 Luxembourg ¹³	0	16,894	28,623	28,623	30,538	36,001	32,926	36,774 ^F	38,558 ^F	37,615	
57 Netherlands	7,047	12,411	10,705	10,705	10,550	16,258	13,708	15,207	16,066	15,522	
58 Norway	2,305	3,727	18,867	18,867	17,723	10,936	14,163	13,866	15,479	14,985	
59 Portugal	2,403	4,033	3,574	3,574	3,448	2,889	2,802	2,906	2,735	2,168	
60 Russia	19,018	20,800	23,147	23,147	24,378	27,648	28,918	30,656	35,062	34,316	
61 Spain	7,787	8,811	14,030	14,030	14,849	16,062	13,919	14,178 ^F	15,851	11,973	
62 Sweden	6,497	3,375	4,654	4,654	3,767	4,006	4,611	6,816	6,309	5,731	
63 Switzerland	74,635	66,403	131,489	131,489	105,350	119,429	114,442	100,338 ^F	113,531 ^F	119,559	
64 Turkey	7,548	7,474	12,130	12,130	12,754	11,973	10,996	11,214	12,253	12,540	
65 United Kingdom	167,757	204,396	181,840	181,840	168,426	278,896	301,250	305,219 ^F	310,571 ^F	275,423	
66 Channel Islands and Isle of Man ¹⁴	0	36,059	45,728	45,728	26,327	23,024	21,715	21,466 ^F	23,478	21,732	
67 Yugoslavia ¹⁵	276	309	301	301	353	337	332	237	183	183	
68 Other Europe and other former U.S.S.R. ¹⁶	30,578	41,996	52,962	52,962	49,891	57,727	58,346	58,353 ^F	57,828 ^F	66,053	
69 Canada	30,982	27,251	24,955	24,955	27,880	28,618	31,992	29,209	31,867	36,031	
70 Latin America	120,041	118,025	107,042	107,042	106,106	104,120	104,539	106,952 ^F	105,765 ^F	107,592	
71 Argentina	19,451	10,704	11,218	11,218	11,253	10,574	10,663	9,968 ^F	9,735	9,855	
72 Brazil	10,852	14,169	10,037	10,037	10,586	10,991	12,153	11,247 ^F	12,686 ^F	16,248	
73 Chile	5,892	4,939	6,064	6,064	5,591	5,807	5,713	5,062	5,534	4,725	
74 Colombia	4,542	4,695	4,158	4,158	4,147	4,892	4,453	4,722 ^F	4,649	4,617	
75 Ecuador	2,112	2,390	2,299	2,299	2,397	2,239	2,369	2,249	2,289	2,217	
76 Guatemala	1,601	1,882	1,381	1,381	1,436	1,474	1,400	1,531	1,493	1,547	
77 Mexico	32,166	39,871	36,149	36,149	36,888	34,960	36,033	38,789 ^F	35,105 ^F	33,704	
78 Panama	4,240	3,610	3,845	3,845	3,972	4,119	3,682	3,665	3,644 ^F	4,181	
79 Peru	1,427	1,359	1,363	1,363	1,364	1,361	1,332	1,376	1,612	1,512	
80 Uruguay	3,003	3,172	2,806	2,806	2,681	2,468	2,760	2,898 ^F	2,898 ^F	3,144	
81 Venezuela	24,730	24,974	21,883	21,883	19,951	19,594	18,208	19,107	20,115	19,751	
82 Other Latin America ¹⁷	10,025	6,260	5,839	5,839	5,840	5,641	5,773	6,338	6,005	6,091	
83 Caribbean	573,337	194,814	194,158	194,158	206,063	210,915	223,153	211,581 ^F	222,465 ^F	228,691	
84 Bahamas	189,298	178,472	163,052	163,052	169,978	165,813	175,721	161,227 ^F	169,497 ^F	174,161	
85 Bermuda	9,636	10,539	23,780	23,780	27,421	38,133	40,552	43,422	45,774 ^F	43,954	
86 British West Indies ¹⁸	367,197	0	0	0	0	0	0	0	0	0	
87 Cayman Islands ¹⁸	0	440,038	512,570	512,570	516,117	524,354	551,635	738,236 ^F	685,984 ^F	700,603	
88 Cuba	90	88	91	91	93	207	91	91	92	93	
89 Jamaica	794	1,182	829	829	883	851	996	929	834	790	
90 Netherlands Antilles	5,428	3,264	5,001	5,001	6,329	4,527	4,420	4,592	5,065	8,289	
91 Trinidad and Tobago	894	1,269	1,405	1,405	1,359	1,384	1,373	1,320	1,203	1,404	
92 Other Caribbean ¹⁷	0	12,135	11,341	11,341	11,057	11,786	11,883	12,331	12,978 ^F	15,783	
93 Asia	305,554	294,496	318,048	318,048	318,865	319,760	326,773	318,821 ^F	341,902 ^F	336,716	
94 China	16,531	10,498	15,504	15,504	13,544	13,703	17,618	14,994	15,618	17,385	
95 Mainland	17,352	17,633	18,625	18,625	22,147	24,040	20,099	21,289 ^F	23,072 ^F	20,667	
96 Taiwan	26,462	26,494	33,032	33,032	36,777	35,787	32,964	34,480 ^F	33,998 ^F	35,137	
97 Hong Kong	4,530	3,708	7,951	7,951	8,074	8,836	8,672	9,279 ^F	9,394	7,960	
98 India	8,514	12,383	14,109	14,109	12,858	12,419	11,943	12,039	11,891	10,478	
99 Indonesia	8,053	7,870	7,231	7,231	9,638	10,210	11,791	10,886	10,253	9,673	
100 Israel	150,415	155,314	161,329	161,329	162,110	166,421	176,338	166,062 ^F	179,917	175,132	
101 Japan	7,955	9,019	8,932	8,932	7,410	7,044	6,730	6,871 ^F	7,933	8,992	
102 Korea (South)	2,316	1,772	1,793	1,793	1,364	1,528	1,764	1,558 ^F	1,867	1,568	
103 Philippines	3,117	4,743	7,605	7,605	6,666	5,033	5,287	5,739	5,292	5,533	
104 Thailand	23,763	20,035	16,364	16,364	15,176	12,198	9,858	10,370	14,447	15,796	
105 Middle Eastern oil-exporting countries ¹⁹	36,546	25,027	25,573	25,573	23,101	22,541	23,709	25,254 ^F	28,220 ^F	28,395	
106 Other	10,824	11,365	12,240	12,240	11,177	14,390	12,980	13,591	13,170	13,052	
107 Africa	2,621	2,778	2,652	2,652	2,494	3,624	3,549	3,607	3,536	3,295	
108 Egypt	139	274	306	306	259	346	283	210	281	234	
109 Morocco	1,010	839	1,114	1,114	725	2,406	1,807	2,019	2,172	2,028	
110 South Africa	4	4	2	2	3	5	3	4	4	6	
111 Congo (formerly Zaire)	4,052	4,377	4,370	4,370	4,126	4,552	3,987	4,146	3,701	3,581	
112 Oil-exporting countries ²⁰	2,998	3,093	3,796	3,796	3,570	3,457	3,351	3,605	3,476	3,908	
113 Other	11,341	6,253	11,388	11,388	9,831	11,532	9,574	12,474	12,099	17,778	
114 Australia	10,070	5,599	9,332	9,332	8,237	9,120	6,842	9,854	9,497	14,351	
115 New Zealand ²¹	0	242	1,796	1,796	1,320	1,940	2,175	2,123	2,039	2,957	
116 All other	1,271	412	260	260	274	472	557	497	563	470	
117 Nonmonetary international and regional organizations	12,543	10,830	13,467	13,467	14,624	12,085	9,377	9,003	8,962	11,781	
118 International ²²	11,270	9,331	11,282	11,282	12,859	10,217	7,955	7,919	7,782	10,726	
119 Latin American regional ²³	740	480	507	507	372	547	686	296	339	373	
120 Other regional ²⁴	533	935	1,611	1,611	1,299	1,216	633	614	693	621	

¹³ Before January 2001, data for Belgium-Luxembourg were combined.¹⁴ Before January 2001, these data were included in data reported for the United Kingdom.¹⁵ In February 2003, Yugoslavia changed its name to Serbia and Montenegro. Data for other entities of the former Yugoslavia recognized as independent states by the United States are reported under "Other Europe."¹⁶ Includes the Bank for International Settlements and the European Central Bank.¹⁷ Before January 2001, data for "Other Latin America" and "Other Caribbean" were combined in "Other Latin America and Caribbean."¹⁸ Beginning January 2001, data for the Cayman Islands replaced data for the British West Indies.¹⁹ Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).²⁰ Comprises Algeria, Gabon, Libya, and Nigeria.²¹ Before January 2001, these data were included in "All other."²² Principally the International Bank for Reconstruction and Development. Excludes "holdings of dollars" of the International Monetary Fund.²³ Principally the Inter-American Development Bank.²⁴ 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	2000	2001	2002	2002	2003					
				Dec.	Jan.	Feb.	Mar.	Apr.	May ²	June ³
1 Total, all foreigners	904,642	1,055,069	1,088,165	1,088,165	1,083,390	1,135,101	1,214,784	1,332,028⁴	1,328,176	1,359,202
2 Foreign countries	899,956	1,050,123	1,084,488	1,084,488	1,080,231	2,263,492	2,421,508	2,654,804⁴	2,648,992	2,707,542
3 Europe	378,115	461,176	484,047	484,047	446,105	519,970	540,034	540,060 ⁵	570,445	588,448
4 Austria	2,926	4,981	3,603	3,603	4,334	4,142	4,538	4,875	4,165	4,339
5 Belgium	5,399	6,391	6,044	6,044	6,273	6,285	7,652	8,120 ⁶	4,722	6,741
6 Denmark	3,272	1,105	1,109	1,109	1,563	428	748	648	495	1,737
7 Finland	7,382	10,350	8,518	8,518	9,832	9,191	9,462	11,893	8,130	9,191
8 France	40,035	60,620	47,705	47,705	45,914	48,395	46,458	54,726	52,852	55,435
9 Germany	36,834	29,902	22,481	22,481	23,395	22,525	22,259	19,908 ⁷	20,453	22,996
10 Greece	646	330	477	477	296	295	314	234	214	207
11 Italy	7,629	4,205	3,753	3,753	3,177	3,002	4,012	4,536 ⁸	4,133	6,251
12 Luxembourg ⁹	0	1,267	3,407	3,407	3,901	4,360	3,149	4,472	6,433	6,211
13 Netherlands	17,043	15,908	23,133	23,133	19,188	16,008	21,135	18,128 ¹⁰	19,769	18,722
14 Norway	5,012	6,236	13,885	13,885	18,606	9,809	11,091	11,672	11,039	15,866
15 Portugal	1,382	1,603	2,226	2,226	2,356	2,342	1,929	2,260	2,457	2,406
16 Russia	517	594	877	877	1,025	729	1,107	699	755	815
17 Spain	2,603	3,260	5,371	5,371	4,154	3,251	2,477	2,916 ¹¹	2,374	2,121
18 Sweden	9,226	12,544	15,889	15,889	15,329	15,458	16,310	16,860	16,184	15,587
19 Switzerland	82,085	87,333	126,958	126,958	87,562	101,202	106,935	81,560	98,528	103,374
20 Turkey	3,059	2,124	2,112	2,112	2,021	2,069	2,280	2,441	2,531	2,196
21 United Kingdom	144,938	201,183	173,996	173,996	167,820	236,653	236,393	247,496 ¹²	262,408	262,636
22 Channel Islands and Isle of Man ¹³	0	4,478	17,457	17,457	24,393	27,767	34,994	38,641 ¹⁴	44,454	44,692
23 Yugoslavia ¹⁵	50	0	0	0	0	0	0	0	0	0
24 Other Europe and other former U.S.S.R. ¹⁶	8,077	6,762	5,046	5,046	4,966	6,059	6,791	7,974 ¹⁷	8,349	6,925
25 Canada	39,837	54,421	60,521	60,521	65,085	65,982	57,321	58,995 ¹⁸	53,892	49,774
26 Latin America	76,561	69,762	56,642	56,642	54,482	55,413	55,945	54,741 ¹⁹	55,956	55,428
27 Argentina	11,519	10,763	6,783	6,783	6,663	6,615	6,149	6,077	5,920	6,005
28 Brazil	20,567	19,434	15,419	15,419	14,520	15,329	15,899	15,339 ²⁰	16,390	16,548
29 Chile	5,815	5,317	5,250	5,250	5,077	5,220	5,228	5,342 ²¹	5,301	5,276
30 Colombia	4,370	3,602	2,614	2,614	2,406	2,711	2,650	2,587	2,480	2,422
31 Ecuador	635	495	457	457	439	428	460	476 ²²	479	479
32 Guatemala	1,244	1,495	892	892	896	831	970	841	799	773
33 Mexico	17,415	16,522	15,658	15,658	15,268	14,993	14,791	14,629	15,217	14,434
34 Panama	2,933	3,061	1,915	1,915	1,730	1,856	1,882	1,959	1,898	1,986
35 Peru	2,807	2,185	1,411	1,411	1,403	1,438	1,399	1,448 ²³	1,493	1,541
36 Uruguay	673	447	255	255	255	300	324	322	313	335
37 Venezuela	3,518	3,077	3,254	3,254	3,202	3,171	3,293	3,188	3,119	3,201
38 Other Latin America ²⁴	5,065	3,364	2,734	2,734	2,623	2,521	2,900	2,533 ²⁵	2,547	2,428
39 Caribbean	319,403	370,945	381,637	381,637	402,454	381,393	434,477	547,863 ²⁶	521,714	541,396
40 Bahamas	114,090	101,034	95,584	95,584	97,456	86,312	92,186	86,031 ²⁷	91,506	96,660
41 Bermuda	9,260	7,900	9,902	9,902	12,511	17,031	23,339	21,351 ²⁸	21,552	21,965
42 British West Indies ²⁹	189,289	0	0	0	0	0	0	0	0	0
43 Cayman Islands ³⁰	0	250,376	265,000	265,000	281,641	265,642	307,700	429,162 ³¹	396,956	410,076
44 Cuba	0	0	0	0	0	0	0	0	0	0
45 Jamaica	355	418	321	321	304	349	381	376	309	327
46 Netherlands Antilles	5,801	6,729	6,690	6,690	6,445	7,657	6,750	7,008	7,104	7,128
47 Trinidad and Tobago	608	931	889	889	865	966	881	848 ³²	852	837
48 Other Caribbean ³³	0	3,557	3,251	3,251	3,232	3,436	3,240	3,087 ³⁴	3,435	4,403
49 Asia	77,829	85,882	93,487	93,487	103,096	101,451	114,185	117,240 ³⁵	115,304	109,509
50 China	1,606	2,073	1,057	1,057	4,799	1,884	9,418	7,819	4,731	6,988
51 Mainland	2,247	4,407	3,772	3,772	6,563	5,696	8,259	5,349	5,689	5,395
52 Taiwan	6,669	9,995	7,258	7,258	6,490	5,652	4,987	4,788 ³⁶	5,549	7,056
53 Hong Kong	2,178	1,348	1,235	1,235	1,128	1,170	960	1,077	1,187	1,375
54 India	1,914	1,752	1,270	1,270	1,223	1,059	1,023	997 ³⁷	993	935
55 Indonesia	2,729	4,396	4,660	4,660	5,182	3,328	3,110	4,014	3,971	4,333
56 Israel	34,974	34,125	47,600	47,600	48,818	56,265	58,391	63,247 ³⁸	62,399	62,048
57 Japan	7,776	10,622	11,118	11,118	14,473	13,936	13,045	14,841 ³⁹	13,237	7,058
58 Korea (South)	1,784	2,587	2,137	2,137	2,424	1,533	2,040	1,862	1,651	1,502
59 Philippines	1,381	2,499	1,167	1,167	830	696	1,382	1,263 ⁴⁰	1,658	1,222
60 Thailand	9,346	7,882	7,952	7,952	8,004	6,405	7,110	6,871 ⁴¹	7,271	6,019
61 Middle Eastern oil-exporting countries ⁴²	5,225	4,196	4,261	4,261	3,162	3,827	4,460	5,112 ⁴³	6,968	5,578
62 Other	2,094	2,095	1,977	1,977	1,945	1,992	2,051	1,850	1,777	1,743
63 Africa	201	416	487	487	511	544	558	551	446	412
64 Egypt	204	106	53	53	53	45	49	42	41	43
65 Morocco	309	710	617	617	545	577	565	468	546	526
66 South Africa	0	0	0	0	0	0	0	0	0	0
67 Congo (formerly Zaire)	471	167	222	222	240	224	257	215	129	218
68 Oil-exporting countries ⁴⁴	909	696	598	598	596	602	622	574	558	544
69 Other countries	6,117	5,842	6,177	6,177	7,064	5,545	6,741	6,653 ⁴⁵	5,408	7,473
70 Australia	5,868	5,455	5,566	5,566	6,212	5,023	5,940	5,892 ⁴⁶	4,594	6,583
71 New Zealand ⁴⁷	0	349	569	569	833	507	705	640	668	794
72 All other	249	38	42	42	19	15	96	121	146	96
73 Nonmonetary international and regional organizations ⁴⁸	4,686	4,946	3,677	3,677	3,159	3,355	4,030	4,626	3,680	5,431

1. Reporting banks include all types of depository institutions as well as bank/financial holding companies and brokers and dealers. Effective February 2003, coverage is expanded to include claims of brokers and dealers on affiliated foreign offices and cross-border brokerage balances.

2. Before January 2001, combined data reported for Belgium-Luxembourg.

3. Before January 2001, data included in United Kingdom.

4. In February 2003, Yugoslavia changed its name to Serbia and Montenegro. Data for other entities of the former Yugoslavia recognized as independent states by the United States are reported under "Other Europe."

5. Includes the Bank for International Settlements and the European Central Bank.

6. Before January 2001, "Other Latin America" and "Other Caribbean" were reported as combined "Other Latin America and Caribbean."

7. Beginning 2001, Cayman Islands replaced British West Indies in the data series.

8. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

9. Comprises Algeria, Gabon, Libya, and Nigeria.

10. Before January 2001, included in "All other."

11. 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	2000	2001	2002	2002	2003					
				Dec.	Jan.	Feb.	Mar.	Apr.	May ⁷	June ⁸
1 Total claims reported by banks	1,095,869	1,254,863	1,306,306	1,306,306	...	...	1,476,482	...	...	...
2 Banks' own claims on foreigners	904,642	1,055,069	1,088,165	1,088,165	1,083,390	1,135,101	1,214,784	1,332,028 ⁷	1,328,176	1,359,202
3 Foreign official institutions ²	37,907	49,404	52,198	52,198	62,004	39,628	50,908	47,620 ⁷	48,816	44,242
4 Foreign banks ³	725,380	849,491	873,077	873,077	854,787	832,440	869,909	987,276 ⁷	977,851	1,003,889
5 Other foreigners ⁴	141,355	156,174	162,890	162,890	166,599	263,033	293,967	297,132 ⁷	301,509	311,071
6 Claims on banks' domestic customers ⁵	191,227	199,794	218,141	218,141	...	...	261,698	...	...	...
7 Non-negotiable deposits	100,352	93,565	80,269	80,269	...	...	98,891	...	...	...
8 Negotiable CDs	...	...	...	...	...	...	87,925	...	...	...
9 Other short-term negotiable instruments ⁶	78,147	90,412	131,780	131,780	...	...	58,025	...	...	...
10 Other claims	12,728	15,817	6,092	6,092	...	...	16,857	...	...	...
MEMO										
11 Non-negotiable deposits ⁷	...	...	...	...	...	354,995	372,679	497,268 ⁷	463,085	476,342
12 Negotiable CDs ⁷	...	...	...	...	...	2,221	2,621	1,741	2,198	771
13 Other short-term negotiable instruments ⁷	...	...	...	...	...	9,722	13,444	13,788	13,147	15,562
14 Other claims ⁷	n.a.	n.a.	n.a.	n.a.	n.a.	768,163	826,040	819,231 ⁷	849,746	866,527
15 Own foreign offices ⁸	630,137	749,124	795,060	795,060	768,492	807,290	848,417	956,935 ⁷	951,671	962,356
16 Loans collateralized by repurchase agreements ⁹	...	137,979	161,585	161,585	185,804	245,798	287,043	311,728	319,597	310,598

1. For banks' claims, data are monthly; for claims of banks' domestic customers, data are for the quarter ending with the month indicated.

Reporting banks include all types of depository institutions as well as banks/financial holding companies and brokers and dealers. Effective February 2003, coverage is expanded to include claims of brokers and dealers on affiliated foreign offices and cross-border balances, dealers.

2. Prior to February 2003, reflects claims on all foreign public borrowers.

3. Includes positions with affiliated banking offices also included in memo line (15) below.

4. As of February 2003, includes positions with affiliated non-banking offices also included in memo line (15) below.

5. Assets held by reporting banks in the accounts of their domestic customers. Effective March 2003, includes balances in off-shore sweep accounts.

6. Primarily bankers acceptances and commercial paper. Prior to February 2003, also includes negotiable certificates of deposit.

7. Data available beginning February 2003.

8. 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 minority-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. Effective February 2003, includes amounts due from affiliated foreign offices of U.S. brokers and dealers.

9. Data available beginning January 2001.

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	1999	2000	2001	2001	2002				2003
				Dec.	Mar.	June	Sept.	Dec.	Mar. ⁹
1 Total	53,020	73,904	66,679	66,679	74,887	70,431	68,225	67,664	73,558
By type									
2 Financial liabilities	27,980	47,419	41,034	41,034	46,408	42,826	41,311	39,561	45,119
3 Short-term negotiable securities ¹	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	21,415
4 Other liabilities ¹	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	23,704
Of which:									
5 Borrowings ¹	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	6,398
6 Repurchase agreements ¹	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	19,181
By currency									
7 U.S. dollars	n.a.	25,246	18,763	n.a.	20,454	22,050	18,913	18,844	18,363
8 Foreign currency ²	n.a.	22,173	22,271	n.a.	25,954	20,776	22,398	20,717	26,756
9 Canadian dollars	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	527
10 Euros	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	12,336
11 United Kingdom pounds sterling	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	7,209
12 Japanese yen	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2,880
13 All other currencies	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	3,804
By area or country									
Financial liabilities									
14 Europe	23,241	34,172	31,806	31,806	39,379	35,004	34,809	34,335	35,800
15 Belgium-Luxembourg	31	147	154	154	119	120	232	144	1,164
16 France	1,659	1,480	2,841	2,841	3,531	4,071	3,517	5,243	2,782
17 Germany	1,974	2,168	2,344	2,344	2,982	2,622	2,865	2,923	3,343
18 Netherlands	1,996	2,016	1,954	1,954	1,946	1,935	1,915	1,825	1,797
19 Switzerland	147	104	94	94	84	61	61	61	19
20 United Kingdom	16,521	26,362	22,852	22,852	28,694	24,338	24,303	22,531	25,539
MEMO:									
21 Euro area ³	n.a.	7,587	8,798	n.a.	9,991	10,107	10,369	11,211	10,100
22 Canada	284	411	955	955	1,067	1,078	583	591	492
23 Latin America and Caribbean	892	4,125	2,858	2,858	1,547	1,832	1,088	1,504	3,816
24 Bahamas	1	6	157	157	5	5	0	23	334
25 Bermuda	5	1,739	960	960	836	626	588	990	3,046
26 Brazil	126	148	35	35	35	38	65	65	127
27 British West Indies ⁴	492	406	1,627	1,627	612	1,000	377	365	n.a.
28 Cayman Islands	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	25
29 Mexico	25	26	36	36	27	25	26	31	29
30 Venezuela	0	2	2	2	1	5	1	1	0
31 Asia	3,437	7,965	5,042	5,042	4,020	4,498	4,450	2,932	4,303
32 Japan	3,142	6,216	3,269	3,269	3,299	2,387	2,447	1,832	2,043
33 Middle Eastern oil-exporting countries ⁵	4	12	10	10	15	14	16	14	17
34 Africa	28	52	53	53	122	120	128	131	116
35 Oil-exporting countries ⁶	0	0	5	5	91	91	91	91	91
36 All other ⁷	98	694	320	320	273	294	253	68	592

3.22 LIABILITIES TO UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States—Continued

Millions of dollars, end of period

Type of liability, and area or country	1999	2000	2001	2001	2002				2003
				Dec.	Mar.	June	Sept.	Dec.	Mar. ⁹
37 Commercial liabilities	25,040	26,485	25,645	25,645	28,479	27,605	26,914	28,103	28,439
38 Trade payables	12,834	14,293	11,781	11,781	15,119	14,205	13,819	14,699	15
39 Advance payments and other liabilities	n.a.	12,192	13,864	n.a.	13,360	13,400	13,095	13,404	14
<i>By currency</i>									
40 Payable in U.S. dollars	23,722	23,685	24,162	24,162	26,715	26,004	25,621	26,243	24,879
41 Payable in foreign currencies ¹	1,318	2,800	1,483	1,483	1,764	1,601	1,293	1,860	3,560
42 Canadian dollars	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	114
43 Euros	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,074
44 United Kingdom pounds sterling	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	661
45 Japanese yen	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	242
46 All other currencies	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,469
<i>By area or country</i>									
<i>Commercial liabilities</i>									
47 Europe	9,262	9,629	9,219	9,219	8,168	8,015	8,065	8,257	8,794
48 Belgium-Luxembourg	140	293	99	99	105	94	134	141	186
49 France	672	979	734	734	713	827	718	765	867
50 Germany	1,131	1,047	905	905	584	570	855	807	n.a.
51 Netherlands	507	300	1,163	1,163	236	312	506	590	732
52 Switzerland	626	502	790	790	648	749	592	433	548
53 United Kingdom	3,071	2,847	2,279	2,279	2,747	2,551	2,317	2,649	2,895
<i>MEMO</i>									
54 Euro area ³	n.a.	4,518	5,141	n.a.	3,673	3,718	4,258	4,200	4,350
55 Canada	1,775	1,933	1,622	1,622	1,802	2,027	1,570	1,588	1,768
56 Latin America and Caribbean	2,310	2,381	2,727	2,727	3,515	2,817	2,923	3,073	3,035
57 Bahamas	22	31	52	52	23	12	14	51	59
58 Bermuda	152	281	591	591	433	422	468	538	519
59 Brazil	145	114	290	290	277	320	290	253	246
60 British West Indies ⁴	48	76	45	45	67	46	47	36	n.a.
61 Cayman Islands	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	80
62 Mexico	887	841	899	899	1,518	1,015	1,070	1,170	1,091
63 Venezuela	305	284	166	166	281	204	327	177	143
64 Asia	9,886	10,983	10,517	10,517	13,116	12,866	12,462	13,382	13,121
65 Japan	2,609	2,757	2,581	2,581	4,281	4,143	4,031	4,292	4,137
66 Middle Eastern oil-exporting countries ⁵	2,493	2,832	2,639	2,598	3,289	3,432	3,857	3,979	3,546
67 Africa	950	948	836	836	1,000	916	876	827	927
68 Oil-exporting countries ⁶	499	483	436	436	454	349	445	405	423
69 All other ⁷	881	611	724	724	878	964	1,018	976	794
<i>MEMO</i>									
70 Financial liabilities to foreign affiliates ⁸	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	12,917

1. Data available beginning March 2003.

2. Foreign currency detail available beginning March 2003.

3. Comprises Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Portugal, and Spain. As of December 2001, also includes Greece.

4. Beginning March 2003, data for the Cayman Islands replaced data for the British West Indies.

5. Comprises Bahrain, Iran, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

6. Comprises Algeria, Gabon, Libya, and Nigeria.

7. Includes nonmonetary international and regional organizations.

8. Data available beginning March 2003. Includes financial liabilities to foreign affiliates of insurance underwriting subsidiaries of Bank/Financial Holding Companies and other financial intermediaries. These data are not included in lines 1-6 above.

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	1999	2000	2001	2001	2002				2003
				Dec.	Mar.	June	Sept.	Dec.	Mar. ^P
1 Total	76,642	90,157	113,082	113,082	115,969	116,608	112,784	102,566	111,109
<i>By type</i>									
2 Financial claims	40,231	53,031	81,287	81,287	85,359	87,331	84,038	71,389	81,687
3 Non-negotiable deposits	n.a.	23,374	29,801	n.a.	41,813	42,136	38,074	27,064	43,459
4 Negotiable securities	n.a.	29,657	51,486	n.a.	43,546	45,195	45,964	44,325	5,729
Of which:									
5 Negotiable CDs ¹	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	216
6 Other claims	21,665	29,657	51,486	51,486	43,568	45,188	45,959	44,064	32,499
Of which:									
7 Loans ¹	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	12,674
8 Repurchase agreements ¹	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5,669
<i>By currency</i>									
9 U.S. dollars	n.a.	46,157	74,471	n.a.	79,722	82,353	79,307	65,070	74,609
10 Foreign currency ²	n.a.	6,874	6,816	n.a.	5,637	4,978	4,731	6,319	7,078
11 Canadian dollars	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	604
12 Euros	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	3,055
13 United Kingdom pounds sterling	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2,083
14 Japanese yen	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	880
15 All other currencies	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	456
<i>By area or country</i>									
<i>Financial claims</i>									
16 Europe	13,023	23,136	26,118	26,118	36,032	37,003	32,139	29,018	34,599
17 Belgium-Luxembourg	529	296	625	625	751	797	656	722	1,494
18 France	967	1,206	1,450	1,450	3,489	3,921	3,854	3,247	3,253
19 Germany	504	848	1,068	1,068	4,114	3,972	4,292	4,245	6,240
20 Netherlands	1,229	1,396	2,138	2,138	3,253	3,995	4,024	3,648	4,355
21 Switzerland	643	699	589	589	308	1,010	1,135	383	1,497
22 United Kingdom	7,561	15,900	16,510	16,510	17,982	16,133	11,454	10,663	11,203
MEMO:									
23 Euro area ³	n.a.	5,580	8,626	n.a.	16,903	18,689	18,542	17,281	20,251
24 Canada	2,553	4,576	6,193	6,193	5,471	5,537	5,485	5,013	5,060
25 Latin America and Caribbean	18,206	19,317	41,201	41,201	34,979	37,489	38,800	29,612	31,802
26 Bahamas	1,593	1,353	976	976	1,197	1,332	715	1,038	757
27 Bermuda	11	19	918	918	611	704	1,157	724	387
28 Brazil	1,476	1,827	2,127	2,127	1,892	2,036	2,226	2,286	2,324
29 British West Indies ⁴	12,099	12,596	32,965	32,965	27,328	29,569	30,837	21,528	n.a.
30 Cayman Islands	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	25,225
31 Mexico	1,798	2,448	3,075	3,075	2,777	2,823	2,871	2,921	1,780
32 Venezuela	48	87	83	83	79	60	71	104	161
33 Asia	5,457	4,697	6,430	6,430	6,414	5,754	6,041	5,358	7,596
34 Japan	3,262	1,631	1,604	1,604	2,051	1,146	1,481	1,277	1,226
35 Middle Eastern oil-exporting countries ⁵	23	80	135	135	79	78	88	79	68
36 Africa	286	411	414	414	390	431	379	395	358
37 Oil-exporting countries ⁶	15	57	49	49	51	64	29	25	26
38 All other ⁷	706	894	931	931	2,073	1,117	1,194	1,993	2,272

3.23 CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States—Continued

Millions of dollars, end of period

Type of claim, and area or country	1999	2000	2001	2001	2002					2003
				Dec.	Mar.	June	Sept.	Dec.	Mar. ^e	
39 Commercial claims	36,411	37,126	31,795	31,795	30,610	29,277	28,746	31,177	29,422	
40 Trade receivables	32,602	33,104	27,513	27,513	25,845	24,716	24,171	26,385	24,713	
41 Advance payments and other claims	3,809	4,022	4,282	4,282	4,765	4,561	4,575	4,792	4,709	
By currency										
42 Payable in U.S. dollars	34,204	33,401	29,393	29,393	26,864	25,361	25,441	26,481	22,304	
43 Payable in foreign currencies ^a	2,207	3,725	2,402	2,402	3,746	3,916	3,305	4,696	7,118	
44 Canadian dollars	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	385	
45 Euros	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,803	
46 United Kingdom pounds sterling	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,451	
47 Japanese yen	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	278	
48 All other currencies	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	3,201	
By area or country										
Commercial claims										
49 Europe	16,389	15,938	14,022	14,022	12,935	12,314	12,680	14,187	13,329	
50 Belgium-Luxembourg	316	452	268	268	272	207	254	269	228	
51 France	2,236	3,095	2,921	2,921	2,883	2,828	2,972	3,164	2,803	
52 Germany	1,960	1,982	1,658	1,658	1,198	1,163	1,158	1,202	1,285	
53 Netherlands	1,429	1,729	529	529	642	832	1,089	1,490	1,128	
54 Switzerland	610	763	611	611	436	472	404	503	449	
55 United Kingdom	5,827	4,502	3,833	3,833	3,579	3,387	3,236	3,727	3,749	
MEMO										
56 Euro area ³	n.a.	8,819	7,961	n.a.	7,237	7,106	7,707	8,580	8,082	
57 Canada	2,757	3,502	2,818	2,818	2,760	2,752	2,623	2,790	2,550	
58 Latin America and Caribbean	5,959	5,851	4,859	4,859	4,912	4,530	4,324	4,346	4,773	
59 Bahamas	20	37	42	42	42	28	35	31	61	
60 Bermuda	390	376	369	369	422	214	270	287	545	
61 Brazil	905	957	954	954	837	829	862	750	737	
62 British West Indies ⁴	181	137	95	95	73	26	12	19	n.a.	
63 Cayman Islands	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	59	
64 Mexico	1,678	1,507	1,391	1,391	1,225	1,283	1,184	1,259	1,094	
65 Venezuela	439	328	288	288	312	316	340	288	231	
66 Asia	9,165	9,630	7,849	7,849	7,513	7,309	6,778	7,324	5,981	
67 Japan	2,074	2,796	2,006	2,006	1,975	2,064	2,083	2,341	1,432	
68 Middle Eastern oil-exporting countries ⁵	1,573	1,024	850	833	657	889	819	818	614	
69 Africa	631	672	645	645	630	605	637	584	636	
70 Oil-exporting countries ⁶	171	180	88	88	109	94	107	95	139	
71 All other ⁷	1,537	1,533	1,602	1,602	1,860	1,767	1,704	1,946	2,153	
MEMO										
72 Financial claims on foreign affiliates ⁸	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	11,915	

1. Data available beginning March 2003.

2. Foreign currency detail available beginning March 2003.

3. Comprises Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Portugal, and Spain. As of December 2001, also includes Greece.

4. Beginning March 2003, data for the Cayman Islands replaced data for the British West Indies.

5. Comprises Bahrain, Iran, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

6. Comprises Algeria, Gabon, Libya, and Nigeria.

7. Includes nonmonetary international and regional organizations.

8. Data available beginning March 2003. Includes financial liabilities to foreign affiliates of insurance underwriting subsidiaries of Bank/Financial Holding Companies and other financial intermediaries. These data are not included in lines 1-8 above.

3.24 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transaction, and area or country	2001	2002	2003	2002	2003					
			Jan.- June	Dec.	Jan.	Feb.	Mar.	Apr. ^c	May ^c	June ^c
	U.S. corporate securities									
STOCKS										
1 Foreign purchases	3,051,332	3,203,259	1,473,299	216,726	216,731	201,408	236,668	233,275	273,263	311,954
2 Foreign sales	2,934,942	3,153,816	1,454,075	214,287	219,527	203,486	233,828	228,918	266,670	301,646
3 Net purchases, or sales (-)	116,390	49,443	19,224	2,439	-2,796	-2,078	2,840	4,357	6,593	10,308
4 Foreign countries	116,187	49,496	19,289	2,423	-2,773	-2,080	2,860	4,360	6,597	10,325
5 Europe	88,099	33,004	10,979	4,882	-2,186	1,900	1,360	250	1,526	8,129
6 France	5,914	2,127	405	676	206	270	1,816	-1,647	642	-882
7 Germany	8,415	-129	3,166	517	-63	-65	-780	-118	-260	4,452
8 Netherlands	10,919	4,535	1,035	792	366	-75	651	-1,090	262	921
9 Switzerland	3,456	2,655	-3,101	909	-724	-990	-22	98	-901	-562
10 United Kingdom	38,493	15,173	443	784	-2,761	1,938	-258	777	-1,181	1,928
11 Channel Islands and Isle of Man ¹	-698	-255	-110	-22	-2	-17	-42	46	-30	-65
12 Canada	10,984	7,432	6,753	746	1,481	-1,594	2,376	2,540	-435	2,385
13 Latin America and Caribbean	-5,154	-15,422	-2,288	-2,324	-3,104	-2,253	-1,538	1,230	4,575	-1,198
14 Middle East ²	1,789	-1,293	-190	71	-72	-21	-51	-7	29	-68
15 Other Asia	20,726	22,672	5,848	-894	1,287	2,774	478	-73	612	770
16 Japan	6,788	12,337	-858	-1,131	561	1,008	-60	-1,093	-677	-597
17 Africa	-366	-72	132	-20	38	-9	-29	68	-37	101
18 Other countries	109	3,175	-1,945	-38	-217	-2,877	264	352	327	206
19 Nonmonetary international and regional organizations	203	-53	-65	16	-23	2	-20	-3	-4	-17
BONDS ³										
20 Foreign purchases	1,942,690	2,549,132	1,783,325	207,380	228,232	207,404	307,241	306,305	381,844	352,299
21 Foreign sales	1,556,745	2,171,786	1,536,712	178,510	180,540	184,293	263,003	264,370	322,432	322,074
22 Net purchases, or sales (-)	385,945	377,346	246,613	28,870	47,692	23,111	44,238	41,935	59,412	30,225
23 Foreign countries	385,379	377,083	247,312	28,684	47,836	23,276	44,307	41,525	59,648	30,720
24 Europe	195,412	167,140	116,905	10,526	27,938	16,528	20,639	25,295	21,433	5,072
25 France	5,028	3,771	1,448	-434	1,092	63	142	116	112	-77
26 Germany	12,362	5,149	808	1,249	545	999	-180	-68	143	-631
27 Netherlands	1,538	-406	504	-19	118	611	-2	-614	317	74
28 Switzerland	5,721	8,521	5,022	304	1,154	859	1,034	1,263	366	346
29 United Kingdom	152,772	109,836	73,460	6,768	15,960	6,826	14,772	16,951	13,911	5,040
30 Channel Islands and Isle of Man ¹	2,000	11,173	17,511	959	5,420	1,533	4,138	3,091	3,320	9
31 Canada	4,595	-1,037	768	-2,180	-892	193	1,169	-894	1,428	-236
32 Latin America and Caribbean	77,019	82,837	50,792	7,379	6,564	-6,379	10,217	1,978	25,808	12,604
33 Middle East ²	2,337	2,315	592	-120	591	42	37	31	-279	170
34 Other Asia	106,400	121,470	76,328	12,944	13,593	12,767	11,038	15,586	11,030	12,314
35 Japan	33,687	48,482	27,178	4,863	4,025	4,566	1,456	8,549	3,870	4,712
36 Africa	760	860	1,410	28	53	80	779	147	110	241
37 Other countries	-1,144	3,498	517	107	-11	45	428	-618	118	555
38 Nonmonetary international and regional organizations	566	263	-699	186	-144	-165	-69	410	-236	-495
	Foreign securities									
39 Stocks, net purchases, or sales (-)	-50,113	-1,629	-30,730	-2,751	-6,893	-4,474	-5,363 ^c	2,073	-10,800	-5,273
40 Foreign purchases	1,397,664	1,260,278	586,143	81,804	94,622	83,683	91,096 ^c	100,054	99,777	116,911
41 Foreign sales	1,447,777	1,261,907	616,873	84,555	101,515	88,157	96,459 ^c	97,981	110,577	122,184
42 Bonds, net purchases, or sales (-)	30,502	28,406	33,264	-5,157	-1,915	4,493	7,315	-2,416	14,049	11,738
43 Foreign purchases	1,160,102	1,377,020	1,006,199	117,917	140,513	122,893	166,837	135,970	230,256	209,730
44 Foreign sales	1,129,600	1,348,614	972,935	123,074	142,428	118,400	159,522	138,386	216,207	197,992
45 Net purchases, or sales (-), of stocks and bonds	-19,611	26,777	2,534	-7,908	-8,808	19	1,952 ^c	-343	3,249	6,465
46 Foreign countries	-19,024	26,814	2,522	-7,922	-8,829	-77	1,971 ^c	-256	3,270	6,443
47 Europe	-12,108	15,407	9,144	-9,095	-5,090	-1,592	6,270 ^c	4,409	1,593	3,554
48 Canada	2,943	4,849	6,347	712	3,890	603	-302	-600	2,106	650
49 Latin America and Caribbean	4,315	4,562	-12,128	1,045	-7,886	862	-3,381	-7,450	1,289	4,438
50 Asia	-11,869	1,591	297	-987	-261	194	-971	3,456	-649	-4,472
51 Japan	-20,116	-9,119	-1,412	-2,039	-1,233	-1,447	1,557	2,218	1,509	-1,016
52 Africa	-558	-379	69	40	-55	-34	27	-11	5	137
53 Other countries	-1,747	784	-1,207	363	573	-110	328	-60	-1,074	-864
54 Nonmonetary international and regional organizations	-587	-37	12	14	21	96	-19	-87	-21	22

1. Before January 2001, data included in United Kingdom.

2. Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

3. 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	2001	2002	2003	2002	2003					
			Jan.– June	Dec.	Jan.	Feb.	Mar.	Apr.	May ^c	June ^b
1 Total estimated	18,514	120,537	121,797	13,638	2,819	–2,421	26,390	9,792 ^c	41,109	44,108
2 Foreign countries	19,200	118,526	121,542	13,309	2,436	–2,177	26,441	9,844 ^c	40,793	44,205
3 Europe	–20,604	43,008	31,950	2,534	1,958	–5,238	649	7,739 ^c	6,132	20,710
4 Belgium ²	–598	2,046	–517	–193	3,371	–1,379	–2,722	218	77	–82
5 Germany	–1,668	–3,910	3,761	1,610	–1,183	–257	–270	1,148 ^c	3,449	874
6 Luxembourg ²	462	–1,609	674	–201	75	358	83	33	–2	127
7 Netherlands	–6,728	–17,020	5,534	3,261	–4,085	1,360	959	4,425	2,216	659
8 Sweden	–1,190	2,923	1,984	902	422	190	522	–240	482	608
9 Switzerland	1,412	–508	1,596	–2,543	–86	–1,050	1,067	–784	749	1,700
10 United Kingdom	–7,279	60,995	10,144	–2,739	1,313	–2,912	3,256	571 ^c	–523	8,439
11 Channel Islands and Isle of Man ³	–179	714	1,698	–84	–11	9	37	140	550	973
12 Other Europe and former U.S.S.R.	–4,836	–623	7,076	2,521	2,142	–1,557	–2,283	2,228 ^c	–866	7,412
13 Canada	–1,634	–5,198	2,818	1,028	–698	–1,871	1,782	820	–1,317	4,102
14 Latin America and Caribbean	4,272	21,116	15,578	6,074	–1,891	3,384	11,179	–6,109 ^c	10,705	–1,690
15 Venezuela	290	–59	199	–73	20	97	23	13	37	9
16 Other Latin America and Caribbean	14,726	21,955	17,193	1,652	2,676	2,323	8,550	–4,809 ^c	7,234	1,219
17 Netherlands Antilles	–10,744	–780	–1,814	4,495	–4,587	964	2,606	–1,313	3,434	–2,918
18 Asia	36,332	55,850	68,270	3,626	2,630	2,287	12,246	7,178 ^c	25,236	18,693
19 Japan	16,114	30,730	50,198	2,731	3,512	5,580	–1,221	5,532 ^c	25,097	11,698
20 Africa	–880	841	179	90	84	–43	–16	127	–59	86
21 Other	1,714	2,909	2,747	–43	353	–696	601	89	96	2,304
22 Nonmonetary international and regional organizations	–686	2,011	255	329	383	–244	–51	–52	316	–97
23 International	–290	1,642	574	164	170	–130	–109	85	381	177
24 Latin American Caribbean regional	41	–3	–127	0	–15	–38	–28	–37	–6	–3
MEMO										
25 Foreign countries	19,200	118,526	121,542	13,309	2,436	–2,177	26,441	9,844 ^c	40,793	44,205
26 Official institutions	3,474	9,809	35,830	5,523	312	4,823	1,322	–421 ^c	14,749	15,045
27 Other foreign	15,726	108,717	85,712	7,786	2,124	–7,000	25,119	10,265 ^c	26,044	29,160
Oil-exporting countries										
28 Middle East ⁴	865	–3,918	–7,350	–3,815	509	–4,252	128	–2,772 ^c	–1,018	55
29 Africa ⁵	–2	29	1	55	0	0	0	0	0	1

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. Before January 2001, combined data reported for Belgium and Luxembourg.

3. Before January 2001, these data were included in the data reported for the United Kingdom.

4. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).

5. 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	2000	2001	2002	2003					
				Mar.	Apr.	May	June	July	Aug.
	Exchange rates								
COUNTRY/CURRENCY UNIT									
1 Australia/dollar ²	58.15	51.69	54.37	60.15	61.00	64.68	66.52	66.07	65.18
2 Brazil/real	1.8301	2.3527	2.9213	3.4567	3.1090	2.9517	2.8887	2.8833	3.0053
3 Canada/dollar	1.4855	1.5487	1.5704	1.4761	1.4582	1.3840	1.3525	1.3821	1.3963
4 China, P.R./yuan	8.2784	8.2770	8.2770	8.2773	8.2772	8.2769	8.2771	8.2773	8.2770
5 Denmark/krone	8.0953	8.3323	7.8862	6.8807	6.8381	6.4268	6.3620	6.5425	6.6653
6 European Monetary Union/euro ³	0.9232	0.8952	0.9454	1.0797	1.0862	1.1556	1.1674	1.1365	1.1155
7 Greece/drachma	365.92	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
8 Hong Kong/dollar	7.7924	7.7997	7.7997	7.7991	7.7996	7.7991	7.7988	7.7990	7.7990
9 India/rupee	45.00	47.22	48.63	47.68	47.39	47.11	46.70	46.22	45.96
10 Japan/yen	107.80	121.57	125.22	118.69	119.90	117.37	118.33	118.70	118.66
11 Malaysia/ringgit	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000
12 Mexico/peso	9.459	9.337	9.663	10.905	10.589	10.253	10.503	10.458	10.783
13 New Zealand/dollar ²	45.68	42.02	46.45	55.37	55.18	57.56	58.15	58.64	58.29
14 Norway/krone	8.8131	8.9964	7.9839	7.2760	7.2032	6.8145	7.0093	7.2924	7.4096
15 Singapore/dollar	1.7250	1.7930	1.7908	1.7551	1.7771	1.7357	1.7351	1.7551	1.7533
16 South Africa/rand	6.9468	8.6093	10.5176	8.0506	7.6634	7.6604	7.8588	7.5458	7.3945
17 South Korea/won	1,130.90	1,292.01	1,250.31	1,237.20	1,231.10	1,201.23	1,194.14	1,181.16	1,178.60
18 Sri Lanka/rupee	76.964	89.602	95.773	96.943	97.004	97.231	97.236	97.153	96.975
19 Sweden/krona	9.1735	10.3425	9.7233	8.5440	8.4314	7.9213	7.8116	8.0929	8.2821
20 Switzerland/franc	1.6904	1.6891	1.5567	1.3614	1.3783	1.3111	1.3196	1.3611	1.3811
21 Taiwan/dollar	31.260	33.824	34.536	34.721	34.824	34.697	34.633	34.396	34.318
22 Thailand/baht	40.210	44.532	43.019	42.783	42.929	42.217	41.675	41.808	41.656
23 United Kingdom/pound ²	151.56	143.96	150.25	158.25	157.39	162.24	166.09	162.21	159.39
24 Venezuela/bolivar	680.52	724.10	1,161.19	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00
	Indexes ⁴								
NOMINAL									
25 Broad (January 1997=100) ⁵	119.68	126.08	127.19	123.56	122.54	118.54	117.93	119.11	120.43
26 Major currencies (March 1973=100) ⁶	98.31	104.28	102.85	94.28	93.98	89.67	88.68	90.42	91.48
27 Other important trading partners (January 1997=100) ⁷	130.34	136.36	141.42	147.26	145.15	142.75	143.07	142.84	144.32
REAL									
28 Broad (March 1973=100) ⁵	104.47	110.50	110.88	107.71	106.62	103.12	102.80	104.01 ⁸	105.25
29 Major currencies (March 1973=100) ⁶	103.29	110.73	109.36	100.84	100.35	95.53	94.57	96.65	97.81
30 Other important trading partners (March 1973=100) ⁷	114.81	119.47	122.29	126.42	124.31	122.56	123.22	123.17 ⁸	124.61

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. The euro is reported in place of the individual euro area currencies. By convention, the rate is reported in U.S. dollars per euro. The bilateral 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	1,936.27	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	340.750	Greek drachmas

4. Starting with the March 2003 *Bulletin*, revised index values resulting from the periodic revision of data that underlie the calculated trade weights are reported. For more information on the indexes of the foreign exchange value of the dollar, see *Federal Reserve Bulletin*, vol. 84 (October 1998), pp. 81-818.

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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BOOKS AND MISCELLANEOUS PUBLICATIONS

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ANNUAL REPORT, 2002.

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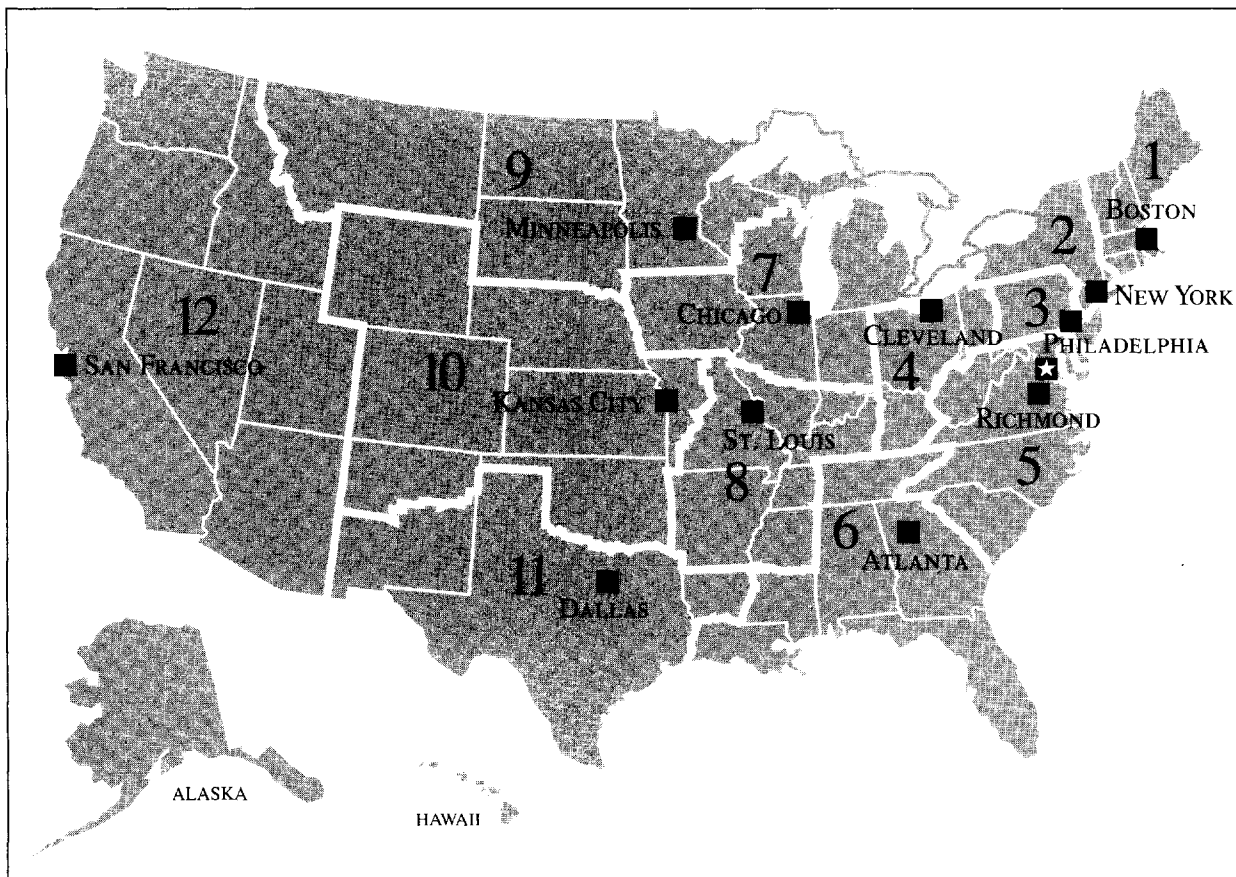
When Is Your Check Not a Check?

*STAFF STUDIES: Only Summaries Printed in the
BULLETIN*

Studies and papers on economic and financial subjects that are of general interest. Staff Studies 1–158, 161, 163, 165, 166, 168, and 169 are out of print, but photocopies of them are available. Staff Studies 165–174 are available on line at www.federalreserve.gov/pubs/staffstudies. Requests to obtain single copies of any paper or to be added to the mailing list for the series may be sent to Publications.

159. NEW DATA ON THE PERFORMANCE OF NONBANK SUBSIDIARIES OF BANK HOLDING COMPANIES, by Nellie Liang and Donald Savage. February 1990. 12 pp.
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172. USING SUBORDINATED DEBT AS AN INSTRUMENT OF MARKET DISCIPLINE, by Study Group on Subordinated Notes and Debentures, Federal Reserve System. December 1999. 69 pp.
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175. THE FUTURE OF RETAIL ELECTRONIC PAYMENTS SYSTEMS: INDUSTRY INTERVIEWS AND ANALYSIS, Federal Reserve Staff, for the Payments System Development Committee, Federal Reserve System. December 2002. 27 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

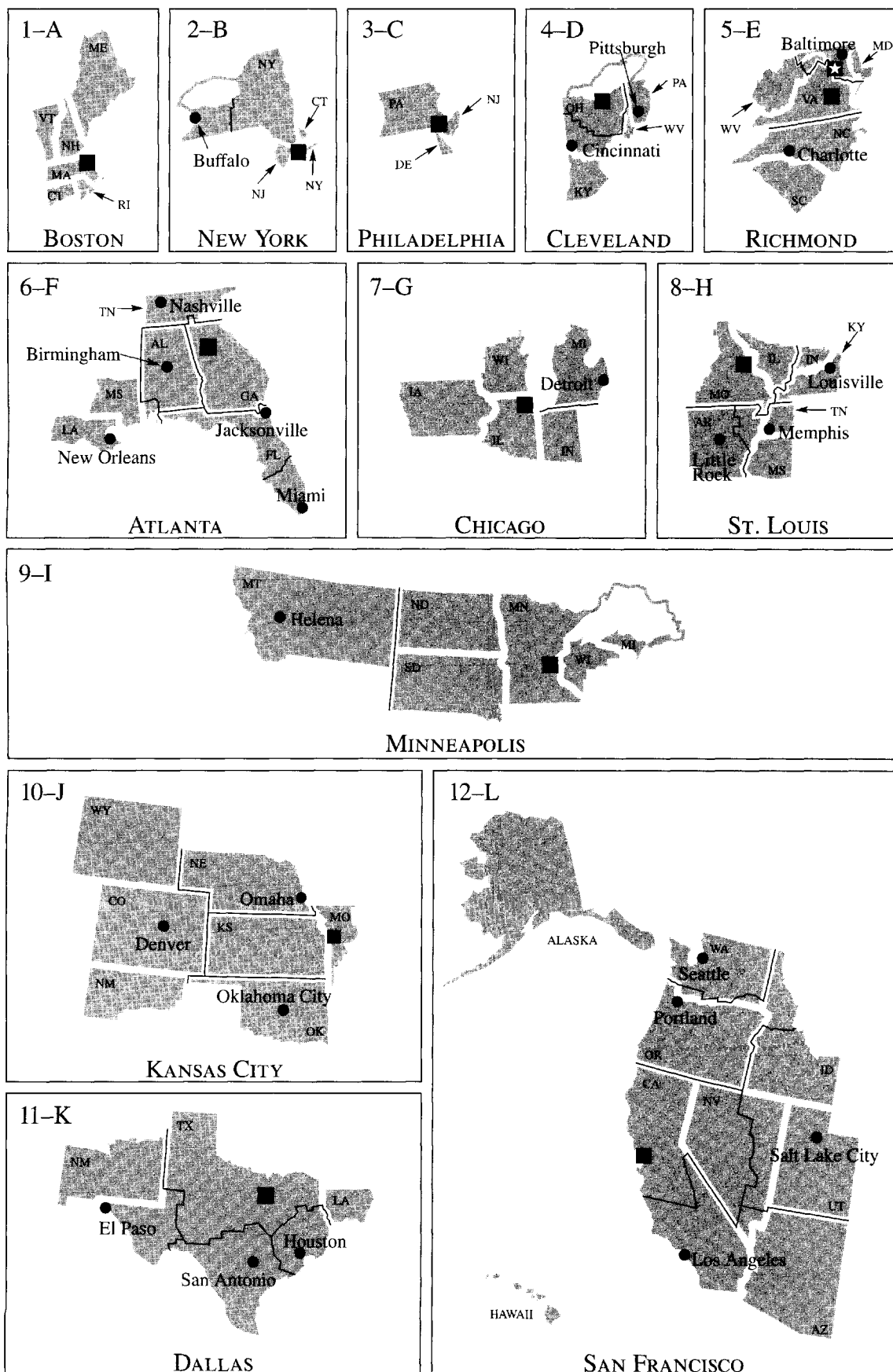
NOTE

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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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, G, M, P, 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.

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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, Mail Stop 127, 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
