

FEDERAL RESERVE statistical release



February 21, 1989

G.10 (411)

REVISION IN NONDEPOSIT FUNDS SERIES

This month's G.10 release contains revised data for nondeposit funds of commercial banks. All of the revision in the not seasonally adjusted data reflects new estimates of borrowings from lenders other than U.S. commercial banks (lines 3 and 6 on the new release, lines 3 and 4 on the old release). The other NSA component, net balances due to related foreign offices, has not been revised. In addition, more comprehensive seasonal adjustments have been calculated for the revised series.

The format of the release has been revised, providing breakdowns of borrowings from nonbanks by domestically chartered and foreign related banks, and eliminating detail formerly reported on gross positions with related foreign institutions.

The revised series reflects changes in the method of estimating borrowing from nonbanks. The old series, until November 1980, was calculated by subtracting interbank loans from total borrowing. Subsequently, because of changes in data availability, the series was carried forward by adding cumulative changes in several components of nonbank borrowing onto the October 1980 level of the series.

The impetus to change this method of calculation came from a study of the data which showed the estimates were biased downward due to inadequate representation of borrowings by foreign-related institutions beginning November, 1980, and were biased upward in earlier years because of differences in the way lenders and borrowers report interbank transactions. The revised series is calculated as a sum of components; some components were used to estimate the old series, but others were developed to improve the coverage of the new series. Data for all components of the new series are available beginning November, 1980; earlier data were adjusted to be as comparable as possible to the new series.

The revised nonbank borrowing series is currently nearly \$30 billion higher than the old series. This increase is attributable mainly to two components of the new series:

- (1) borrowing from nonbanks by foreign related institutions is estimated separately in the revised series, based on data reported weekly by large institutions and quarterly by other institutions, whereas in the old series this component was not estimated

separately and was represented only by a constant after October 1980.

(2) Federal Funds borrowing is estimated for all U.S. chartered banks in the revised series, whereas the old series included Federal Funds borrowing only by large banks.

Seasonal adjustments have been calculated for the three major components of the revised series--lines 2, 3a, and 3b--and the seasonally adjusted total series reflects the sum of these components. Formerly, only the Federal Funds and security RP component was seasonally adjusted.

Revised data on the nonbank borrowing series are available from January, 1973 forward, and may be obtained by writing to the Banking and Money Market Statistics Section, Board of Governors of the Federal Reserve System, Washington, D.C., 20551.

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For immediate release

MAJOR NONDEPOSIT FUNDS OF COMMERCIAL BANKS 1/

February 21, 1989

Monthly average figures, billions of dollars

	1988 JUL	1988 AUG	1988 SEP	1988 OCT	1988 NOV	1988 DEC	1989 JAN
Seasonally adjusted							
1. Total nondeposit funds 2/	215.2	222.4	210.4	210.5	217.8	212.7	207.1
2. Net balances due to related foreign offices 3/	14.0	21.8	8.9	4.3	9.9	6.7	8.1
3. Borrowings from other than commercial banks in U.S. 4/	201.2	200.6	201.5	206.2	207.8	206.1	199.1
a. By domestically chartered banks	166.8	166.1	165.6	168.0	168.5	167.1	162.1
b. By foreign-related banks	34.4	34.5	35.9	38.2	39.3	38.9	36.9
Not seasonally adjusted							
4. Total nondeposit funds	210.6	218.5	206.1	205.4	213.8	207.2	206.3
5. Net balances due to related foreign offices 3/	10.8	18.6	9.1	4.9	10.2	9.1	7.7
a. Of domestically chartered banks	-14.0	-7.3	-15.7	-20.6	-19.2	-20.7	-20.3
b. Of foreign-related banks	24.8	25.9	24.7	25.5	29.4	29.8	28.1
6. Borrowings from other than commercial banks in the U.S. 4/	199.8	199.9	197.1	200.5	203.6	198.1	198.5
a. By domestically chartered banks	164.9	165.6	161.8	163.7	167.2	161.2	160.5
(1) Federal funds and security RP borrowings 5/	159.5	160.6	157.4	159.6	162.6	157.6	157.1
(2) Other 6/	5.4	5.0	4.4	4.1	4.6	3.5	3.4
b. By foreign-related banks 6/	34.9	34.2	35.3	36.8	36.3	36.9	38.1
Memoranda							
1. Gross large time deposits 7/ SA	408.4	414.6	419.7	423.2	424.6	429.3	434.9
NSA	405.9	415.1	421.7	424.7	425.7	429.9	434.5
2. U.S. Treasury demand balances at commercial banks 8/ SA	21.3	17.1	23.5	27.2	23.0	24.9	20.4
NSA	22.0	11.9	24.6	27.7	16.3	22.9	25.1

1. Commercial banks are those in the 50 states and the District of Columbia with national or state charters plus agencies and branches of foreign banks, New York investment companies majority owned by foreign banks, and Edge Act corporations owned by domestically chartered and foreign banks.
2. Includes federal funds, RPs, and other borrowing from nonbanks and net balances due to related foreign offices.
3. Reflects net positions of U.S. chartered banks, Edge Act corporations, and U.S. branches and agencies of foreign banks with related foreign offices plus net positions with own IBFs.
4. Other borrowings are borrowings through any instrument, such as a promissory note or due bill, given for the purpose of borrowing money for the banking business. This includes borrowings from Federal Reserve Banks and from foreign banks, term federal funds, loan RPs and sales of participations in pooled loans.
5. Based on daily average data reported weekly by approximately 120 large banks and quarterly or annual data reported by other banks.
6. Figures are partly daily averages and partly averages of Wednesday data.
7. Time deposits in denominations of \$100,000 or more. Estimated averages of daily data.
8. U.S. Treasury demand deposits and Treasury tax-and-loan notes at commercial banks. Averages of daily data.