
VOLUME 78 □ NUMBER 2 □ FEBRUARY 1992



FEDERAL RESERVE BULLETIN

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, WASHINGTON, D.C.

PUBLICATIONS COMMITTEE

Joseph R. Coyne, *Chairman* □ S. David Frost □ Griffith L. Garwood
□ Donald L. Kohn □ J. Virgil Mattingly, Jr. □ Michael J. Prell □ Edwin M. Truman

The *Federal Reserve Bulletin* is issued monthly under the direction of the staff publications committee. This committee is responsible for opinions expressed except in official statements and signed articles. It is assisted by the Economic Editing Section headed by S. Ellen Dykes, the Graphics Center under the direction of Peter G. Thomas, and Publications Services supervised by Linda C. Kyles.

Table of Contents

107 *ASSET-BACKED COMMERCIAL PAPER PROGRAMS*

In existence since 1983, asset-backed commercial paper programs, which involve the securitization of assets, have grown substantially over the past two years. This article examines the benefits and risks of asset-backed commercial paper programs, including the risk-based capital treatment of the liquidity facilities and other supporting arrangements for these programs provided by banking organizations, and how the existing guidance on securitization activities that the Federal Reserve has provided its examiners pertains to asset-backed commercial paper programs.

117 *STAFF STUDY SUMMARY*

In "Evidence on the Size of Banking Markets from Mortgage Loan Rates in Twenty Cities," the author considers whether financial innovation and a surge in bank mergers over the past decade have broadened the geographic market for banking services. The study focuses on the market for mortgage loans, considered by some to have become national in scope. The data consist of more than 13,500 observations of mortgage loan terms covering a sixteen-week period for twenty U.S. cities from late 1987 through early 1988. Results of two statistical tests indicate that local market conditions still influence mortgage rates.

119 *INDUSTRIAL PRODUCTION AND CAPACITY UTILIZATION*

The index of industrial production decreased 0.4 percent in November, after three months of little overall change. At 107.8 percent of its 1987 annual average, total industrial production was 0.5 percent below its year-ago level. Total industrial capacity utilization

decreased 0.5 percentage point in November, to 79.1 percent.

122 *STATEMENT TO THE CONGRESS*

Alan Greenspan, Chairman, Board of Governors, says that an analysis both of the special factors affecting the economy at present and of the requirements for healthy growth of productivity and for international competitiveness over the longer run suggests that any changes made to the tax code should give considerable emphasis to the encouragement of long-term economic growth through incentives for saving and investment, before the House Committee on Ways and Means, December 18, 1991.

125 *ANNOUNCEMENTS*

Change in the discount rate.

Ratings in Community Reinvestment Act examinations now available on a weekly basis.

Appointments to the Thrift Institutions Advisory Council.

Delay in the effective date of the regulation on real estate appraisals.

Proposed revisions to the staff commentary on Regulation B; proposed revisions to Truth in Lending regulations; proposal to resolve a conflict between the home equity rules and provisions of the Federal Reserve Act and Regulation O.

Public meetings on the application of Bank-America Corporation to acquire Security Pacific Corporation.

Changes in Board staff.

128 *RECORD OF POLICY ACTIONS OF THE FEDERAL OPEN MARKET COMMITTEE*

At its meeting on November 5, 1991, the Committee adopted a directive that called for

an immediate slight easing in the degree of pressure on reserve positions and that provided for giving special weight to potential developments that might require some additional easing during the intermeeting period. The reserve conditions contemplated at this meeting were expected to be consistent with growth of M2 and M3 at annual rates of around 3 percent and 1 percent respectively over the three-month period from September through December.

135 *LEGAL DEVELOPMENTS*

Various bank holding company, bank service corporation, and bank merger orders; and pending cases.

A1 *FINANCIAL AND BUSINESS STATISTICS*

These tables reflect data available as of December 29, 1991.

A3 *GUIDE TO TABULAR PRESENTATION*

A4 Domestic Financial Statistics

A44 Domestic Nonfinancial Statistics

A53 International Statistics

A69 *GUIDE TO STATISTICAL RELEASES AND SPECIAL TABLES*

⁸⁴
~~A72~~ *INDEX TO STATISTICAL TABLES*

A86 *BOARD OF GOVERNORS AND STAFF*

A88 *FEDERAL OPEN MARKET COMMITTEE AND STAFF; ADVISORY COUNCILS*

A90 *FEDERAL RESERVE BOARD PUBLICATIONS*

A92 *FEDERAL RESERVE BANKS, BRANCHES, AND OFFICES*

A93 *MAP OF THE FEDERAL RESERVE SYSTEM*

Asset-Backed Commercial Paper Programs

Barbara Kavanagh, of the Federal Reserve Bank of Chicago, and Thomas R. Boemio and Gerald A. Edwards, Jr., of the Board's Division of Banking Supervision and Regulation, prepared this article.

In existence since 1983, asset-backed commercial paper programs have grown substantially over the past two years. These programs involve the securitization of assets and are attractive to companies because they provide a stable source of funding. At the same time, they appeal to banking organizations because they provide a means of earning fee income and meeting customers' needs for credit and, at the same time, eliminate the need to maintain the amount of capital that would be required if loans were extended directly to the companies.

Further incentive for participation in these programs has been provided by recent revisions to the Securities and Exchange Commission's rules limiting the amount that money market mutual funds may invest in commercial paper issues rated less than the highest quality. Through these programs, companies whose own commercial paper is rated below A1/P1 can continue to have access to the commercial paper market, despite the lower demand for commercial paper with such ratings.

This article examines the benefits and the risks of asset-backed commercial paper programs. First, it provides an overview of the commercial paper market and asset-backed commercial paper programs. Next, it discusses the mechanics of the securitization process, the role of banking organizations in the process, and the incentives for banks and customers to participate in such programs. Then it outlines the risks to which asset-backed commercial paper programs may expose banking organizations. It also addresses the risk-based capital treatment of the liquidity facilities and other supporting arrangements provided by banking organizations. Last, the article discusses how existing guidance on securitization activities that the Federal Reserve has provided its examiners pertains to asset-backed commercial paper.

OVERVIEW OF THE COMMERCIAL PAPER MARKET

Commercial paper, one of the oldest money market instruments, is used to raise short-term funds. Typically, commercial paper is an unsecured, short-term promissory note issued in bearer form by a financial or nonfinancial company to satisfy its funding needs. Its popularity as a funding mechanism stems from (1) its availability as an alternative to short-term bank loans and (2) its lower relative costs when compared with bank loans or debt issuance.¹ To be exempt from securities registration requirements of the Securities and Exchange Commission (SEC), commercial paper must have a maturity of 270 or fewer days.² In practice, most commercial paper issues mature in 30 days or less, and the maturities of longer-term issues rarely exceed 90 days. While it is sometimes sold in denominations as small as \$10,000, commercial paper is generally issued in denominations of millions of dollars to meet the requirements of money market funds and other institutional investors, which are the major purchasers.

The origins of commercial paper can be traced back to the 1800s. Because banking organizations were restricted to operating in one state, and often in only one location, companies in one area of the country might not be able to borrow needed funds from banking organizations in other regions. Thus, regions of the country with problems regarding the availability of credit often had interest rates higher than those in other regions. During times of high seasonal demand, companies in areas with relatively higher rates found the issuance of commercial

1. By issuing commercial paper, companies are able to secure funding directly from investors in the market instead of using banks as intermediaries and paying for their services.

2. Other conditions that commercial paper must meet to be exempt from registration requirements include the following: The proceeds of the notes are to be used for current transactions, and the notes are not ordinarily to be advertised for sale to the general public.

paper to be a more cost-effective means of obtaining financing than borrowing under bank lines of credit.³

The growth of the market, however, essentially ceased from the Great Depression through World War II because of prevailing economic conditions. In the postwar economic boom, commercial paper again became a source of funding. During the 1960s and 1970s, growth in the commercial paper markets accelerated. One cause of the acceleration was the inability of banks to raise funds sufficient to meet corporate loan demand, which forced borrowers to look to the commercial paper market for credit.⁴

Many commercial and financial companies also discovered the commercial paper market to be a viable, cost-effective alternative to bank credit. Rates on commercial paper, Treasury bills, and certificates of deposit tend to move closely together, and all three generally change more quickly than the prime rate. During periods of falling interest rates, obtaining funds through the issuance of commercial paper may be cheaper because rates on such paper tend to move downward more quickly than the prime rate. Conversely, many commercial paper issuers have relied on bank loans during periods of rising interest rates because rates on these loans tend to change more slowly than rates on commercial paper.⁵

The growth of the commercial paper market continued to accelerate during the early 1980s as investors, because of their uncertainty regarding future rates, favored shorter maturities and as corporations waited for lower interest rates before issuing bonds. During this period, money market mutual funds grew exponentially and became the largest purchasers of commercial paper. The net effect of these events was a continued increase, not only in the dollar volume of the commercial paper market, but also in the number and type of issuers.

The amount of commercial paper outstanding in today's market is well above \$500 billion (table 1). This amount represents obligations of domestic

1. Outstanding amount of commercial paper, selected years, 1960-91

Billions of dollars

Year	Outstanding amount
1960	4.5
1965	9.3
1970	33.4
1975	48.4
1980	124.4
1985	298.8
1990	566.9
1991 (to October)	528.3

SOURCE: *Federal Reserve Bulletin*.

financial and nonfinancial companies as well as of multinational corporations and foreign firms and shows a growth in volume of more than 90 percent from 1985 to 1990. Although commercial paper issues are generally unsecured, the liquidity of most issues is fully supported by bank lines of credit. Most borrowers in the market reissue or "roll over" commercial paper as the primary method of financing maturing paper. Although some secondary market activity is associated with commercial paper issues, original purchasers generally hold the paper to maturity.

OVERVIEW OF ASSET-BACKED COMMERCIAL PAPER PROGRAMS

Like other securitization programs, asset-backed commercial paper programs segregate assets into pools and transform these pools into market instruments. The payment of principal and interest on these instruments stems from the cash flows collected on the underlying assets in the pool. In such programs, the underlying assets are the receivables of corporations, and the market instrument that is issued is commercial paper.

Asset securitization began in 1970 when the federal government through the Government National Mortgage Association (GNMA) stimulated the securitization of residential mortgages by guaranteeing investors the timely receipt of principal and interest on the securities issued under the GNMA program. Soon after, the Federal Home Loan Mortgage Corporation (FHLMC) and the Federal National Mortgage Association (FNMA) also began issuing mortgage-backed securities. In 1985, securities backed by computer leases, credit

3. Marcia Stigum, *The Money Market*, rev. ed. (Dow Jones-Irwin, 1983), p. 626.

4. Timothy D. Rowe, "Commercial Paper," in Timothy Q. Cook and Timothy D. Rowe, eds., *Instruments of the Money Market* (Federal Reserve Bank of Richmond, 1986), pp. 111-35.

5. Evelyn Hurley, "The Commercial Paper Market," *Federal Reserve Bulletin*, vol. 63 (June 1977), p. 530.

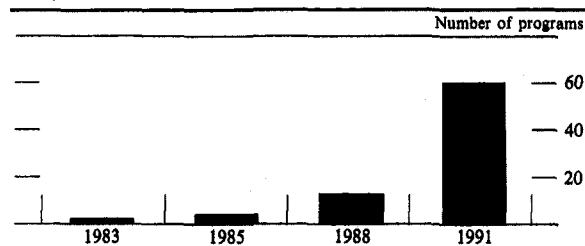
card receivables, automobile loans, and other types of loans began to be issued.⁶

Asset-backed commercial paper programs use a vehicle called a special purpose entity (SPE) to issue commercial paper. The programs provide a service basically similar to that offered by a factoring company in that the SPE finances the receivables of corporate clients. In other respects, however, the SPE differs from a factoring company. Typically, a factor assumes the role of a credit department for its clients to evaluate the creditworthiness of the clients' customers. While it finances a client's receivables by purchasing them, the SPE does not perform a credit evaluation of each obligor associated with the receivables in the pool as a factor would, but relies instead on an actuarial review of the past performance of the client's portfolio of receivables. Also, with an SPE, the corporate client usually performs the servicing function whereas in a factoring arrangement the factor generally services the receivables.

Unlike the more familiar mortgage or credit card securitizations, asset-backed commercial paper programs are ongoing activities that do not wind down by themselves after a few years. Generally, in the more traditional securitizations, the SPE holds a definitive pool of assets that back a specific issue of securities. Once the securities have been paid off, the transaction unwinds. In asset-backed commercial paper programs, the SPE continually purchases new receivables and usually rolls over the outstanding commercial paper.

Asset-backed commercial paper programs may differ from the more traditional securitization programs in several other ways. First, these programs issue short-term commercial paper as the instrument to fund the purchase of the underlying assets. Most other asset-backed instruments have maturities of more than two years. Second, the banking organization advising the program may provide credit enhancements or guarantees because the commercial paper is backed by assets sold to the SPE by nonrelated third parties. Generally, in the more traditional securitizations, in which the acquired assets are sold by the advising banking organization, credit enhancements are obtained from

1. Asset-backed commercial paper programs rated by Standard & Poor's, selected years, 1983-91



nonrelated third parties to ensure that, for accounting purposes, the selling institution can treat the transaction as a sale. Third, the commercial paper issued by these programs is less liquid than mortgage-backed securities and other types of asset-backed securities because no active secondary market exists.

At present, more than seventy asset-backed commercial paper programs are in operation, and estimates of the size of the market for this paper currently range from \$50 billion to \$70 billion. In the 1980s, programs advised by domestic banking organizations dominated the asset-backed commercial paper market. Currently, participants in this market also include foreign banking organizations, retail companies, and finance companies, which are estimated to account for one-half of the outstanding commercial paper issued by asset-backed commercial paper programs.

Standard & Poor's Corporation rated the first commercial paper program backed by pooled receivables in April 1983 and the second in January 1985 (chart 1). By year-end 1988, Standard & Poor's had rated eleven programs with the total capacity of issuing more than \$16 billion of commercial paper. By November 1991, Standard & Poor's had rated sixty such programs, which have the capacity of issuing more than \$48 billion of commercial paper.⁷ (See table 2 for the various credit ratings and their definitions.)

THE SECURITIZATION PROCESS

Asset-backed commercial paper programs use an SPE to acquire legal title to receivables directly

6. Thomas R. Boemio and Gerald A. Edwards, Jr., "Asset Securitization: A Supervisory Perspective," *Federal Reserve Bulletin*, vol. 75 (October 1989), pp. 659-69.

7. Avi Oster and Barry Wood, "Commercial Paper: Pooled Receivables' Robust Growth," *Standard & Poor's Creditweek* (March 27, 1989), p. 90.

2. Definitions of commercial paper credit ratings

Standard & Poor's Corporation		Moody's Investors Service	
Definition	Rating	Definition	Rating
<i>Capacity for timely payment</i>		<i>Ability for repayment</i>	
Extremely strong	A1+	Superior	Prime 1 (P1)
Strong	A1		
Satisfactory	A2	Strong	Prime 2 (P2)
Adequate	A3	Acceptable	Prime 3 (P3)
Speculative	B	...	...
Doubtful capacity for payment	C	...	...
Debt in payment default	D	...	...
...	...	Not of prime quality	NP

from corporations. To date, the type of receivables that have been included in such programs are trade receivables, installment sales contracts, financing leases, noncancelable portions of operating leases, and credit card receivables. By using these programs, a bank can help arrange the financing of receivables for its corporate customers without having to make loans or purchase assets, which could inflate its balance sheet and increase its capital requirements. In some instances, these programs are designed to remove assets (typically credit card receivables originated by the bank) from the advising bank's books.

To avoid having to consolidate an SPE on its balance sheet, the advising bank does not own any of the capital stock.⁸ Employees of an investment banking firm or some other third party generally own the equity of the SPE. As previously noted, to obtain funding the SPE issues commercial paper, which is ultimately repaid from the cash flow of the underlying pools of receivables. The rating agencies require that the entire amount of outstanding commercial paper be covered by liquidity and credit enhancements before the program can receive the highest investment rating (see chart 2).

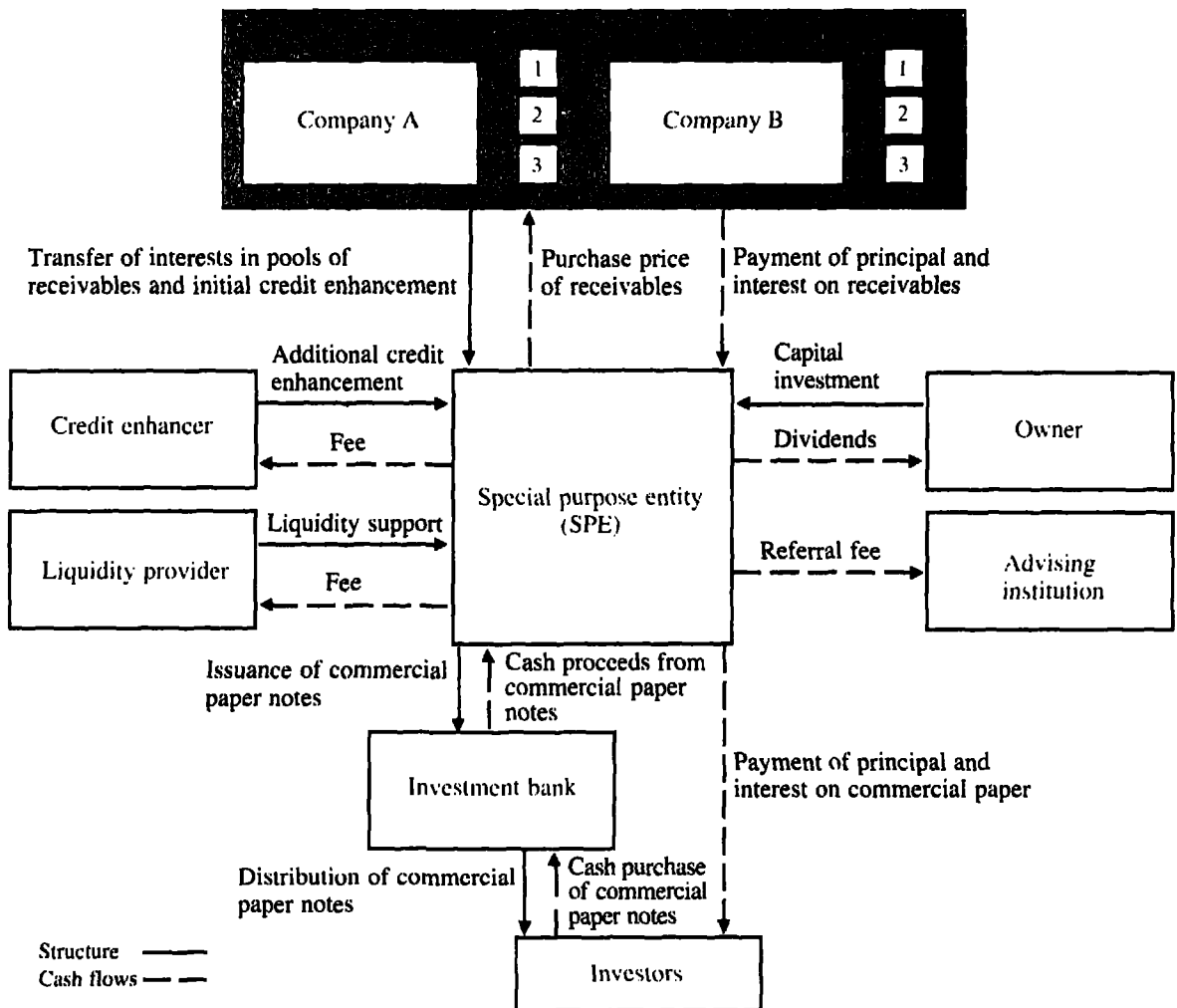
Bank involvement in an asset-backed commercial paper program can range from advising the program

to advising and providing all of the required credit or liquidity enhancements needed to support the SPE's commercial paper. In most cases, the advising bank or an affiliate performs a review to determine whether the receivables of potential participants in the program—that is, the corporate sellers—are eligible for purchase by the SPE. The review is somewhat similar in scope to the review used in structuring securitizations backed by credit card receivables or automobile loans. It covers the credit origination standards of the corporation and the current and historical quality and performance of its portfolio. Ideally, the bank traces the performance of the corporation's portfolio through a complete business cycle and evaluates the current portfolio's expected performance. The bank reviews the receivables in the portfolio to make sure that they are widely distributed across regions of the country and among obligors and industries. Once a bank or its affiliate determines that a corporation's portfolio has an acceptable credit-risk profile, the bank or an affiliate approves the purchase of the company's receivables portfolio by the SPE.

The bank or an affiliate may also act as the operating agent for the SPE. Acting as operating agent entails structuring the sales of pools of the corporate client's receivables to the SPE and continuously monitoring the performance of the pools. The SPE then issues commercial paper in an amount equal to the discounted purchase price of the receivables and uses the proceeds of the sale to buy the receivables from the seller. A company that sells its receivables to an SPE traditionally acts as the servicer for the receivables and, as such, is

8. Under generally accepted accounting standards and SEC reporting requirements, consolidation of the SPE is usually expected if the banking organization has a controlling financial interest in the SPE. A controlling financial interest would generally be presumed if the banking organization had a majority ownership interest in the outstanding voting shares of the SPE, although control might also be deemed to exist in certain situations involving minority ownership.

2. An asset-backed commercial paper program: structure and cash flows



responsible for collecting interest and principal payments on the accounts from the obligors and for periodically passing these funds to the SPE.

Credit Enhancements and Liquidity Facilities

Asset-backed commercial paper programs typically have several levels of credit enhancement to protect investors from loss. The first level of protection in these programs is generally the difference between the face value of the receivables purchased and the discounted price paid, known as a holdback or overcollateralization. In some cases, the terms of

the sale also give the SPE recourse back to the seller if there are defaults on the receivables. The amount of overcollateralization varies from pool to pool and depends mainly on the asset quality of the receivables originated by the corporate client and the desired credit rating for the commercial paper issued by the SPE. Usually, the level of credit protection provided by overcollateralization is specified as a multiple of historical losses.

The second level of credit safeguards is designed to absorb any losses that exceed the sum of the overcollateralization and recourse. Secondary credit enhancements include letters of credit, surety bonds, or other backup facilities, such as agreements that obligate a third party to purchase pools of

receivables from the SPE at a specific price. The loss protection provided by the overcollateralization and secondary credit enhancements may range from 15 percent to 35 percent of the amount of commercial paper outstanding.

Besides the support provided by these credit enhancements, asset-backed commercial paper programs usually have support from a liquidity facility. The general purpose of the liquidity facility (sometimes referred to as a liquidity backup line) is to provide funds to the SPE to retire maturing commercial paper when a mismatch occurs in the maturities of the underlying receivables and the commercial paper obligations or when a disruption occurs in the commercial paper market. Thus, in its purest sense, the liquidity facility's purpose is to cover temporary shortfalls in the cash flows of the SPE that do not result from credit losses on the underlying receivables.

The credit enhancements and liquidity facility of an asset-backed commercial paper program may be provided separately or they may be provided together under a single arrangement with a bank. In a combined arrangement, a bank may be required to purchase pools of receivables to provide funds to the SPE to pay off maturing commercial paper, regardless of whether the funding shortfall resulted from credit deterioration in the particular pool or a liquidity problem in the overall commercial paper market.

When one bank provides both the credit and the liquidity support enhancements, whether in separate facilities or in a combined arrangement, the commercial paper's rating is integrally tied to the bank's own short-term rating. Recently, Standard & Poor's placed several asset-backed commercial paper programs on "Creditwatch," with negative implications, after the short-term deposit rating of the bank that provided the credit and liquidity enhancements was downgraded from A1+ to A1. The reason for the close scrutiny of these programs was their reliance on just one bank for both liquidity and credit support. In other asset-backed commercial paper programs, the A1+ ratings for the commercial paper were maintained, despite the deterioration of one bank's short-term rating because the bank was part of a diversified group of banks providing credit and liquidity support.

In rating the commercial paper issued through these programs, the rating agencies consider the

protection provided investors by credit enhancements and backup liquidity facilities. Two criteria used by rating agencies are of particular importance. First, to obtain the highest credit rating, commercial paper issued by the SPE must generally have 100 percent liquidity support, which may be provided by a combination of the liquidity and credit enhancements. For example, if the program is protected by a 15 percent credit enhancement, a liquidity backup line of 85 percent will be necessary. Second, the rating on the commercial paper is integrally tied to the rating on direct obligations of the bank providing the enhancements. Thus, if the short-term deposit rating of the bank providing the enhancements is A2/P2, the commercial paper of the SPE will be given a similar rating at best and never a higher one.

Incentives for Banking Organizations

Through asset-backed commercial paper programs, banking organizations can help arrange short-term financing support for their customers without having to extend them credit directly. Thus, by keeping these potential loans off their books, banking organizations effectively reduce their capital requirements. Banking organizations also earn fee income for the service of packaging and monitoring pools of receivables as well as for providing liquidity facilities and credit enhancements. The programs therefore improve the performance measures of banks involved, not only because the fees earned add to revenue but also because revenue is increased without a corresponding increase in the banks' asset levels. Banks also contend that these vehicles allow them to help meet the financing needs of investment-grade customers that have relied on commercial paper in lieu of bank borrowing, and thus enable the banks to regain market share.

Incentives for Participating Companies

Companies wishing to obtain financing choose asset-backed commercial paper programs for several reasons. First, these programs provide participating companies with an additional, reliable source of funding at a relatively stable cost. This stability of

funding costs results from the diversified pool of assets that back the commercial paper issued by the SPE and the extensive credit and liquidity support involved. Also, unlike traditional commercial paper programs, the cost of funding associated with these asset-backed programs is considered relatively stable because adverse conditions experienced by an individual participant generally do not affect the overall program's cost. Second, companies may want to clean up their balance sheets by reducing their total assets to improve performance ratios or by limiting the amount of their own paper outstanding in the market and, instead, issuing new paper through the SPE. Third, the funding costs associated with these asset-backed programs may be less than the direct funding costs for customers with a commercial paper rating below A1/P1. Finally, these arrangements may provide indirect access to the commercial paper market for companies that are unable to gain direct access.

Risks Associated with These Programs

Three fundamental models, with variants of each type, seem to underlie the structuring of the credit and liquidity support of these programs. First, a program can combine the credit and liquidity support into one arrangement; such a combination generally results in an effective guarantee of the entire amount of outstanding commercial paper. Second, a bank can provide separate credit and liquidity enhancements. Third, some programs have separate credit and liquidity support mechanisms provided by one or more third-party institutions. This last model is generally used when a bank is selling its own assets, typically credit card receivables, to the SPE. The bank uses this model to ensure that the transfer will be treated as a true sale of assets, that is, without any recourse to the bank. The resulting sales treatment allows the bank to remove the assets from its books and thus reduce its capital requirements.

The banking organization providing credit or liquidity support to one of these programs may have to raise funds itself in connection with these obligations to provide funds to the SPE. For example, the downgrading of the short-term deposit rating of a bank providing the credit or liquidity support could result in a simultaneous downgrading

of the commercial paper issued by the SPE. In such an event, the SPE may be unable to roll over, or pay off, some or all of its outstanding commercial paper at maturity. In this circumstance, the credit deterioration in the bank providing credit or liquidity support could create a liquidity problem for the SPE. Furthermore, if cash inflows from the underlying receivables are insufficient to pay off the maturing commercial paper issued by the SPE, then the liquidity facility could be drawn down. These potential liquidity problems are exacerbated because the SEC now restricts money market mutual funds, which are major purchasers of asset-backed commercial paper, to investing no more than 5 percent of their assets in paper rated A2/P2 or worse at the time of purchase.⁹

Finally, a significant deterioration in asset quality—one exhausting the overcollateralization or recourse credit enhancements—could result in losses being absorbed by the secondary credit enhancements, usually letters of credit or cash collateral.

The liquidity or credit problems previously mentioned, in effect, could bring some portion of the SPE's assets onto the balance sheets of the banking organizations providing the credit and liquidity support enhancements. In such a case, the banking organizations providing the enhancements would have to acquire some portion of the assets of the SPE or extend credit to the SPE, both of which actions would increase the total assets of the banking organizations. This increase would adversely affect their capital ratios and certain performance ratios. Because the structures of asset-backed commercial paper programs usually differ, a case-by-case analysis of these programs is necessary to ascertain the exact nature and the extent of the risks in any credit or liquidity enhancements supporting an SPE's commercial paper.

RISK-BASED CAPITAL IMPLICATIONS FOR ASSET-BACKED COMMERCIAL PAPER

A question arises as to whether the liquidity and credit enhancements supporting asset-backed com-

9. In June 1991, the SEC adopted amendments to its rule 2a-7 that essentially require a money market fund to limit its total investment in securities rated A2/P2 or below to 5 percent of its assets and to limit investment in such securities of any one issuer to 1 percent of its assets.

mercial paper constitute a commitment or a direct credit substitute, that is, a guarantee of the banks providing these enhancements. The Board's risk-based capital guidelines require banks to hold less capital to support a commitment than to support a guarantee. Therefore, determining whether liquidity and credit enhancements are commitments or guarantees may affect the pricing of these off-balance-sheet obligations and, in turn, the profitability of these programs.

Under the risk-based capital guidelines, direct credit substitutes include any irrevocable arrangements that guarantee repayment of financial obligations, including commercial paper. These guidelines contain the following definition of a financial guarantee:

the combination of irrevocability with the fact that funding is triggered by some failure to repay or perform an obligation. Thus, any commitment (by whatever name) that involves an irrevocable obligation to make a payment to the customer or to a third party in the event the customer fails to repay an outstanding debt obligation . . . is treated, for risk-based capital purposes, as . . . a financial guarantee.¹⁰

Such off-balance-sheet guarantees are converted at 100 percent to a credit equivalent amount on the balance sheet and then weighted according to the risk of the counterparty, after taking into account any eligible collateral or guarantees.

These direct credit substitutes or guarantees must be supported by the same amount of capital as if the obligation were held directly—as a loan—on the bank's balance sheet. The reason for this treatment is that the bank providing the guarantee faces the same credit risk as if it had a direct on-balance-sheet loan to the beneficiary of the guarantee. Thus, assuming that a loan to a borrower would be assigned a risk weight of 100 percent, a guarantee of the borrower's financial obligations would generally be assigned the same risk weight of 100 percent.

A guarantee, or direct credit substitute, is normally drawn down when the primary obligor has experienced some difficulties and therefore is unable to pay its financial obligations. A distin-

guishing feature of an irrevocable guarantee arrangement is that it does not customarily contain a "material adverse change" (MAC) clause or similar provision that would enable the bank providing the guarantee to escape its obligation.

In contrast to a financial guarantee, a commitment is defined for risk-based capital purposes as an arrangement that obligates a bank to extend credit in the form of loans or leases, or to purchase loans or other assets. The important difference between a financial guarantee and a commitment is that the latter is usually drawn down in the normal course of business rather than when a party cannot meet its obligations. A commitment generally will contain provisions abrogating the lender's obligation and thus helping to limit its risk if the borrower's condition worsens. However, the presence or absence of a MAC clause or other escape mechanism has no bearing on the appropriate capital treatment.

Under the risk-based capital guidelines, if the original maturity of a commitment exceeds one year, then it is considered "long term" and is converted at 50 percent to a credit equivalent amount on the balance sheet. Alternatively, if the original maturity of the commitment is one year or less, it is considered to be "short term" and the conversion factor becomes 0 percent. Thus, a bank is not required to hold capital in support of a short-term commitment.

Backup facilities under asset-backed commercial paper programs that meet the definition of guarantees for risk-based capital purposes are to be treated as guarantees. For example, there are "commitments" that obligate a banking organization to loan against or to acquire the underlying receivables at the price paid by the SPE, regardless of the quality of the receivables or any losses on them. In this structure, the SPE would use the proceeds to retire the commercial paper. Under these arrangements, banks cannot revoke their obligation to purchase the underlying receivables, regardless of any deterioration in quality; likewise, there is generally no limit on the amount of credit loss the bank may be subject to, that is, 100 percent of the enhancement is available to absorb credit losses. Consequently, the banks providing these enhancements ultimately protect the commercial paper investors against loss by guaranteeing that the SPEs will have funds to redeem their commercial paper. Arrangements that have characteristics of a financial guarantee are

10. Board of Governors of the Federal Reserve System, *Capital Adequacy Guidelines* (Board of Governors, 1989), p. 13 and p. 41 (12 C.F.R. pt. 208, app. A, sec. III.D.1 and 12 C.F.R. pt. 225, app. A, sec. III.D.1.).

regarded as direct credit substitutes for purposes of the risk-based capital guidelines. Such an agreement, even when called a commitment, should be converted at 100 percent to a credit equivalent amount on the balance sheet and generally is risk weighted at 100 percent.

In contrast, other facilities differentiate between what is potentially available to absorb credit losses and what is available to facilitate liquidity. These liquidity facilities are most commonly characterized by, at the very least, a test for some minimum asset quality that must be met before funds will be extended to the SPE. For example, funds may not be drawn against receivables of lesser quality, in other words, those in default. Therefore, these facilities could be considered commitments and may be treated as such for purposes of risk-based capital.

EXAMINER GUIDANCE

In 1990, to ensure consistency during examinations, the Federal Reserve provided guidance to its examiners to use when reviewing an institution's involvement with asset securitization transactions. Although not specifically directed toward asset-backed commercial paper programs, many aspects of these existing examination guidelines are applicable to these vehicles. For example, the guidance instructs examiners to check that a banking organization participating in a securitization transaction—whether an asset-backed commercial paper program or some other type—has clearly and logically integrated these activities into its overall strategic objectives. In addition, it states that examiners should determine that the management of the organization understands the risks associated with the various roles that the institution can assume in such programs.

Examiners are also instructed to determine that appropriate policies, procedures, and controls, including well-developed management information systems, are in place before the banking organization participates in these programs. They should ascertain that the banking organization's board of directors periodically reviews significant policies and procedures relating to these programs before approving them.

Based on this guidance, a banking organization involved in asset-backed commercial paper pro-

grams should establish overall limits on the actual amount of credit and liquidity commitments. Institutions involved in these programs should also analyze the underlying pools of receivables and the structure of the commercial paper program. This analysis should include a review of the following:

- The characteristics, credit quality, and expected performance of the underlying receivables
- The banking organization's ability to meet its obligations under the securitization arrangement
- The ability of the other participants in the arrangement to meet their obligations.

A banking organization involved in an asset-backed commercial paper program needs to have established policies and procedures to ensure that it follows prudent standards of credit assessment and approval. Such policies and procedures would be applicable to all pools of receivables to be purchased by the SPE as well as the extension of any credit enhancements and liquidity facilities. Procedures should include an initial, thorough credit assessment of each pool for which the bank has assumed credit risk, followed by periodic credit reviews to monitor performance throughout the duration of the exposure. Furthermore, the policies and procedures should outline the credit approval process and establish "in-house" exposure limits, on a consolidated basis, with respect to particular industries or organizations, that is, the companies from which the SPE purchased the receivables as well as the receivable obligors.

For those banking organizations providing credit enhancements and liquidity facilities, an analysis of the institution's funding capabilities should be performed to ensure that these institutions are capable of meeting their obligations under all foreseeable circumstances. In addition, an analysis should be completed to determine the effects of the fulfillment of these obligations on the banking organization's interest rate exposure, asset quality, liquidity position, and capital adequacy.

Examiners, in reviewing backup lines supporting this type of commercial paper, will distinguish between guarantees and commitments. A backup arrangement is considered a direct credit substitute and, thus, is risk weighted at 100 percent if it provides credit enhancement to the asset-backed commercial paper program. In contrast, if the

facility is determined to be solely for liquidity support and meets the definition of a short-term commitment with a maturity of one year or less, as outlined in the Federal Reserve Board's risk-based capital guidelines, a zero conversion factor applies.

CONCLUSION

In recent years, commercial and investment bankers have become involved with new asset securitization programs at an increasing rate, and this trend is likely to continue. A relatively new form of securitization, asset-backed commercial paper appears to be growing in popularity, from the perspective both of the investor and of the companies using these programs for financing. To date, there are no indications that investors are reaching a point of saturation with these commercial paper issues. Rather, these issues appear to be a favored means of providing investors with a method of achieving even greater diversification of credit risk.

The market appears to be evolving in the direction of programs that involve an SPE that accommodates referrals of corporate customers from multiple banks rather than from just one institution. Also, the market seems to be moving toward having several parties provide credit and liquidity enhancements. Mechanisms such as cash collateral, which minimize the effects of a downgrade of the ratings of the associated instruments of one party, seem to be growing in popularity. These developments may limit the risks associated with asset-backed commercial paper programs.

Asset securitization activities should remain beneficial to banking organizations when conducted in a prudent manner. Banking organizations, however, must carefully evaluate the risks inherent in any new form of asset securitization and maintain appropriate controls, systems, and other measures to minimize these risks. Banking regulators will continue to review new asset-backed security structures as they develop in order to assess the associated risks to banking organizations and to the financial system.

SELECTED BIBLIOGRAPHY

- Board of Governors of the Federal Reserve System, *Capital Adequacy Guidelines*. Washington: Board of Governors, 1989.
- Boemio, Thomas R., and Gerald A. Edwards, Jr. "Asset Securitization: A Supervisory Perspective." *Federal Reserve Bulletin*, vol. 75 (October 1989), pp. 659-69.
- Cook, Timothy Q., and Timothy D. Rowe, eds. *Instruments of the Money Market*, 6th ed. Richmond: Federal Reserve Bank of Richmond, 1986.
- Duff & Phelps Credit Rating Agency, *Performance Trend Report*. Chicago: D&PCRA, Second Quarter 1991.
- Duff & Phelps, Inc. *Rating Approach for Asset-Backed Commercial Paper*. Chicago: D&PI, March 1990.
- Hurley, Evelyn M. "The Commercial Paper Market since the Mid-Seventies," *Federal Reserve Bulletin*, vol. 68 (June 1982), pp. 327-34.
- _____. "The Commercial Paper Market," *Federal Reserve Bulletin*, vol. 63 (June 1977), pp. 523-36.
- Kravitt, Jason H.P., ed. *Securitization of Financial Assets*. Englewood Cliffs, N.J.: Prentice Hall Law & Business, 1991.
- Kuhn, Robert Lawrence, ed. *Mortgage and Asset Securitization*. Homewood, Ill.: Dow Jones-Irwin, 1990.
- Oster, Avi, and Barry Wood. "Commercial Paper: Pooled Receivables' Robust Growth," *Standard & Poor's Creditweek* (March 27, 1989), pp. 89-91.
- Stigum, Marcia. *The Money Market*, rev. ed. Homewood, Ill.: Dow Jones-Irwin, 1983.

Staff Studies

The staff members of the Board of Governors of the Federal Reserve System and of the Federal Reserve Banks undertake studies that cover a wide range of economic and financial subjects. From time to time the studies that are of general interest are published in the Staff Studies series and summarized in the FEDERAL RESERVE BULLETIN. The analyses and conclusions set forth are those of the authors and

do not necessarily indicate concurrence by the Board of Governors, by the Federal Reserve Banks, or by members of their staffs.

Single copies of the full text of each study are available without charge. The titles available are shown under "Staff Studies" in the list of Federal Reserve Board publications at the back of each BULLETIN.

STUDY SUMMARY

EVIDENCE ON THE SIZE OF BANKING MARKETS FROM MORTGAGE LOAN RATES IN TWENTY CITIES

Stephen A. Rhoades—Staff, Board of Governors

Prepared as a staff study in the winter of 1990–91

Financial innovation and a surge in bank mergers over the past decade have intensified the debate over whether banking markets are still local. That is, have the decade's developments caused banking markets to grow beyond cities and rural localities to become regional or national in scope? This question is particularly important with respect to bank mergers and acquisitions: If banking markets are nonlocal, then supply and demand conditions in a locality should not affect prices in that locality; therefore, such local conditions would not be relevant in the evaluation of the competitive effects of any given merger.

This study conducts an empirical test of the issue by examining whether local market concentration and other local market conditions have a systematic influence on mortgage interest rates, that is, on the price of mortgages. A by-product of this analysis is a test of the price–concentration relationship, which is a hotly debated element in general antitrust analysis. The study analyzes more than 13,500 observations of mortgage interest rate terms and non-interest-rate terms covering a sixteen-week period for twenty U.S. cities from late 1987 through early 1988.

It has been argued that, of all banking services, mortgage lending has been the most affected by the developments tending to widen geographic markets. A prominent claim in this regard is based on the fact that such loans represent by far the largest and longest-term financial service purchased by most consumers. Consumers, therefore, presumably would be willing to incur greater transactions costs in searching for a low-cost mortgage than they would in obtaining other financial services because the returns to searching would likely be the greatest in the case of the mortgage. This behavior should generally expand the size of the geographic market and drive mortgage interest rates toward a competitive level. Furthermore, in recent years, mortgages have been packaged as the basis for mortgage-backed securities, which are sold in national markets, as are mortgages themselves—for many years, they have been sold off by local originators to large "permanent investors" located in major cities.

These arguments suggest that mortgage rates should provide a relatively stringent test of the proposition that the market for banking services is local. That is, mortgage loans have probably been

subject to more forces conducive to a geographic broadening of the market than most other bank services; consequently, a finding that mortgage rates are still determined by local market factors is probably a good indication that the market for consumer-oriented banking services in general is local in nature. A finding that the mortgage market is local would also be particularly striking because of the nature of this study's statistical sample, which consists entirely of urban areas. Urban locations typically have far more competitors than nonurban areas, and competition is generally one of the factors determining price differences between markets. Thus, a sample characterized by a relatively high degree of competition should bias the result of a test for price differentiation toward uniformity of prices.

Data on the interest rates (prices) banks charge for their loans are not generally available. Listings of mortgage rates, however, are fairly common in newspapers throughout the country. Therefore, to construct a sample, this study recorded mortgage rates for the sixteen weeks from September 20, 1987, through January 9, 1988, as they appeared in weekly listings published in newspapers in twenty cities. The twenty cities were selected more or less randomly, although some choices were made to achieve a degree of geographic diversity.

The listings covered 1,039 lending institutions, which, over the sixteen weeks, produced 15,286 interest rate observations for fixed-rate, conventional mortgages. The sample included all the major types

of mortgage originators in the United States—commercial banks, savings and loan associations, savings banks, credit unions, and mortgage banks; 873 observations were not classified by type of firm. Most of the newspaper listings of rates also showed other loan terms: the percentage downpayment required, the length of the loan, points charged (fee in terms of percentage points of the loan amount), and the maximum loan to which the terms apply. The exclusion of observations with missing items left 13,525 observations available for the statistical tests.

Both an ordinary-least-squares fixed-market-effects model and an OLS model containing specific market variables indicate that local market conditions influence mortgage interest rates. Market growth and per capita income are the most important variables, but the Herfindahl index, a measure of market concentration, also plays a role after controlling for costs.

These results for mortgage loans suggest that analyzing bank competition within local geographic markets is still appropriate. That is, local market conditions still make a difference. Moreover, the results suggest that market concentration, as measured by the Herfindahl index, affects the prices charged in local markets for mortgages. This would appear to support the traditional market-power explanation for the market structure-performance relationship rather than the Demsetz efficiency explanation.

Industrial Production and Capacity Utilization

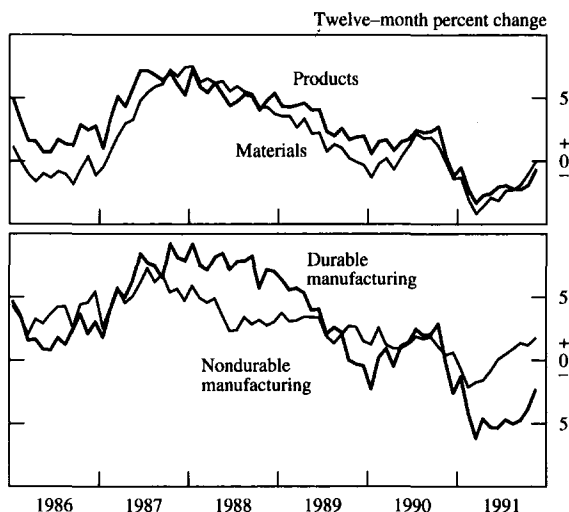
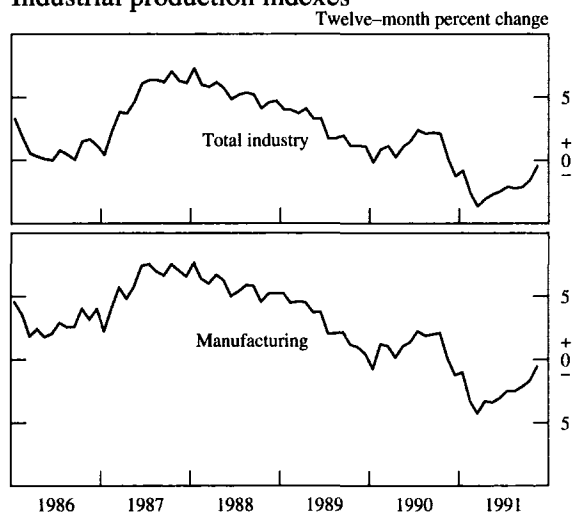
Released for publication on December 16

The index of industrial production decreased 0.4 percent in November, after three months of little overall change. A drop in the output of motor vehicles and parts and a strike at a major producer of construction and mining equipment accounted for much of the November decline. Industrial

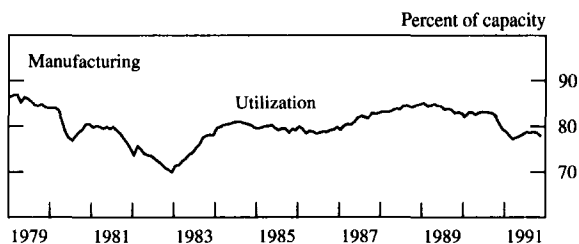
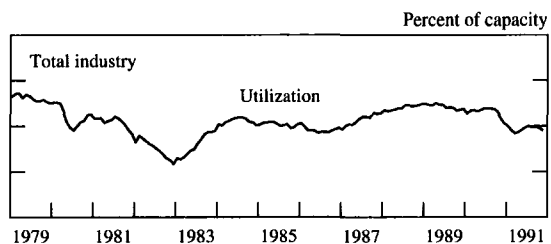
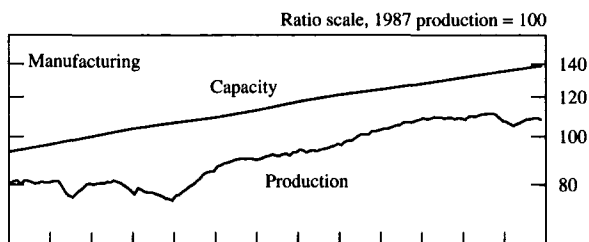
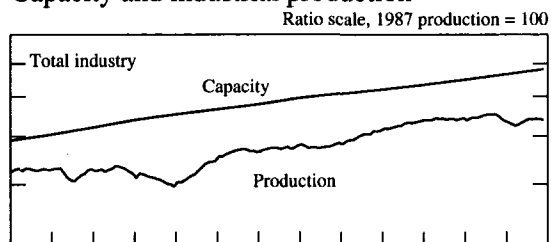
output in other industries edged down, on balance, last month. At 107.8 percent of its 1987 annual average, total industrial production was 0.5 percent below its year-ago level. Total industrial capacity utilization decreased 0.5 percentage point in November, to 79.1 percent.

When analyzed by market group, the data show that the production of consumer goods declined

Industrial production indexes



Capacity and industrial production



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

Industrial production and capacity utilization

Category	Industrial production, index, 1987 = 100 ¹								
	1991				Percentage change				Nov. 1990 to Nov. 1991
					1991 ²				
	Aug. ^r	Sept. ^r	Oct. ^p	Nov. ^p	Aug. ^r	Sept. ^r	Oct. ^p	Nov. ^p	
Total	108.0	108.2	108.2	107.8	-.1	.2	.0	-.4	-.5
Previous estimate	108.0	108.2	108.2	...	-.1	.2	.0	...	...
<i>Major market groups</i>									
Products, total	108.5	108.8	108.9	108.4	-.2	.3	.0	-.4	-.7
Consumer goods	108.4	109.2	109.3	108.8	.1	.7	.1	.5	2.1
Business equipment	121.3	122.3	122.5	121.7	-.9	.8	.2	-.7	-1.0
Construction supplies	96.7	96.4	95.4	95.5	-.2	-.3	-1.1	.1	-6.2
Materials	107.2	107.3	107.2	106.8	.1	.1	-.1	-.4	.0
<i>Major industry groups</i>									
Manufacturing	108.4	108.9	108.9	108.3	.0	.5	.0	-.5	-.6
Durable	107.8	108.4	108.2	107.3	-.2	.5	-.1	-.9	-2.4
Nondurable	109.0	109.5	109.7	109.6	.4	.4	.1	.0	1.7
Mining	101.3	100.8	100.3	100.3	-1.3	-.5	-.6	.0	-2.9
Utilities	110.7	108.9	109.0	109.9	-.2	-1.5	.1	.9	2.8
	Capacity utilization, percent								MEMO Capacity, per- centage change, Nov. 1990 to Nov. 1991
	Average, 1967-90	Low, 1982	High, 1988-89	1990	1991				
				Nov.	Aug. ^r	Sept. ^r	Oct. ^r	Nov. ^p	
Total	82.2	71.8	85.0	81.6	79.8	79.8	79.6	79.1	2.6
Manufacturing	81.5	70.0	85.1	80.7	78.6	78.8	78.6	78.0	2.9
Advanced processing	81.1	71.4	83.6	79.6	77.5	77.7	77.5	76.9	3.2
Primary processing	82.4	66.8	89.0	83.2	81.2	81.2	81.1	80.7	2.1
Mining	87.4	80.6	87.2	90.6	88.5	88.0	87.5	87.5	.6
Utilities	86.8	76.2	92.3	83.8	85.9	84.5	84.5	85.1	1.2

1. Seasonally adjusted.

2. Change from preceding month to month indicated.

r Revised.

p Preliminary.

0.5 percent in November, reflecting a curtailment in the output of autos and trucks and a small decrease in the production of nondurable consumer goods, such as food and clothing. The output of other consumer durables, which include appliances and other goods for the home, has changed little on balance since July. The output of business equipment fell 0.7 percent in November, with the drop in motor vehicles and the strike-related decline in construction and mining equipment more than accounting for the loss.

Elsewhere in business equipment, overall production has increased a bit in recent months because of a pickup in the output of information processing equipment, particularly computers; however, the production of industrial equipment, even after allowing for the effect of the strike, has continued to fall. The output of construction supplies changed little in November after having fallen since June. The output of materials decreased

0.4 percent in November, mainly because of a cut in production of motor vehicle parts and supplies; the production of other materials was little changed, on average.

When analyzed by industry group, the data show that manufacturing production decreased 0.5 percent in November, and capacity utilization at factories fell 0.6 percentage point to 78.0 percent. Operating rates for both primary and advanced-processing industries decreased last month, and declines were widespread. The utilization rate for advanced-processing industries recovered only 1 percentage point between March (its trough) and July, and in November it fell back to near its March level; much of the recent weakness has been concentrated in transportation equipment, electrical machinery, instruments, and furniture.

Despite the recent declines, the operating rate for primary-processing industries has remained well above its spring trough. The output of iron and steel

increased for the fifth consecutive month, but production in most other primary-processing industries held steady or fell last month.

Output at mines was unchanged in November, and an increase of more than 1 percent in the output of electric utilities boosted utilities production.

Statement to the Congress

Statement by Alan Greenspan, Chairman, Board of Governors of the Federal Reserve System, before the Committee on Ways and Means, U.S. House of Representatives, December 18, 1991

I appreciate the invitation to participate in these important hearings on tax policy. In your announcement, you made it clear that you intended to engage in a comprehensive review of the economic issues surrounding fiscal policy today, involving not only short-run, cyclical considerations but also the implications of taxation for the longer-range growth of the economy. I applaud this broad scope; I believe that it is essential if we are to have the assurance that any action taken will truly serve the interests of the nation.

I would like to devote a few minutes to an assessment of the current economic situation. Obviously, we must know the nature of the problems we confront before we formulate a solution.

The upturn in business activity that began earlier this year clearly has faltered. It is apparent that the economy is struggling and that some strong forces have been working against moderate cyclical revival. Now that we are well past the period of gyrations associated with the crisis in the Persian Gulf, we can better gauge the strength of the underlying disinflationary forces that were active well before the economy tilted into recession in the autumn of 1990.

During the 1980s, large stocks of physical assets were amassed in a number of sectors, largely financed by huge increases in indebtedness. In the business sector, commercial real estate is the most obvious example, with the accumulation of vast amounts of office and other commercial space—space that goes well beyond the plausible needs in most locales well into the future. Our financial intermediaries, not just depository institutions but other lenders as well, lavished credit upon developers, and they are paying the price today in the form of loan losses

and impaired capital positions. The 1980s were also characterized by a wave of mergers and buyouts—purchases of corporate assets, often involving substitution of debt for equity and anticipating the sale of assets at higher prices. I need not recount for you the subsequent disappointments and the fallout for holders of “below investment grade” bonds and related loans.

In the household sector, purchases of motor vehicles and other consumer durables ran for several years at remarkably high levels and were often paid for with installment or other debt that carried extended maturities. In some parts of the United States, the household spending boom reached to the purchase of homes, not simply for essential shelter but as speculative investments—and often involving borrowing that constituted a heavy call on current and expected family incomes. The aftermath of all this activity is a considerable degree of financial stress in the household sector.

The bottom line of this brief account is that the national balance sheet has been severely stretched. Although most analysts, of course, were aware of the increasingly disturbing trends of rising debt and elevated corporate leverage, it was not clear that these burdens had as yet reached a magnitude that would restrain the U.S. economy from a moderate cyclical recovery in 1991.

Indeed, as inventory liquidation abated at mid-year, output moved up and closed the gap with the consumption of goods and services in much the same manner evident in the early stages of recoveries in other recent business cycles. A range of leading indicators still were flashing positive signals on the economy’s prospects.

By late summer, however, with half the recession losses recovered, it became clear that the cumulative upward momentum that had characterized previous recoveries was absent. The growing propensity of households to pare debt and of businesses to reduce leverage was a signal

that the balance sheet restraints, feared by many for a long time, had indeed taken hold, working against the normal forces of economic growth.

These events do not necessarily mean that a prolonged period of economic weakness is inevitable, but they do mean that policymakers must consider these unusual forces when shaping their response in the current situation. It is essential that the direction of public policy be well targeted to the nature of the problem that it is seeking to ameliorate.

For example, lower interest rates can reduce debt service burdens and their claim on current spendable incomes. Moreover, severely stretched private sector balance sheets must be reliquified if the economy is to return to normal growth. But only in the context of prudent, noninflationary expansion of money and credit are such improvements likely to be lasting.

In concept, private balance sheet liquification also could be facilitated by tax cuts for individuals or corporations if they are largely saved by the recipients. In effect, public debt would displace private debt on our nation's balance sheet. But if the markets were to perceive such policy initiatives as undermining long-term fiscal discipline, long-term interest rates would rise and debt service burdens again would mount. The heavy demand that the government is already placing on the credit markets is a significant factor in the persistence of historically high real bond yields and mortgage rates, which is making the process of private balance sheet adjustment all the more difficult.

The inference I draw from this is that the Congress should approach with great caution any proposal that would expand the structural budget deficit. At a minimum, care should be taken to ensure that any short-run stimulative action does not imply a widening of the deficit over the longer term.

Obviously, any policy that bolstered the asset side of the nation's private balance sheet or eased debt pressures without violating the goals of long-term federal budget balance or involving imprudent money creation could be of significant assistance in our current difficulties.

But there appears to be more that is required. It is certainly the case that stretched balance sheets are restraining expansion, and some relief

is necessary to foster a resumption of sustained growth. But I have a suspicion that there is more to the story than that. Consumer confidence, which rebounded in a normal fashion as the cyclical recovery began in the spring, fell back as the recovery stalled, exacerbating the problems.

Consumers appear to be more apprehensive than one might expect, given the broad macroeconomic circumstances. For example, the level of unemployment and particularly the layoff rate are well below those levels and rates experienced in periods of economic weakness; this fact would not seem to square with the deep concerns expressed in surveys about perceived labor market conditions.

It is true that homeowners sense some contraction, however small, in the market value of their most important asset, the equity in their homes. But it surely is no worse a concern today than it was in the spring. If anything, the data on home prices suggest it would be less so.

I suspect that what concerns consumers, and indeed everyone, is that the current pause may be underscoring a retardation in long-term growth and living standards. So long as the recovery proceeded, this latent concern did not surface, but as balance sheet constraints held the recovery in check, earlier worries about whether the current generation will live as well as previous ones resurfaced.

Such anticipations certainly need not be realized if we follow appropriate policies, and this suggests strongly that any current policy initiatives should focus on some key fundamentals. Indeed, firm reliance on policies directed toward longer-term stability and incentives is likely to do as much, or more, for short-term economic expansion as a "quick fix."

What are the current restraints on growth and how can they be addressed? I, and others, have long argued before this committee that the essential shortcoming of this economy is the lack of saving and investment. It is here that our major policy focus should rest. Investment is the key to enhance productivity and higher living standards. Although we have seen some improvement in productivity trends in the past decade, our performance leaves much to be desired—a fact reflected in our loss of international competitiveness in many industries and

in the disappointing real incomes of too many U.S. families.

Bolstering the supply of saving available to support productive private investment must be a priority for fiscal policy, and in that regard, reducing the call of the federal government on the nation's pool of saving is essential. Federal expenditure restraint is, in turn, crucial to this goal.

We also must recognize that private decisions about saving and investing can be powerfully affected by how various economic and financial transactions are taxed. Establishing the optimal structure of taxation is no simple matter, and there are inevitable conflicts among goals.

I would hope that any changes in taxation passed by the Congress in the coming months would give a heavy weight to promoting the capital formation process. In general, special attention should be given to the issue of the taxation of capital income. Our current system already does provide some incentives for saving in certain forms, such as retirement accounts or home equity, through favorable treatment of capital income. But in other areas the incentives are nonexistent or, worse, negative. As a more general matter, the structure of corporate taxation has long been recognized as distortive and as an ingredient in the movement toward excessive leverage that we witnessed in the past decade.

As I have argued previously before this committee, a reduction in the capital gains tax would be quite helpful. It is especially important considering our current difficulties with weak real estate property values. A cut in the capital gains tax would buoy property values, which would alleviate, in part, the collateral shortfalls that plague our financial institutions. This could induce greater financial intermediation and balance sheet liquification.

How far, and how fast, we can move toward a tax structure that is more conducive to capital formation is ultimately a political decision. My purpose this morning is not to advocate a particular agenda but rather to suggest some principles

that I think are relevant to your deliberations. Although I believe those principles—which relate basically to how fiscal policy can best contribute to the achievement of productivity, growth, and higher living standards—are germane at all times, they may be particularly important in today's economic circumstances. Traditional fiscal stimuli might temporarily boost aggregate demand. But, if you accept the view that the concern of the American people for our long-term future is at the root of our problem, then other instruments of policy might well be more effective.

Market forces are already addressing our stretched balance sheets. Record issuance of equity in our capital markets recently is contributing to deleveraging. And large bond issues are funding short-term debt and removing some of that strain. Finally, lower interest rates, as I indicated earlier, are lowering the debt service burden.

We have made a good deal of progress in the balance sheet adjustment process, and the payoff in the form of an easing of unusual restraint should begin to become evident in the reasonably near future. U.S. industry is striving to enhance efficiency and competitiveness. The resulting increases in productivity, more than anything else, should dissipate the concerns of the American people about our economic future. Tax policy, in my judgment, should endeavor to reinforce these underlying trends.

In summary, then, an analysis of both the special factors affecting the economy at present and of the requirements for healthy growth of productivity and for international competitiveness over the longer run suggests that any changes made to the tax code should give considerable emphasis to the encouragement of long-term economic growth through incentives for saving and investment. Above all, we must not lose sight of the crucial need to eliminate the structural deficit in the federal budget over the coming years. □

Announcements

CHANGE IN THE DISCOUNT RATE

The Federal Reserve Board announced on December 20, 1991, a reduction in the discount rate of 1 percentage point from 4½ percent to 3½ percent, effective immediately.

The reduction was made on the basis of cumulating evidence, notably monetary and credit conditions, as well as current economic conditions, that point to a receding of inflationary pressures.

This action, together with the cumulative effects already in train from previous actions, should provide the basis for a resumption of sustained economic expansion.

This reduction, in part, will realign the discount rate with short-term market interest rates.

In making the change, the Board voted on recommendations submitted by the boards of directors of the Federal Reserve Banks of New York and Chicago. The Board subsequently approved similar actions by the boards of directors of the Federal Reserve Banks of Boston, Philadelphia, Cleveland, Richmond, Atlanta, Kansas City, Dallas, and San Francisco, also effective December 20, and by the boards of directors of the Federal Reserve Banks of Minneapolis, effective December 23, and of St. Louis, effective December 24.

CRA EXAMINATION RATINGS NOW AVAILABLE ON A WEEKLY BASIS

The Federal Reserve Board announced on December 10, 1991, that it will publish its Community Reinvestment Act (CRA) examination ratings of state member banks on a weekly basis.

This action is in accord with a recommendation to bank regulatory agencies made by the Federal Financial Institutions Examination Council. The CRA ratings now appear in a weekly Board release entitled, "Actions of the Board: Applications and Reports Received" (H.2), beginning with the release for the week ending November 22, 1991.

In addition, this release will continue to provide the names of the institutions, their city and state, and the date of each examination. Information will appear on this release only for those financial institutions whose CRA examinations became available during the week indicated on the H.2. Only CRA examinations conducted on or after July 1, 1990, the effective date of public disclosure mandated by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), have appeared on the release.

APPOINTMENTS TO THE THRIFT INSTITUTIONS ADVISORY COUNCIL

The Federal Reserve Board announced on December 19, 1991, the names of four new members appointed to its Thrift Institutions Advisory Council (TIAC) and designated a new President of the Council for 1992.

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

Lynn W. Hodge, President and CEO of United Savings Bank, Inc., Greenwood, South Carolina, will serve as President.

The four new members, named for two-year terms that began January 1, are the following:

Vance W. Cheek, President and CEO, Home Federal Bank, FSB, Johnson City, Tennessee.

Beatrice D'Agostino, President and CEO, New Jersey Savings Bank, Somerville, New Jersey.

Thomas J. Hughes, President, Navy Federal Credit Union, Merrifield, Virginia.

Thomas R. Ricketts, Chairman, President, and CEO, Standard Federal Bank, Troy, Michigan.

The other members of the Council are the following:

Daniel C. Arnold, Chairman and President, Farm & Home Financial Corporation, Houston, Texas.

James L. Bryan, President and CEO, TEXINS Credit Union, Richardson, Texas.

Richard A. Larson, Chairman and CEO, West Bend Savings Bank, West Bend, Wisconsin.

Preston Martin, Chairman and CEO, WestFed Holdings, Inc., San Francisco, California.

Richard D. Parsons, President and CEO, The Dime Savings Bank of New York, FSB, New York City.

Edmond M. Shanahan, President and CEO, Bell Federal S&L Association, Chicago, Illinois.

Woodbury C. Titcomb, President and CEO, Peoples Bancorp of Worcester, Inc. and Peoples Savings Bank, Worcester, Massachusetts.

DELAY IN THE EFFECTIVE DATE OF THE REAL ESTATE APPRAISAL REGULATION

The Federal Reserve announced on December 26, 1991, a delay in the effective date of its real estate appraisal regulation regarding the mandatory use of state-licensed or certified appraisers in federally related transactions for financial institutions regulated by the Board.

The change in the effective date to December 31, 1992, conforms to recent amendments made by the Federal Deposit Insurance Corporation Improvement Act of 1991 to the real estate appraisal provisions contained in Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

Any requirements of state law regarding the use of certified or licensed appraisers remain unaffected by the Board's action.

PROPOSED ACTIONS

The Federal Reserve Board issued for public comment on December 23, 1991, proposed revisions

to its staff commentary to Regulation B (Equal Credit Opportunity). The proposed interpretations address an issue involving the relationship between Regulation B and Regulation C (Home Mortgage Disclosure) with regard to data collection on loan applications received by creditors through brokers or other persons. Comment is requested by February 14, 1992.

The Federal Reserve Board on December 26, 1991, requested public comment on whether to revise its Truth in Lending regulations dealing with the disclosure of any discounted initial rate and the payment examples for home equity lines of credit. Comment should be received by February 28.

The Board also is seeking comment on a separate proposal to resolve a conflict between the home equity rules and provisions of the Federal Reserve Act and Regulation O (Loans to Executive Officers of Member Banks).

MEETING ON APPLICATION OF BANKAMERICA CORPORATION TO ACQUIRE SECURITY PACIFIC CORPORATION

The Federal Reserve Board announced on December 23, 1991, that a public meeting would be held in Phoenix, Arizona, on January 15, 1992, in connection with the application of BankAmerica Corporation, San Francisco, California, to acquire Security Pacific Corporation, Los Angeles, California. The Board had announced on December 20, 1991, that public meetings would be held in Los Angeles, San Francisco, and Seattle, Washington, during the week of January 13, 1992.

The purpose of the meeting was to collect information concerning the convenience and needs of the communities to be served by the proposal, including the records of performance of the institutions under the Community Reinvestment Act.

CHANGES IN BOARD STAFF

The Board of Governors approved the following changes in the Division of International Finance, effective December 6, 1991:

David H. Howard, formerly Deputy Associate Director, became Senior Adviser.

Dale W. Henderson, formerly Assistant Director, became Associate Director.

The Board also announced on December 20, 1991, the appointment of John J. Mingo as Adviser

in the Division of Research and Statistics. Before leaving the Board in 1979, Mr. Mingo had been a Senior Research Division Officer in the Division of Research and Statistics.

Record of Policy Actions of the Federal Open Market Committee

MEETING HELD ON NOVEMBER 5, 1991

1. Domestic Policy Directive

The information reviewed at this meeting suggested that economic activity had turned sluggish after registering considerable gains around midyear. Consumer spending for goods had been lackluster recently, and businesses remained cautious about investing in increased production capacity or inventories. Industrial production had flattened out, nonresidential construction had moved sharply lower, and housing construction had lost much of its forward momentum. Price inflation evidently remained on a gradual downtrend.

After falling sharply in the first half of the year, total nonfarm payroll employment rose slightly in the third quarter and was unchanged in October. Sizable job gains in the services sector, notably in health and business services, were offset by losses elsewhere. Manufacturing employment declined further; durable goods industries bore all of the loss. Job cutbacks in construction and retail trade were larger in October than they had been in recent months. Also, the small September increase in average weekly hours worked by production or nonsupervisory workers was reversed in October. The civilian unemployment rate edged back up to 6.8 percent.

Industrial production was little changed over August and September after sizable gains in earlier months; available data indicated that production would remain flat in October. Sluggishness had been evident in most components of the index since July; abstracting from the output of motor vehicles and parts, which had been subject to wide swings, the production of consumer goods and construction supplies had been rising much less rapidly since midyear while the output of business equipment had not expanded much since reaching its low last

March. Total industrial capacity utilization edged lower in September.

Real personal consumption expenditures advanced considerably further in the third quarter, partly reflecting a sharp rise in purchases of motor vehicles. However, outlays for non-auto goods weakened in August and September, and partial data for October suggested a slowing in sales of motor vehicles in that month. In addition, indicators of consumer confidence, which had remained at subdued levels since the end of the war in the Persian Gulf, had deteriorated significantly in October. Housing starts declined in September after rising substantially on balance in earlier months of this year. Sales of both new and existing houses had dropped recently despite lower mortgage rates and favorable price developments.

Shipments of nondefense capital goods rose for a second straight month in September. For the third quarter as a whole, real business spending for computers, aircraft, and motor vehicles registered a sizable gain while outlays for industrial machinery fell further. Recent data on orders pointed to some further moderate expansion in business spending for equipment in the near term. Nonresidential construction continued to contract at a rapid rate as outlays for all major types of structures, but particularly for commercial buildings, fell sharply. Available information on new contracts and commitments suggested that the rate of decline for non-office construction activity might slow in coming months.

The pace of inventory liquidation by businesses slowed in July and August from the substantial second-quarter rate. Ratios of inventories to sales edged down at manufacturing and non-auto retail firms. In September, stocks held by manufacturers increased.

The nominal U.S. merchandise trade deficit widened appreciably in August. For the July–August period, the trade deficit was significantly larger

than its average rate in the second quarter, reflecting a strong expansion in the value of imports and a small reduction in the value of exports. The increase in imports was entirely in consumer goods and automotive products; other major trade categories registered small declines. Part of the drop in exports resulted from a partial reversal of a sharp second-quarter increase in exports of aircraft and parts. Indicators of economic activity in the major foreign industrial countries suggested continued weak growth on balance in the third quarter. The rate of growth in western Germany and Japan was considerably slower in the second and third quarters than earlier in the year, although capacity utilization rates remained high in both countries. In some other major countries, economic activity was slowly and unevenly recovering from a period of recession.

Producer prices of finished goods were little changed in September; a firming of prices of finished energy goods was offset by lower food prices. For finished goods other than food and energy, producer prices had advanced thus far in 1991 at a pace appreciably below that for 1990. At the consumer level, the September rise in prices was larger than the increases in the prior few months. Excluding food and energy items, consumer prices advanced in September at the same elevated rate as in the previous three months; however, for 1991 to date, nonfood, non-energy consumer prices had increased at a slightly slower pace than in 1990. Total hourly compensation for private industry workers rose at a somewhat slower rate in the third quarter than in the first half of the year. For the year to date, wage increases had slowed appreciably, but benefit costs had continued their rapid rise.

At its meeting on October 1, 1991, the Committee adopted a directive that called for maintaining the existing degree of pressure on reserve positions and for giving special weight to potential developments that might require some easing during the intermeeting period. Accordingly, the directive indicated that slightly greater reserve restraint might be acceptable or slightly lesser reserve restraint would be acceptable during the intermeeting period depending on progress toward price stability, trends in economic activity, the behavior of the monetary aggregates, and developments in foreign exchange and domestic financial markets. The reserve conditions contemplated at this meeting were expected to

be consistent with a resumption in the growth of both M2 and M3; these aggregates were expected to expand at annual rates of around 3 percent and 1½ percent respectively over the three-month period from September through December.

Over most of the intermeeting period, open market operations were directed toward maintaining the existing degree of pressure on reserve positions. At the end of October, however, a slight easing of reserve conditions was implemented; this action was taken in response to signs of a weaker-than-expected economic recovery and flagging consumer and business confidence. Just before the intermeeting period, adjustment plus seasonal borrowing had averaged around \$340 million. During the period, several technical decreases were made to expected levels of adjustment plus seasonal borrowing to reflect the usual autumn pattern of ebbing seasonal credit needs. By the end of the intermeeting period, following the slackening of seasonal funding needs and the easing of reserve conditions, the volume of borrowing had declined to around \$125 million. The federal funds rate remained near 5¼ percent during most of the intermeeting period but slipped to about 5 percent after the easing of reserve conditions.

Over the early weeks of the intermeeting period, other short-term interest rates declined somewhat as market participants interpreted incoming data as indicating a sluggish economy. At the same time, long-term rates moved considerably higher in response to the release of disappointing statistics on consumer prices and concerns stemming from discussions of possible measures of fiscal stimulus that would increase the federal deficit and borrowing needs. Subsequently, short-term rates fell further and long-term rates retraced a portion of their rise as markets reacted to information suggesting additional economic weakness and reduced pressure on labor costs, and to actual as well as prospective further easing of monetary policy. The prime rate remained unchanged at 8 percent over the period, but primary-market yields on mortgages fell to their lowest levels since 1977. Most stock price indexes were slightly higher on balance.

The trade-weighted value of the dollar in terms of the other G-10 currencies fluctuated in a fairly narrow range over the intermeeting period but declined slightly on balance. The dollar was generally higher over the first half of the period but

then weakened in response to growing evidence of a sluggish U.S. economy and consequent market anticipation of an easing of U.S. monetary policy. The dollar was up a little against the mark, in large part reflecting concerns that the Soviet Union might default on its foreign debt, much of which is owed to or guaranteed by the German government. The yen was strong on balance, in part because of continuing indications of growing Japanese trade surpluses.

M2 expanded slowly in October after shrinking on balance over the previous three months. The turnaround was consistent with the Committee's expectations for the fourth quarter and reflected in part the rapid growth in the liquid-deposit components of this monetary aggregate. As the Committee also had expected, the pickup in M2 showed through to M3, which posted its first monthly increase since May. For the year through October, expansion of both M2 and M3 was estimated to have been at the lower ends of the Committee's annual growth ranges.

The staff projection prepared for this meeting pointed to a continuing recovery in economic activity, but recent reports on business and consumer confidence combined with other information had led to an appreciable markdown in the projected rate of expansion for the current quarter and to a lesser markdown for the first quarter of 1992. Economic growth was projected to pick up by the spring of next year, but as in earlier staff forecasts, it was expected to remain subdued in comparison with past cyclical experience and the risks of a different outcome continued to be seen as predominantly on the downside. Increases in the construction of single-family housing and in business spending for equipment, along with a shift from inventory liquidation to limited accumulation, were expected to give impetus to the expansion during 1992. As in earlier forecasts, real federal government purchases were projected to fall somewhat next year, with defense expenditures more than accounting for the decline, and fiscal adjustments at the state and local levels and a continuing decline in commercial construction were expected to be persisting sources of restraint on aggregate demand. Significant though diminishing slack in labor and product markets was projected to induce a further decline in the underlying rate of inflation over the next several quarters.

In the Committee's discussion of current and prospective economic developments, the members commented on widespread indications of deteriorating business and consumer confidence and on evidence that the recovery in business activity had weakened since early summer. Nonetheless, despite quite negative anecdotal reports from many parts of the country, the members generally concluded that the available economic data appeared consistent with continuing, albeit sluggish, expansion in overall economic activity. Views differed to some extent with regard to the risks to a continuing recovery. A number of members expressed concern about the potential for some further softening, especially in light of the vulnerability of the expansion stemming from the troubled condition of many financial institutions and the heavy debt burdens of numerous business firms and individual households; other members saw the risks as more evenly balanced and perhaps even tilted marginally to the upside. While the performance of the economy was likely to remain relatively lackluster over the nearer term and the risks of a downturn would be greatest during the next quarter or two, many of the members judged a resumption of growth next year at a pace broadly in line with the staff forecast to be a reasonable expectation. In this regard, some noted that much of the stimulus from the easing in monetary policy over the course of recent months had not yet been felt in the economy. Many of the members emphasized that the prospects for appreciable progress toward price stability were quite favorable, though some expressed reservations about the extent of the progress that could be expected over the forecast horizon.

Several members referred to the continuing adjustments by financial institutions and many business firms to the financial excesses of the past decade and the greater-than-expected downward pressure that these adjustments appeared to be exerting on the expansion. The efforts to reduce debt exposure and rebuild equity positions were necessitated by the effects on balance sheets of the contraction in the value of a variety of assets, notably in the structurally troubled sectors of the economy such as commercial real estate, and the failure of other assets to appreciate as expected. The rebuilding of balance sheets augured well for the future financial health and stability of the economy, but members commented that an ex-

tended period would be required before that process could be completed. In the interim, the retrenchment that was involved implied reduced propensities to spend and constrained growth in business activity. One facet of the adjustment process was greater caution on the part of institutional lenders. Many business borrowers continued to complain about the difficulty of obtaining credit, while institutional lenders stressed the lack of demand from qualified borrowers.

In the course of the Committee's review of business developments in different regions, members continued to report uneven conditions ranging from modest growth to some further decline in regional activity, but business and consumer sentiment was described as almost universally negative. It was unclear to what extent the drop in confidence reflected the disappointing pace of the economic recovery so far or was a harbinger of further weakening in economic activity. Members commented that surveys of consumer confidence had to be viewed with caution because they had tended in the past to be coincident rather than leading indicators of economic activity. More generally, bearish sentiment, though perhaps more muted, had not been an unusual occurrence in the early stages of past business recoveries.

While the potential sources of economic stimulus were subject to uncertainty and recent developments heightened concerns that the rate of economic expansion would remain below a desirable pace for an extended period, the members generally anticipated that improvement in key areas of the economy, notably certain interest-sensitive sectors and business inventories, eventually would provide the impetus needed to promote at least moderate growth in overall business activity. In the critical area of consumer demand, members observed that consumer caution reflected not only concerns about employment prospects and, in the case of many households, relatively heavy debt burdens, but also appeared to stem from actual or perceived declines in the market value of residences. Consumer expenditures on services were continuing to grow, though at a relatively slow pace, but spending on goods had edged lower over the course of recent months and many retailers reported that they expected very weak sales during the approaching holiday season. With regard to the longer-term outlook for consumer expenditures, some pickup in

interest-sensitive spending for durable goods was seen as a likely prospect that would have feedback effects on the demand for inventories and production.

According to available data and reports from around the country, inventories generally appeared to be near acceptable levels, and members continued to anticipate that a further swing from inventory liquidation to modest accumulation would provide some stimulus to the economy over the year ahead. The members recognized that a number of developments argued against a typical surge in inventory investment during the recovery, including the now widespread practice of "just-in-time" inventory management. Nonetheless, despite sluggish demand, the pace of inventory liquidation appeared to have slowed in the third quarter, and there were scattered reports of efforts by some manufacturers to increase their inventories.

The construction of new housing also appeared likely to play a positive, though possibly limited, role in helping to sustain the recovery. Recent indicators of home sales and housing starts were disappointing, but the demand for new single-family homes would respond over time to the declines that had occurred in mortgage interest rates. Some of that demand might be postponed, however, until borrowers were persuaded that interest rates had bottomed out. On the negative side, commercial construction activity would probably remain depressed for an extended period as excess capacity in many parts of the country gradually was absorbed. With regard to business spending for new equipment, real outlays were indicated to have risen, especially for computers, and this sector could be expected to provide ongoing strength, especially once the expansion was well under way.

In their comments concerning the outlook for inflation, members observed that many of the recent statistical indicators and especially the anecdotal evidence from around the country provided the basis for considerable optimism that progress was being made toward price stability. Developments on the financial side, including low levels of business and consumer borrowing and an extended period of limited monetary growth, reinforced expectations of an ongoing movement toward stable prices. Members also noted that the information on wages was consistent with a downtrend in labor costs despite still substantial

upward pressures on employee benefit costs. Some members cautioned, however, that an appreciable inflationary risk remained in the economy. While inflationary expectations might well be waning, as evidenced in part by the behavior of equity markets, the level of long-term interest rates suggested that inflation concerns had not disappeared.

In the Committee's discussion of an appropriate policy for the intermeeting period ahead, a majority of the members indicated that they could support a proposal to ease reserve conditions slightly at this time and to bias the directive toward possible further easing later in the intermeeting period. The members recognized that monetary policy had been eased considerably over the course of recent months, including a decision to reduce reserve pressures at the end of October, and that all of the stimulus from the earlier actions had not yet been felt in the economy. Nonetheless, in the view of many members further modest easing was desirable at this point to provide some added insurance against the downside risks in the economy. Such a policy move would help counter the deterioration in business and consumer confidence, and it might also encourage some decline in longer-term interest rates. Under current economic and financial conditions, this easing would pose negligible risks of deflecting inflation from its downward path. Continuing weakness in the monetary aggregates reinforced the need for easier reserve conditions.

There was considerable discussion regarding the possible advantages of a somewhat stronger move at this juncture. A ½ percentage point reduction of the discount rate was pending at several Federal Reserve Banks, but the Board of Governors had not yet made a decision with regard to those proposals. It was noted during this discussion that the Federal Reserve had tended to implement its easing of monetary policy since the spring of 1989 through a series of small policy actions. That approach generally appeared to have been appropriate, but a number of members expressed concern that further small moves would lack the visibility that was needed in present circumstances. If reserve pressures were to be reduced only modestly, this action should be accompanied in the view of many members by Board approval of the pending discount rate proposals to signal clearly that monetary policy was moving against the weakening tendencies in the economy. An accompanying

reduction in the discount rate also was seen as providing further encouragement to a drop in the prime rate.

Other members expressed reservations about the need for substantial easing, and two indicated that they could not support any easing through open market operations at this time. Some questioned whether monetary policy actions could have a constructive influence on business and consumer confidence under prevailing circumstances. Indeed, appreciable further easing, or any easing, would incur too much risk of reviving inflationary concerns with adverse consequences for longer-term debt markets. While none of these members wanted to rule out the potential need to ease monetary policy significantly further, they preferred to pause and wait for additional evidence before such action was taken, especially given the further stimulus that could be anticipated from previous easing moves. Concern also was expressed that the Committee might not recognize the need to reverse its course and tighten policy on a timely basis should inflationary pressures tend to revive later.

Members noted that the expansion of M2 appeared to have resumed in October, though at a pace that kept the aggregate only at the bottom of the Committee's range for the year. According to an analysis prepared by the staff for this meeting, M2 was likely to continue to expand slowly over the balance of the year, despite the effects of earlier policy easing actions, and for the year as a whole M2 growth was expected to average close to the lower end of the Committee's range. Some members commented that an easing in reserve conditions would not only improve slightly the odds that M2 growth would end the year within the Committee's range but would also help to put M2 on a desirable growth path by early next year. While the relationship between money growth and economic activity was subject to substantial uncertainty in the short run, they saw a marked advantage, in terms of the continuity of monetary policy and its credibility, for the Committee to more aggressively foster growth of M2 within the annual range.

With regard to possible adjustments to the degree of reserve pressure during the intermeeting period, most of the members who favored some immediate easing of reserve conditions also supported a directive that remained biased toward further easing. However, some also indicated that if the Board

were to approve the pending proposals to reduce the discount rate, the intermeeting instruction should then be viewed as symmetrical.

The members discussed at some length the appropriate timing of the Committee's easing action. Starting that afternoon and continuing over the next two days, the Treasury would be conducting its quarterly auctions of notes and bonds. In view of this, an immediate policy move would come as a surprise to many participants in financial markets, although such a move shortly after the auctions was widely anticipated. An immediate move, even in the easing direction, could have an adverse effect on some Treasury market participants, with potentially unsettling consequences for current and future Treasury financings. The members agreed that in general it was preferable to avoid policy moves during Treasury refundings, but most felt that the contemplated easing move should not be delayed for any significant period. They concluded that, on balance, it would be less misleading to take action immediately rather than to wait until the Treasury auctions were completed later in the week. It was noted in this connection that a prompt easing of reserve conditions, and any accompanying Board action to approve a lower discount rate, would become known to outside observers after the auction of the shorter-term Treasury note but before the auctions of the intermediate- and long-term Treasury issues.

At the conclusion of the Committee's discussion, all but two of the members indicated that they favored or could accept a directive that called for an immediate slight easing in the degree of pressure on reserve positions. These members also noted their acceptance of a directive that included a bias toward possible easing during the intermeeting period. Accordingly, the Committee decided that slightly greater reserve restraint might be acceptable during the intermeeting period or slightly lesser reserve restraint would be acceptable depending on progress toward price stability, trends in economic activity, the behavior of the monetary aggregates, and developments in foreign exchange and domestic financial markets. The reserve conditions contemplated at this meeting were expected to be consistent with growth of M2 and M3 at annual rates of around 3 percent and 1 percent respectively over the three-month period from September through December.

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

The information reviewed at this meeting portrays a sluggish economy and a marked deterioration in business and consumer confidence. Total nonfarm payroll employment was unchanged in October after rising slightly over the third quarter, and the civilian unemployment rate edged back up to 6.8 percent. Industrial production has been flat in recent months. Consumer spending increased considerably through the summer, in part because of a sizable rise in expenditures on motor vehicles; sales of motor vehicles slowed in October, however. Real outlays for business equipment—especially for computers—have been rising, but nonresidential construction has continued to decline. Housing starts and home sales have weakened recently. The nominal U.S. merchandise trade deficit in July–August was significantly above its average rate in the second quarter. Wage and price increases have continued to trend downward.

Short-term interest rates have declined somewhat further since the Committee meeting on October 1, while bond yields are about unchanged to slightly higher on balance. The trade-weighted value of the dollar in terms of the other G-10 currencies declined on balance over the intermeeting period.

Expansion in M2 and M3 resumed in October, albeit at a slow pace. For the year through October, expansion of both M2 and M3 is estimated to have been at the lower ends of the Committee's ranges.

The Federal Open Market Committee seeks monetary and financial conditions that will foster price stability and promote sustainable growth in output. In furtherance of these objectives, the Committee at its meeting in July reaffirmed the ranges it had established in February for growth of M2 and M3 of 2½ to 6½ percent and 1 to 5 percent, respectively, measured from the fourth quarter of 1990 to the fourth quarter of 1991. The monitoring range for growth of total domestic nonfinancial debt also was maintained at 4½ to 8½ percent for the year. For 1992, on a tentative basis, the Committee agreed in July to use the same ranges as in 1991 for growth in each of the monetary aggregates and debt, measured from the fourth quarter of 1991 to the fourth quarter of 1992. With regard to M3, the Committee anticipated that the ongoing restructuring of thrift depository institutions would continue to depress the growth of this aggregate relative to spending and total credit. The behavior of the monetary aggregates will continue to be evaluated in the light of progress toward price level stability, movements in their velocities, and developments in the economy and financial markets.

In the implementation of policy for the immediate future, the Committee seeks to decrease somewhat the existing degree of pressure on reserve positions. Depending upon progress toward price stability, trends in economic activity, the behavior of the monetary aggregates, and developments in foreign exchange and domestic financial markets, slightly greater reserve restraint might or slightly lesser reserve

restraint would be acceptable in the intermeeting period. The contemplated reserve conditions are expected to be consistent with growth of M2 and M3 over the period from September through December at annual rates of about 3 and 1 percent, respectively.

Votes for this action: Messrs. Greenspan, Corrigan, Black, Forrestal, Keehn, LaWare, Mullins, and Parry.
 Votes against this action: Messrs. Angell and Kelley.

Mr. Angell dissented because he was concerned about the impact of further easing on inflation expectations and consequently on long-term interest rates. In his view, the prospect for a robust and long-lasting recovery is dependent on the completion of adjustments in business pricing practices, household savings, and balance sheets more generally. Monetary policy actions that are perceived as a shift from a focus on price-level stability to one on short-term economic growth may well abort the needed adjustments. In his view, credible price-level targeting would provide assurance, particularly given the somewhat precarious short-term business outlook, that monetary policy would act to counter either deflation or inflation. The consequence would be to foster a considerable downward thrust in long-term interest rates and to set the stage for sustained expansion.

Mr. Kelley dissented because he believed that a steady policy course was appropriate, at least for now, in the context of the ongoing stimulus that could be anticipated from the System's earlier easing actions. In his view, the outlook for continuing expansion in economic activity remained favorable, and he saw considerable risks in further easing at this time. In particular, he was concerned that a policy easing move would stimulate inflation

expectations with adverse implications for long-term interest rates and the performance of interest-sensitive sectors of the economy. Further, he did not believe that many of the factors that are importantly inhibiting economic expansion could be constructively addressed by a more accommodative position. He also feared that the dollar would come under downward pressure in foreign exchange markets with only slight benefits for exports but added inflation pressures in the domestic economy.

2. *Authorization for Domestic Open Market Operations*

The Committee approved a temporary increase of \$2 billion, to a level of \$10 billion, in the limit on changes between Committee meetings in System Account holdings of U.S. government and federal agency securities. The increase amended paragraph 1(a) of the Authorization for Domestic Open Market Operations and was effective for the intermeeting period ending with the close of business on December 17, 1991.

Votes for this action: Messrs. Greenspan, Corrigan, Angell, Black, Forrestal, Keehn, Kelley, LaWare, Mullins, and Parry. Votes against this action: None.

The Manager for Domestic Operations advised the Committee that the current leeway of \$8 billion for changes in System Account holdings might not be sufficient to accommodate the potentially large need to add reserves over the intermeeting period ahead to meet an anticipated seasonal bulge in currency in circulation and required reserves.

Legal Developments

FINAL RULE—AMENDMENT TO REGULATION A

The Board of Governors is amending 12 C.F.R. Parts 201, its Regulation A (Extensions of Credit by Federal Reserve Banks) to reflect its recent approval of a reduction in discount rates at each Federal Reserve Bank. The discount rate is the interest rate that is charged depository institutions when they borrow from their district Federal Reserve Banks. The Board acted on requests submitted by the Boards of Directors of the twelve Federal Reserve Banks.

The amendments to Regulation A were effective November 13, 1991. The discount rate changes were effective on the dates specified in sections 201.51 and 201.52. The Board of Governors is amending 12 C.F.R. Part 201 as follows:

1. The authority citation for 12 C.F.R. Part 201 continues to read as follows:

Authority: Sections 10(a), 10(b), 13, 13a, 14(d) and 19 of the Federal Reserve Act (12 U.S.C. 347a, 347b, 343 et seq., 347c, 348 et seq., 357, 374, 374a, and 461); and section 7(b) of the International Banking Act of 1978 (12 U.S.C. 347d).

2. Section 201.51 is revised to read as follows:

Section 201.51—Short-term adjustment credit for depository institutions.

The rates for short-term adjustment credit provided to depository institutions under section 201.3(a) of Regulation A are:

Federal Reserve Bank	Rate	Effective
Boston	3.5	December 20, 1991
New York	3.5	December 20, 1991
Philadelphia	3.5	December 20, 1991
Cleveland	3.5	December 20, 1991
Richmond	3.5	December 20, 1991
Atlanta	3.5	December 20, 1991
Chicago	3.5	December 20, 1991
St. Louis	3.5	December 24, 1991
Minneapolis	3.5	December 23, 1991
Kansas City	3.5	December 20, 1991
Dallas	3.5	December 20, 1991
San Francisco	3.5	December 20, 1991

3. Section 201.52 is revised to read as follows:

Section 201.52—Extended credit for depository institutions.

(a) *Seasonal credit.* The rates for seasonal credit extended to depository institutions under section 201.3(b)(1) of Regulation A are:

Federal Reserve Bank	Rate	Effective
Boston	3.5	December 20, 1991
New York	3.5	December 20, 1991
Philadelphia	3.5	December 20, 1991
Cleveland	3.5	December 20, 1991
Richmond	3.5	December 20, 1991
Atlanta	3.5	December 20, 1991
Chicago	3.5	December 20, 1991
St. Louis	3.5	December 24, 1991
Minneapolis	3.5	December 23, 1991
Kansas City	3.5	December 20, 1991
Dallas	3.5	December 20, 1991
San Francisco	3.5	December 20, 1991

(b) *Other extended credit.* The rates for other extended credit provided to depository institutions under sustained liquidity pressures or where there are exceptional circumstances or practices involving a particular institution under section 201.3(b)(2) of Regulation A are:

Federal Reserve Bank	Rate	Effective
Boston	3.5	December 20, 1991
New York	3.5	December 20, 1991
Philadelphia	3.5	December 20, 1991
Cleveland	3.5	December 20, 1991
Richmond	3.5	December 20, 1991
Atlanta	3.5	December 20, 1991
Chicago	3.5	December 20, 1991
St. Louis	3.5	December 24, 1991
Minneapolis	3.5	December 23, 1991
Kansas City	3.5	December 20, 1991
Dallas	3.5	December 20, 1991
San Francisco	3.5	December 20, 1991

These rates apply for the first 30 days of borrowing. For credit outstanding for more than 30 days, a flexible rate will be charged, which takes into account rates on market sources of funds, but in no cases will the rate charged be less than the basic discount rate plus one-half percentage point. Where extended credit provided to a particular depository institution is anticipated to be outstanding for

an unusually prolonged period and in relatively large amounts, the 30-day time period may be shortened.

ORDERS ISSUED UNDER BANK HOLDING COMPANY ACT

Orders Issued Under Section 3 of the Bank Holding Company Act

First Bancshares of St. Landry, Inc.
Opelousas, Louisiana

Order Approving the Merger of Bank Holding Companies

First Bancshares of St. Landry, Inc., Opelousas, Louisiana ("Bancshares"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied under section 3(a)(5) of the BHC Act (12 U.S.C. 1842(a)(5)) to merge with Iberia Bancshares Corporation, New Iberia, Louisiana ("Iberia"), and thereby acquire all of the voting shares of Bank of Iberia, New Iberia, Louisiana ("Bank").

Notice of the application, affording interested persons an opportunity to comment, has been published (56 *Federal Register* 41,848 (1991)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 3(c) of the BHC Act.

Bancshares, which operates one bank subsidiary, First Acadiana National Bank ("Acadiana Bank"), is the 27th largest banking organization in Louisiana, with total deposits of \$143.1 million, representing less than 1 percent of the total deposits in commercial banks in Louisiana.¹ Iberia, which operates one bank subsidiary, Bank of Iberia, is the 127th largest commercial banking organization in Louisiana, with total deposits of \$27.8 million, representing less than 1 percent of the total deposits in commercial banks in Louisiana. Upon consummation of this proposal, Bancshares would become the 21st largest commercial banking organization in Louisiana, with total deposits of \$170.9 million, representing less than 1 percent of total deposits in the state.

Bancshares does not compete directly with Bank of Iberia in any relevant banking market. Based on all facts of record, the Board concludes that consummation of the proposal would not have any significantly adverse effect on competition in any relevant banking

market. The Board also concludes that considerations relating to the financial and managerial resources and future prospects of Bancshares and Iberia and supervisory factors are consistent with approval.

In connection with this application, the Board has received comments from the Plaisance Development Corporation, Opelousas, Louisiana ("Protestant"), critical of the performance of Acadiana Bank, under the Community Reinvestment Act (12 U.S.C. 2901 *et seq.*) ("CRA"). The CRA requires the federal financial supervisory agencies to encourage financial institutions to help meet the credit needs of the local communities in which they operate consistent with the safe and sound operation of such institutions. To accomplish this end, the CRA requires the appropriate federal supervisory authority to "assess the institution's record in meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of such institution," and to take that record into account in its evaluation of bank holding company applications.²

Protestant contends that Acadiana Bank has failed to meet the credit needs of its entire community, including minority neighborhoods. Specifically, Protestant alleges that Acadiana Bank has failed.

- (1) develop and implement CRA policies;
- (2) provide funds, grants and loans to minority community organizations;
- (3) participate in community development projects and to establish businesses and provide jobs within the minority community;
- (4) provide capital to existing minority owned businesses in the community;
- (5) locate a branch office in the Plaisance community; and
- (6) provide capital and financing to minority homeowners in the community.³

2. 12 U.S.C. § 2903.

3. Protestant has also raised issues regarding Acadiana Bank's minority hiring practices and Protestant's request for financing for a sewer project. While the Board fully supports affirmative programs designed to promote equal opportunity in every aspect of a bank's personnel policies and practices in the employment, development, advancement, and treatment of employees and applicants for employment, the Board believes that a bank's general personnel practices are beyond the scope of factors that may be assessed under the CRA. Acadiana Bank has also provided information regarding Protestant's request for a loan to cover start-up expenses for obtaining government-sponsored financing for a proposed sewer project, including the circumstances surrounding the Protestant's request and the requirements of government-sponsored loan programs. After careful consideration of the comments and all the evidence in the record, the Board concludes that Protestant's comments regarding his request for a loan from Acadiana Bank do not reflect so adversely on the factors considered by the Board under the BHC Act as to warrant denial of this application.

1. State data are as of December 31, 1990, and market deposit data are as of June 30, 1990.

The Board has carefully reviewed the CRA performance record of Acadiana Bank, as well as Protestant's comments and Bancshares response to those comments, in light of the CRA, the Board's regulations and the Statement of the Federal Financial Supervisory Agencies Regarding the Community Reinvestment Act ("Agency CRA Statement").⁴ Initially, the Board notes that Acadiana Bank has received satisfactory ratings from its primary supervisor, the Office of the Comptroller of the Currency ("OCC") in the most recent examination of its CRA performance. The Agency CRA Statement provides that a CRA examination is an important and often controlling factor in the consideration of an institution's CRA record and that these reports will be given great weight in the applications process.

Acadiana Bank has in place the type of policies outlined in the Agency CRA Statement that contribute to an effective CRA program. In particular, Acadiana Bank has developed a program that establishes standards that the bank must meet in ascertaining community credit needs, responding to those needs through the development and delivery of products and services, and monitoring and evaluating the bank's success in meeting those needs and its responsibilities under the CRA. Results are monitored at Acadiana Bank by a CRA Board Committee, composed of four members from the bank's board of directors. Responsibilities of this committee include reviewing Acadiana Bank's CRA Statement annually, reviewing the bank's geocoded Home Mortgage Disclosure Act ("HMDA") data, assessing the bank's community outreach efforts, and reviewing participation in special programs designed to meet the credit needs of low- and moderate-income areas of the community. Acadiana Bank also has a CRA Officer Committee, composed of the CRA officer, the marketing officer and various loan officers. The primary responsibility of the Officer Committee is to ensure that all CRA policies, procedures, and programs are implemented.⁵

4. The Agency CRA Statement provides guidance regarding the types of policies and procedures that the supervisory agencies believe financial institutions should have in place in order to fulfill their responsibilities under the CRA on an ongoing basis and the procedures that the supervisory agencies will use during the application process to review an institution's CRA compliance and performance. The Agency CRA Statement also explains that decisions by agencies to allow financial institutions to expand will be made pursuant to an analysis of the institution's overall CRA performance and will be based on the actual record of performance of the institution. 54 *Federal Register* 13,742 (1989).

5. CRA reports are prepared by Acadiana Bank's CRA officer and reviewed on a regular basis by the full board of directors. These reports show that the CRA committees review the geographic distribution of loans, the types of loan products offered, and marketing and community development options.

Acadiana Bank participates in several programs and offers a variety of products targeted to individuals and small businesses in low- and moderate-income and minority communities. Acadiana Bank originates loans for small businesses, agricultural purposes, home improvements and residential, and other purposes. Since 1987, approximately 43 percent of the bank's home improvement loans were made to low- and moderate-income customers, for a total of \$131,915. This amount represents 42 percent of the total dollars loaned by Acadiana Bank during this period. In addition, the bank's investment portfolio contains locally issued bonds, including bonds issued by the Parish's housing financing agency. The value of these bonds is approximately \$1.3 million. Furthermore, the bank is the only Small Business Administration ("SBA"), Federal Housing Administration ("FHA") and Veteran's Administration ("VA") lender in the Parish. Two of the five outstanding SBA loans originated by Acadiana Bank are to minority borrowers.

Most recently, Acadiana Bank commissioned an assessment of community credit needs in an attempt to further meet the credit needs of its delineated community. Based on that assessment, the bank's CRA Committee reviewed its product mix, which consists of home improvement, home equity, adjustable rate mortgage, automobile, student and Small Business Administration loans. As a result, the bank changed its products to make them more affordable to low- and moderate-income and minority borrowers. Acadiana Bank increased the maximum term of its home improvement loan from five years to eight years, increased the debt-to-income ratio for its home equity line of credit from 32 percent to 40 percent and expanded its product line to include VA and FHA adjustable rate mortgages. Products including home equity loans and adjustable rate mortgages are advertised in media that reach low- and moderate-income and minority areas, such as a minority-owned radio station, church bulletins and local news publications.

In addition, Acadiana Bank sponsors a variety of community development projects. For example, the bank has a three-year funding commitment to the Greater Opelousas Economic Industrial Development Council, Opelousas, Louisiana, a private, non-profit corporation whose objective is to promote economic development and job opportunities in St. Landry Parish. The organization has attracted several businesses to the community, and these companies employ over 1,000 individuals, a majority of which are from low- and moderate-income and minority neighborhoods within the bank's delineated community. Acadiana Bank also has sponsored seminars for local business

owners, real estate brokers and other individuals seeking to establish new businesses in an effort to foster economic development. The bank has established an advisory board composed of business owners, farmers and community leaders to communicate the credit needs in their particular areas of the Parish.

Acadiana Bank has also provided funding for minority community organizations. For example, Acadiana Bank has committed funds and personnel for a three-year period to Neighborhood Housing Services, Lafayette, Louisiana ("NHS"), a private corporation which provides comprehensive improvement services to low-income neighborhoods. NHS also administers a loan fund to homeowners who do not meet conventional lending criteria, and one of the bank's officers serves on the NHS Board of Directors and its loan committee.⁶

Acadiana Bank currently operates a branch within 12 blocks of the southern boundary of Plaisance, and Bancshares has committed to establish a greater presence in Plaisance through the establishment of a loan office and loan officer visits to local churches. Overall, Acadiana Bank operates 10 branches throughout its delineated community and the geographic distribution of these branches has been found to be satisfactory by the OCC.

The Board also has reviewed the 1991 HMDA data for Acadiana Bank. As a general matter, these data show that Acadiana Bank receives fewer loan applicants from minority borrowers than non-minority borrowers, and that minority applicants are denied loans at a higher rate than non-minority applicants.⁷

All banks have an obligation to ensure that their lending practices are based on criteria that ensure safe and sound lending and equal access to credit for creditworthy applicants regardless of gender, race or national origin. The Board is concerned when the lending record of an institution indicates disparities in lending to minority applicants. The Board also recognizes that HMDA data provide only a limited measure of any given institution's lending in the communities served, and that HMDA data have limitations that provide an inadequate basis, absent other information, for determining whether an institution is engaged in illegal discrimination.

6. Acadiana Bank also has made donations to civic and religious organizations located in low- and moderate-income areas of its delineated community.

7. Recent amendments to the HMDA for the first time require banking organizations to collect certain information regarding applicants for bank mortgage loans and to report the information regarding both loan approvals and denials to the banking agencies and the public. The information includes data on race, gender, and income of individual applicants, in addition to the location of the property receiving the potential loan and the disposition of the application.

The Board notes that the HMDA data cited by the Protestant covers only a nine-month period in 1991 and is based on a loan pool of fewer than 90 loan applications. After accounting for withdrawn or incomplete loan applications, 52 non-minority and 19 minority applications were considered by Acadiana Bank. In addition to constituting a statistically small number of loans, these loan data significantly underestimate Acadiana Bank's lending activities by failing to capture loans made in approximately half of the bank's service area.⁸

The most recent examination for CRA compliance conducted by the OCC found no evidence of illegal discrimination or other illegal credit practices in Acadiana Bank's housing-related lending activities. In addition, Bancshares and Acadiana Bank have committed to review all housing-related loan denials in order to ensure that Acadiana Bank's lending criteria are being applied on a uniform basis to minority and non-minority loan applicants.

For the reasons discussed above, the Board believes that, on balance, and subject to the commitments made, the CRA record of Acadiana Bank, and the convenience and needs considerations under the BHC Act are consistent with approval of this application.

Based on the foregoing and other facts of record, the Board has determined that the application should be, and hereby is, approved. Approval of this proposal is specifically conditioned on compliance with the commitments discussed in this application. The commitments relied on in reaching this decision are conditions imposed in writing by the Board in connection with its findings and decision and may be enforced in proceedings under applicable law. This transaction shall not be consummated before the thirtieth calendar day following the effective date of this Order, or later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Atlanta, acting pursuant to delegated authority.

By order of the Board of Governors, effective December 24, 1991.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

8. Acadiana Bank's service area includes the city of Lafayette, which is in a metropolitan statistical area ("MSA") and St. Landry Parish, which is outside of a MSA. Under HMDA reporting guidelines, loans made in areas outside of a MSA are not reported.

Interbank Holding Corporation
Miami, Florida

Order Approving Formation of a Bank Holding Company

Interbank Holding Corporation, Miami, Florida ("Interbank"), has applied under section 3(a)(1) of the Bank Holding Company Act ("BHC Act") (12 U.S.C. § 1842(a)(1)) to become a bank holding company by acquiring a majority of the voting shares of Grovegate Bank, Miami, Florida ("Bank").

Notice of the application, affording interested persons an opportunity to submit comments, has been published (56 *Federal Register* 23,295, 26,094). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 3(c) of the BHC Act.

Interbank is a nonoperating corporation formed for the purpose of acquiring Bank. Bank controls deposits of approximately \$14.6 million and is the 310th largest commercial banking organization in Florida, representing less than 1 percent of the total deposits in commercial banking organizations in the state.¹ Bank operates in the Miami, Florida, banking market,² and controls less than 1 percent of the total deposits in commercial banks in that market. Interbank and its principals are not affiliated with any other depository institution in the Miami, Florida, banking market. Based on all the facts of record, the Board concludes that consummation of the proposed transaction would not result in any significantly adverse effects on competition or the concentration of banking resources in any relevant banking market. Accordingly, the Board concludes that competitive considerations are consistent with approval of the application.

In assessing the financial factors and future prospects in this case, the Board has considered that, as part of the proposal, Interbank proposes to provide substantial additional capital to Bank and thereby make it a more viable competitor. In light of this and the other facts of record, the Board concludes that the financial and managerial resources and future prospects of Interbank and Bank are consistent with approval. Supervisory factors and factors relating to the convenience and needs of the community to be served are also consistent with approval.

Based on all the facts of record, including the commitments made by Interbank and its principals, the Board has determined to approve Interbank's

application. The Board's decision is specifically conditioned on compliance with all of the commitments made in this case. Further, these commitments are conditions imposed in writing by the Board in connection with its findings and decision, and may be enforced in proceedings under applicable law.

By letter dated December 18, 1991, the Comptroller of the State of Florida requested that the Board act expeditiously on this application and shorten the post-approval waiting period in this case. Based on the facts of record, the Board finds that conditions satisfy expeditious action. In accordance with sections 3(b) and 11(b) of the BHC Act (12 U.S.C. §§ 1842(b)(1) and 1849(b)(1)), the acquisition of Bank may be consummated on or after the fifth calendar day following the effective date of this Order, but no 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 Atlanta, acting pursuant to delegated authority.

By order of the Board of Governors, effective December 23, 1991.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

Laredo National Bancshares, Inc.
Laredo, Texas

Order Approving Acquisition of a Bank Holding Company

Laredo National Bancshares, Inc., Laredo, Texas ("Laredo"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied under section 3(a)(3) of the BHC Act (12 U.S.C. § 1842(a)(3)) to acquire all of the voting shares of Southshares, Inc., Laredo, Texas ("Southshares"), a registered bank holding company, and thereby acquire Southshares's subsidiary bank, South Texas National Bank of Laredo, Laredo, Texas ("Bank").¹

1. Laredo's shell subsidiary holding company, LNB Acquisition Co., Inc., will be merged with and into Southshares, and Southshares will be the surviving entity. Immediately following this merger, Southshares will be merged into Laredo and Bank will become a wholly owned subsidiary of Laredo. LNB Acquisition will be formed solely for the purpose of facilitating this acquisition.

In connection with this transaction, certain shareholders of Southshares have granted Laredo options to purchase up to 68.6 percent of the outstanding common stock of Southshares, and Laredo has applied to exercise these options if any of several preconditions occur. These options will become moot upon consummation of the Laredo application to acquire Southshares.

1. Data are as of June 30, 1991.

2. The Miami, Florida, banking market is approximated by Dade and Broward Counties.

Notice of the application, affording interested persons an opportunity to submit comments, has been published (56 *Federal Register* 55,311 (1991)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the factors set forth in section 3(c) of the BHC Act.

Laredo, with deposits of \$1.1 billion, is the tenth largest commercial banking organization in Texas.² Laredo's subsidiary bank, Laredo National Bank, Laredo, Texas, operates offices in Laredo and McAllen, Texas. Southshares, with deposits of \$93.9 million, is the 205th largest commercial banking organization in Texas and operates one office in Laredo, Texas. Upon consummation of the proposed transaction, Laredo would remain the tenth largest commercial banking organization, with deposits of approximately \$1.2 billion. Consummation of this proposal would not result in any significantly adverse effect on the concentration of banking resources in Texas.

Laredo and Southshares compete directly in the Laredo market.³ Laredo is the largest depository institution in that market, controlling \$1.1 billion in deposits, representing approximately 45.6 percent of market deposits.⁴ Bank is the fourth largest depository institution in the market, controlling \$93.9 million in deposits, representing approximately 3.7 percent of the market deposits. Upon consummation of this proposal, Laredo would remain the largest depository institution in the market, controlling approximately \$1.2 billion in deposits, representing approximately 49 percent of market deposits. On this basis, consummation of the transaction would cause the Herfindahl-Hirschman Index ("HHI") to increase by 337 points to 3631.⁵

A number of unique and important characteristics of the Laredo banking market indicate that the competitive effects of this proposal are not as significant as

represented by these market HHI figures.⁶ For example, so-called "maquiladora" plants have been established in Laredo, Texas, and the nearby community of Nuevo Laredo, Mexico.⁷ The dual-plant "maquiladora" economy has the effect of stimulating economic growth in these communities. This economic opportunity has created characteristics that make the Laredo banking market a particularly attractive market for potential banking competitors to enter. During the period 1980-89, the population of Laredo increased by 27.2 percent, representing the sixth largest increase among the 28 Metropolitan Statistical Areas ("MSA") within Texas.⁸ The amount of deposits in depository institutions in the Laredo market has also increased substantially in recent years. During the period from 1987 to 1990, Laredo's total market deposits increased by 27.1 percent, representing the second largest increase of any MSA in Texas.⁹ Laredo also ranks second in population per banking office among the 28 MSAs, with a ratio of 14,033 per office, compared to an average of 9,438 in other Texas MSAs.¹⁰ Texas has statewide branch banking and nationwide interstate banking, which facilitates entry into the market for potential competitors.¹¹ In 1986 two commercial banks entered the Laredo market.

In addition, commercial banks in the Laredo market have a substantial portion of their deposit accounts in amounts greater than \$100,000 and these deposits are largely short-term deposits. In the case of Laredo, almost 50 percent of its deposits are short-term deposits in amounts of over \$100,000 from investors with whom the bank has developed long-standing deposit or commercial relationships. These types of deposits do not serve as a base for significant lending by banks in this market,¹² and

2. Deposit and ranking data are as of June 30, 1990.

3. The Laredo banking market is approximated by Webb County, Texas.

4. Market deposit data are calculated on the basis of deposit data for commercial banks operating in the market as well as data for thrift institutions in the market weighted at 50 percent. The Board previously has indicated that thrift institutions have become, or have the potential to become, major competitors of commercial banks. See *Midwest Financial Group*, 75 *Federal Reserve Bulletin* 386 (1989); *National City Corporation*, 70 *Federal Reserve Bulletin* 743 (1984).

5. Under the revised Department of Justice Merger Guidelines, 49 *Federal Register* 26,823 (June 29, 1984), a market in which the post-merger HHI is above 1800 is considered highly concentrated. In such markets, the Justice Department is likely to challenge a merger that increases the HHI by more than 50 points. The Justice Department has informed the Board that a bank merger or acquisition generally will not be challenged (in the absence of other factor indicating anticompetitive effects) unless the post-merger HHI is a least 1800 and the merger increases the HHI by at least 200 points. The Justice Department has stated that the higher than normal HHI threshold for screening bank mergers for anticompetitive effect implicitly recognizes the competitive effect of limited-purpose lender and other nondepository financial entities.

6. The Board has previously taken into account the unique characteristics of banking markets. *Hartford National Corporation*, 73 *Federal Reserve Bulletin* 720 (1987).

7. "Maquiladora" describes the manufacturing process whereby parts or raw materials are shipped duty-free from the United States to a plant in Mexico. Finished products are then shipped back to the United States and are subject to payment of a reduced duty.

8. Laredo is the ninth largest MSA in Texas. The population of Texas increased 19.4 percent during this same period.

9. Texas MSAs as a whole lost 3.8 percent of total market deposits during this same period.

10. Commercial bank deposits per capita in the Laredo market are approximately \$19,800 while the state average is approximately \$7,100.

11. There are more than 70 banking institutions operating in Texas with deposits of over \$100 million that could be considered potential entrants into the Laredo market.

12. As of June 1991, Laredo held approximately 33.7 percent of its average assets as loans compared to its peer group average of 63 percent. The loan-to-assets ratio of all other commercial banks in the Laredo market, including Southshares, has also been below its peer group average since 1988. The record indicates, however, that the market for loans is very competitive despite the relatively low volume of loans in area banks. For example, a comparison of mortgage loan rates for banks in the San Antonio market, a relatively unconcentrated market, with Laredo's rates shows that these rates are almost identical.

tend to overstate the competitive influence of banks in the market.¹³

The Board also has taken into account the fact that five commercial banks and two thrifts would remain as competitors in the market after consummation of the proposal. Two of these depository institution competitors represent offices or subsidiaries of relatively large institutions with over \$1 billion in deposits and two commercial banking institutions have a substantial presence in the Laredo market.¹⁴ In addition, the Board has considered the competitive influence from the Mexican financial institutions in the contiguous Mexican community of Nuevo Laredo. Thirteen Mexican banking institutions maintain 62 offices in Nuevo Laredo. Ten of these banks have consolidated assets equivalent to greater than \$1 billion.

Based on all of the facts of record in this case, in particular the unique characteristics of the Laredo banking market, the Board concludes that consummation of this proposal would not have a significantly adverse effect on competition or concentration of banking resources in the Laredo banking market or in any other relevant banking markets. The Board has sought comments from the United States Attorney General, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation on the competitive effects of this proposal. None of these agencies has provided any objection to consummation of this proposal or indicated that the proposal would have any significantly adverse competitive effect.

The Board also concludes that the financial and managerial resources and future prospects of Laredo, Southshares, and Bank are consistent with approval of this proposal. Convenience and needs considerations and supervisory factors are also consistent with approval.

Based on the foregoing and other facts of record, and subject to the commitments made by Laredo, the Board has determined that the application should be, and hereby is, approved. Approval of this proposal is specifically conditioned on compliance by Laredo with the commitments made in connection with its application, as supplemented. The commitments relied on in reaching this decision are conditions imposed in writing by the Board in connection with its findings and decision and may be enforced in proceedings under applicable law.

13. If these deposits were subtracted from the deposits of commercial banks in the Laredo market, Laredo's post-merger market share would be 44.5 percent and the HHI would increase by 234 points to 3436.

14. International Bancshares Corporation controls \$817.5 million in deposits, representing 32.5 percent of total market deposits, and Union of Texas Corporation, both of Laredo, Texas, controls \$287.6 million in deposits, representing 11.4 percent of total market deposits. In addition, International Bancshares Corporation and First Gibraltar, FSB, Dallas, Texas, each have over \$1 billion in total deposits.

The transaction shall not be consummated before the thirtieth calendar day following the effective date of this Order, or later than three months following the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Dallas, acting pursuant to delegated authority.

By order of the Board of Governors, effective December 24, 1991.

Voting for this action: Vice Chairman Mullins and Governors LaWare and Phillips. Voting against this action: Governor Angell. Absent and not voting: Chairman Greenspan and Governors Kelley and Lindsey.

JENNIFER J. JOHNSON
Associate Secretary of the Board

Dissenting Statement of Governor Angell

I have dissented from the Board's action in this case because I have concerns about certain minority shareholder interests in this bank holding company. While the Applicant has proposed several measures that will address these concerns, I believe that these issues should be resolved before consummation of the proposal.

December 24, 1991

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

Statement by the Board of Governors of the Federal Reserve System Regarding the Application by NCNB Corporation to Acquire C&S/Sovran Corporation

By Order dated November 29, 1991, the Board approved the applications of NCNB Corporation, Charlotte, North Carolina ("NCNB"), pursuant to sections 3 and 4(c)(8) of the Bank Holding Company Act (12 U.S.C. §§ 1842, 1843(c)(8)) ("BHC Act") to acquire C&S/Sovran Corporation, Atlanta, Georgia, and Norfolk, Virginia ("C&S/Sovran"), and thereby to acquire the banking and nonbanking subsidiaries of C&S/Sovran; the application pursuant to section 4(c)(14) of the BHC Act (12 U.S.C. § 1843(c)(14)), to acquire indirectly Commerce Trading Corporation, an export trading company; and the proposal to acquire indirectly the shares of Citizens and Southern International Bank and Citizens and Southern International Bank of Atlanta, which are corporations chartered pursuant to section 25(a) of the Federal Reserve Act

(12 U.S.C. § 611 *et seq.*) ("Edge Act").¹ Upon consummation of these acquisitions, NCNB proposes to change its name to "NationsBank Corporation" ("NationsBank"). The Board hereby issues this Statement regarding its approval Order.

Notice of the applications, affording interested persons an opportunity to submit comments, has been published (56 *Federal Register* 46,182 (1991)). Because of the size and geographic scope of the resulting organization and the extensive public interest in this proposal, the Board held public meetings regarding these applications at four sites to permit interested persons an opportunity to present written information and oral testimony directly to members of the System's staff. These meetings were held during the week of October 7, 1991, in Richmond, Virginia; Charlotte, North Carolina; Atlanta, Georgia; and Dallas, Texas. Over 100 people presented testimony at these meetings. The Board also extended the public comment period in this case, providing interested persons over 75 days to submit written comments.

The Board considered the applications and all comments received in light of the factors set forth in sections 3(c) and 4 of the BHC Act and section 25(a) of the Federal Reserve Act.

NCNB, with approximately \$69.1 billion in consolidated assets, controls a total of eight banking subsidiaries located in Delaware, Florida, Georgia, Maryland, South Carolina, North Carolina, Texas, and Virginia, with approximately \$48.8 billion in total deposits.² C&S/Sovran, with \$49.1 billion in consolidated assets, controls a total of eight banking subsidiaries and three trust companies located in Florida, Georgia, Kentucky, Maryland, South Carolina, Tennessee, Virginia, and the District of Columbia, with approximately \$38.8 billion in total deposits. Upon consummation of this proposal, NationsBank would be the fourth largest commercial banking organization in the United States based on total deposits (\$87.6 billion), and the third largest commercial banking organization in the United States based on consolidated assets (\$118.2 billion).

1. NCNB's shell subsidiary holding company, C&S/Sovran Merger Corporation, Wilmington, Delaware ("Merger Corporation"), will be merged with and into C&S/Sovran, and C&S/Sovran will be the surviving entity. C&S/Sovran will be a wholly owned second tier holding company subsidiary of NCNB. Merger Corporation has been formed solely for the purpose of facilitating this acquisition.

In connection with this transaction, NCNB and C&S/Sovran have granted each other an option to purchase up to 19.9 percent of the outstanding common stock of each other's organization, and both organizations have applied to exercise the options if any of several preconditions occur. These options will become moot upon consummation of the NCNB application to acquire C&S/Sovran.

2. Asset and deposit data are as of June 30, 1991.

Douglas Amendment

Section 3(d) of the BHC Act (12 U.S.C. § 1842(d)), the Douglas Amendment, prohibits the Board from approving an application by a bank holding company to acquire control of any bank located outside of the holding company's home state, unless such acquisition is "specifically authorized by the statute laws of the State in which [the] bank is located, by language to that effect and not merely by implication." For purposes of the Douglas Amendment, the home state of NCNB is North Carolina.³ The Board has previously determined that the interstate banking statutes of Florida, Georgia, Maryland, South Carolina and Virginia permit NCNB to acquire banking organizations in those states.⁴ Tennessee,⁵ Kentucky,⁶ and the District of Columbia⁷ have each enacted a reciprocal interstate banking statute that permits an out-of-state bank holding company to acquire a bank in these jurisdictions if certain conditions are satisfied. In considering this proposal, the Board has analyzed the interstate banking statutes of all of the states involved and of the District of Columbia and has concluded that NCNB is authorized under these statutes to acquire the banking subsidiaries of C&S/Sovran located in these states and the District of Columbia.⁸ The appro-

3. A bank holding company's home state is that state in which the operations of the bank holding company's banking subsidiaries were principally conducted on July 1, 1966, or the date on which the company became a bank holding company, whichever is later. The operations of a bank holding company are considered principally conducted in that state in which the total deposits of all such banking subsidiaries are largest.

4. See *NCNB Corporation*, 70 *Federal Reserve Bulletin* 225 (1984) (Florida); *NCNB Corporation*, 72 *Federal Reserve Bulletin* 61 (1986) (Georgia); *NCNB Corporation*, 73 *Federal Reserve Bulletin* 666 (1987) (Maryland); *NCNB Corporation*, 72 *Federal Reserve Bulletin* 57 (1986) (South Carolina); *NCNB Corporation*, 72 *Federal Reserve Bulletin* 849 (1986) (Virginia).

5. See *Tenn. Code Ann.* § 45-12-102, 103. The Tennessee statute conditions entry on the requirement that the out-of-state bank holding company not hold more than 16½ percent of the total deposits held by all federally insured financial institutions located in Tennessee. Upon consummation of this proposal, NationsBank will hold approximately 5 percent of the federally insured deposits in Tennessee.

6. See *Ky. Rev. Stat. Ann.* § 287.900(6)(b),(c). Kentucky prohibits any bank holding company from engaging in a transaction that would result in the holding company controlling more than 15 percent of all bank deposits in Kentucky. *Ky. Rev. Stat. Ann.* § 287.900(3). Upon consummation of this transaction, NCNB will control less than 1 percent of the bank deposits in Kentucky.

7. See *D.C. Code Ann.* §§ 26-801, 802(a)(1).

8. Each of these statutes permits a bank holding company located in North Carolina to acquire a bank in each respective jurisdiction. However, the affected states (other than Kentucky) and the District of Columbia have statutory provisions requiring that:

- (1) more than 80 percent of the total deposits held by the banking subsidiaries of the out-of-state bank holding company be held by banks located in a particular region; and
- (2) the "principal place of business" of the out-of-state bank holding company, as defined under state law, authorize the acquisition of a bank in the affected state on a reciprocal basis.

appropriate bank supervisors in each of these states and the District of Columbia agree with this conclusion. In light of the foregoing, the Board has determined that its approval of this proposal is not prohibited by the Douglas Amendment. However, approval of this proposal is conditioned upon NCNB's receiving all required state regulatory approvals.⁹

Financial and Managerial Considerations

In evaluating an application under section 3 of the BHC Act, the Board is required to consider the financial and managerial resources and future prospects of the companies and banks involved and the effect of the proposed acquisition on those resources. The Board regards capital adequacy as an especially important factor in the analysis of bank holding company expansion proposals, particularly in transactions involving a significant acquisition, such as in this case.

The relevant state statutes generally provide that a bank holding company's principal place of business is considered to be that state in which the total deposits of all the bank holding company's subsidiary banks are largest on the date of the proposed acquisition. The deposits of NCNB's subsidiary bank in Texas exceed the deposits of NCNB's other subsidiary banks and exceed 20 percent of the total deposits in NCNB's subsidiary banks. Because deposits of NCNB's subsidiary bank in Texas are larger than deposits of NCNB's deposits in any other state, Texas is the principal place of business for purposes of these statutes.

Under these state and District of Columbia statutes, NCNB would be precluded from acquiring banks in the affected states (other than Kentucky) and the District of Columbia. However, NCNB acquired NCNB Texas National Bank pursuant to section 13(f)(2) of the Federal Deposit Insurance Act (12 U.S.C. § 1823(f)(2)), which authorizes assisted emergency interstate acquisitions. Section 13(f) specifically provides that any bank holding company that acquires a bank through an assisted emergency interstate acquisition under that provision may not be prevented by any state law from acquiring any other bank or bank holding company by reason of the emergency acquisition. 12 U.S.C. § 1823(f)(4)(E). This provision was enacted in order to prevent emergency interstate acquisitions from disqualifying the acquiring bank holding company from future acquisitions under various regional interstate banking statutes that require that bank holding companies maintain at least a given ratio of deposits within the region. See H.R. Rep. No. 261, 100th Cong., 1st Sess. 172 (1987). Thus, NCNB's deposits in Texas do not preclude the proposed acquisition even though Texas may be deemed under state law to be NCNB's principal place of business and over 20 percent of deposits in NCNB's banks are in Texas. When NCNB's Texas deposits are excluded, the applicable reciprocity requirements of the interstate banking statutes in the affected states and the District of Columbia are satisfied.

There is no need to rely on the exemption of section 1823(f)(4)(E) for NCNB to acquire banking institutions in Kentucky because such an acquisition is permissible even though Texas may be deemed to be NCNB's principal place of business under Kentucky law. See Ky. Rev. Stat. Ann. § 287.900(6)(b),(c); Tex. Rev. Civ. Stat. Ann. art. 342-916.

9. To date, the state banking supervisors in Georgia, Maryland, Tennessee, Virginia, and the District of Columbia have approved this proposal, and the Florida State Comptroller has indicated that no application is necessary for NCNB to make the proposed acquisition in Florida. The appropriate state banking supervisors in Kentucky and South Carolina have each indicated preliminarily that NCNB's proposed acquisition of banking institutions in its state is not prohibited by the relevant state banking statutes.

In this regard, the Board expects banking organizations contemplating expansion proposals to maintain strong capital levels substantially above the minimum levels specified in the Board's Risk-Based Capital Guidelines.¹⁰ The Board carefully analyzes the effect of expansion proposals on the preservation or achievement of strong capital levels and has adopted a policy that there should be no significant diminution of financial strength below these levels for the purpose of effecting major expansion proposals.¹¹

In this case, NCNB proposes to acquire all of the outstanding common and preferred shares of C&S/Sovran through a share exchange. NCNB will incur no debt as a result of the transaction. Upon consummation of the proposal, NCNB will remain well capitalized, with capital ratios significantly above the minimum levels specified in the Board's Risk-Based Capital Guidelines. In addition, NCNB has recently raised capital and intends to raise additional capital following consummation of this transaction. The proceeds of these capital issuances will be available for capital contributions to subsidiary banks as necessary to ensure that the subsidiary banks have acceptable capital ratios.

The facts of record also demonstrate that NCNB has competent and experienced management.¹² NCNB proposes that NationsBank will provide C&S/Sovran's subsidiary banks with new management officials with demonstrated management capability, to the extent necessary. NCNB projects that combining the operations of NCNB and C&S/Sovran will enable the subsidiary banks of NationsBank to provide more

10. Risk-Based Capital Guidelines, 12 C.F.R. 225, Appendices A, B, and D. (1991).

11. *The Bank of New York Company, Inc.*, 74 *Federal Reserve Bulletin* 257 (1988); *Chemical New York Corporation*, 73 *Federal Reserve Bulletin* 378 (1987); *Citicorp*, 72 *Federal Reserve Bulletin* 497 (1986); *National City Corporation*, 70 *Federal Reserve Bulletin* 743 (1984).

12. In addressing the managerial considerations of this proposal, the Board has carefully considered several comments that related to the operations of the subsidiary banks of NCNB and C&S/Sovran. Some comments related to particular consumer and business dealings, including loan transactions, involving certain of NCNB's and C&S/Sovran's subsidiary banks. One comment alleged that one of C&S/Sovran's subsidiary banks engaged in discrimination in selecting appraisers to perform real estate appraisal work involving federally related transactions in Florida. Another comment alleged that one of C&S/Sovran's subsidiary banks had mishandled, as trustee, an employee stock ownership plan that is currently the subject of litigation. Still another comment alleged that NCNB has denied family inheritance rights to a checking account that was established at a bank acquired by NCNB. Finally, a commenter alleged that NCNB has violated certain federal securities laws. The Board has reviewed these comments in light of all of the facts of record in this case, including information responding to these comments provided by NCNB and information provided by other federal regulatory agencies. Based on this review, the Board concludes that these comments do not reflect so adversely upon the managerial resources of NCNB as to warrant denial of these applications.

efficiently a full range of services to their customers and the communities they serve.

Based on the entire record, the Board concludes that the financial and managerial resources and future prospects of NationsBank and its subsidiaries are consistent with approval of these applications.¹³

Competitive Factors

NCNB and C&S/Sovran compete directly in 33 banking markets in Florida, Georgia, Maryland, South Carolina, and Virginia. The relative size of NationsBank in Florida, Georgia, Maryland, and Virginia following consummation of this proposal is described in the Appendix to this Statement. After considering the relatively small increase in concentration that consummation would cause, the number of competitors that would remain following consummation of the proposal, the attractiveness for entry by other competitors of the markets involved, and the competition offered by thrifts¹⁴ in 28 of these banking markets,¹⁵ as well as other facts of record,¹⁶ the Board concludes that consummation of this proposal would not result in significantly adverse effects on competition or the

concentration of banking resources in any of these 28 banking markets.¹⁷

South Carolina Banking Markets

NCNB owns the third largest depository institution in South Carolina, holding \$2.4 billion in deposits, representing approximately 12.4 percent of the total deposits in commercial banking organizations in the state. C&S/Sovran owns the second largest depository institution in South Carolina, with \$2.9 billion in deposits, representing approximately 15.6 percent of the total deposits in commercial banking organizations in the state. Upon consummation of this proposal, NationsBank would become the second largest depository organization in South Carolina, with deposits of \$5.3 billion, representing approximately 28 percent of total deposits in commercial banking organizations in South Carolina.

NCNB and C&S/Sovran compete in a total of 15 banking markets in South Carolina. For the reasons noted above, consummation of the proposal would not have a significantly adverse effect on competition in 10 of these banking markets.¹⁸ In five of the markets in South Carolina, the increase in market concentration, as measured by the resulting HHI calculation for each market, indicates that further analysis is necessary to determine whether consummation of this proposal would result in significantly adverse effects on competition in any of these markets. These markets are the Beaufort County, Darlington County, Newberry County, Greenwood County and Columbia, South Carolina, banking markets. NCNB has proposed divestitures to mitigate the anticompetitive effects of the proposed mergers in four of these markets.¹⁹

13. The Board has received comments from individuals who questioned the viability of NationsBank in light of the financial condition of NCNB and C&S/Sovran, and who voiced concern about the potential loss to the Federal Deposit Insurance Corporation ("FDIC") that could result from the failure of NationsBank. Another commenter questioned the effectiveness of the due diligence review process used by NCNB in evaluating the financial condition of C&S/Sovran. The Board has carefully considered these comments and, based on all the facts of record, including review of relevant examination reports, and for the reasons discussed in this Statement, concludes that these objections do not warrant denial of these applications.

14. The Board previously has indicated that thrift institutions have become, or have the potential to become, significant competitors of commercial banks. See, e.g., *First Union Corporation*, 76 *Federal Reserve Bulletin* 83 (1990). In considering the competition offered by thrifts in all banking markets in this case, thrift deposits are weighted at 50 percent, unless otherwise noted. See, e.g., *Fleet/Norstar Financial Group, Inc.*, 77 *Federal Reserve Bulletin* 751 (1991).

15. These banking markets are: the Fort Myers, Hernando County, Jacksonville, Leon County, Miami, Naples, North Brevard, Orlando, Port Charlotte, St. Petersburg, Sarasota, South/Central Brevard, Tampa and Venice banking markets in Florida; the Anderson County, Charleston, Florence County, Georgetown County, Greenville, Horry County, Oconee County, Orangeburg County, Spartansburg and Sumter County banking markets in South Carolina; the Atlanta and Augusta banking markets in Georgia; and the Baltimore, Maryland, and Washington, D.C. banking markets.

16. Under the revised Department of Justice Merger Guidelines, 49 *Federal Register* 26,823 (1984), a market in which the post-merger Herfindahl-Hirschman Index ("HHI"), is above 1800 is considered to be highly concentrated. In such markets, the Department is likely to challenge a merger that increases the HHI by more than 50 points. The Department has informed the Board that a bank merger or acquisition generally will not be challenged (in the absence of other factors indicating anticompetitive effects) unless the post-merger HHI is at least 1800 and the merger increases the HHI by more than 200 points. The Justice Department has stated that the higher than normal HHI thresholds for screening bank mergers for anticompetitive effects implicitly recognize the competitive effect of limited-purpose lenders and other nondepository financial entities.

17. The Board has received and carefully considered several comments regarding the competitive effects of this proposal in particular banking markets as well as comments generally alleging that the proposal would result in substantially anticompetitive effects in Florida, the Southeast, or in other broadly defined geographic regions. The Board continues to believe that the appropriate geographic market for reviewing the competitive effects of bank acquisition proposals is local in nature. See, e.g., *First Hawaiian, Inc.*, 77 *Federal Reserve Bulletin* 52 (1991); *United States v. Philadelphia National Bank*, 374 U.S. 321 (1963). Based on the facts of record, and for the reasons discussed in this Statement, the Board concludes that this proposal would not substantially lessen competition for banking services, or result in an undue concentration of resources, in any relevant banking market.

18. See *supra* note 15.

19. In each market in which NCNB has committed to divest branch offices to mitigate possible anticompetitive effects of its proposal, NCNB has executed sale agreements which require consummation of these divestitures within six months of consummation of the proposal. If NationsBank is unsuccessful in divesting these branches within 180 days of consummation, NationsBank has agreed to transfer these branches to an independent trustee authorized to sell these branches promptly and to remit the proceeds to NationsBank. See, e.g., *United New Mexico Financial Corporation*, 77 *Federal Reserve Bulletin* 484, 485 (1991); *First Union Corporation*, 76 *Federal Reserve Bulletin* 83 (1990).

In the Beaufort County banking market,²⁰ NCNB is the third largest of ten depository institutions, holding \$148.9 million in deposits.²¹ C&S/Sovran is the second largest depository institution in the market, with approximately \$167.1 million in deposits. The Board has previously determined that thrifts are fully competitive with commercial banks in this market and, as a result, that the market share of thrifts operating in this market should be fully weighted in considering the competitive effects of transactions in this market.²² With the market share of thrift competitors weighted at 100 percent, NationsBank would become the largest depository institution in this market upon consummation of this transaction, holding \$316.0 million in deposits, representing approximately 38.8 percent of market share. Upon consummation of this proposal, the HHI in this market would increase by 752 points to 2552.

NCNB has committed to divest five branches in this market, representing approximately \$74.8 million in deposits, to the two banks having the smallest market shares in this market. Following the proposed divestiture in Beaufort County, NationsBank would be the largest depository institution in this market, holding \$241.3 million in deposits, representing approximately 29.4 percent of market share. The HHI in this market, after giving effect to consummation of this proposal and all divestitures, would increase by 187 points to 1987. There would be one fewer independent competitor in the Beaufort County banking market following the proposal and divestitures, but nine depository institutions would remain in this market.

In the Darlington County banking market,²³ NCNB is the second largest of eight depository institutions, with \$70.6 million in deposits, which represents approximately 22.8 percent of the total deposits in that market.²⁴ C&S/Sovran is the third largest depository institution in the market, with \$43.9 million in deposits, which represents approximately 14.2 percent of market deposits. Upon consummation of this transaction, the HHI in this market would increase by 644 points to 2527.

NCNB has committed to divest one branch in this market, representing approximately \$23.3 million in market deposits, to a bank not currently operating in this market. With this divestiture, the number of competitors remaining in the Darlington County bank-

ing market following consummation of this proposal will not change, and the HHI in this market would increase by 202 points to 2086.²⁵

In the Newberry County banking market,²⁶ NCNB is the third largest of seven depository institutions, holding \$47.2 million in deposits, which represents approximately 19.7 percent of the total deposits in that market. C&S/Sovran is the fifth largest depository institution in the market, with \$18.4 million in deposits, which represents approximately 7.7 percent of market deposits. Upon consummation of this transaction, the HHI in this market would increase by 302 points to 2203.

NCNB has committed to divest one branch in this market, representing approximately \$15.3 million in market deposits, to a bank not currently operating in this market. As a result of this divestiture, the number of depository institutions remaining in the Newberry County banking market will not change following consummation of the proposal, and the HHI in this market would increase by 35 points to 1935.²⁷

In the Greenwood County banking market,²⁸ NCNB is the largest of ten depository institutions, with \$148.2 million in deposits, which represents approximately 32.2 percent of the total deposits in that market. C&S/Sovran is the seventh largest depository institution in the market, with \$14.7 million in deposits, which represents approximately 3.2 percent of deposits in the market. Upon consummation of this transaction, the HHI in this market would increase by 205 points to 2205.

NCNB has committed to divest one branch in this market, representing approximately \$25.2 million in market deposits, to a bank not currently operating in this market. With this divestiture, the number of competitors remaining in the Greenwood County banking market following consummation of NCNB's acquisition of C&S/Sovran will not change, and the HHI in this market would decrease by 122 points to 1877.²⁹

20. The Beaufort County banking market is approximated by all of Beaufort County.

21. Market deposit data are as of June 30, 1990.

22. See *South Carolina National Corporation*, 76 *Federal Reserve Bulletin* 1060, 1061 n.6 (1990) ("SCNC").

23. The Darlington County banking market is approximated by all of Darlington County.

24. Thrift deposits are weighted at 50 percent in the remaining South Carolina banking markets, except the Columbia, South Carolina banking market discussed below. See *supra*, footnote 14.

25. Following this proposed divestiture in Darlington County, NationsBank would be the second largest depository institution in the market, controlling approximately \$91.3 million in deposits, representing approximately 29.4 percent of market share.

26. The Newberry County banking market is approximated by all of Newberry County.

27. Following this divestiture in Newberry County, NationsBank would be the third largest depository institution in this market, controlling approximately \$50.2 million in deposits, representing approximately 21 percent of market share.

28. The Greenwood County banking market is approximated by all of Greenwood County.

29. Following this proposed divestiture in Greenwood County, NationsBank would be the largest depository institution, controlling approximately \$137.7 million in deposits, representing approximately 29.9 percent of market share.

In the Columbia banking market,³⁰ NCNB is the third largest of 22 depository institutions, with \$507.7 million in deposits, which represents approximately 11.8 percent of the total deposits in that market. C&S/Sovran is the second largest depository institution in the market, holding \$725.3 million in deposits, which represents approximately 16.9 percent of market deposits. Upon consummation of this transaction, the HHI in this market would increase by 401 points to 2,159.

The record indicates that thrift institutions in the Columbia banking market compete actively in the full range of banking products and services, providing transaction as well as traditional savings accounts, and engaging actively in commercial and consumer lending.³¹ Thrift institutions in the Columbia market also maintain on average a significantly higher percentage of assets in commercial loans and consumer loans than thrift institutions generally.³² The Board believes that the provision of these products and services by thrifts in the Columbia banking market as well as the prospect that these institutions will exercise their existing authority to expand these activities justify including thrift institutions as full competitors of banks in the calculation of market share in this market.³³

With thrift deposits weighted at 100 percent, NationsBank would control approximately 25.9 percent of market deposits upon consummation of the proposal. The resulting HHI for the Columbia banking market would be 1820, representing an increase of 324 points. However, the Board notes that this resulting HHI is only slightly above the level of a moderately concentrated market, and there are several mitigating factors. In particular, twelve commercial banks and nine thrifts would remain as competitors in the market

30. The Columbia banking market is approximated by Richmond and Lexington Counties.

31. Thrifts in this banking market offer FDIC-insured transaction accounts, consumer loans, commercial real estate loans and other commercial loans, as well as mortgage and home improvement loans.

32. On average, commercial loans account for approximately 5.4 percent of the assets of thrifts in the Columbia market, compared to a national average of 2.6 percent of thrift assets.

33. The Board has recognized in other decisions that thrifts in certain markets compete fully with banks and should be fully weighted in analyzing the competitive effect of bank expansion proposals. See, e.g., *SCNC; BanPonce Corporation*, 77 *Federal Reserve Bulletin* 43 (1991); *Fleet Financial Group, Inc.*, 74 *Federal Reserve Bulletin* 62 (1988). The Board received one comment asserting that inclusion of thrift deposits in calculating HHI figures in banking markets overemphasizes the competition that thrifts pose to banks and, therefore, thrift deposits should not be accounted for at all in calculating these figures. In particular, this commenter challenged NCNB's assertion that thrifts in Columbia are fully competitive with banks. As noted in this Statement, the Board has reviewed data from thrift institutions in the Columbia banking market, and has concluded, based on those data, that thrift institutions are active competitors of banks in providing the cluster of banking products and services in the Columbia banking market, and should be weighted fully in determining the relevant market share in this case. See *id.*

after consummation of the proposal. In addition, the record indicates that the market is very attractive for entry.³⁴

Based on all of the facts of record in this case, and subject to the divestiture proposals made by NCNB in this case, the Board concludes that consummation of this proposal would not have a significantly adverse effect on competition or the concentration of banking resources in the Beaufort County, Darlington County, Newberry County, Greenwood County, or Columbia South Carolina banking markets, or in any other relevant banking market. The Board has sought comments from the United States Attorney General, the Office of the Comptroller of the Currency ("OCC"), and the FDIC on the competitive effects of this proposal. The Attorney General has indicated that, subject to consummation by NCNB of the proposed divestitures in the Beaufort County, Darlington County, Newberry County and Greenwood County banking markets, the proposal would not have significantly adverse effects on competition in any relevant banking market. Neither the OCC nor the FDIC has provided any objection to consummation of this proposal or indicated that the proposal would have any significantly adverse competitive effects.

Convenience and Needs Considerations

In analyzing the effect of this merger on the convenience and needs of the communities served by NCNB and C&S/Sovran, the Board has taken into account the record of the subsidiary banks of NCNB and C&S/Sovran under the *Community Reinvestment Act* (12 U.S.C. § 2901 *et seq.*) ("CRA"). The CRA requires the federal financial supervisory agencies to encourage financial institutions to help meet the credit needs of the local communities in which they operate consistent with the safe and sound operation of such institutions. To accomplish this end, the CRA requires the appropriate federal supervisory authority to "assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of such institution," and to take that record into account in its evaluation of bank holding company applications.³⁵

34. In this regard, the record indicates that per capita income, population per banking office, total deposits per banking office, and total deposits are higher in the Columbia market than in other urban markets in South Carolina. Since 1986, four commercial banks and one thrift institution have entered the market on a *de novo* basis.

35. 12 U.S.C. § 2903.

Public Comments on Convenience and Needs

In order to collect information concerning the convenience and needs of the communities to be served by the proposed acquisition, including the records of performance of the affected institutions under the CRA, and in view of the widespread public interest in the proposal, the Board held public meetings regarding this proposal. These public meetings were held on October 7-9, 1991, in Richmond, Virginia; Dallas, Texas; Charlotte, North Carolina; and Atlanta, Georgia. In addition, the Board provided an extended period for interested persons to submit written comments regarding this proposal. Over 100 individuals testified at the public meetings; many of these commenters also submitted written comments. Over 50 additional commenters submitted written comments but did not appear at the public meetings.³⁶ The Board has considered all testimony and written comments in its evaluation of the convenience and needs factors in this case.

Approximately 60 commenters indicated that the convenience and needs factor warranted approval of this proposal, primarily in light of the CRA performance records of NCNB or C&S/Sovran. These commenters noted positive business or community relationships with the institutions and identified specific programs provided by the institutions that benefitted the community, including participation in programs to finance low- and moderate-income housing, provision of financial and technical assistance to community organizations, and assistance in community development projects. A number of commenters maintained that the merger would result in financially stronger banks that would be better able to serve their communities.

Approximately 100 commenters were critical of the CRA performance records of NCNB or C&S/Sovran or had concerns relating to the future effects of the proposed merger (collectively, "Protestants").³⁷ Protestants made a variety of claims, including that:

- (1) the institutions' ascertainment and assessment of the credit needs of minority and low- and moderate-income communities, small cities and rural areas, are inadequate;³⁸
- (2) the institutions' efforts to market and advertise their products and services, particularly to minorities and to low- and moderate-income communities, small cities and rural areas, are inadequate;
- (3) the institutions fail to offer consumer services that meet the credit needs of low- and moderate-income persons and, in particular, charge excessive fees for checking accounts,³⁹ and have an insufficient number of bank branches in minority and low- and moderate-income communities;
- (4) the institutions are failing to meet the housing and small business credit needs of their communities, particularly with respect to minorities and low- and moderate-income communities, small cities and rural areas;
- (5) 1990 Home Mortgage Disclosure Act ("HMDA") data indicate illegal discriminatory lending practices by the institutions;⁴⁰

38. Some Protestants alleged that NCNB and C&S/Sovran are not in some instances accurately representing certain aspects of their CRA programs and performance, including outreach to community groups. NCNB has responded to these comments by providing documentation of CRA performance and outreach efforts. The Board notes that recent regulatory examinations found no evidence of misrepresentations regarding these areas and that NCNB's and C&S/Sovran's CRA statements generally complied with applicable requirements. The Board has carefully considered these allegations, and based on all the facts of record, has concluded that they do not warrant denial of the applications. The Board expects that all aspects of CRA performance and outreach will be accurately represented in the CRA statements of the NCNB and C&S/Sovran subsidiary banks, and intends to consider this issue in future applications.

39. Both NCNB and C&S/Sovran offer a variety of affordable checking and check cashing services. For example, NCNB's Economy Checking product features no required minimum balance, a minimum of \$25 to open an account, and nine free checks per month, with a monthly service charge of \$3. NCNB also offers regular checking requiring a minimum of \$100 to open an account, free unlimited checks and no monthly service charge with a minimum \$500 balance, and free ATM accessibility on all NCNB machines. NCNB's basic savings product features a \$25 minimum to open an account, no monthly service charge with a minimum \$250 balance, free ATM accessibility on NCNB machines, and provides direct deposit services. Further, government check cashing services are available to non-depositors as well as depositors at all NCNB and C&S/Sovran branches.

40. Several Protestants alleged that their individual loan denials evidence a failure by the institutions to comply with the CRA. Some Protestants alleged that the classification or non-renewal of their loans by NCNB's bank subsidiary in Texas, following NCNB's acquisition of the bank subsidiaries of First RepublicBank Corporation, evidence a failure by NCNB to meet the credit needs of small businesses throughout Texas. NCNB has provided information regarding these loan transactions and its role as agent in managing the assets of First RepublicBank. After careful consideration of the comments and all the evidence in the record, including small business and other loan programs in which NCNB-TX participates, the Board concludes that these comments do not reflect so adversely on the factors considered by the Board under the BHC Act as to warrant denial of the applications.

36. The Board also has considered additional comments filed after the close of the public comment period. Under the Board's rules, the Board may in its discretion take into consideration the substance of such comments. 12 C.F.R. 262.3(e).

37. Several Protestants alleged NCNB and C&S/Sovran have not employed minorities in decision-making positions. NCNB and C&S/Sovran dispute this allegation, and note that each organization follows a policy of equal employment opportunity throughout their respective organizations and has directors that reflect racial diversity. While the Board fully supports affirmative programs designed to promote equal opportunity in every aspect of a bank's personnel policies and practices in the employment, development, advancement, and treatment of employees and applicants for employment, the Board believes that the banks' general personnel practices are beyond the scope of factors that may be assessed under the CRA.

- (6) the proposal would result in a large centralized organization that will reduce activities in, and will not be responsive to, local communities; and
 (7) the proposal would result in substantial job loss and relocation for the institutions' employees.⁴¹

A. CRA Performance Examinations

The Board has carefully reviewed the CRA performance records of NCNB, C&S/Sovran, and their subsidiary banks, the comments and evidence presented at the public meetings and in written submissions, and NCNB's responses to those comments, in light of the CRA, the Board's regulations, and the Statement of the Federal Financial Supervisory Agencies Regarding the Community Reinvestment Act ("Agency CRA Statement").⁴² The Agency CRA Statement provides guidance regarding the types of policies and procedures that the supervisory agencies believe financial institutions should have in place in order to fulfill their responsibilities under the CRA on an ongoing basis, and the procedures that the supervisory agencies will use during the application process to review an institution's CRA compliance and performance. The Agency CRA Statement explains that decisions by agencies to allow financial institutions to expand will be made pursuant to an analysis of the institution's overall CRA performance and will be based on the actual record of performance of the institution.⁴³

Initially, the Board notes that all of NCNB's eight subsidiary banks, as well as C&S/Sovran's subsidiary banks, have received a satisfactory rating from their primary supervisors during the most recent examination of each bank's CRA performance.⁴⁴ The Agency

41. NCNB has indicated that 8,000 to 9,000 personnel reductions may occur over a three-year period, in significant part through attrition. NCNB states that NationsBank will offer a variety of services to assist employees of the merging institutions whose jobs may be eliminated, including placement services for available positions within NationsBank, outplacement services, and relocation financial assistance. In connection with NCNB's plans concerning the possible consolidation of branch and other facilities, NCNB may be subject in some circumstances to the Worker Adjustment and Retraining Notification Act of 1988 (29 U.S.C. § 2101), requiring advance notice to employees for closings of certain facilities. NCNB has stated that it and NationsBank will fully comply with the provisions of this statute where applicable and with all requirements of law.

42. 54 *Federal Register* 13,742 (1989).

43. *Id.*

44. The OCC has rated the performance of the following NCNB banks as satisfactory under the CRA as of November 15, 1991: NCNB National Bank, Atlanta, Georgia; NCNB National Bank of Florida, Tampa, Florida; NCNB National Bank of South Carolina, Columbia, South Carolina; NCNB Texas National Bank, Dallas, Texas; NationsBank, N.A., Dover, Delaware; NCNB National Bank of North Carolina, Charlotte, North Carolina; and NCNB National Bank of Maryland, Baltimore, Maryland. In addition, the FDIC has rated NCNB Virginia, McLean, Virginia, satisfactory during the most recent examination of the bank's CRA performance.

CRA Statement provides that a CRA examination is an important and often controlling factor in the consideration of an institution's CRA record and that, although CRA examination reports do not provide conclusive evidence of an institution's CRA record, these reports will be given great weight in the applications process.⁴⁵

The Board notes that the preliminary results of recently conducted compliance examinations by bank supervisory agencies have identified areas for improvement in the otherwise satisfactory CRA performance of NCNB and C&S/Sovran. In particular, the preliminary results of these examinations suggested the need to improve:

- (1) documented ascertainment efforts to determine the unmet credit needs of all communities;
- (2) involvement at the local level with product development and CRA goal setting;
- (3) systems to analyze and test for geographical distributions of loan application data and the linkage between ascertainment efforts, design and marketing of products, and measurement of performance; and
- (4) extended CRA training to include all personnel with customer contact.

The Board expects NCNB and NationsBank to take immediate steps to address the regulatory concerns noted in the recently conducted CRA performance examinations.

The Board has also considered the individual aspects of the CRA programs and records of NCNB and C&S/Sovran as well as the proposed NationsBank community investment program.

B. Corporate Program and Policies

Both NCNB and C&S/Sovran and their subsidiary banks have in place the type of policies outlined in the Agency CRA Statement that contribute to an effective CRA program. The NCNB corporate CRA policy sets out CRA-related goals for all NCNB banks, and NCNB has established comprehensive community de-

The OCC has rated the CRA performance of the following C&S/Sovran banks as satisfactory as of October 11, 1991: The Citizens and Southern National Bank of Georgia, Savannah, Georgia; Sovran/DC National Bank, Washington, D.C.; The Citizens & Southern National Bank of South Carolina, Columbia, South Carolina; The Citizens & Southern National Bank of Florida, Fort Lauderdale, Florida; and Sovran Bank, N.A., Richmond, Virginia. The FDIC has rated Sovran Bank/Maryland, Bethesda, Maryland, satisfactory during the most recent examination of the bank's CRA performance. The Federal Reserve Bank of Atlanta has rated Sovran Bank/Tennessee, Nashville, Tennessee, satisfactory during the most recent examination of the bank's CRA performance, and the Federal Reserve Bank of St. Louis has rated Sovran Bank/Kentucky, Hopkinsville, Kentucky, satisfactory during the most recent examination of the bank's CRA performance.

45. 54 *Federal Register* at 13,745.

velopment programs in each of the states in which it currently operates. The NCNB Community Investment Policy is designed to implement those goals through initiatives in the following areas: community needs assessment, product development, target marketing, internal assessment and review, management involvement, employee training, and community education and community economic development activities. The C&S/Sovran corporate program includes an annual review of each bank's CRA statement and a self-assessment by each bank of its CRA performance to determine whether each bank is addressing its responsibilities to the community under the CRA.⁴⁶

As part of their CRA programs, NCNB's and C&S/Sovran's boards of directors are involved in formulating policies and reviewing the institutions' performance under the CRA. CRA committees of the boards of directors of NCNB subsidiary banks monitor performance under the goals set in the NCNB Community Investment Policy and in the CRA policies of each subsidiary bank. These committees make full reports periodically to their respective boards. Reports on CRA developments at all of the NCNB banks are also reported quarterly to the CRA subcommittee of the parent holding company's board of directors.

C&S/Sovran's subsidiary banks have also each established a board of directors' committee to monitor, on an ongoing basis, the CRA performance of the bank as well as progress in meeting targeted goals. Each bank's CRA officer reviews quarterly assessments of CRA performance and progress toward meeting established goals for each delineated community and reports the results to senior management of the bank, its board of directors, and to the Corporate CRA officer.

NCNB states that NationsBank will adopt a corporate community investment policy statement that will combine elements of the existing NCNB and C&S/Sovran corporate policies, programs, and commitments. The proposed NationsBank Corporate Community Investment Policy establishes program goals at three levels: national corporate, local community, and targeted neighborhoods.

Several Protestants have raised concerns that NationsBank would operate under centralized decision-making authority away from local bank and branch management and, therefore, would not be responsive

to the local communities in which its banks operate.⁴⁷ NCNB has stated that, while broad policy goals will be developed through centralized decision-making functions,⁴⁸ each bank will also establish local goals annually for the extension of community development credit in each local community served by the bank.⁴⁹ NCNB proposes that each bank will define a neighborhood or geographic region within its community delineation to receive concentrated emphasis, under the "NationsBank Neighborhood" designation, in the implementation of the NationsBank community development program. In addition, under the proposal, each banking subsidiary will maintain a board of directors CRA Committee which will have ultimate oversight responsibility for community investment strategy and performance and will meet prior to each regularly scheduled board of directors meeting to review initiatives and performance measures. NCNB states that a CRA Management Committee will be established for certain geographic regions currently anticipated to be defined by states. The regional CRA committees are intended to serve as a source of strategic direction and support to the community investment process and will meet formally on a quarterly basis.

C. Ascertainment and Outreach Efforts

NCNB's activities to ascertain the credit needs of the communities it serves are formalized in its Community

47. Some Protestants have also commented that the proposal would result in fewer branch banking offices and could adversely affect senior citizens and minority and low- and moderate-income communities. NCNB states that the NationsBank Branch Opening/Closing Policy will at a minimum include the elements governing NCNB's branch policy. NCNB performs periodic analyses of branch dispersion to identify underserved areas and to target areas for expansion, and its branch development efforts have emphasized expansion in low- and moderate-income areas. Since January 1990, NCNB has targeted for development four branches specifically for low- and moderate-income areas. Two of these branches have opened, one is under construction, and one site is being acquired. In addition, NCNB assesses the potential impact on the community prior to closing an office by considering information from members of the community in order to minimize the adverse impact of an office closing. NCNB's branch closing policy requires approval from the Community Investment Executive, written notice to the branch's customers at least 30 days prior to the closure and meetings with key neighborhood and political leaders to assess the impact of the closure.

48. Corporate-wide goals setting forth minimum standards will be established for the areas of needs assessment activity, general credit extension, residential mortgage credit extension, program development such as public/private partnerships, business development/outreach activity such as calls on community development organizations, and targeted marketing.

49. Under the proposal, each NationsBank subsidiary bank will adopt its own community investment policy modeled on the corporate format. NationsBank will coordinate the review of each subsidiary bank's CRA Statement and develop a consistent format subject to review by the bank's board of directors. NCNB intends that these CRA Statements will contain both consistent corporate goals and initiatives as well as unique local programs and initiatives, all of which would be implemented by each bank according to local community needs.

46. The C&S/Sovran self-assessment program requires each bank to:

- (1) establish annual CRA goals, with special attention to low- and moderate-income neighborhoods;
- (2) conduct quarterly evaluations of bank activities in each city, county, or region in the bank's delineated service area and evaluate annually the bank's performance under its CRA goals; and
- (3) conduct an annual geographic analysis of credit applications, denials and approvals.

Needs Assessment Initiative Summary. This policy includes:

- (1) an annual survey of government and community leaders, with results compiled on a community basis and summarized on a statewide basis;
- (2) targeted community outreach efforts compiled for each community and summarized for each state on a quarterly basis; and
- (3) an assessment survey of individuals in these communities.

The needs assessment process is the responsibility of the Community Investment Coordinator in the major markets and of the senior banking executive in the community banks.⁵⁰ In addition, NCNB maintains contact with individuals and groups representing civic, governmental, religious, neighborhood, minority, small business, and commercial and residential real estate development organizations. In 1990, NCNB made over 25,000 calls on minority-owned firms, small businesses, community groups and governmental agencies to assess community needs and to market NCNB products and services.⁵¹ NCNB also sponsored or participated in more than 170 programs targeted at educating consumers and small business owners.⁵²

C&S/Sovran also ascertains community credit needs through various means,⁵³ including direct forms of community contact. Through its officer call program, consumer and commercial officers call on a variety of consumer and community organizations, small and minority business, government agencies, local elected officials, non-profit organizations, hous-

ing and real estate groups and educational organizations. C&S/Sovran mortgage originators also meet with community representatives to discuss low- and moderate-income housing needs. Finally, C&S/Sovran officers and directors serve on numerous public and private sector boards and commissions through which the credit and banking needs of all segments of the community may be identified and appropriate responses developed.

D. Advertising and Marketing Programs

NCNB maintains a specific marketing program targeted at reaching low-income and minority consumers. The CRA Marketing Plan is created annually, distinct from general marketing efforts, and emphasizes specially targeted media and the need for bilingual advertising. In certain tracts that need additional emphasis to advertise services such as Free Checking, Base Line Checking, Government Check Cashing, and Special Mortgage Programs/Products, NCNB marketing efforts include targeted print media, direct mail, outdoor billboard advertising and radio and television advertising.

C&S/Sovran conducts regional marketing efforts in response to specific community needs, with targeted advertising and educational marketing for low- and moderate-income and minority consumers. C&S/Sovran advertises in local newspapers, on billboards, on radio stations and in civic, school and sports publications in order to communicate information on services and products to all members of the community. C&S/Sovran also makes special efforts to place advertisements in publications directed to minority and low- and moderate-income individuals, including minority-owned media and multilingual advertising, in order to communicate more effectively with targeted audiences and to provide information regarding credit availability, how to apply for credit, and C&S/Sovran's willingness to make loans.

E. Lending and Other Activities

NCNB has made a variety of efforts to meet the housing and other credit needs of communities in which it operates, including low- and moderate-income and minority communities. The NCNB Community Investment Policy states as a corporate goal the origination of ~~8~~ or more CRA loans (defined by NCNB as a commercial, consumer or real estate loan made to areas with income levels below 80 percent of the median for the area) per consumer branch per quarter, with goals measured on an aggregate basis for each state.

50. NCNB's state CRA Management Committees and the state board of director CRA Committees review the results of the needs assessment process and NCNB's response to the needs identified.

51. NCNB's Mortgage Corporation has established internal goals regarding calls to brokers and agents operating in or specializing in low- and moderate-income areas. That program resulted in 2142 business development calls in 1990. In addition, NCNB's Corporate Goals statement provides that not less than 10 percent of total business development calls by consumer and commercial units are to be made on minority-owned firms.

52. NCNB generally conducts consumer counseling and education programs in conjunction with local community groups. For example, programs are conducted with the Urban League in several markets, including Charlotte, North Carolina, Columbia, South Carolina, and Houston and Dallas, Texas. NCNB has other educational program efforts underway in conjunction with ACORN, the NAACP, local Chambers of Commerce, local churches, and local educational institutions and counseling centers.

53. In selected service areas, C&S/Sovran has instituted an "Adopt-a-Tract" program as one method of improving its ascertainment efforts, particularly in low- and moderate-income census tracts. Under this program, the low- and moderate-income census tracts of a particular community are divided into small cluster groups of ~~4-8~~ tracts. Specific account officers, crossing functional lines, are assigned responsibility for these tracts, including community outreach, loan monitoring, and for recommending products or services that will fit the needs of residents of these areas.

NCNB extended over \$95 million in mortgage loans to low- and moderate-income areas in 1990. NCNB also offers various mortgage and residential lending products, including products specifically designed for the needs of low- and moderate-income consumers. NCNB has developed a Community Investment Mortgage Product targeted to low- and moderate-income families, which features flexible underwriting guidelines that allow the use of non-traditional sources of income and credit history and the waiver of origination and point fees. In order to provide flexibility with respect to this product, NCNB has committed to hold these mortgages in its own portfolio and not to sell them in the secondary market. NCNB also offers FHA and VA mortgage products and FHA Title I Home Improvement Loans. NCNB Mortgage Corporation's funding of FHA-insured and VA-guaranteed programs increased from \$87 million in 1988 to \$267 million in 1990.

NCNB also participated in 29 multi-bank loan pools designed to make credit more accessible to low- and moderate-income consumers and small businesses in 1990 and currently participates in over 200 public, private partnerships emphasizing innovative techniques for meeting local housing, small business, and education credit needs.⁵⁴ NCNB has designed a variety of products for the small business market, including Small Business Administration ("SBA") lending products and a lending product for minority subcontractors. NCNB is involved with the SBA in improving the delivery of government-guaranteed loans to small businesses and the Farmers Home Administration in its guarantee and subordination programs for small farms.⁵⁵ NCNB also supports small businesses through its investment in community development corporations. In addition, NCNB intends for NationsBank to provide below-market interest rate loans for day care centers.

NCNB states that NationsBank will establish a residential mortgage lending goal at a level no less than NCNB's existing goal and will conduct single-family mortgage lending primarily through NationsBank

Mortgage, which will continue to offer NCNB's community development products. NCNB plans for NationsBank, in conjunction with community groups, to develop and make available nationwide a combination purchase/rehabilitation single-family mortgage product, which will utilize flexible underwriting and terms similar to the Community Investment Mortgage Product.⁵⁶ NCNB also plans for NationsBank to offer consumers in low- and moderate-income categories home improvement financing products for expansion, renovation, or improvement of a home.⁵⁷ In addition, the proposed NationsBank community investment program contains policies for the implementation of special products for affordable multi-family residential lending, small business lending, and rural and agricultural lending.

The NationsBank community investment policy, program, and strategic plan contain other elements of an effective CRA program, as outlined in the Agency CRA Statement. These community development initiatives include:

- (1) ~~providing~~ providing economic development loans, including loans to non-profit and government agencies and other programs serving low- and moderate-income neighborhoods, and loans made under mortgage bond programs and multi-bank loan pools;
- (2) ~~providing~~ providing affordable depository and transaction services, including "lifeline" checking products and government check cashing services; and
- (3) ~~participating~~ participating in and sponsoring educational and counseling programs for consumers and small businesses in conjunction with local and national community-based organizations.

F. CRA Activities in Selected States

Community investment activities and initiatives for NCNB and C&S/Sovran in each state have also been reviewed in light of the comments received by the Board. The following discussion provides examples of programs initiated in certain states by NCNB and C&S/Sovran.

North Carolina. NCNB's 1990 CRA record reflects a significant number of CRA-related activities and initiatives in North Carolina by NCNB-NC. These activities include:

54. Examples of these programs include the Tampa Challenge Fund, Homes for South Florida, Central Florida Community Reinvestment Funds, and First Housing Development Corporation in Florida; the Charlotte/Mecklenburg Housing Partnership, Greensboro Community Home Lending Program, and Wilmington Housing Partnership in North Carolina; the Spartanburg Residential Mortgage Pool and Greenville West Brandon Neighborhood Project in South Carolina; the Dallas Affordable Housing Partnership, Houston Affordable Housing Partnership, and Midland Housing Partnership in Texas; and the Baltimore Regional Community Development Corporation in Maryland.

55. NCNB's South Carolina bank is a preferred lender with the SBA. In addition, lending to agricultural and rural markets will be a targeted lending area under the NationsBank Community Investment Program.

56. NCNB intends to have this product fully operational and available within ~~18~~ months after the consummation of the proposed transaction.

57. NCNB states that specific features of the home improvement product will include: flexible underwriting criteria, a loan-to-value ratio of up to 80 percent, extended terms, and no title search requirement for loans under \$5,000. This product has been designed to permit the use of government or other programs that provide equity grants or subordinated financing.

- (1) extension of approximately \$70 million in new community development, consumer, and mortgage loans;
- (2) participation in 16 public/private partnerships designed to make banking services more accessible to low- to moderate-income consumers and small businesses, and commitments of \$10.3 million to programs including the Charlotte-Mecklenburg Housing Partnership, the Asheville-Buncombe County Minority Business Loan Pool and the Greensboro Community Home Lending Program;
- (3) participation in nine multi-bank loan pools involving funding commitments by NCNB-NC of \$7.2 million to address affordable housing needs, small business loans, downtown redevelopment, creation of a small business "incubator" and similar programs;
- (4) commitment of \$4 million to mortgage bond programs for affordable local housing; and
- (5) outreach efforts that included 397 calls on minority-owned businesses and community groups to assess community needs and to market NCNB-NC's products and services, and 163 meetings with community groups, agencies and local government officials to discuss community needs assessment.

NCNB-NC also developed a home purchase mortgage loan designed to make home purchase credit more available throughout its communities, including low- and moderate-income areas. In addition, NCNB-NC engaged in capital lending and credit education for small businesses controlled by minorities and women.⁵⁸ NCNB-NC also markets and advertises its products through a program designed to reach all segments of the community, including low- and moderate-income areas.⁵⁹ NCNB-NC uses its community development corporation (CDC) to promote community growth and development, particularly in Charlotte and Raleigh,⁶⁰ and NCNB works with several organizations to address to some extent the credit needs in rural and small markets.⁶¹

58. NCNB-NC has a small business call program, including targeted calls on minority-owned firms, and also participates in the Business Consortium Fund which provides minority-owned businesses with contract financing to fill purchase orders.

59. NCNB-NC supplements traditional media communications, including newspapers, radio, brochures, pamphlets, and billboards, with personal outreach efforts by bank officers, employees and directors.

60. These projects include Greenville Affordable Housing in Charlotte and Downtown East Redevelopment Area in Raleigh. Both projects provide new housing for low- and moderate-income residents.

61. These organizations include the Community Investment Corporation of North Carolina (a state CDC specializing in multi-family lending for rural and small markets), the North Carolina Enterprise Corporation (a Small Business Investment Corporation providing mezzanine financing for rural businesses) and the North Carolina

Texas. NCNB-TX implements the NCNB CRA program in Texas. That program includes the following activities and initiatives by NCNB-TX:

- (1) extension of approximately \$389 million in new consumer, small business and community development loans in low- and moderate-income areas;
- (2) participation in 123 public/private partnerships designed to make banking services more accessible to low- to moderate-income consumers and small businesses;
- (3) an active call program for minority-owned firms and small businesses to assess community needs and market NCNB products and services; and
- (4) participation in four multi-bank loan pools with an aggregate funding commitment by NCNB-TX of \$18 million for affordable housing programs.

NCNB-TX has responded to identified community credit needs by participating in the Dallas Affordable Housing Partnership, the Houston Housing Partnership, and the Midland Economic Development Company.⁶² In response to comments regarding NCNB-TX's small business lending, the bank has taken steps to increase its SBA lending program by establishing small business lending centers in major markets.⁶³

Virginia. NCNB-VA has engaged in outreach efforts to various governmental, business and community groups and participated in community development lending activities consistent with its asset size.⁶⁴ In addition, NCNB-VA's board of directors has adopted a formal CRA program and appointed a community reinvestment oversight committee to monitor its CRA programs and initiatives.⁶⁵

The CRA program implemented by Sovran-VA includes oversight by the board of directors and central coordination through a community reinvestment office.⁶⁶ Sovran-VA also has an active officer call program and a comprehensive plan to market its products and services throughout all segments of its delineated community. Sovran-VA employs focus groups to ob-

Association of CDCs (an association providing financial assistance to its CDC members to help carry out economic development projects, with an emphasis on projects for rural areas).

62. NCNB-TX has also participated in the Austin Double Down Program for lower-income home buyers, the Southern Oaks Affordable Housing program in the Oak Cliff section of Dallas, and the Tarrant County Affordable Housing Partnership.

63. The center in San Antonio is operating, and other centers are currently at the staffing and implementation stage.

64. NCNB-VA has assets of \$8 million as of June 1991.

65. NCNB-VA's entry into northern Virginia has been recent, and it has not yet fully implemented its planned marketing and advertising campaigns.

66. Sovran-VA has also established 60 advisory boards statewide, consisting of approximately 500 members. These boards have a racially diverse membership that includes business owners, religious leaders, and community organizations.

tain feedback on current or proposed bank products, and conducts educational seminars for consumers.

In 1990, Sovran-VA introduced several programs emphasizing small business lending in low- and moderate-income communities.⁶⁷ Sovran-VA and its mortgage subsidiary, Sovran Mortgage Company, extended on a state-wide basis 18 percent of its mortgages and 20 percent of its home improvement loans in low- and moderate-income neighborhoods.⁶⁸ In addition, Sovran-VA's CDC participates in programs designed to revitalize low- and moderate-income areas.⁶⁹

Georgia. C&S-GA's participation in community development and redevelopment programs throughout the state is substantial. In addition, C&S-GA plans to implement an automated system for tracking the geographic distribution of its loan applications and denials.

Outreach efforts to minority organizations have assisted C&S-GA in identifying and meeting the need for educational programs for minority small business owners.⁷⁰ As a result, C&S-GA has developed a program to sponsor small business seminars targeted to the minority community, including communities in Atlanta, Savannah and other areas. C&S-GA is also conducting a direct mail campaign to targeted low- and moderate-income census tracts in order to increase its market penetration in those areas after reviewing 1989 lending results.

C&S-GA and other local financial institutions have created the Atlanta Mortgage Consortium ("AMC")

which offers reduced rate mortgage loans to low- and moderate-income individuals who might not qualify for conventional mortgage financing. C&S-GA has committed approximately \$5 million to AMC's loan pool.⁷¹ In addition, C&S-GA participates in the Atlanta Equity Fund ("AEF"), which was established to assist in meeting the need for multi-family housing.⁷² C&S-GA also works with the Housing Resource Center to support affordable housing. In Savannah, C&S-GA participated with the Community Housing Services Agency in a \$1.1 million loan to renovate 49 low-income rental units.⁷³

Florida. NCNB-FL has engaged in a variety of CRA-related activities, including:

- (1) extension of more than \$35.5 million in mortgage loans in low- to moderate-income areas;
- (2) commitments of \$10 million to the Florida State Bond Issue to provide mortgage financing to low- to moderate-income families; and
- (3) participation in 25 public/private partnerships designed to make banking services more accessible to low- to moderate-income consumers and small businesses by committing more than \$26 million to programs, including First Housing Development Corporation, Homes for South Florida, Central Florida Community Re-Investment and Tampa Challenge Fund.

NCNB-FL also maintains extensive contact with a variety of community members to determine community credit needs and to develop products that satisfactorily address those needs. In addition, NCNB-FL participates in community development and redevelopment projects. The following are examples of the types of projects in which NCNB-FL has participated throughout Florida:

- (1) Hillsborough County—City of Tampa Challenge Fund II (financing for rehabilitation housing in low- and moderate income areas) and First Housing Development Corporation (construction and reha-

67. Under Sovran-VA's small business specialist program (targeting companies with annual sales under \$1 million), 30 business centers assisted in generating approximately \$47 million in loans in 1990. A similar program focusing on businesses with annual revenues under \$10 million generated \$59 million in loans in 1990. Sovran-VA also had \$18 million in loans to farmers outstanding as of December 31, 1990.

68. As of December 31, 1990, Sovran-VA and Sovran Mortgage Corporation originated 7,829 housing-related loans totalling \$461 million. In April 1991, Sovran began offering its Home Mortgage Edge program that provides closing costs assistance to low- and moderate-income first-time home buyers. Sovran-VA has committed \$10 million to this program for 1991 and has promoted the program through newspaper advertisements, seminars, targeted mailings and meetings with realtors. Sovran-VA also actively participates in a variety of governmentally subsidized, guaranteed, or insured loan programs.

One Protestant argued that low-income individuals may not be benefiting significantly from the Home Mortgage Edge program. This program has a maximum income eligibility requirement for borrowers, and Protestant acknowledges that moderate-income, and some low-income individuals, would benefit from this program. Even if the allegation is correct that moderate-income and, only to a lesser extent, low-income individuals, benefit from this program, the Board notes that the CRA seeks to encourage lending in both low- and moderate-income areas, and that this program is only one of a number of programs in which Sovran-VA participates as a means of helping to meet the credit needs of various segments of Sovran-VA's community.

69. Sovran-VA also has a sponsorship role in the Virginia Economic Development Corporation, which promotes economic development of depressed rural areas.

70. These organizations include the National Association for the Advancement of Colored People, the Southern Christian Leadership Council, the Atlanta Business League, and minority leaders within Georgia communities.

71. Since 1988, AMC has made over 600 loans totalling over \$30 million to home buyers in low-income neighborhoods in the Atlanta area.

72. Some Protestants have criticized the funding and progress made by this program. The Board notes that the AEF is one of a number of programs in which C&S/Sovran participates in an effort to help meet the credit needs of the Atlanta community. The Board also notes that C&S/Sovran has continued its commitment throughout the development of the AEF from the formation of its structure to its corporate fund raising. Recently, the City of Atlanta and the Atlanta Chamber of Commerce have made a major commitment to sponsor the AEF, and the Enterprise Foundation has pledged to invest up to \$1 million in the AEF to match corporate investment commitments.

73. Some Protestants questioned C&S-GA's branch closing policy. Under C&S-GA's written policy covering branch closings, reductions in service, and changes in hours, C&S-GA discusses the changes with community leaders, assesses the impact of the changes, and attempts to minimize the adverse effects of these changes on the communities served.

bilitation of low- to moderate-income multi-family rental housing projects);

(2) Pinellas County—ACTION Fund (low interest home rehabilitation loans with lower closing costs and flexible underwriting criteria for low- and moderate-income families);

(3) Dade County—Homes for South Florida (financing for affordable housing developments in South Florida);

(4) Orange County—Central Florida Community Reinvestment Corporation (loan pool for financing low- to moderate-income housing, including single family homes, apartments, and condominiums); and

(5) Sarasota County—Downtown Venice Association (redevelopment loans to small businesses in downtown Venice).⁷⁴

C&S-FL has taken steps to address specifically identified credit needs of its communities, including low- and moderate-income areas, through special programs. For example, C&S-FL has developed two special home improvement products targeted to low- and moderate-income areas. In addition, C&S-FL has created an Enterprise Banking Division to target the needs of small businesses. This division also coordinates other government funded programs in which the bank participates. C&S-FL's bank officers actively participate in various CDCs across the state, and the bank has participated in several consortiums designed to rehabilitate or provide affordable housing, including the Dunbar Industrial Action Development and the Southwest Florida Coalition for Affordable Housing.

South Carolina. NCNB-SC has implemented its CRA program through participation in a variety of programs, including:

(1) extension of approximately \$69 million in community development loans, mortgage loans and consumer loans;

(2) participation in six public/private partnerships⁷⁵ and commitments of more than \$1.8 million to fund programs, including the West Brandon Neighborhood in Greenville and the Residential Mortgage Pool in Spartanburg;

74. Some Protestants raised issues regarding NCNB-FL's branch closing policies. NCNB-FL has established a written policy that provides guidelines for opening and closing branches, taking into consideration the impact on low- and moderate-income neighborhoods and input from neighborhood leaders. In response to a comment regarding the closing of its branch in Sulphur Springs, Florida, NCNB explained that a fire in the building resulted in structural damage that was too extensive to economically rehabilitate. According to NCNB, customer records for this branch were transferred to a branch located within approximately one mile of the damaged branch.

75. The primary focus of these private/public partnerships is to make affordable housing loans through a combination of bank financing and funds from private or public entities.

(3) commitments of more than \$897,000 to mortgage bond programs advancing affordability in local housing;

(4) commitments of \$39.1 million to the South Carolina Student Loan Corporation for the 1990-91 school year;

(5) small business loans as a preferred lender designated by the Small Business Administration; and

(6) contributions of more than \$830,000 to not-for-profit organizations, with emphasis on those that support housing, education, small business or economic development.

NCNB-SC offers to low- and moderate-income persons a variety of loan products and services through the bank and its affiliate, NCNB Mortgage Corporation.⁷⁶ In addition, NCNB-SC's advertising program includes a marketing program targeted at low- and moderate-income neighborhoods. NCNB-SC participates in a full array of community development and redevelopment programs, including government and private sector projects that promote economic revitalization and growth.⁷⁷

C&S-SC also offers a variety of loan products designed to meet the needs of its communities. For example, C&S-SC has developed a home improvement program call "Homeline" that may be used to finance the alteration, repair, conversion, or modernization of an existing owner-occupied, single-family or duplex dwelling for lower-income individuals. In addition, C&S-SC is actively involved in community development programs.

Tennessee. Sovran-TN's CRA program includes a community reinvestment department to provide direct contact with members of the community, government officials, and community-based organizations in order to ascertain the credit needs of Sovran-TN's communities.⁷⁸ Sovran-TN has organized a marketing program and also developed an extensive officer call program for all small business lending officers, with special emphasis on identifying the credit needs of

76. In 1990, NCNB-SC and NCNB Mortgage Corporation made 159 housing-related loans totalling \$3.5 million to persons of low- and moderate-income, representing 15.4 percent of all mortgage lending by these institutions in the state. NCNB-SC has also developed a special mortgage program to meet the credit needs of low- and moderate-income borrowers, including a program that provides for a lower downpayment and a more liberal debt/income ratio. In addition, NCNB-SC has a total of \$55 million of consumer loans outstanding in low- and moderate-income communities.

77. In 1990, NCNB-SC and NCNB Mortgage Corporation originated \$7.4 million in FHA and VA home loans. In addition, NCNB-SC has \$10.8 million in outstanding SBA loans and a total of \$5.4 million in agricultural loans.

78. The credit needs of Sovran-TN's communities are monitored by a CRA Steering Committee which, in turn, receives input from five regional CRA committees.

businesses serving low- and moderate-income areas through products, services and employment. The board of directors of Sovran-TN participates in the formulation of CRA policies and reviewing the bank's performance. Sovran-TN actively supports partnerships with government and non-profit organizations involved in affordable housing and economic development. For example, in the Nashville area, Sovran-TN participates in a consortium of 10 banks in providing funding for the Metropolitan Development Housing Authority to build affordable housing, and has committed \$2.5 million to Affordable Housing of Nashville's revolving loan fund. Sovran-TN also supports the Chattanooga Neighborhoods Enterprise program for low- and moderate-income housing, and in the Memphis area, actively lends to the Facility Development Corporation for financing its affordable housing development program.

District of Columbia. Sovran-DC has activities to ascertain the credit needs of its communities⁷⁹ and CRA performance is a regular consideration in its board of directors planning and review process. Sovran-DC's marketing programs, including advertisements targeted for low- and moderate-income areas, inform all segments of its communities on the financial products and services offered by the bank. These products include a variety of loans designed to meet the needs of small businesses and individuals.⁸⁰

NCNB has also targeted \$140 million over a 10-year period for community development lending in the District of Columbia market. This program envisions the offering of a variety of credit products, including flexible credit terms, flexible underwriting standards, and pooling of credit resources. NCNB intends to direct this program toward low- and moderate-income communities and other markets that have been historically underserved.

The Board notes that the District of Columbia Superintendent of Banking and Financial Institutions ("Superintendent"), is charged under the laws of the District to assess the impact of proposed acquisitions on the availability of credit to all segments of the

community, including low- and moderate-income areas, and to convey a recommendation to the Council of the District of Columbia ("Council") based on this assessment. In carrying out its responsibility to consider fully the Superintendent's recommendation, the Council held a public hearing in the District and reviewed the CRA performance of Sovran-DC and the CRA performance plan of NCNB. Based on this review, the Council approved NCNB's acquisition of Sovran-DC.⁸¹

G. HMDA Data and Lending Practices

The Board has reviewed the 1990 HMDA data reported by NCNB and C&S/Sovran. Recent amendments to the HMDA for the first time require banking organizations to collect certain information regarding applicants for bank mortgage loans and to report the information regarding both loan approvals and denials to the banking agencies and the public. The information includes data on the race, gender and income of individual applicants, in addition to the location of the property securing the potential loan and the disposition of the application.

NCNB's 1990 HMDA data show rates for housing loan approvals and denials that vary for different groups when compared by income levels or by race or national origin. As a general matter, NCNB's housing-related loan denial rates were greater for minority loan applicants as compared to non-minority applicants in a substantial number of NCNB's service communities. On the basis of these data, several Protestants have alleged illegal discriminatory lending practices by NCNB and C&S/Sovran.⁸² In addition, several Protestants contend that these data demonstrate areas of weakness in the loan penetration by these institutions in low- and moderate-income neighborhoods.

All banks have an obligation to ensure that their lending practices are based on criteria that assure safe and sound lending and equal access to credit for creditworthy applicants regardless of gender, race or national origin. The Board is concerned when the lending record of an institution indicates disparities in

79. Sovran-DC identifies community credit needs through contacts made by bank officials with a variety of individuals, community groups, government representatives and private and non-profit developers. Sovran-DC has also formed a committee of local District of Columbia residents and community leaders to advise it on community needs.

80. Sovran-DC has identified affordable housing and small business lending as primary credit needs in the community. With the District of Columbia Department of Housing and Community Development, Sovran-DC has developed an affordable mortgage loan program that permits individuals with certain income levels to use government subsidies to purchase homes within the District of Columbia. Sovran-DC has committed \$10 million to this program. In addition, Sovran-DC offers SBA loans and currently has a number of small business loans outstanding.

81. The Superintendent noted a concern that lending decisions continue to be made locally following this acquisition, and that Sovran-DC's management reflect a representation of local interests. NCNB stated in hearings held by the District of Columbia government that lending decisions up to Sovran-DC's authorized lending limit of \$50 million will be made locally. In addition, NCNB's senior management is currently evaluating potential local candidates for corporate-level as well as bank-level (including Sovran-DC) boards of directors. NCNB also intends to maintain a citizens advisory body comparable to Sovran-DC's current citizens advisory board.

82. Protestants' allegations of illegal discrimination concern NCNB and C&S/Sovran HMDA data for particular communities in various states, including Florida, Georgia, North Carolina, South Carolina, Texas, and Virginia.

lending to minority applicants. The Board also recognizes that HMDA data provide only a limited measure of any given institution's lending in the communities served, and that HMDA data have limitations that provide an inadequate basis, absent other information, for determining whether an institution has engaged in illegal discrimination on the basis of gender, race or national origin.

The most recent examinations for CRA compliance conducted by bank supervisory agencies found no evidence of illegal discrimination or other illegal credit practices in any subsidiary banks of NCNB or C&S/Sovran. In the case of NCNB's seven subsidiary national banks, the OCC reviewed and sampled loan documentation for loans granted as well as loans denied in light of the 1990 HMDA data.

NCNB has also taken steps designed to improve its lending to minorities and low- and moderate-income neighborhoods. For example, NationsBank and Association of Community Organizations for Reform Now ("ACORN") have agreed to establish a program to provide loans, counseling, consumer education, and housing opportunities to low- and moderate-income and minority communities. Under this program, ACORN will have special loan counseling offices for low- and moderate-income home buyers in Texas and Washington, D.C. Participants will receive loan counseling, attend budgeting and homeownership workshops, and qualify to obtain mortgage interest rates one point below market. In addition, loan approval standards will assess the creditworthiness of low- and moderate-income home buyers under criteria which include:

- (1) alternate sources of income such as part-time jobs, self-employment and voluntary child support;
- (2) credit histories of paying rent and utilities; and
- (3) third-party contributions toward settlement costs and downpayments.

NCNB currently participates in a variety of local community credit counseling programs and proposes to expand those activities through the development of programs that will coordinate and expand upon the counseling efforts of local organizations. NCNB also states that NationsBank will recognize participation in credit counseling programs as an offset for weakness in a loan applicant's credit history.

NationsBank Community Investment Program also contains a \$10-billion, 10-year commitment to community-development lending in the banking markets served by NationsBank. Loans made under this program will be made for the purpose of extending credit to economically underserved areas, low- and moderate-income consumers, and small businesses. NCNB has stated that the \$10 billion lending target is structured as a minimum, and there will be no limit on the

level of funds to be lent in any community or region. Lending areas to be targeted under the program include single-family residential mortgage, home improvement, combination rehabilitation/mortgage financing, and multi-family affordable housing; small business emphasizing the needs of minority-owned small businesses and agriculture/rural markets; and general consumer lending. As part of this program, NationsBank intends to utilize flexible credit terms and flexible underwriting standards.

Several commenters requested that a mechanism be established to ensure effective monitoring of the proposed NationsBank CRA program and lending goal. In particular, some commenters stated that NCNB should be required to incorporate input from members of the communities to be served by NationsBank in the decision-making process for allocating the \$10 billion, 10-year lending goal and recommended that this goal be monitored by a community-based task force in addition to regulatory oversight.

The NationsBank Community Investment Program contains elements designed to assess and monitor the local impact of the lending target. NCNB intends to assure the local impact of the lending goal through a combination of the NationsBank corporate goals, local community goals to be established based on local needs assessment analyses, the concept of neighborhood targeting, and the incorporation of ideas solicited from the local community.

In each local community, NationsBank will define a neighborhood or geographic region within its community delineation to receive concentrated emphasis in the delivery of the NationsBank Community Development Program. The targeting of "NationsBank Neighborhoods" will supplement the NationsBank local community goals and initiatives. Progress in the targeted neighborhoods will be specifically monitored in addition to NCNB's local, state, and national performance measurement.⁸³ NCNB states that it will monitor its performance in meeting the lending target through internal geocoding systems. Performance results will be published as part of local CRA Statements, at the county and MSA levels, no less than annually, and will be reviewed quarterly for internal purposes. The availability of results will be announced publicly, and a breakdown by loan type will be provided. In addition, performance reports will be made a part of the NationsBank quarterly and annual reports.

83. NCNB states that performance oversight will be the responsibility of the NationsBank boards of directors, CRA committees, the state CRA management committees, the president of the bank, the principal community investment officer, and the community investment coordinators.

These mechanisms established by NCNB are designed to assure local input and accountability in carrying out this lending program, while leaving flexibility to respond to the different types and level of credit needs in different communities. The efforts by NationsBank to implement this program will be monitored by the federal banking agencies through the examination process and will be taken into account in future applications by NationsBank to expand its deposit-taking facilities.

H. Conclusion Regarding Convenience and Needs Factors

In considering the overall CRA performance records of NCNB and C&S/Sovran and the effect of the proposal on the convenience and needs of the communities served by these institutions, the Board has carefully considered the entire record, including the substantial public comment in this case. The Board notes that a number of commenters raised both specific and general concerns about the adequacy of existing CRA programs in certain areas. Other commenters indicated that these programs were very productive in their community and expected that the proposed merger would add financial strength to these existing programs. Based on a review of the entire record of performance, including information provided by the commenters, the Board believes that the efforts made by NCNB and C&S/Sovran to meet the credit needs of all segments of the communities served by these banks, including low- and moderate-income neighborhoods, are substantial and, on balance, satisfactory. This conclusion is confirmed by the most recent CRA-examination reports for the subsidiary banks of NCNB and C&S/Sovran.

The Board recognizes, however, that there are areas of weakness in the CRA programs established by NCNB and C&S/Sovran. As indicated in its \$10 billion lending program, NationsBank will expand existing programs and implement other initiatives targeting affordable housing, some of which have been discussed in this Statement, to improve the lending patterns reflected in the 1990 HMDA data. These initiatives — in the areas of innovative product development, proactive consumer education and counseling, branch development, targeted marketing, and participation in public/private partnerships and non-traditional ways of serving low-income and minority credit needs — are designed to increase housing-related and other types of credit by geographic area and among demographic sectors of the communities served by these institutions.

The Board believes that these initiatives, and other steps proposed by NCNB, will help NationsBank to draw on the corporate programs and existing CRA

initiatives of NCNB and C&S/Sovran and to address weaknesses in the CRA performance record of NCNB and C&S/Sovran that have been described by commenters and in the examination process.

In this light, after carefully considering all the facts of record, including the testimony at the public meetings, the comments received, and relevant examination reports, the Board concludes that, on balance, the convenience and needs considerations, including the CRA records of performance of NCNB and C&S/Sovran, are consistent with approval of these applications. The Board expects NCNB to implement fully its CRA initiatives announced for NationsBank and to continue to improve its CRA performance, including its housing-related lending, and to implement immediately steps to address areas for improvement noted in its CRA performance examinations. The Board will consider the progress made in these areas in future applications by NationsBank.⁸⁴

Acquisition of Nonbanking Companies

NCNB has applied under section 4(c)(8) of the BHC Act to acquire the nonbanking subsidiaries of C&S/Sovran. The Board has determined by regulation or order that each of the activities of these companies is closely related to banking and generally permissible for bank holding companies under section 4(c)(8) of the BHC Act, and has approved applications by C&S/Sovran to own shares in each of these companies.⁸⁵ NCNB has committed to abide by all of the parameters, conditions and commitments relied on by the Board in the relevant orders and regulations regarding these companies.

NCNB operates subsidiaries engaged in nonbanking activities that compete with many of the nonbanking

⁸⁴ Several Protestants have requested that the Board hold a formal public evidentiary hearing on the application. Generally, under the Board's rules, the Board may, in its discretion, hold a public hearing or meeting on an application to clarify factual issues related to the application and to provide an opportunity for testimony, if appropriate. 12 U.S.C. §§ 263.3(e) and 262.25(d).

The Board has carefully considered requests for a formal public hearing in this case. The Board has provided an extended period for public comment in this case, permitting interested persons a substantial period to provide written comments, and commenters have submitted substantial written and oral comments that have been considered by the Board. The Board also notes that it held four public meetings on this application. The Protestants requesting a formal public evidentiary hearing have indicated general disagreement regarding the appropriate conclusions to be drawn from the facts of record, but have not identified facts that are material to the Board's decision and that are in dispute. In light of this, the Board has determined that a public hearing is not necessary to clarify the factual record in these applications, or otherwise warranted in this case. Accordingly, these requests for a formal public hearing on this application are hereby denied.

⁸⁵ The Board previously approved the acquisition by C&S/Sovran of C&S and Sovran and all of the banking and nonbanking subsidiaries of both C&S and Sovran. *C&S/Sovran Corporation/Avantor Financial Corporation*, 76 Federal Reserve Bulletin 779 (1990).

subsidiaries of C&S/Sovran. In each case, the markets for these nonbanking services are unconcentrated and there are numerous providers of these services. In light of these facts and the shares of each of these markets controlled by NCNB and C&S/Sovran, the Board concludes that consummation of this proposal would not have a significantly adverse effect on competition for these services in any relevant market.

There is no evidence in the record to indicate that approval of the proposed acquisition of shares of any of the nonbanking companies of C&S/Sovran, within the parameters, conditions and commitments relied on by the Board in its orders governing these companies, would result in any significantly adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices that are not outweighed by public benefits. Accordingly, the Board has determined that the balance of public interest factors that the Board must consider under section 4(c)(8) of the BHC Act is favorable and consistent with approval.⁸⁶

Insurance Agency Subsidiaries. NCNB has also requested Board approval to permit Citizens and Southern Insurance Services, Inc., C&S/Sovran Insurance Services, Inc., and Sovran Insurance Inc., (the "Insurance Subsidiaries") to continue, following acquisition of these companies by NCNB, to conduct insurance agency activities pursuant to section 4(c)(8)(D) of the BHC Act ("Exemption D").⁸⁷ The Board has previously determined that the Insurance Subsidiaries were entitled to the privileges of Exemption D after their

acquisition by C&S/Sovran.⁸⁸ The Insurance Subsidiaries will remain separate subsidiaries of NationsBank, and the grandfathered insurance activities of the Insurance Subsidiaries will not be conducted by any of NationsBank's other subsidiaries. For the reasons stated in the Board's previous orders regarding the Insurance Subsidiaries and in the Board's Sovran decision, the Board has determined that the Insurance Subsidiaries may continue to engage in insurance activities pursuant to Exemption D following the acquisition of these subsidiaries by NCNB.⁸⁹

Export Trading and Edge Act Companies. The Board has also considered NCNB's proposal to acquire Commerce Trading Corporation pursuant to section 4(c)(14) of the BHC Act (12 U.S.C. § 1843(c)(14)), and to acquire indirectly the shares of Citizens and Southern International Bank and Citizens and Southern International Bank of Atlanta under the Edge Act. After consideration of all the factors specified in the Board's Regulation K and based on all of the facts of record, the Board has determined that disapproval of these proposed investments is not warranted.

Conclusion

Based on all of the facts of record, including the commitments made by NCNB in this case, and for the reasons discussed in this Statement, the Board has determined that the applications should be, and hereby are, approved. As noted in the Board's Order in this case, the Board's approval is expressly conditioned upon compliance with the commitments made by NCNB in connection with these applications, including the commitments to divest certain bank offices, and the commitments and initiatives relating to its performance under the Community Reinvestment Act. The determination as to the nonbanking activities approved in this case is also subject to all of the conditions contained in Regulation Y, including those in sections 225.4(d) and 225.23(b)(3) (12 C.F.R. 225.4(d) and 225.23(b)(3)), and to the Board's authority to require such notification or termination of the

86. NCNB has also applied to merge its securities subsidiary, NCNB Capital Markets, Inc., with C&S/Sovran's securities subsidiary, Sovran Investment Corporation, under the name NationsBank Capital Markets, Inc. ("NCMI"). NCNB Capital Markets, Inc., and Sovran Investment Corporation engage in substantially the same securities activities, including limited securities underwriting and dealing activities. See *NCNB Corporation*, 75 *Federal Reserve Bulletin* 520 (1989); *NCNB Corporation*, 76 *Federal Reserve Bulletin* 864 (1990); *Sovran Financial Corporation*, 76 *Federal Reserve Bulletin* 256 and 857 (1990). NCNB has committed that the activities of NCMI will be conducted pursuant to the commitments made by NCNB and Sovran as well as the conditions and limitations imposed by the Board in the Orders approving these activities.

87. 12 U.S.C. § 1843(c)(8)(D). Exemption D permits a bank holding company to engage in "any insurance activity which was engaged in by the bank holding company or any of its subsidiaries on May 1, 1982." Such activities may be conducted in the grandfathered company's home state, states adjacent thereto, or any state where the company was authorized to operate an insurance business before the grandfather date. The Board has previously determined that an insurance agency which is entitled to continue to sell insurance under Exemption D does not lose its grandfathered rights if the agency is acquired by another bank holding company, provided the agency maintains its separate corporate structure and its insurance activities are not extended to other subsidiaries within the acquirer's organization. *Sovran Financial Corporation*, 73 *Federal Reserve Bulletin* 672 (1987) ("Sovran"). This determination has been upheld by the courts. *National Ass'n of Casualty and Surety Agents v. Board of Governors*, 856 F.2d 282, *reh'g denied en banc*, 862 F.2d 351 (D.C. Cir. 1988), *cert. denied*, 490 U.S. 1090 (1989).

88. See *C&S/Sovran Corporation*, 76 *Federal Reserve Bulletin* 853 (1990). C&S/Sovran Insurance Services, Inc., was known at that time as "Sovran Insurance Agency, Inc."

89. Pursuant to Exemption D, the insurance agency activities of Citizens and Southern Insurance Services, Inc., may be conducted only in Georgia, states adjacent to Georgia, or states in which this company lawfully engaged in insurance activities on May 1, 1982; the insurance agency activities of Sovran Insurance, Inc., may be conducted only in Maryland, states adjacent to Maryland, and states in which this company lawfully engaged in insurance activities on May 1, 1982; and the insurance agency activities of C&S/Sovran Insurance Services, Inc., may be conducted only in Virginia, states adjacent to Virginia, or states in which this company lawfully engaged in insurance activities on May 1, 1982.

activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with, or to prevent evasion of, the provisions and purposes of the BHC Act and the Board's regulations and orders issued thereunder. All of the commitments and conditions relied on by the Board in reaching its decision in this case are conditions imposed in writing by the Board in connection with its findings and decision and may be enforced under applicable laws.

December 4, 1991

JENNIFER J. JOHNSON
Associate Secretary of the Board

Appendix

Deposit information for states in which NCNB and C&S/Sovran compete. Deposit data are as of June 30, 1991.

1. Virginia

NCNB is the 139th largest depository organization in Virginia, holding \$7.2 million in deposits, representing less than one percent of the total deposits in commercial banking organizations in the state. C&S/Sovran is the largest depository organization in Virginia, holding \$11.4 billion in deposits, representing approximately 20.8 percent of the total deposits in commercial banking organizations in the state. Upon consummation of this proposal, NationsBank would be the largest depository organization in Virginia, with deposits of \$11.4 billion, representing approximately 21 percent of state deposits.

2. Georgia

NCNB is the 83rd largest depository organization in Georgia, holding \$69 million in deposits, representing less than one percent of the total deposits in commercial banking organizations in the state. C&S/Sovran is the largest depository organization in Georgia, holding \$9.2 billion in deposits, representing approximately 18.1 percent of the total deposits in commercial banking organizations in the state. Upon consummation of this proposal, NationsBank would be the largest depository organization in Georgia, with deposits of \$9.3 billion, representing approximately 18.2 percent of state deposits.

3. Florida

NCNB is the 4th largest depository organization in Florida, holding \$10 billion in deposits, representing approximately 8.6 percent of the total deposits in commercial banking organizations in the state. C&S/Sovran is the 6th largest depository organization in Florida, holding \$6.1 billion in deposits, representing approximately 5.2 percent of the total deposits in

commercial banking organizations in the state. Upon consummation of this proposal, NationsBank would be the 2nd largest depository organization in Florida, with deposits of \$16.1 billion, representing approximately 14.0 percent of state deposits.

4. Maryland

NCNB is the 21st largest depository organization in Maryland, holding \$284.8 million in deposits, representing less than one percent of the total deposits in commercial banking organizations in the state. C&S/Sovran is the 4th largest depository organization in Maryland, holding \$3.5 billion in deposits, representing approximately 8 percent of the total deposits in commercial banking organizations in the state. Upon consummation of this proposal, NationsBank would be the fourth largest depository organization in Maryland, holding deposits of \$3.8 billion, representing approximately 8.7 percent of state deposits.

5. South Carolina

NCNB is the third largest depository organization in South Carolina, holding \$2.4 billion in deposits, representing approximately 12.4 percent of the total deposits in commercial banking organizations in the state. C&S/Sovran is the second largest depository organization in South Carolina, with \$2.9 billion in deposits, representing approximately 15.6 percent of the total deposits in commercial banking organizations in the state. Upon consummation of this proposal, NationsBank would be the second largest depository organization in South Carolina, with deposits of \$5.3 billion, representing approximately 28 percent of total deposits in commercial banking organizations in South Carolina.

Banc One Corporation
Columbus, Ohio

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

Banc One Corporation, Columbus, Ohio ("Banc One"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied for the Board's approval under section 3(a) of the BHC Act (12 U.S.C. § 1842(a)(3)) to acquire Premier Bancorp, Inc., Baton Rouge, Louisiana ("Premier"), thereby indirectly acquiring Premier Bank, N.A., Baton Rouge, Louisiana ("Bank").¹

1. Banc One has entered into an agreement with Premier under which Banc One will purchase a \$65 million 15 year subordinated capital note, amounting to approximately 26 percent of Premier's total capital, and will have an option to acquire all of Premier's outstanding stock, exercisable any time during the fourth or fifth year after the

Banc One has also applied for the Board's approval under section 4(c)(8) of the BHC Act to acquire Premier Securities Corporation, Baton Rouge, Louisiana ("PSC"), and thereby engage in securities brokerage services, and Premier Investment Advisors, Inc., Baton Rouge, Louisiana ("PIA"), and thereby engage in investment advisory services. These activities are authorized for bank holding companies pursuant to the Board's Regulation Y (12 C.F.R. 225.25(b)(4) and (b)(15)), and Banc One proposes to conduct these activities nationwide.

Notice of the applications, affording interested persons an opportunity to submit comments, has been duly published (56 *Federal Register* 37,553 (1991)). The time for filing comments has expired, and the Board has considered the applications and all the comments received in light of the factors set forth in sections 3(c) and 4(c)(8) of the BHC Act.

Section 3(d) of the BHC Act, the Douglas Amendment, prohibits the Board from approving an application by a bank holding company to acquire control of any bank located outside of the bank holding company's home state, unless such acquisition is "specifically authorized by the statute laws of the State in which [the] bank is located, by language to that effect and not merely by implication." Banc One's home state is Ohio, and Premier's home state is Louisiana.²

The statute laws of Louisiana expressly authorize any out-of-state bank holding company to acquire a bank holding company or bank in Louisiana if the Commissioner of Financial Institutions for the state of Louisiana determines that the law of the state in which the out-of-state bank holding company has its principal place of business permits Louisiana bank holding companies to acquire banks and bank holding companies in that state.³ Ohio law expressly authorizes the acquisition of an Ohio bank or bank holding company by any bank holding company in another state if the Superintendent of Banks determines that the laws of such other state permit an Ohio bank or bank holding

company to acquire a bank or bank holding company having its principal place of business in such other state on terms that are, on the whole, substantially no more restrictive than those established by Ohio law.⁴ The Louisiana Commissioner has determined that Banc One's proposed acquisition of Premier is specifically authorized by Louisiana law and that Banc One has complied with all the pertinent provisions of Louisiana law. Based on a review of the state statutes and all the facts of record, the Board concludes that the proposed acquisition is not barred by the Douglas Amendment.

Banc One, with total consolidated assets of \$46.3 billion,⁵ controls 51 banking subsidiaries in Ohio, Kentucky, Indiana, Michigan, Wisconsin, Illinois, and Texas.⁶ Banc One is the second largest banking organization in Ohio, controlling approximately \$11.7 billion in deposits, representing approximately 13.8 percent of total deposits in commercial banks in the state. Premier, a one-bank holding company that operates in nine banking markets, is the third largest banking organization in Louisiana, controlling deposits of \$3.5 billion, representing approximately 10.7 percent of total deposits in commercial banks in the state. Consummation of this proposal would not result in any significantly adverse effect on the concentration of banking resources in Ohio or Louisiana.

Banc One does not compete directly with Premier in any banking market. Accordingly, consummation of this proposal would not result in any significantly adverse effect on the concentration of resources or on competition in any relevant banking market.

The financial and managerial resources and future prospects of Banc One, Premier, and their subsidiary banks are consistent with approval. In this regard, the Board notes that Bank's operating results for the first three quarters of this year reflect a strengthening of the bank's capital and reserve accounts. Considerations relating to the convenience and needs of the communities to be served also are consistent with approval of this application.

effective date of the option. Premier may cancel the option only upon Banc One giving notice of their intent to exercise the option and only upon paying a substantial cancellation fee and accelerating the repayment of the capital note. The agreements between Banc One and Premier place significant restrictions on the operations of Premier, including on its ability to redeem stock, make investments or acquisitions, incur indebtedness, engage in a merger, or sell its bank subsidiary. In addition, Premier is required to designate representatives to confer on a regular and frequent basis with Banc One. In light of the option and other management restrictions and relationships placed on Premier, Banc One has applied to acquire control of Premier within the meaning of the BHC Act.

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

3. La. Rev. Stat. Ann. § 6:533.A(3) (West Supp. 1991).

4. Ohio Rev. Code Ann. § 1105.01 (Page Supp. 1990).

5. Asset data are as of June 30, 1991. Ohio deposit data are as of June 30, 1990, and Louisiana deposit data are as of December 31, 1990.

6. In addition, Banc One indirectly holds through its Texas subsidiary bank 74.1 percent of the voting shares of The State Bank and Trust Company of Golden Meadow, Golden Meadow, Louisiana ("Golden Meadow"). Banc One acquired the shares of Golden Meadow through the collection of a debt previously contracted in good faith, is presently not exercising operating control over the bank, and intends to divest of its shares. Accordingly, Banc One's holding of Golden Meadow has no competitive effect on this proposal.

Financial Responsibility

In connection with this application, Banc One has requested that the Board waive any requirement of the Board that Banc One serve as a source of financial strength to Bank until such time as Banc One exercises the option and acquires actual ownership of all of the shares of Premier.⁷ The Board has considered this request and determined that it is not appropriate to waive this requirement given the facts of this case. The Board notes that the option agreement and capital note agreement together provide a mechanism for Banc One to exert control over the future ownership of Premier and many of the most important management decisions of Premier. For example, the agreements require management of Premier to consult actively with Banc One representatives, and subjects expansion proposals and a number of other matters to Banc One's express approval. In addition, the option agreement has been structured to permit Banc One to benefit from the continued improved performance of Bank, while prohibiting the acquisition of Premier by other parties without a substantial penalty. On the other hand, the option agreement permits Banc One to terminate the option in the event that Bank should experience difficulties in the future. Because of the significant involvement Banc One would have in the management and policies of Premier under the agreements and the manner in which the option preserves solely for Banc One the benefits of this involvement, the Board believes that it would not be appropriate to relieve Banc One of the responsibility to serve as a source of financial strength to Bank in this case.

Nonbanking Activities

Banc One has also applied, pursuant to section 4(c)(8) of the BHC Act, to engage through PSC in securities brokerage services and through PIA in investment advisory services. As noted above, these activities are permissible for bank holding companies under the Board's

Regulation Y and Banc One proposes to conduct these activities in accordance with the Board's regulations.

In light of the facts of record, the Board concludes that Banc One's acquisition of PSC and PIA would not significantly affect competition in any relevant market. Furthermore, there is no evidence in the record to indicate that consummation of this proposal is likely to result in any significantly adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound banking practices. Accordingly, the Board has determined that the balance of public interest factors it must consider under section 4(c)(8) of the BHC Act is favorable and consistent with approval of Banc One's application to acquire PSC and PIA.

Based on the foregoing and other facts of record, the Board has determined that the applications should be, and hereby are, approved. The Board's approval is expressly conditioned upon compliance with the commitments made by Banc One in connection with these applications. The acquisition of Bank shall not be consummated before the thirtieth calendar day following the effective date of this Order, and the acquisitions of Bank, PSC, and PIA shall not be consummated later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Cleveland, pursuant to delegated authority. The determinations as to the nonbanking activities are subject to all of the conditions contained in the Board's Regulation Y, including those in sections 225.4(d) and 225.23(b)(3) (12 C.F.R. 225.4(d) and 225.23(b)(3)), and to the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with, or prevent evasions of, the provisions and purposes of the BHC Act and the Board's regulations and orders issued thereunder.

By order of the Board of Governors, effective December 23, 1991.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

⁷ 12 C.F.R. 225.4(a)(1). Also see Policy Statement; Responsibility of Bank Holding Companies to Act as Sources of Strength to Their Subsidiary Banks, 52 *Federal Register* 15,707 (1987).

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

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

Bank Holding Company	Acquired Thrift	Surviving Bank(s)	Approval Date
Citizens Financial Services, Inc., Mansfield, Pennsylvania	Star Savings and Loan Association, Sayre, Pennsylvania	First Citizens National Bank, Mansfield, Pennsylvania	November 29, 1991

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

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

Section 3

Applicant(s)	Bank(s)	Effective Date
SunTrust Banks, Inc., Atlanta, Georgia Sun Banks, Inc., Orlando, Florida	Florida WestCoast Banks, Inc., Venice, Florida	December 18, 1991

Section 4

Applicant(s)	Bank(s)	Effective Date
First of America Bank Corporation, Kalamazoo, Michigan	Champion Federal Savings and Loan Association, Bloomington, Illinois	December 26, 1991

Sections 3 and 4

Applicant(s)	Bank(s)	Effective Date
NCNB Corporation, Charlotte, North Carolina	C&S/Sovran Corporation, Atlanta, Georgia, and Norfolk, Virginia	December 4, 1991

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
AmFirst Financial Services, Inc., McCook, Nebraska	State Bancshares, Inc., Benkelman, Nebraska	Kansas City	November 26, 1991
Banco de Santander, S.A. de Credito, Santander, Spain	Santander National Bank, Bayamon, Puerto Rico	New York	November 27, 1991
Belleville Bancshares Corporation, Belleville, Wisconsin	Belleville State Bank, Belleville, Wisconsin	Chicago	November 22, 1991
Boatmen's Bancshares, Inc., St. Louis, Missouri	Founders Bancorporation, Inc., Oklahoma City, Oklahoma	St. Louis	December 12, 1991
CBOC, Inc., Oconto Falls, Wisconsin	Community Bank of Oconto County, Oconto Falls, Wisconsin	Chicago	November 29, 1991
Community Financial of Kentucky, Inc., Louisville, Kentucky	Security Bancshares of Marion County, Inc., Springfield, Kentucky	St. Louis	November 22, 1991
Cowlitz Bancorporation, Longview, Washington	The Cowlitz Bank, Longview, Washington	San Francisco	November 25, 1991
Farmersville Bancshares, Inc., Farmersville, Texas	First Bank, McKinney, Texas	Dallas	November 27, 1991
First Beardstown Bancorp, Inc., Beardstown, Illinois	First State Bank of Beardstown, Beardstown, Illinois	Chicago	November 27, 1991
First Citizens Financial Corp., Charles City, Iowa	Alta Vista Bancshares, Inc., Alta Vista, Iowa	Chicago	November 27, 1991
First Holding Company of Park River Inc., Park River, North Dakota	Security State Bank of Adams, Adams, North Dakota	Minneapolis	December 6, 1991
First National Bancorp, Gainesville, Georgia	First National Bancshares of Paulding County, Inc., Dallas, Georgia	Atlanta	December 16, 1991
The First National Bank of Artesia Employee Stock Ownership Plan, Artesia, New Mexico	First Artesia Bancshares, Inc., Artesia, New Mexico	Dallas	December 6, 1991

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Flatonia Bancshares, Inc., Flatonia, Texas	Flatonia State Bank, Flatonia, Texas	Dallas	December 23, 1991
Flatonia Bancshares - Delaware, Inc., Wilmington, Delaware			
FNB Bancorporation, Inc., Ft. Mitchell, Kentucky	First National Bank of Northern Kentucky, Ft. Mitchell, Kentucky	Cleveland	December 16, 1991
Georgia Bank Financial Corporation, Augusta, Georgia	Georgia Bank & Trust Company of Augusta, Augusta, Georgia	Atlanta	December 19, 1991
Henning Bancshares, Inc., Henning, Minnesota	Battle Lake Bancshares, Inc., Battle Lake, Minnesota	Minneapolis	November 29, 1991
Kansas Bank Corporation, Liberal, Kansas	Syracuse Financial Company, Syracuse, Kansas	Kansas City	December 26, 1991
Lindoe, Inc., Ordway, Colorado	The Gunnison Bank and Trust Company, Gunnison, Colorado	Kansas City	November 27, 1991
The Merchants Holding Company, Winona, Minnesota	Bank of Melrose, Melrose, Wisconsin	Minneapolis	December 4, 1991
NBD Bancorp, Inc., Detroit, Michigan	Gainer Corporation, Merrillville, Indiana	Chicago	December 19, 1991
Old Second Bancorp, Inc., Aurora, Illinois	Kane County Bancshares, Inc., Elburn, Illinois	Chicago	December 17, 1991
Prairie Bancshares, Inc., Lester Prairie, Minnesota	Silver Lake Bancorporation, Inc., Silver Lake, Minnesota	Minneapolis	December 4, 1991
Republic Financial Corporation, Wichita, Kansas	The Southwest National Bank of Wichita, Wichita, Kansas	Kansas City	December 6, 1991
Sky Valley Bank Corp., Alamosa, Colorado	The First National Bank in Alamosa, Alamosa, Colorado	Kansas City	December 18, 1991
Southwest Bancshares, Inc., Trumann, Arkansas	Dover Bancshares, Inc., Russellville, Arkansas	St. Louis	December 4, 1991
State National Bancshares, Inc., Wayne, Nebraska	The State National Bank & Trust Company, Wayne, Nebraska	Kansas City	December 11, 1991
Union Bancshares, Inc., Blairsville, Georgia	Fannin Bancshares, Inc., Blue Ridge, Georgia	Atlanta	November 27, 1991
United Missouri Bancshares, Inc., Kansas City, Missouri	Village Corporation, Denver, Colorado	Kansas City	December 6, 1991

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Wabasso Bancshares, Inc., Wabasso, Minnesota	Wabasso State Bank, Wabasso, Minnesota	Minneapolis	December 13, 1991
Whitaker Bank Corporation of Kentucky, Lexington, Kentucky	Whitaker Bancorp, Inc., Lexington, Kentucky Whitaker Bancshares, Inc., Lexington, Kentucky	Cleveland	December 12, 1991

Section 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
The Chase Manhattan Corporation, New York, New York	Florida Federal Savings Bank, St. Petersburg, Florida	New York	November 27, 1991
Fifth Third Bancorp, Cincinnati, Ohio	Pinnacle Bancorp, Middletown, Ohio	Cleveland	November 26, 1991
Firststar Corporation, Milwaukee, Wisconsin	Chancellor Mortgage Corporation, Brooklyn Center, Minnesota	Chicago	December 20, 1991
First Busey Corporation, Urbana, Illinois	Busey Interim Federal Savings and Loan Association, Urbana, Illinois	Chicago	December 17, 1991
First Community Bancshares, Inc., Fort Morgan, Colorado	The First of Burlington Agency, Inc., Burlington, Colorado	Kansas City	November 27, 1991
Marine Corporation, Springfield, Illinois	MT Interim Federal Savings and Loan Association, Taylorville, Illinois	Chicago	November 29, 1991
Norwest Corporation, Minneapolis, Minnesota	MIG Insurance Brokers, Inc., Minneapolis, Minnesota	Minneapolis	November 27, 1991
Union Bancorporation, Defiance, Iowa	Defiance Insurance Agency, Defiance, Iowa	Chicago	December 13, 1991
Union Savings Bancshares, Inc., Sedalia, Missouri	Sedalia Computer Services, Inc., Sedalia, Missouri	Kansas City	November 27, 1991
Wes-Tenn Bancorp, Inc., Covington, Tennessee	Tri-County Federal Savings Bank, Covington, Tennessee	St. Louis	December 13, 1991

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
1st United Bank, Boca Raton, Florida	Mizner Bank, Boca Raton, Florida	Atlanta	December 17, 1991
Chemical Bank Michigan, Clare, Michigan	Chemical Bank Gladwin County, Beaverton, Michigan	Chicago	December 9, 1991
Citizens Fidelity Bank and Trust Company, Louisville, Kentucky	Citizens Fidelity Bank and Trust Company Lexington, Lexington, Kentucky	St. Louis	November 29, 1991
Commonwealth Bank, Williamsport, Pennsylvania	County Bank, Montrose, Pennsylvania First Bank of Troy, Troy, Pennsylvania Liberty State Bank, Mount Carmel, Pennsylvania First Bank of Greater Pittston, Pittston, Pennsylvania	Philadelphia	November 29, 1991
Fifth Third Bank, Cincinnati, Ohio	Chase Bank of Ohio, Columbus, Ohio	Cleveland	November 29, 1991
Lorain County Bank, Elyria, Ohio	Society Bank and Trust Company, Toledo, Ohio	Cleveland	December 9, 1991
Old Kent Bank - Chicago, Chicago, Illinois	Old Kent Bank, N.A., Elmhurst, Illinois	Chicago	December 24, 1991

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.

Greenberg v. Board of Governors, No. 91-4200 (2d Cir., filed November 22, 1991). Petition for review of Board order prohibiting former national bank officials from banking.

First Interstate BancSystem of Montana, Inc. v. Board of Governors, No. 91-1525 (D.C. Cir., filed November 1, 1991). Petition for review of Board's order denying on Community Reinvestment Act grounds the petitioner's application under section 3

of the Bank Holding Company Act to merge with Commerce BancShares of Wyoming, Inc.

Board of Governors v. Kemal Shoaib, No. CV 91-5152 (C.D. California, filed September 24, 1991). Action to freeze assets of individual pending administrative adjudication of civil money penalty assessment by the Board. On October 15, the court issued a preliminary injunction restraining the transfer or disposition of the individual's assets.

Board of Governors v. Ghaith R. Pharaon, No. 91-CIV-6250 (S.D. New York, filed September 17, 1991). Action to freeze assets of individual pending administrative adjudication of civil money penalty assessment by the Board. On September 17, the court issued an order temporarily restraining the transfer or disposition of the individual's assets. *In*

re Smouha, No. 91-B-13569 (Bkr. S.D. New York, filed August 2, 1991). Ancillary proceeding under the U.S. Bankruptcy Code brought by provisional liquidators of BCCI Holdings (Luxembourg) S.A. and affiliated companies. On August 15, 1991, the bankruptcy court issued a temporary restraining order staying certain judicial and administrative actions, which has been continued by consent.

Hanson v. Greenspan, No. 91-1599 (D.D.C., filed June 28, 1991). Suit for return of funds and financial instruments allegedly owned by plaintiffs. On November 25, 1991, the court dismissed the complaint.

Fields v. Board of Governors, No. 3:91CV069 (N.D. Ohio, filed February 5, 1991). Appeal of denial of request for information under the Freedom of Information Act.

Citicorp v. Board of Governors, No. 90-4124 (2d Circuit, filed October 4, 1990). Petition for review of Board order requiring Citicorp to terminate certain insurance activities conducted pursuant to Delaware law by an indirect nonbank subsidiary. On June 10, 1991, the court of appeals granted the petition and vacated the Board's order. The Independent Insurance Agents of America and others filed a petition for *certiorari* on October 8, 1991; briefs opposing *certiorari* were filed on December 7, 1991.

Consumers Union of U.S., Inc. v. Board of Governors, No. 90-5186 (D.C. Circuit, filed June 29, 1990). Appeal of District Court decision upholding amendments to Regulation Z implementing the Home Equity Loan Consumer Protection Act. On July 12, 1991, the court of appeals affirmed the majority of district court decision upholding the Board's regulations, but remanded two issues to the Board for further action.

Synovus Financial Corp. v. Board of Governors, No. 89-1394 (D.C. Circuit, filed June 21, 1989). Petition for review of Board order permitting relocation of a bank holding company's national bank subsidiary from Alabama to Georgia. On December 20, 1991, the Court of Appeals vacated the Board's order, ruling that the Board has no authority over interstate relocations of national banks.

MCorp v. Board of Governors, No. 89-2816 (5th Circuit, filed May 2, 1989). Appeal of preliminary injunction against the Board enjoining pending and future enforcement actions against a bank holding company now in bankruptcy. On May 15, 1990, the

Fifth Circuit vacated the district court's order enjoining the Board from proceeding with enforcement actions based on section 23A of the Federal Reserve Act, but upheld the district court's order enjoining such actions based on the Board's source-of-strength doctrine. 900 F.2d 852 (5th Cir. 1990). On cross-petitions for *certiorari*, Nos. 90-913, 90-914, the Supreme Court, on December 3, 1991, reversed that part of the Court of Appeals decision enjoining the Board's enforcement action, on the ground that the courts have no jurisdiction to affect such proceedings until final orders are issued by the Board.

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

WRITTEN AGREEMENTS APPROVED BY FEDERAL RESERVE BANKS

First New York Business Bank Corp.
New York, New York

The Federal Reserve Board announced on December 18, 1991, the execution of a Written Agreement among the Federal Reserve Bank of New York and the First New York Business Bank Corp., New York, New York.

First Prairie Bankshares, Inc.
Georgetown, Illinois

The Federal Reserve Board announced on December 27, 1991, the execution of a Written Agreement between the Federal Reserve Bank of Chicago and First Prairie Bankshares, Inc., Georgetown, Illinois.

Presidential Holdings, Inc.
Bourbonnais, Illinois

The Federal Reserve Board announced on December 3, 1991, the execution of a Written Agreement between the Federal Reserve Bank of Chicago and Presidential Holdings, Inc., Bourbonnais, Illinois, Joseph A. Ferrante, James E. Malecha, and Anthony J. Unruh.

Financial and Business Statistics

CONTENTS

Domestic Financial Statistics

MONEY STOCK AND BANK CREDIT

- A4 Reserves, money stock, liquid assets, and debt measures
- A5 Reserves of depository institutions, Reserve Bank credit
- A6 Reserves and borrowings—Depository institutions
- A7 Selected borrowings in immediately available funds—Large member banks

POLICY INSTRUMENTS

- A8 Federal Reserve Bank interest rates
- A9 Reserve requirements of depository institutions
- A10 Federal Reserve open market transactions

FEDERAL RESERVE BANKS

- A11 Condition and Federal Reserve note statements
- A12 Maturity distribution of loan and security holdings

MONETARY AND CREDIT AGGREGATES

- A13 Aggregate reserves of depository institutions and monetary base
- A14 Money stock, liquid assets, and debt measures
- A16 Bank debits and deposit turnover
- A17 Loans and securities—All commercial banks

COMMERCIAL BANKING INSTITUTIONS

- A18 Major nondeposit funds
- A19 Assets and liabilities, last-Wednesday-of-month series

WEEKLY REPORTING COMMERCIAL BANKS

- Assets and liabilities
- A20 All reporting banks
- A22 Branches and agencies of foreign banks

FINANCIAL MARKETS

- A23 Commercial paper and bankers dollar acceptances outstanding
- A23 Prime rate charged by banks on short-term business loans
- A24 Interest rates—money and capital markets
- A25 Stock market—Selected statistics
- A26 Selected financial institutions—Selected assets and liabilities

FEDERAL FINANCE

- A26 Federal fiscal and financing operations
- A27 U.S. budget receipts and outlays
- A28 Federal debt subject to statutory limitation
- A28 Gross public debt of U.S. Treasury—Types and ownership
- A29 U.S. government securities dealers—Transactions
- A30 U.S. government securities dealers—Positions and financing
- A31 Federal and federally sponsored credit agencies—Debt outstanding

SECURITIES MARKETS AND CORPORATE FINANCE

- A32 New security issues—State and local governments and corporations
- A33 Open-end investment companies—Net sales and asset position
- A33 Corporate profits and their distribution
- A33 Total nonfarm business expenditures on new plant and equipment
- A34 Domestic finance companies—Assets and liabilities and business credit

Domestic Financial Statistics—Continued

REAL ESTATE

- A35 Mortgage markets
- A36 Mortgage debt outstanding

CONSUMER INSTALLMENT CREDIT

- A37 Total outstanding and net change
- A38 Terms

FLOW OF FUNDS

- A39 Funds raised in U.S. credit markets
- A41 Direct and indirect sources of funds to credit markets
- A42 Summary of credit market debt outstanding
- A43 Summary of credit market claims, by holder

Domestic Nonfinancial Statistics

SELECTED MEASURES

- A44 Nonfinancial business activity—Selected measures
- A45 Labor force, employment, and unemployment
- A46 Output, capacity, and capacity utilization
- A47 Industrial production—Indexes and gross value
- A49 Housing and construction
- A50 Consumer and producer prices
- A51 Gross domestic product and income
- A52 Personal income and saving

International Statistics

SUMMARY STATISTICS

- A53 U.S. international transactions—Summary
- A54 U.S. foreign trade
- A54 U.S. reserve assets
- A54 Foreign official assets held at Federal Reserve Banks
- A55 Foreign branches of U.S. banks—Balance sheet data

- A57 Selected U.S. liabilities to foreign official institutions

*REPORTED BY BANKS
IN THE UNITED STATES*

- A57 Liabilities to and claims on foreigners
- A58 Liabilities to foreigners
- A60 Banks' own claims on foreigners
- A61 Banks' own and domestic customers' claims on foreigners
- A61 Banks' own claims on unaffiliated foreigners
- A62 Claims on foreign countries—Combined domestic offices and foreign branches

*REPORTED BY NONBANKING BUSINESS
ENTERPRISES IN THE UNITED STATES*

- A63 Liabilities to unaffiliated foreigners
- A64 Claims on unaffiliated foreigners

SECURITIES HOLDINGS AND TRANSACTIONS

- A65 Foreign transactions in securities
- A66 Marketable U.S. Treasury bonds and notes—Foreign transactions

INTEREST AND EXCHANGE RATES

- A67 Discount rates of foreign central banks
- A67 Foreign short-term interest rates
- A68 Foreign exchange rates
- A69 *Guide to Tabular Presentation, Statistical Releases, and Special Tables*

SPECIAL TABLES

- A70 Assets and liabilities of commercial banks, September 30, 1991
- A76 Terms of lending at commercial banks, November 1991
- A80 Assets and liabilities of U.S. branches and agencies of foreign banks, September 30, 1991

Guide to Tabular Presentation

SYMBOLS AND ABBREVIATIONS

c	Corrected	GNP	Gross national product
e	Estimated	HUD	Department of Housing and Urban Development
p	Preliminary	IMF	International Monetary Fund
r	Revised (Notation appears on column heading when about half of the figures in that column are changed.)	IO	Interest only
*	Amounts insignificant in terms of the last decimal place shown in the table (for example, less than 500,000 when the smallest unit given is millions)	IPCs	Individuals, partnerships, and corporations
0	Calculated to be zero	IRA	Individual retirement account
...	Cell not applicable	MMDA	Money market deposit account
ATS	Automatic transfer service	n.a.	Not available
CD	Certificate of deposit	n.e.c.	Not elsewhere classified
CMO	Collateralized mortgage obligation	NOW	Negotiable order of withdrawal
FFB	Federal Financing Bank	OCB	Other checkable deposit
FHA	Federal Housing Administration	OPEC	Organization of Petroleum Exporting Countries
FHLBB	Federal Home Loan Bank Board	OTS	Office of Thrift Supervision
FHLMC	Federal Home Loan Mortgage Corporation	PO	Principal only
FmHA	Farmers Home Administration	REIT	Real estate investment trust
FNMA	Federal National Mortgage Association	REMIC	Real estate mortgage investment conduit
FSLIC	Federal Savings and Loan Insurance Corporation	RP	Repurchase agreement
G-7	Group of Seven	RTC	Resolution Trust Corporation
G-10	Group of Ten	SAIF	Savings Association Insurance Fund
GNMA	Government National Mortgage Association	SCO	Securitized credit obligation
		SDR	Special drawing right
		SMSA	Standard metropolitan statistical area
		VA	Veterans Administration

GENERAL INFORMATION

In some of the tables, details do not add to totals because of rounding.

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

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

include not fully guaranteed issues) as well as direct obligations of the Treasury. "State and local government" also includes municipalities, special districts, and other political subdivisions.

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

Percent annual rate of change, seasonally adjusted¹

Monetary and credit aggregate	1990	1991			1991				
	Q4	Q1	Q2	Q3 ^f	July ^f	Aug. ^f	Sept. ^f	Oct. ^f	Nov.
<i>Reserves of depository institutions²</i>									
1 Total	3.9	9.1 ^f	3.0 ^f	7.4	1.6	11.3	6.2	15.7	20.3
2 Required	1.7	4.5 ^f	8.9 ^f	7.9	4.1	7.1	10.1	12.3	25.3
3 Nonborrowed	7.8	8.9 ^f	3.4 ^f	4.3	-4.8	7.7	9.1	25.0	24.0
4 Monetary base ³	9.9	14.4 ^f	3.8 ^f	5.8	5.5	9.1	6.4	9.9	6.5
<i>Concepts of money, liquid assets, and debt⁴</i>									
5 M1	3.4	5.9	7.3	6.8	1.5	9.2	5.4	12.4	15.4
6 M2	2.0	3.4	4.7 ^f	-5	-4.0	-1	0	2.4	4.6
7 M3	.9	4.0	1.8	-2.5	-5.1	-8	-1.9	1.2	2.9
8 L	1.8	3.3	-2.4	.3	1.0	-2.0	-2.4	1.9	n.a.
9 Debt	5.6 ^f	4.8 ^f	3.9 ^f	5.2	4.7	5.8	6.0	6.0	n.a.
<i>Nontransaction components</i>									
10 In M2	1.5	2.6	3.9	-3.0	-5.9	-3.2	-1.9	-1.1	.8
11 In M3 only	-3.6	6.4	-10.5	-11.1	-9.7	-4.1	-10.3	-4.2	-4.3
<i>Time and savings deposits</i>									
<i>Commercial banks</i>									
12 Savings, including MMDAs	4.1	7.5	16.6	12.9	11.8	10.4	9.1	14.7	14.5
13 Small time ^{8,9}	11.5	8.8	-1.7	-8	-1.4	8.0	-8	-7.5	-14.0
14 Large time ^{8,9}	-8.5	12.0	.2	-8.5	-13.3	-7.9	-14.7	-19.0	-13.6
<i>Thrift institutions</i>									
15 Savings, including MMDAs	-7.3	-7	18.4	9.7	10.0	2.6	5.6	8.8	13.6
16 Small time ^{8,9}	-8.6	-9.9 ^f	-14.7 ^f	-24.5	-24.2	-29.6	-18.9	-22.4	-17.8
17 Large time ^{8,9}	-26.3	-31.9	-35.1	-40.9	-38.1	-46.7	-42.2	-46.4	-35.8
<i>Money market mutual funds</i>									
18 General purpose and broker-dealer	9.8	18.5 ^f	8.0 ^f	-10.9	-16.1	-21.3	-11.5	-4.4	-5.1
19 Institution-only	30.4	49.9	23.0	.7	-12.6	25.4	37.3	49.0	43.2
<i>Debt components⁴</i>									
20 Federal	11.6	12.0	5.6 ^f	13.6	12.0	15.8	13.8	14.3	n.a.
21 Nonfederal	3.7 ^f	2.6 ^f	3.4 ^f	2.4	2.2	2.5	3.4	3.2	n.a.

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

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

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

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

M1: (1) currency outside the Treasury, Federal Reserve Banks, and the vaults of depository institutions; (2) travelers checks of nonbank issuers; (3) demand deposits at all commercial banks other than those due to depository institutions, the U.S. government, and foreign banks and official institutions, less cash items in the process of collection and Federal Reserve float; and (4) other checkable deposits (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) overnight (and continuing-contract) repurchase agreements (RPs) issued by all depository institutions and overnight Eurodollars issued to U.S. residents by foreign branches of U.S. banks worldwide, (2) savings and small time deposits (time deposits—including retail repurchase agreements (RPs)—in amounts of less than \$100,000), and (3) balances in both taxable and tax-exempt general-purpose and broker-dealer money market funds. Excludes individual retirement accounts (IRAs) and Keogh balances at depository institutions and money market funds. Also excludes all balances held by U.S. commercial banks, money market funds (general purpose and broker-dealer), foreign governments and commercial banks, and the U.S. government. Seasonally adjusted M2 is computed by adjusting its non-M1 component as a whole and then adding this result to seasonally adjusted M1.

M3: M2 plus (1) large time deposits and term RP liabilities (in amounts of \$100,000 or more) issued by all depository institutions, (2) term Eurodollars held by U.S. residents at foreign branches of U.S. banks worldwide and at all banking

offices in the United Kingdom and Canada, and (3) balances in both taxable and tax-exempt, institution-only money market funds. Excludes amounts held by depository institutions, the U.S. government, money market funds, and foreign banks and official institutions. Also excluded is the estimated amount of overnight RPs and Eurodollars held by institution-only money market funds. Seasonally adjusted M3 is computed by adjusting its non-M2 component as a whole and then adding this result to seasonally adjusted M2.

L: M3 plus the nonbank public holdings of U.S. savings bonds, short-term Treasury securities, commercial paper, and bankers acceptances, net of money market fund holdings of these assets. Seasonally adjusted L is computed by summing U.S. savings bonds, short-term Treasury securities, commercial paper, and bankers acceptances, each seasonally adjusted separately, and then adding this result to M3.

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

5. Sum of (1) overnight RPs and Eurodollars, (2) money market fund balances (general purpose and broker-dealer), (3) MMDAs, and (4) savings and small time deposits.

6. Sum of (1) large time deposits, (2) term RPs, (3) term Eurodollars of U.S. residents, and (4) money market fund balances (institution-only), less (5) a consolidation adjustment that represents the estimated amount of overnight RPs and Eurodollars held by institution-only money market funds. This sum is seasonally adjusted as a whole.

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, and foreign banks and official institutions.

1.11 RESERVES OF DEPOSITORY INSTITUTIONS AND RESERVE BANK CREDIT ¹

Millions of dollars

Factor	Monthly averages of daily figures			Weekly averages of daily figures for week ending								
	1991			1991								
	Sept.	Oct.	Nov.	Oct. 16	Oct. 23	Oct. 30	Nov. 6	Nov. 13	Nov. 20	Nov. 27		
SUPPLYING RESERVE FUNDS												
1 Reserve Bank credit outstanding	297,531	295,971	300,929	295,899	295,313	296,258	300,400	302,351	299,754	300,893		
U.S. government securities ²												
2 Bought outright-system account	256,689	256,524	261,764	256,366	256,345	256,431	260,168	260,562	262,465	262,310		
3 Held under repurchase agreements	0	401	1,004	531	0	0	1,245	2,720	0	1,350		
Federal agency obligations												
4 Bought outright	6,155	6,148	6,130	6,150	6,146	6,140	6,140	6,140	6,140	6,118		
5 Held under repurchase agreements	203	23	15	99	0	0	3	44	0	21		
6 Acceptances	0	0	0	0	0	0	0	0	0	0		
Loans to depository institutions												
7 Adjustment credit	57	38	18	100	24	16	18	10	14	21		
8 Seasonal credit	285	210	86	213	207	175	104	92	91	77		
9 Extended credit	309	9	1	8	15	12	0	3	1	2		
10 Float	523	691	635	573	467	1,292	774	490	620	633		
11 Other Federal Reserve assets	31,212	31,926	31,276	31,857	32,108	32,192	31,948	32,290	30,423	30,362		
12 Gold stock	11,062	11,061	11,059	11,062	11,061	11,060	11,059	11,059	11,059	11,059		
13 Special drawing rights certificate account	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018		
14 Treasury currency outstanding	20,866	20,914	20,965	20,917	20,931	20,945	20,940	20,954	20,968	20,982		
ABSORBING RESERVE FUNDS												
15 Currency in circulation	294,675	295,745	299,098	296,584	296,354	295,474	296,909	299,032	299,288	299,681		
16 Treasury cash holdings	607	617	633	610	624	626	631	632	633	637		
Deposits, other than reserve balances, with Federal Reserve Banks												
17 Treasury	7,855	5,907	5,731	4,486	6,493	5,130	7,908	5,832	5,596	5,281		
18 Foreign	254	222	209	214	196	231	215	178	189	205		
19 Service-related balances and adjustments	3,328	3,456	3,456	3,338	3,467	3,606	3,496	3,762	3,760	3,665		
20 Other	245	267	220	261	273	278	226	208	228	219		
21 Other Federal Reserve liabilities and capital	8,656	8,692	8,580	8,514	8,362	8,522	8,344	8,433	8,432	8,635		
22 Reserve balances with Federal Reserve Banks ³	23,855	23,058	24,785	23,889	21,555	24,414	24,688	26,304	23,671	24,630		
			End-of-month figures			Wednesday figures						
			1991			1991						
			Sept.	Oct.	Nov.	Oct. 16	Oct. 23	Oct. 30	Nov. 6	Nov. 13	Nov. 20	Nov. 27
SUPPLYING RESERVE FUNDS												
1 Reserve Bank credit outstanding	296,876	306,804	304,408	301,227	295,308	296,078	300,621	313,077	298,415	301,410		
U.S. government securities ²												
2 Bought outright-system account	256,689	258,961	265,212	256,894	256,129	257,042	262,231	263,015	261,324	262,928		
3 Held under repurchase agreements	0	8,714	0	3,718	0	0	0	9,100	0	1,627		
Federal agency obligations												
4 Bought outright	6,154	6,140	6,090	6,150	6,140	6,140	6,140	6,140	6,140	6,090		
5 Held under repurchase agreements	0	19	0	695	0	0	0	108	0	5		
6 Acceptances	0	0	0	0	0	0	0	0	0	0		
Loans to depository institutions												
7 Adjustment credit	38	30	59	216	20	16	2	24	13	25		
8 Seasonal credit	276	123	45	214	197	156	90	97	83	64		
9 Extended credit	0	0	1	9	18	1	0	0	1	2		
10 Float	232	604	660	1,496	654	583	188	1,721	659	453		
11 Other Federal Reserve assets	31,621	32,212	32,341	31,834	32,151	32,140	31,970	32,872	30,195	30,217		
12 Gold stock	11,062	11,059	11,058	11,061	11,061	11,060	11,059	11,059	11,058	11,058		
13 Special drawing rights certificate account	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018		
14 Treasury currency outstanding	20,889	20,940	20,996	20,917	20,931	20,945	20,940	20,954	20,968	20,982		
ABSORBING RESERVE FUNDS												
15 Currency in circulation	293,512	296,522	301,830	297,019	296,013	295,899	297,914	299,628	299,303	301,424		
16 Treasury cash holdings	607	631	636	623	626	630	632	633	637	636		
Deposits, other than reserve balances, with Federal Reserve Banks												
17 Treasury	7,928	18,111	6,317	5,356	6,269	4,566	6,168	4,278	5,377	5,104		
18 Foreign	385	223	346	220	209	339	205	191	185	301		
19 Service-related balances and adjustments	3,380	3,504	4,033	3,338	3,467	3,606	3,496	3,762	3,760	3,665		
20 Other	283	213	221	258	282	220	215	213	242	208		
21 Other Federal Reserve liabilities and capital	9,522	8,354	10,156	8,211	8,181	8,337	8,211	8,439	8,237	8,519		
22 Reserve balances with Federal Reserve Banks ³	23,229	21,264	22,942	28,199	22,271	24,504	25,798	37,964	22,748	23,613		

1. For amounts of cash held as reserves, see table I.12. Components may not sum to totals because of rounding.
 2. Includes securities loaned—fully guaranteed by U.S. government securities pledged with Federal Reserve Banks—and excludes any securities sold and

scheduled to be bought back under matched sale-purchase transactions.
 3. Excludes required clearing balances and adjustments to compensate for float.

A6 Domestic Financial Statistics □ February 1992

1.12 RESERVES AND BORROWINGS Depository Institutions¹

Millions of dollars

Reserve classification	Prorated monthly averages of biweekly averages									
	1988	1989	1990	1991						
	Dec.	Dec.	Dec.	May	June	July	Aug.	Sept.	Oct.	Nov.
1 Reserve balances with Reserve Banks ²	37,837	35,436	30,237	22,287	23,685	23,271	22,810	23,447	23,197 ^f	25,004
2 Total vault cash ³	28,204	29,822	31,777	30,720	30,524	31,322	31,779	31,549	32,305	31,717
3 Applied vault cash ⁴	25,909	27,374	28,884	26,776	26,722	27,389	27,798	27,680	28,386	28,053
4 Surplus vault cash ⁵	2,295	2,448	2,893	3,944	3,801	3,933	3,981	3,869	3,919	3,663
5 Total reserves ⁶	63,746	62,810	59,120	49,063	50,407	50,660	50,607	51,127	51,584 ^f	53,058
6 Required reserves	62,699	61,887	57,456	48,033	49,399	49,754	49,521	50,198	50,501 ^f	52,164
7 Excess reserve balances at Reserve Banks ⁷	1,047	923	1,664	1,030	1,008	906	1,086	929	1,083 ^f	893
8 Total borrowings at Reserve Banks ⁸	1,716	265	326	303	340	607	764	645	261	108
9 Seasonal borrowings	130	84	76	151	222	317	331	287	211	86
10 Extended credit ⁹	1,244	20	23	88	8	46	300	302	12	1

Reserve classification	Biweekly averages of daily figures for weeks ending									
	1991									
	Aug. 7	Aug. 21	Sept. 4	Sept. 18	Oct. 2	Oct. 16	Oct. 30	Nov. 13 ^f	Nov. 27	Dec. 11
1 Reserve balances with Reserve Banks ²	23,029	22,508	23,077	24,771	22,024	23,418	22,980 ^f	25,494	24,155	26,847
2 Total vault cash ³	31,257	32,499	31,137	31,015	32,310	32,333	32,381	30,841	32,664	31,092
3 Applied vault cash ⁴	27,234	28,469	27,254	27,408	28,141	28,506	28,377	27,326	28,825	27,604
4 Surplus vault cash ⁵	4,023	4,030	3,883	3,608	4,169	3,827	4,004	3,515	3,840	3,488
5 Total reserves ⁶	50,262	50,977	50,331	52,179	50,165	51,924	51,357 ^f	52,820	52,979	54,451
6 Required reserves	49,393	49,917	49,058	51,447	49,122	50,908	50,191 ^f	51,907	52,045	53,840
7 Excess reserve balances at Reserve Banks ⁷	870	1,061	1,273	732	1,044	1,016	1,167 ^f	913	934	611
8 Total borrowings at Reserve Banks ⁸	892	679	795	828	383	290	225	114	103	110
9 Seasonal borrowings	351	330	320	269	296	228	191	98	84	45
10 Extended credit ⁹	188	281	406	496	41	7	14	2	2	1

1. Data in this table also appear in the Board's H.3 (502) weekly statistical release. For ordering address, see inside front cover. Components may not sum to totals because of rounding.

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

3. Total "lagged" vault cash held by depository institutions subject to reserve requirements. Dates refer to the maintenance periods during which the vault cash can be used to satisfy reserve requirements. Under contemporaneous reserve requirements, maintenance periods end thirty days after the lagged computation periods during which the balances are held.

4. All vault cash held during the lagged computation period by "bound" institutions (that is, those whose required reserves exceed their vault cash) plus the amount of vault cash applied during the maintenance period by "nonbound"

institutions (that is, those whose vault cash exceeds their required reserves) to satisfy current reserve requirements.

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

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

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

8. Also includes adjustment credit.

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

1.13 SELECTED BORROWINGS IN IMMEDIATELY AVAILABLE FUNDS Large Banks¹

Millions of dollars, averages of daily figures

Source and maturity	1991, week ending Monday								
	June 3	June 10	June 17	June 24	July 1	July 8	July 15	July 22	July 29
<i>Federal funds purchased, repurchase agreements, and other selected borrowings</i>									
From commercial banks in the United States									
1 For one day or under continuing contract	77,969	79,824	75,265	71,226	74,884	80,113	76,311	70,188	68,116
2 For all other maturities	16,406	16,378	15,697	15,771	15,712	16,449	15,355	15,105	15,045
From other depository institutions, foreign banks and official institutions, and U.S. government agencies									
3 For one day or under continuing contract	32,237	29,605	25,318	25,374	26,764	24,123	25,018	23,858	22,168
4 For all other maturities	21,602	22,362	22,743	21,089	21,745	22,351	22,469	22,401	22,225
<i>Repurchase agreements on U.S. government and federal agency securities</i>									
Brokers and nonbank dealers in securities									
5 For one day or under continuing contract	11,754	11,261	11,382	10,644	9,440	8,766	9,186	8,431	8,282
6 For all other maturities	16,935	17,975	18,586	18,013	17,312	17,381	18,381	17,923	17,926
All other customers									
7 For one day or under continuing contract	23,764	22,568	23,721	23,853	24,686	23,768	25,600	24,260	24,984
8 For all other maturities	11,081	11,068	11,095	11,362	10,878	12,638	11,935	12,293	12,149
MEMO: Federal funds loans and resale agreements in immediately available funds in maturities of one day or under continuing contract									
9 To commercial banks in the United States	49,608	45,070	43,044	41,625	49,315	47,321	41,751	38,866	38,099
10 To all other specified customers ²	17,298	17,507	18,887	18,498	18,542	18,789	19,972	18,810	17,011

1. Banks with assets of \$4 billion or more as of Dec. 31, 1988. Data in this table also appear in the Board's H.5 (507) weekly statistical release. For ordering address, see inside front cover.

2. Brokers and nonbank dealers in securities, other depository institutions, foreign banks and official institutions, and U.S. government agencies.

A8 Domestic Financial Statistics □ February 1992

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per year

Federal Reserve Bank	Current and previous levels									
	Adjustment credit and seasonal credit ¹			Extended credit ²						
				First 30 days of borrowing			After 30 days of borrowing ³			
	On 12/31/91	Effective date	Previous rate	On 12/31/91	Effective date	Previous rate	On 12/31/91	Effective date	Previous rate	Effective date
Boston.....	3.5	12/20/91	4.5	3.5	12/20/91	4.5	4.85	12/26/91	5.20	12/12/91
New York.....	↑	12/20/91	↑	↑	12/20/91	↑	↑	12/26/91	↑	12/12/91
Philadelphia.....		12/20/91			12/20/91			12/26/91		12/12/91
Cleveland.....		12/20/91			12/20/91			12/26/91		12/12/91
Richmond.....		12/20/91			12/20/91			12/26/91		12/12/91
Atlanta.....		12/20/91			12/20/91			12/26/91		12/12/91
Chicago.....		12/20/91			12/20/91			12/26/91		12/12/91
St. Louis.....		12/24/91			12/24/91			12/26/91		12/12/91
Minneapolis.....		12/23/91			12/23/91			12/26/91		12/12/91
Kansas City.....		12/20/91			12/20/91			12/26/91		12/12/91
Dallas.....		12/20/91			12/20/91			12/26/91		12/12/91
San Francisco.....	3.5	12/20/91	4.5	3.5	12/20/91	4.5	4.85	12/26/91	5.20	12/12/91

Range of rates for adjustment credit in recent years⁴

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1977.....	6	6	1981—May 5.....	13-14	14	1986—Mar. 7.....	7-7.5	7
1978—Jan. 9.....	6-6.5	6.5	8.....	14	14	10.....	7	7
20.....	6.5	6.5	Nov. 2.....	13-14	13	Apr. 21.....	6.5-7	6.5
May 11.....	6.5-7	7	6.....	13	13	July 11.....	6	6
7.....	7	7	Dec. 4.....	12	12	Aug. 21.....	5.5-6	5.5
July 3.....	7-7.25	7.25				22.....	5.5	5.5
10.....	7.25	7.25	1982—July 20.....	11.5-12	11.5			
Aug. 21.....	7.75	7.75	23.....	11.5	11.5	1987—Sept. 4.....	5.5-6	6
Sept. 22.....	8	8	Aug. 2.....	11-11.5	11	11.....	6	6
Oct. 16.....	8-8.5	8.5	3.....	11	11			
20.....	8.5	8.5	16.....	10.5	10.5	1988—Aug. 9.....	6-6.5	6.5
Nov. 1.....	8.5-9.5	9.5	27.....	10-10.5	10	11.....	6.5	6.5
3.....	9.5	9.5	30.....	10	10			
			Oct. 12.....	9.5-10	9.5	1989—Feb. 24.....	6.5-7	7
1979—July 20.....	10	10	13.....	9.5	9.5	27.....	7	7
Aug. 17.....	10-10.5	10.5	Nov. 22.....	9-9.5	9			
20.....	10.5	10.5	26.....	9	9	1990—Dec. 19.....	6.5	6.5
Sept. 19.....	10.5-11	11	Dec. 14.....	8.5-9	9			
21.....	11	11	15.....	8.5-9	8.5	1991—Feb. 1.....	6-6.5	6
Oct. 8.....	11-12	12	17.....	8.5	8.5	4.....	6	6
10.....	12	12				Apr. 30.....	5.5-6	5.5
1980—Feb. 15.....	12-13	13	1984—Apr. 9.....	8.5-9	9	May 2.....	5.5	5.5
19.....	13	13	13.....	9	9	Sept. 13.....	5-5.5	5
May 29.....	12-13	13	Nov. 21.....	8.5-9	8.5	Sept. 17.....	5	5
30.....	12	12	26.....	8.5	8.5	Nov. 6.....	4.5-5	4.5
June 13.....	11-12	11	Dec. 24.....	8	8	7.....	4.5	4.5
16.....	11	11				Dec. 20.....	3.5-4.5	3.5
29.....	10	10	1985—May 20.....	7.5-8	7.5	24.....	3.5	3.5
July 28.....	10-11	10	24.....	7.5	7.5			
Sept. 26.....	11	11				In effect Dec. 31, 1991.....	3.5	3.5
Nov. 17.....	12	12						
Dec. 5.....	12-13	13						

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

Seasonal credit is available to help smaller depository institutions meet regular, seasonal needs for funds that cannot be met through special industry lenders and that arise from a combination of expected patterns of movement in their deposits and loans.

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

3. For extended-credit loans outstanding more than thirty days, a flexible rate somewhat above rates on market sources of funds ordinarily is charged, but in no case is the rate charged less than the basic discount rate plus 50 basis points. The

flexible rate is reestablished on the first business day of each two-week reserve maintenance period. At the discretion of the Federal Reserve Bank, the time period for which the basic discount rate is applied may be shortened.

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

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

1.15 RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS¹

Type of deposit ²	Requirements	
	Percent of deposits	Effective date
<i>Net transaction accounts</i> ³		
1 \$0 million-\$42.2 million.....	3	12/17/91
2 More than \$42.2 million.....	12	12/17/91
3 Nonpersonal time deposits ⁴	0	12/27/90
4 Eurocurrency liabilities ⁵	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 provisions of the Monetary Control Act, depository institutions include commercial banks, mutual savings banks, savings and loan associations, credit unions, agencies and branches of foreign banks, and Edge corporations.

2. The Garn-St Germain Depository Institutions Act of 1982 (Public Law 97-320) requires that \$2 million of reservable liabilities of each depository institution be subject to a zero percent reserve requirement. The Board is to adjust the amount of reservable liabilities subject to this zero percent reserve requirement each year for the succeeding calendar year by 80 percent of the percentage increase in the total reservable liabilities of all depository institutions, measured on an annual basis as of June 30. No corresponding adjustment is to be made in the event of a decrease. On Dec. 17, 1991, the exemption was raised from \$3.4 million to \$3.6 million. The exemption applies in the following order: (1) net negotiable order of withdrawal (NOW) accounts (NOW accounts less allowable deductions); and (2) net other transaction accounts. The exemption applies only to accounts that would be subject to a 3 percent reserve requirement.

3. Transaction accounts include all deposits against which the account holder is permitted to make withdrawals by negotiable or transferable instruments, payment orders of withdrawal, and telephone and preauthorized transfers in excess of three per month for the purpose of making payments to third persons or others.

However, money market deposit accounts (MMDAs) and similar accounts subject to the rules that permit no more than six preauthorized, automatic, or other transfers per month, of which no more than three may be checks, are not transaction accounts (such accounts are savings deposits).

The Monetary Control Act of 1980 requires that the amount of transaction accounts against which the 3 percent reserve requirement applies be modified annually by 80 percent of the percentage change in transaction accounts held by all depository institutions, determined as of June 30 each year. Effective Dec. 17, 1991, for institutions reporting quarterly, and Dec. 24, 1991, for institutions reporting weekly, the amount was increased from \$41.1 million to \$42.2 million.

4. For institutions that report weekly, the reserve requirement on nonpersonal time deposits with an original maturity of less than 1½ years was reduced from 3 percent to 1½ percent for the maintenance period that began Dec. 13, 1990, and to zero for the maintenance period that began Dec. 27, 1990. The reserve requirement on nonpersonal time deposits with an original maturity of 1½ years or more has been zero since Oct. 6, 1983.

For institutions that report quarterly, the reserve requirement on nonpersonal time deposits with an original maturity of less than 1½ years was reduced from 3 percent to zero on Jan. 17, 1991.

5. The reserve requirement on Eurocurrency liabilities was reduced from 3 percent to zero in the same manner and on the same dates as were the reserve requirement on nonpersonal time deposits with an original maturity of less than 1½ years (see note 4).

A10 Domestic Financial Statistics □ February 1992

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS¹

Millions of dollars

Type of transaction	1988	1989	1990	1991						
				Apr.	May	June	July	Aug.	Sept.	Oct.
U.S. TREASURY SECURITIES										
<i>Outright transactions (excluding matched transactions)</i>										
Treasury bills										
1 Gross purchases	8,223	14,284	24,739	908	3,411	37	1,359	5,776	529	2,198
2 Gross sales	587	12,818	7,291	0	0	0	0	0	0	0
3 Exchanges	241,876	231,211	241,086	21,981	27,548	19,680	22,280	28,009	19,508	25,409
4 Redemptions	2,200	12,730	4,400	0	0	0	0	0	0	0
Others within one year										
5 Gross purchases	2,176	327	425	700	200	0	625	340	200	0
6 Gross sales	0	0	0	0	0	0	0	0	0	0
7 Maturity shifts	23,854	28,848	25,638	4,324	5,175	0	1,478	3,425	1,131	2,002
8 Exchanges	-24,588	-25,783	-27,424	-993	-4,887	0	-3,136	-2,443	-2,202	-2,034
9 Redemptions	0	500	0	0	0	0	0	0	0	0
One to five years										
10 Gross purchases	5,485	1,436	250	550	0	0	0	0	650	0
11 Gross sales	800	490	200	0	0	0	0	0	0	0
12 Maturity shifts	-17,720	-25,534	-21,770	-4,214	-3,410	0	-1,192	-3,425	-1,131	-1,877
13 Exchanges	22,515	23,250	25,410	777	4,287	0	2,601	1,993	2,202	1,686
Five to ten years										
14 Gross purchases	1,579	287	0	0	0	0	0	0	0	0
15 Gross sales	175	29	100	0	0	0	0	0	0	0
16 Maturity shifts	-5,946	-2,231	-2,186	-110	-1,605	0	-286	688	0	-126
17 Exchanges	1,797	1,934	789	216	400	0	534	300	0	347
More than ten years										
18 Gross purchases	1,398	284	0	0	0	0	0	0	0	0
19 Gross sales	0	0	0	0	0	0	0	0	0	0
20 Maturity shifts	-188	-1,086	-1,681	0	-160	0	0	-688	0	0
21 Exchanges	275	600	1,226	0	200	0	0	150	0	0
All maturities										
22 Gross purchases	18,863	16,617	25,414	2,158	3,611	37	1,984	6,116	1,379	2,198
23 Gross sales	1,562	13,337	7,591	0	0	0	0	0	0	0
24 Redemptions	2,200	13,230	4,400	0	0	0	0	0	0	0
<i>Matched transactions</i>										
25 Gross sales	1,168,484	1,323,480	1,369,052	185,662	147,796	118,903	120,292	112,414	116,266	137,073
26 Gross purchases	1,168,142	1,326,542	1,363,434	187,032	147,803	118,239	121,803	110,280	118,481	135,281
<i>Repurchase agreements²</i>										
27 Gross purchases	152,613	129,518	219,632	16,173	9,241	9,440	35,149	16,847	40,447	12,432
28 Gross sales	151,497	132,688	202,551	16,173	9,241	8,478	36,111	16,847	40,447	3,718
29 Net change in U.S. government securities	15,872	-10,055	24,886	3,528	3,618	335	2,532	3,981	3,595	9,121
FEDERAL AGENCY OBLIGATIONS										
<i>Outright transactions</i>										
30 Gross purchases	0	0	0	0	0	0	0	0	0	0
31 Gross sales	0	0	0	0	0	0	0	0	5	0
32 Redemptions	587	442	183	91	0	0	55	0	0	14
<i>Repurchase agreements²</i>										
33 Gross purchases	57,259	38,835	41,836	640	885	1,225	3,245	537	3,061	714
34 Gross sales	56,471	40,411	40,461	640	885	748	3,722	537	3,061	695
35 Net change in federal agency obligations	198	-2,018	1,192	-91	0	477	-532	0	-5	5
36 Total net change in System Open Market Account	16,070	-12,073	26,078	3,437	3,618	812	2,000	3,981	3,590	9,126

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

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

1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements¹

Millions of dollars

Account	Wednesday					End of month		
	1991					1991		
	Oct. 30	Nov. 6	Nov. 13	Nov. 20	Nov. 27	Sept. 30	Oct. 31	Nov. 29
Consolidated condition statement								
ASSETS								
1 Gold certificate account	11,060	11,059	11,059	11,058	11,058	11,062	11,059	11,058
2 Special drawing rights certificate account	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018
3 Coin	585	578	569	567	560	579	579	557
<i>Loans</i>								
4 To depository institutions	172	93	121	97	91	315	153	106
5 Other	0	0	0	0	0	0	0	0
6 Acceptances held under repurchase agreements	0	0	0	0	0	0	0	0
<i>Federal agency obligations</i>								
7 Bought outright	6,140	6,140	6,140	6,140	6,090	6,154	6,140	6,090
8 Held under repurchase agreements	0	0	108	0	5	0	19	0
9 Total U.S. Treasury securities	257,042	262,231	272,115	261,324	264,555	258,554	267,675	265,213
10 Bought outright ²	257,042	262,231	263,015	261,324	262,928	258,554	258,961	265,213
11 Bills	127,058	132,146	132,580	130,489	131,693	128,569	128,976	131,661
12 Notes	98,372	98,472	98,822	99,072	99,472	98,372	98,372	101,220
13 Bonds	31,613	31,613	31,613	31,763	31,763	31,613	31,613	32,332
14 Held under repurchase agreements	0	0	9,100	0	1,627	0	8,714	0
15 Total loans and securities	263,355	268,463	278,483	267,561	270,740	265,022	273,987	271,407
16 Items in process of collection	5,256	6,084	9,772	6,048	5,798	2,591	4,949	4,059
17 Bank premises	965	965	970	970	973	953	965	976
<i>Other assets</i>								
18 Denominated in foreign currencies ³	25,758	25,557	25,580	25,660	25,244	25,939	25,557	26,739
19 All other ⁴	5,894	6,001	6,946	4,138	4,474	5,473	6,243	4,705
20 Total assets	322,891	328,725	343,396	326,021	328,865	321,636	333,357	329,519
LIABILITIES								
21 Federal Reserve notes	276,170	278,183	279,875	279,539	281,638	273,809	276,792	282,027
22 Total deposits	33,903	37,056	47,243	33,199	33,621	36,000	44,061	34,129
23 Depository institutions	28,778	30,468	42,561	27,426	28,008	27,404	25,513	27,246
24 U.S. Treasury—General account	4,566	6,168	4,278	5,377	5,104	7,928	18,111	6,317
25 Foreign—Official accounts	339	205	191	185	301	385	223	346
26 Other	220	215	213	211	208	283	213	221
27 Deferred credit items	4,481	5,274	7,838	5,045	5,088	2,306	4,151	3,207
28 Other liabilities and accrued dividends ⁵	2,774	2,760	2,789	2,584	2,857	2,902	2,912	2,947
29 Total liabilities	317,327	323,274	337,746	320,367	323,204	315,016	327,915	322,310
CAPITAL ACCOUNTS								
30 Capital paid in	2,606	2,625	2,632	2,633	2,645	2,565	2,606	2,642
31 Surplus	2,423	2,423	2,423	2,423	2,423	2,423	2,413	2,423
32 Other capital accounts	535	403	595	598	594	1,632	423	2,144
33 Total liabilities and capital accounts	322,891	328,725	343,396	326,021	328,865	321,636	333,357	329,519
34 MEMO: Marketable U.S. Treasury securities held in custody for foreign and international accounts	245,777	247,259	247,748	251,761	253,026	250,232	252,020	254,484
Federal Reserve note statement								
35 Federal Reserve notes outstanding (issued to Bank)	368,290	376,719	369,759	370,822	371,379	366,144	368,108	371,067
36 LESS: Held by Federal Reserve Bank	92,120	89,536	89,884	91,283	89,742	92,335	91,316	89,040
37 Federal Reserve notes, net	276,170	278,183	279,875	279,539	281,638	273,809	276,792	282,027
<i>Collateral held against notes, net:</i>								
38 Gold certificate account	11,060	11,059	11,059	11,058	11,058	11,062	11,059	11,058
39 Special drawing rights certificate account	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018
40 Other eligible assets	0	0	0	0	0	0	0	0
41 U.S. Treasury and agency securities	255,092	257,106	258,799	258,463	260,562	252,729	255,715	260,951
42 Total collateral	276,170	278,183	279,875	279,539	281,638	273,809	276,792	282,027

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. Components may not sum to totals because of rounding.

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

3. Valued monthly at market exchange rates.

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

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

A12 Domestic Financial Statistics □ February 1992

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holding ¹

Millions of dollars

Type and maturity grouping	Wednesday					End of month		
	1991					1991		
	Oct. 30	Nov. 6	Nov. 13	Nov. 20	Nov. 27	Sept. 30	Oct. 31	Nov. 29
1 Total loans	172	93	121	97	91	315	153	106
2 Within fifteen days	143	23	48	86	84	163	72	84
3 Sixteen days to ninety days	29	70	73	12	7	152	82	22
4 Ninety-one days to one year	0	0	0	0	0	0	0	0
5 Total acceptances	0	0	0	0	0	0	0	0
6 Within fifteen days	0	0	0	0	0	0	0	0
7 Sixteen days to ninety days	0	0	0	0	0	0	0	0
8 Ninety-one days to one year	0	0	0	0	0	0	0	0
9 Total U.S. Treasury securities	257,042	262,231	263,024	261,324	264,555	258,554	258,961	265,212
10 Within fifteen days ²	10,669	18,052	12,731	14,226	12,200	5,257	6,709	5,174
11 Sixteen days to ninety days	62,862	58,427	64,259	62,596	64,151	65,857	61,051	69,572
12 Ninety-one days to one year	84,600	85,894	85,975	85,104	88,806	88,778	91,443	88,931
13 One year to five years	60,692	61,539	61,739	60,744	61,144	60,664	61,539	62,527
14 Five years to ten years	14,042	14,142	14,142	14,089	14,089	13,820	14,042	14,469
15 More than ten years	24,178	24,178	24,178	24,165	24,165	24,178	24,178	24,540
16 Total Federal agency obligations	6,140	6,140	6,140	6,140	6,095	6,154	6,140	6,090
17 Within fifteen days ²	158	59	105	383	313	283	158	308
18 Sixteen days to ninety days	759	867	762	484	565	669	759	565
19 Ninety-one days to one year	1,431	1,422	1,422	1,422	1,430	1,479	1,431	1,430
20 One year to five years	2,605	2,605	2,663	2,663	2,608	2,485	2,605	2,608
21 Five years to ten years	1,000	1,000	1,000	1,000	990	1,050	1,000	990
22 More than ten years	188	189	188	188	188	188	188	188

1. Components may not sum to totals because of rounding.
 2. Holdings under repurchase agreements are classified as maturing within fifteen days in accordance with the maximum possible maturity of the agreements.

1.20 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND MONETARY BASE¹

Billions of dollars, averages of daily figures

Item	1987 Dec.	1988 Dec.	1989 Dec.	1990 Dec.	1991 ¹							
					Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
Seasonally adjusted												
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ²												
1 Total reserves ³	45.81	47.60	47.73	49.10	49.34	50.00	50.35	50.41	50.89	51.15	51.82	52.70
2 Nonborrowed reserves ⁴	45.03	45.88	47.46	48.78	49.11	49.70	50.01	49.80	50.12	50.50	51.56	52.59
3 Nonborrowed reserves plus extended credit ⁵	45.52	47.12	47.48	48.80	49.20	49.79	50.01	49.85	50.42	50.80	51.57	52.59
4 Required reserves ⁶	44.77	46.55	46.81	47.44	48.31	48.97	49.34	49.50	49.80	50.22	50.73	51.80
5 Monetary base ⁶	246.28	263.46	274.17	299.78	310.57	311.43	312.41	313.84	316.23	317.93	320.55	322.29
Not seasonally adjusted												
6 Total reserves ⁷	47.04	49.00	49.18	50.58	50.25	49.00	50.32	50.56	50.49	50.99	51.43	52.89
7 Nonborrowed reserves	46.26	47.29	48.91	50.25	50.02	48.69	49.98	49.95	49.73	50.35	51.17	52.78
8 Nonborrowed reserves plus extended credit ⁸	46.75	48.53	48.93	50.28	50.10	48.78	49.99	50.00	50.03	50.65	51.18	52.78
9 Required reserves ⁹	46.00	47.96	48.26	48.91	49.22	47.97	49.31	49.65	49.41	50.07	50.35	51.99
10 Monetary base ⁹	249.93	267.46	278.30	304.04	310.82	310.97	314.00	316.14	316.68	317.28	319.14	323.06
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ¹⁰												
11 Total reserves ¹¹	62.14	63.75	62.81	59.12	50.30	49.06	50.41	50.66	50.61	51.13	51.58	53.06
12 Nonborrowed reserves	61.36	62.03	62.54	58.79	50.07	48.76	50.07	50.05	49.84	50.48	51.32	52.95
13 Nonborrowed reserves plus extended credit ¹²	61.85	63.27	62.56	58.82	50.16	48.85	50.08	50.10	50.14	50.78	51.33	52.95
14 Required reserves ¹³	61.09	62.70	61.89	57.46	49.27	48.03	49.40	49.75	49.52	50.20	50.50	52.16
15 Monetary base ¹²	266.06	283.00	292.55	313.70	313.95	314.25	317.25	319.46	320.07	320.70	322.71	326.89
16 Excess reserves ¹³	1.05	1.05	.92	1.66	1.03	1.03	1.01	.91	1.09	.93	1.08	.89
17 Borrowings from the Federal Reserve	.78	1.72	.27	.33	.23	.30	.34	.61	.76	.65	.26	.11

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

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

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

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

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

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

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

8. To adjust required reserves for discontinuities that are due to regulatory

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

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

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

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

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

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

A14 Domestic Financial Statistics □ February 1992

1.21 MONEY STOCK, LIQUID ASSETS, AND DEBT MEASURES¹

Billions of dollars, averages of daily figures

Item	1987 Dec.	1988 Dec.	1989 Dec.	1990 Dec.	1991 ^r			
					Aug.	Sept.	Oct.	Nov.
Seasonally adjusted								
<i>Measures²</i>								
1 M1.....	749.7	786.4	793.6	825.4	866.1	870.0	879.0	890.3
2 M2.....	2,910.1	3,069.9	3,223.1	3,327.8	3,389.0	3,389.0	3,395.7	3,408.6
3 M3.....	3,677.4	3,919.1	4,055.2	4,111.2	4,144.7	4,138.1	4,142.2	4,152.3
4 L.....	4,337.0	4,675.9 ^r	4,889.9	4,966.6	4,975.0	4,965.1	4,972.9	n.a.
5 Debt.....	8,345.1	9,107.6	9,790.4	10,432.1 ^r	10,753.8	10,809.6	10,863.6	n.a.
<i>M1 components</i>								
6 Currency.....	196.8	212.0	222.2	246.4	260.8	262.4	264.4	265.3
7 Travelers checks ³	7.0	7.5	7.4	8.4	7.7	7.8	7.9	8.1
8 Demand deposits ⁴	286.5	286.3	278.7	276.9	279.8	279.3	282.6	287.4
9 Other checkable deposits ⁵	259.3	280.7	285.2	293.8	317.8	320.5	324.1	329.5
<i>Nontransaction components</i>								
10 In M2 ²	2,160.4	2,283.5	2,429.5	2,502.4	2,522.9	2,518.9	2,516.6	2,518.3
11 In M3 ⁸	767.3	849.3	832.1	783.4	755.6	749.1	746.5	743.8
<i>Commercial banks</i>								
12 Savings deposits, including MMDAs.....	534.8	542.2	540.7	577.7	631.0	635.8	643.6	651.4
13 Small time deposits ⁹	388.0	447.5	531.4	598.1	605.0	604.6	600.8	593.8
14 Large time deposits ^{10, 11}	326.6	368.0	401.9	386.1	390.8	386.0	379.9	375.6
<i>Thrift institutions</i>								
15 Savings deposits, including MMDAs.....	402.3	383.5	349.5	339.0	365.2	366.9	369.6	373.8
16 Small time deposits ⁹	529.7	584.3	614.5	566.1	501.6	493.7	484.5	477.3
17 Large time deposits ¹⁰	162.6	174.3	161.6	121.0	93.9	90.6	87.1	84.5
<i>Money market mutual funds</i>								
18 General purpose and broker-dealer.....	221.7	241.1	313.6	345.4	355.0	351.6	350.3	348.8
19 Institution-only.....	88.9	86.9	101.9	125.7	144.8	149.3	155.4	161.0
<i>Debt components</i>								
20 Federal debt.....	1,957.9	2,114.2	2,268.1	2,534.3	2,707.0	2,738.1	2,770.8	n.a.
21 Nonfederal debt.....	6,387.2	6,993.4	7,522.3	7,897.8 ^r	8,048.8	8,071.5	8,092.8	n.a.
Not seasonally adjusted								
<i>Measures²</i>								
22 M1.....	766.2	804.2	811.9	844.3	864.0	867.0	875.0	893.5
23 M2.....	2,923.0	3,083.3	3,236.6	3,341.9	3,389.8	3,383.9	3,392.6	3,412.5
24 M3.....	3,690.3	3,931.5	4,067.0	4,123.3	4,149.8	4,135.7	4,138.8	4,159.2
25 L.....	4,352.8	4,691.8	4,907.4	4,985.2	4,973.5	4,963.2	4,968.2	n.a.
26 Debt.....	8,329.1	9,093.2	9,775.9	10,419.3 ^r	10,708.5	10,761.4	10,824.9	n.a.
<i>M1 components</i>								
27 Currency.....	199.3	214.8	225.3	249.6	262.0	261.8	263.2	266.3
28 Travelers checks ³	6.5	6.9	6.9	7.8	8.6	8.3	8.0	7.7
29 Demand deposits ⁴	298.6	298.9	291.5	289.9	278.6	278.5	283.6	290.9
30 Other checkable deposits ⁵	261.8	283.5	288.2	297.0	314.8	318.4	320.3	328.5
<i>Nontransaction components</i>								
31 In M2 ²	2,156.8	2,279.1	2,424.7	2,497.6	2,525.8	2,517.0	2,517.6	2,519.1
32 In M3 ⁸	767.3	848.2	830.4	781.4	760.0	751.8	746.2	746.7
<i>Commercial banks</i>								
33 Savings deposits, including MMDAs.....	535.8	543.8	542.9	579.3	630.1	634.2	643.2	653.8
34 Small time deposits ⁹	387.2	446.0	529.2	596.1	606.1	604.4	600.7	592.5
35 Large time deposits ^{10, 11}	325.8	366.8	400.4	386.1	391.8	387.8	382.3	378.1
<i>Thrift institutions</i>								
36 Savings deposits, including MMDAs.....	399.9	381.5	347.9	338.3	365.4	366.1	369.8	374.4
37 Small time deposits ⁹	529.5	583.8	613.8	564.1	502.5	493.6	484.4	476.3
38 Large time deposits ¹⁰	163.3	175.2	162.6	121.1	94.1	91.1	87.6	85.0
<i>Money market mutual funds</i>								
39 General purpose and broker-dealer.....	221.1	240.7	313.5	345.5	353.7	351.6	350.1	350.6
40 Institution-only.....	89.6	87.6	102.8	127.0	143.9	145.9	152.4	161.6
<i>Repurchase agreements and eurodollars</i>								
41 Overnight.....	83.2	83.4	77.3	74.3	67.9	67.1	69.4	71.5
42 Term.....	197.1	227.7	179.8	160.8	145.2	141.9	139.9	138.3
<i>Debt components</i>								
43 Federal debt.....	1,955.6	2,111.8	2,265.9	2,532.1	2,691.4	2,722.0	2,756.7	n.a.
44 Nonfederal debt.....	6,373.5	6,981.4	7,509.9	7,887.2 ^r	8,017.1	8,039.4	8,068.2	n.a.

For notes see following page.

NOTES TO TABLE 1.21

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

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

M1: (1) currency outside the Treasury, Federal Reserve Banks, and the vaults of depository institutions; (2) travelers checks of nonbank issuers; (3) demand deposits at all commercial banks other than those due to depository institutions, the U.S. government, and foreign banks and official institutions, less cash items in the process of collection and Federal Reserve float; and (4), other checkable deposits (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) overnight (and continuing-contract) repurchase agreements (RPs) issued by all depository institutions and overnight Eurodollars issued to U.S. residents by foreign branches of U.S. banks worldwide, (2) money market deposit accounts (MMDAs), (3) savings and small time deposits (time deposits—including retail RPs—in amounts of less than \$100,000), and (4) balances in both taxable and tax-exempt general purpose and broker-dealer money market funds. Excludes individual retirement accounts (IRAs) and Keogh balances at depository institutions and money market funds. Also excludes all balances held by U.S. commercial banks, money market funds (general purpose and broker-dealer), foreign governments and commercial banks, and the U.S. government. Seasonally adjusted M2 is computed by adjusting its non-M1 component as a whole and then adding this result to seasonally adjusted M1.

M3: M2 plus (1) large time deposits and term RP liabilities (in amounts of \$100,000 or more) issued by all depository institutions, (2) term Eurodollars held by U.S. residents at foreign branches of U.S. banks worldwide and at all banking offices in the United Kingdom and Canada, and (3) balances in both taxable and tax-exempt, institution-only money market funds. Excludes amounts held by depository institutions, the U.S. government, money market funds, and foreign banks and official institutions. Also excluded is the estimated amount of overnight RPs and Eurodollars held by institution-only money market funds. Seasonally adjusted M3 is computed by adjusting its non-M2 component as a whole and then adding this result to seasonally adjusted M2.

L: M3 plus the nonbank public holdings of U.S. savings bonds, short-term

Treasury securities, commercial paper, and bankers acceptances, net of money market fund holdings of these assets. Seasonally adjusted L is computed by summing U.S. savings bonds, short-term Treasury securities, commercial paper, and bankers acceptances, each seasonally adjusted separately, and then adding this result to M3.

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

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 non-bank issuers. Travelers checks issued by depository institutions are included in demand deposits.

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

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

7. Sum of (1) overnight RPs and overnight Eurodollars, (2) money market fund balances (general purpose and broker-dealer), (3) MMDAs, and (4) savings and small time deposits.

8. Sum of (1) large time deposits, (2) term RPs, (3) term Eurodollars of U.S. residents, and (4) money market fund balances (institution-only), less a consolidation adjustment that represents the estimated amount of overnight RPs and Eurodollars held by institution-only money market funds.

9. Small 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, and foreign banks and official institutions.

1.22 BANK DEBITS AND DEPOSIT TURNOVER¹

Debits are in billions of dollars; turnover is ratio of debits to deposits; monthly data are at annual rates

Bank group, or type of customer	1988	1989	1990	1991					
				Apr.	May	June	July	Aug.	Sept.
DEBITS TO				Seasonally adjusted					
<i>Demand deposits</i> ³									
1 All insured banks.....	219,795.7	256,150.4	277,916.3	294,433.5	295,559.0	266,704.2	284,872.2	275,915.9	283,671.3
2 Major New York City banks.....	115,475.6	129,319.9	131,784.0	146,499.3	148,074.9	133,761.4	139,089.0	136,906.9	142,138.2
3 Other banks.....	104,320.2	126,830.5	146,132.3	147,934.2	147,484.1	132,942.8	145,783.2	139,009.0	141,533.1
4 ATS-NOW accounts ⁴	2,478.1	2,910.5	3,349.6	3,820.3	3,620.2	3,460.1	3,822.8	3,659.4	3,687.9
5 Savings deposits ⁵	537.0	547.5	558.8	577.1	548.6	519.9	552.6	516.7	2,970.9
DEPOSIT TURNOVER									
<i>Demand deposits</i> ³									
6 All insured banks.....	622.9	735.1	800.6	870.3	867.0	768.4	833.4	798.0	823.1
7 Major New York City banks.....	2,897.2	3,421.5	3,804.1	4,533.4	4,702.8	4,141.9	4,413.3	4,448.0	4,490.8
8 Other banks.....	333.3	408.3	467.7	483.4	476.6	422.3	469.8	441.4	452.2
9 ATS-NOW accounts ⁴	13.2	15.2	16.5	17.8	16.4	15.5	16.9	15.9	15.7
10 Savings deposits ⁵	2.9	3.0	2.9	2.8	2.6	2.4	2.5	2.3	4.8
DEBITS TO				Not seasonally adjusted					
<i>Demand deposits</i> ³									
11 All insured banks.....	219,790.4	256,133.2	277,400.0	294,492.4	292,012.3	270,144.7	286,068.7	289,049.5	274,111.5
12 Major New York City banks.....	115,460.7	129,400.1	131,784.7	145,700.2	145,073.9	133,851.7	139,527.4	146,342.8	137,659.5
13 Other banks.....	104,329.7	126,733.0	145,615.3	148,792.2	146,938.4	136,293.0	146,541.3	142,706.6	136,452.1
14 ATS-NOW accounts ⁴	2,477.3	2,910.7	3,342.2	3,967.1	3,549.9	3,446.1	3,729.0	3,693.2	3,688.2
15 MMDAs ⁶	2,342.7	2,677.1	2,923.8	2,994.5	2,978.6	2,714.5	2,868.0	2,751.7	n.a
16 Savings deposits ⁵	536.3	546.9	557.9	623.9	545.5	516.4	558.2	537.0	3,183.9
DEPOSIT TURNOVER									
<i>Demand deposits</i> ³									
17 All insured banks.....	622.8	735.4	799.6	864.8	875.5	781.7	831.4	849.5	795.2
18 Major New York City banks.....	2,896.7	3,426.2	3,810.0	4,565.4	4,742.5	4,154.4	4,334.6	4,771.4	4,305.8
19 Other banks.....	333.2	408.0	466.3	482.1	485.0	434.9	469.8	460.9	436.3
20 ATS-NOW accounts ⁴	13.2	15.2	16.4	17.8	16.3	15.5	16.7	16.3	15.9
21 MMDAs ⁶	6.6	7.9	8.0	7.7	7.6	6.8	7.2	6.8	n.a
22 Savings deposits ⁵	2.9	2.9	2.9	3.0	2.6	2.4	2.5	2.4	5.1

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

2. Annual averages of monthly figures.

3. Represents accounts of individuals, partnerships, and corporations and of states and political subdivisions.

4. Accounts authorized for negotiable orders of withdrawal (NOWs) and accounts authorized for automatic transfer to demand deposits (ATSs).

5. Excludes MMDA, ATS, and NOW accounts.

6. Money market deposit accounts.

1.23 LOANS AND SECURITIES All Commercial Banks¹

Billions of dollars, averages of Wednesday figures

Item	1990	1991										
	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
	Seasonally adjusted											
1 Total loans and securities²	2,723.6	2,721.2	2,735.1	2,751.0	2,751.8	2,750.5	2,763.2	2,763.3	2,761.6	2,768.9	2,784.5	2,799.3
2 U.S. government securities	454.2	454.1	458.0	471.4	479.2	485.1	495.2	505.3	512.6	522.1	538.2	549.3
3 Other securities	175.6	177.7	177.6	177.6	175.7	173.9	173.1	172.0	169.9	170.8	172.2	172.3
4 Total loans and leases ²	2,093.8	2,089.4	2,099.5	2,102.0	2,096.9	2,091.5	2,094.8	2,086.0	2,079.1	2,076.0	2,074.1	2,077.6
5 Commercial and industrial	648.1	644.3	643.9	646.0	640.0	633.2	630.4	626.7	620.5	623.8	623.8	620.2
6 Bankers acceptances held ³	7.5	7.7	6.9	6.7	6.8	6.9	6.6	6.6	7.1	6.9	6.5	7.0
7 Other commercial and industrial	640.5	636.6	637.0	639.3	633.2	626.4	623.8	620.0	613.4	616.8	617.3	613.2
8 U.S. addressees ⁴	635.3	631.1	631.5	633.6	627.7	620.6	617.9	614.3	607.7	611.0	611.2	607.0
9 Non-U.S. addressees ⁴	5.3	5.5	5.5	5.7	5.5	5.8	5.9	5.7	5.7	5.9	6.2	6.2
10 Real estate	836.5	837.3	842.6	846.3	850.9	855.1	859.5	857.0	853.9	853.4	854.2	856.3
11 Individual	378.9	375.9	377.7	375.5	374.1	373.5	372.0	369.6	368.9	365.3	362.7	361.7
12 Security	40.6	43.1	43.2	38.9	39.8	39.8	38.3	41.6	42.6	43.9	43.8	46.4
13 Nonbank financial institutions	34.8	34.8	35.9	36.7	35.9	36.9	37.1	37.1	36.3	36.1 ^f	36.6	38.9
14 Agricultural	33.0	33.5	33.5	34.0	33.9	33.6	33.0	32.5	32.3	32.2	32.1 ^f	32.2
15 State and political subdivisions	34.3	33.2 ^f	33.1 ^f	32.7	32.1 ^f	31.7	31.0	30.5	30.0	29.5	29.3	28.8
16 Foreign banks	7.2	6.0	6.1	7.2	6.8	6.4	6.0	6.2	6.3	6.5	6.1	6.7
17 Foreign official institutions	3.2	3.0	3.1	3.2	3.0	3.0	3.0	3.1	3.1	3.2	3.3	3.5
18 Lease-financing receivables	32.7	32.4	32.8	33.0	32.7	32.7	32.8	32.0	31.4	31.2	31.1	30.9
19 All other loans	44.7	45.9	47.6	48.6	47.6 ^f	45.7	51.8 ^f	49.6 ^f	53.8 ^f	50.9	51.0 ^f	52.0
	Not seasonally adjusted											
20 Total loans and securities²	2,730.5	2,721.0	2,737.3	2,748.4	2,751.5	2,749.7	2,763.8	2,757.2	2,756.6	2,767.3	2,785.3	2,802.6
21 U.S. government securities	451.5	455.8	463.9	475.8	480.5	485.2	493.7	501.8	510.4	519.6	535.2	549.4
22 Other securities	176.3	177.9	177.3	176.9	175.1	173.8	173.2	171.3	170.1	171.0	172.4	173.0
23 Total loans and leases ²	2,102.7	2,087.3	2,096.1	2,095.7	2,095.9	2,090.6	2,096.9	2,084.1	2,076.0	2,076.7	2,078.2	2,080.2
24 Commercial and industrial	648.0	641.1	643.0	648.3	644.7	637.1	632.7	627.0	619.2	620.3	621.5	618.1
25 Bankers acceptances held ³	7.7	7.6	7.0	6.7	6.7	6.8	6.7	6.3	6.9	6.9	6.6	7.1
26 Other commercial and industrial	640.3	633.4	636.0	641.6	638.1	630.3	626.0	620.6	612.3	613.4	614.9	611.0
27 U.S. addressees ⁴	635.1	628.2	630.5	636.1	632.2	624.5	620.0	614.8	606.4	607.4	608.7	604.8
28 Non-U.S. addressees ⁴	5.2	5.3	5.5	5.4	5.9	5.9	6.0	5.8	5.9	6.0	6.2	6.1
29 Real estate	837.9	837.1	839.5	842.6	848.3	854.2	859.6	857.5	855.9	855.2	856.9	858.4
30 Individual	383.8	380.1	377.1	372.8	371.5	371.8	369.9	367.4	368.1	367.0	363.6	362.8
31 Security	40.0	41.0	44.7	40.2	41.3	39.0	40.5	41.3	42.0	42.9	42.9	45.2
32 Nonbank financial institutions	36.2	35.3	35.5	36.0	35.5	36.5	37.2	36.9	36.3 ^f	35.8 ^f	36.5	39.3
33 Agricultural	32.9	32.8	32.6	32.6	32.8	33.1	33.3	33.4	33.3	33.3	33.1 ^f	32.6
34 State and political subdivisions	34.0	33.8	33.2	32.7	32.0	31.7 ^f	30.9	30.3	29.9	29.5	29.2	28.8
35 Foreign banks	7.4	6.0	6.0	6.8	6.7	6.3	6.1	6.3	6.2	6.5	6.4	6.8
36 Foreign official institutions	3.2	3.0	3.1	3.2	3.0	3.0	3.0	3.1	3.1	3.2	3.3	3.5
37 Lease-financing receivables	32.8	32.8	32.9	32.9	32.7	32.6	32.6	31.8	31.3	31.2	31.2	31.0
38 All other loans	46.6	44.1 ^f	48.4	47.7 ^f	47.4	45.4	51.1	49.2 ^f	50.9 ^f	51.9	53.7 ^f	53.9

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

2. Adjusted to exclude loans to commercial banks in the United States.

3. Includes nonfinancial commercial paper held.

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

1.24 MAJOR NONDEPOSIT FUNDS OF COMMERCIAL BANKS¹

Billions of dollars, monthly averages

Source of funds	1990	1991										
	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct. ^f	Nov.
<i>Seasonally adjusted</i>												
1 Total nondeposit funds ²	288.6	278.2	266.2	265.8 ^f	265.7 ^f	263.6 ^f	254.5 ^f	254.5 ^f	249.2 ^f	254.3 ^f	268.0	270.4
2 Net balances due to related foreign offices ³	34.6	33.5	24.9	30.4 ^f	31.0 ^f	26.3 ^f	19.3 ^f	19.5 ^f	17.1 ^f	19.9 ^f	30.8	32.8
3 Borrowings from other than commercial banks in United States ⁴	254.0	244.7	241.3	235.4	234.7	237.3	235.2	235.0	232.1	234.4	237.2	237.6
4 Domestically chartered banks	187.8	183.0	178.0	172.5	172.4	171.8	170.6	169.6	163.9	165.4	163.8	161.6
5 Foreign-related banks	66.2	61.7	63.3	62.9	62.2	65.5	64.6	65.4	68.2	69.0	73.4	76.0
<i>Not seasonally adjusted</i>												
6 Total nondeposit funds ²	283.0	273.5	269.3 ^f	271.1 ^f	266.4 ^f	271.7 ^f	257.6 ^f	251.2 ^f	247.7 ^f	250.3 ^f	265.0	271.1
7 Net balances due to related foreign offices ³	37.2	33.2	24.9 ^f	29.9 ^f	29.1 ^f	28.9 ^f	19.6 ^f	17.1 ^f	16.3 ^f	20.1 ^f	30.3	33.5
8 Domestically chartered banks	-4.1	-15.3	-15.2	-6.0	-3.6 ^f	-7	-3.5	-7.2	-7.5	-9.1	-7.7	-5.0
9 Foreign-related banks	41.3	48.4	40.1 ^f	35.9 ^f	32.7 ^f	29.5 ^f	23.1 ^f	24.3 ^f	24.0 ^f	29.2 ^f	38.0	38.5
10 Borrowings from other than commercial banks in United States ⁴	245.9	240.4	244.4	241.2	237.3	242.8	237.9 ^f	234.1	231.2	230.2	234.8	237.6
11 Domestically chartered banks	183.5	178.5	180.3	176.9	173.2	176.6	171.6	167.5	163.5	162.6	162.2	163.9
12 Federal funds and security RP borrowings ⁵	180.7	175.2	177.5	173.6	170.3 ^f	173.8	168.7	164.3	159.8	159.1	159.0	160.7
13 Other ⁶	2.8	3.2	2.8	3.2	2.8 ^f	2.8	2.8	3.2	3.7	3.5	3.2	3.2
14 Foreign-related banks ⁵	62.3	61.9	64.1	64.3	64.1	66.2	66.4	66.6	67.7	67.7 ^f	72.6	73.7
MEMO												
<i>Gross large time deposits⁷</i>												
15 Seasonally adjusted	431.8	441.0	450.6	451.0	451.3	453.0	451.9	447.6	447.2	443.9	435.1	432.4
16 Not seasonally adjusted	431.8	439.3	449.2	450.5	449.0	452.6	451.4	446.4	448.2	445.7	437.5	434.9
<i>U.S. Treasury demand balances at commercial banks⁸</i>												
17 Seasonally adjusted	24.4	25.7	33.4	33.8	21.7	15.1	23.2	20.5	23.8	21.9	31.1	37.6
18 Not seasonally adjusted	23.0	29.4	39.3	28.4	20.4	19.8	23.6	20.7	17.2	26.9	28.7	28.6

1. Commercial banks are nationally and state-chartered banks in the fifty states and the District of Columbia, 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.
 Data in this table also appear in the Board's G.10 (411) release. For ordering address, see inside front cover.
 2. Includes federal funds, repurchase agreements (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 International Banking Facilities (IBFs).
 4. 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. Figures are based on averages of daily data reported weekly by approximately 120 large banks and quarterly or annual data reported by other banks.
 6. Figures are partly averages of daily data and partly averages of Wednesday data.
 7. Time deposits in denominations of \$100,000 or more. Estimated averages of daily data.
 8. U.S. Treasury demand deposits and Treasury tax-and-loan notes at commercial banks. Averages of daily data.

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

Billions of dollars

Account	1991 ²											
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	
ALL COMMERCIAL BANKING INSTITUTIONS²												
1 Total assets	3,357.8	3,388.9	3,380.1	3,368.5	3,410.3	3,409.2	3,438.5	3,397.3	3,423.0	3,461.6	3,499.6	
2 Loans and securities	2,908.7	2,924.9	2,910.9	2,907.3	2,921.8	2,936.3	2,937.7	2,921.0	2,939.3	2,970.5	2,984.5	
3 Investment securities	612.8	614.0	628.3	628.5	634.1	640.8	648.7	650.9	657.6	681.9	692.0	
4 U.S. government securities	447.6	449.5	463.3	465.1	471.8	480.1	489.9	492.8	498.8	522.1	531.5	
5 Other	165.2	164.5	165.1	163.4	162.2	160.7	158.8	158.1	158.8	159.8	160.5	
6 Trading account assets	24.1	26.9	23.5	24.9	24.3	27.5	30.2	28.5	29.9	32.6	33.2	
7 Total loans	2,271.8	2,283.9	2,259.1	2,253.8	2,263.4	2,268.0	2,258.8	2,241.5	2,251.8	2,259.2	2,259.2	
8 Interbank loans	193.3	185.0	171.8	160.7	172.5	166.8	175.9	167.5	172.4	178.6	178.8	
9 Loans excluding interbank	2,078.6	2,099.0	2,087.3	2,093.1	2,090.9	2,101.3	2,082.9	2,074.1	2,079.4	2,077.4	2,080.4	
10 Commercial and industrial	637.2	645.1	648.5	643.6	635.1	632.4	624.2	617.8	620.0	618.5	617.7	
11 Real estate	836.9	840.1	842.5	849.2	855.4	859.3	856.0	854.8	854.7	858.8	857.9	
12 Individual	378.6	376.4	371.5	372.0	370.7	369.8	368.3	368.2	366.7	363.7	361.8	
13 All other	225.9	237.4	224.8	228.3	229.6	239.8	234.3	233.3	238.0	236.3	243.0	
14 Total cash assets	199.2	204.5	206.1	201.0	224.3	212.3	214.1	200.1	207.1	210.3	228.1	
15 Reserves with Federal Reserve Banks	16.5	18.1	25.0	23.1	26.2	29.1	24.8	23.0	25.7	25.6	24.4	
16 Cash in vault	30.4	29.8	28.9	29.1	31.1	29.8	29.7	30.1	30.1	30.7	29.5	
17 Cash items in process of collection	74.7	79.9	76.9	74.3	87.2	78.3	87.8	71.7	75.3	75.2	90.3	
18 Demand balances at U.S. depository institutions	28.1	27.7	27.6	26.4	30.8	28.3	26.9	27.7	26.9	28.8	32.3	
19 Other cash assets	49.6	49.0	47.7	48.1	49.0	46.8	45.0	46.5	49.2	50.1	51.5	
20 Other assets	249.9	259.6	263.1	260.1	264.2	260.6	286.7	276.2	276.5	280.9	287.1	
21 Total liabilities	3,133.2	3,162.7	3,153.1	3,140.4	3,180.7	3,180.3	3,210.6	3,168.9	3,194.0	3,232.7	3,269.1	
22 Total deposits	2,334.6	2,365.0	2,382.5	2,381.9	2,413.3	2,406.1	2,448.8	2,430.9	2,430.3	2,443.7	2,485.0	
23 Transaction accounts	587.9	594.1	602.8	601.3	617.6	611.2	639.4	612.0	613.7	628.0	669.8	
24 Savings deposits (excluding checkable)	573.9	583.5	594.1	595.4	606.2	610.7	619.9	624.1	628.2	640.0	647.7	
25 Time deposits	1,172.8	1,187.3	1,185.6	1,185.3	1,189.5	1,184.2	1,189.5	1,194.7	1,188.4	1,175.7	1,167.6	
26 Borrowings	529.8	515.4	492.3	494.6	499.8	510.4	503.5	480.9	498.5	512.6	498.0	
27 Other liabilities	268.8	282.3	278.2	263.9	267.6	263.8	258.4	257.1	265.2	276.4	286.0	
28 Residual (assets less liabilities) ³	224.6	226.2	227.0	228.1	229.6	228.9	227.9	228.4	229.0	228.9	230.5	
DOMESTICALLY CHARTERED COMMERCIAL BANKS⁴												
29 Total assets	2,961.4	2,986.3	2,980.4	2,962.4	2,993.7	2,989.4	3,009.9	2,973.4	2,985.2	3,011.6	3,038.2	
30 Loans and securities	2,628.0	2,642.3	2,635.6	2,629.1	2,638.0	2,645.8	2,653.4	2,637.8	2,645.4	2,660.9	2,674.2	
31 Investment securities	575.3	577.4	588.6	592.3	595.7	602.7	611.0	612.1	618.1	636.2	643.2	
32 U.S. government securities	426.5	429.3	440.2	445.5	449.2	457.8	467.9	470.2	475.6	492.9	499.6	
33 Other	148.7	148.2	148.5	146.8	146.5	144.9	143.0	141.9	142.5	143.3	143.6	
34 Trading account assets	24.1	26.9	23.5	24.9	24.3	27.5	30.2	28.5	29.9	32.6	33.2	
35 Total loans	2,028.6	2,038.0	2,023.5	2,011.9	2,018.0	2,015.6	2,012.3	1,997.1	1,997.4	1,992.1	1,997.8	
36 Interbank loans	151.7	150.9	148.3	134.2	144.5	139.0	150.4	146.4	148.0	149.2	156.0	
37 Loans excluding interbank	1,876.9	1,887.0	1,875.2	1,877.7	1,873.5	1,876.6	1,861.8	1,850.7	1,849.3	1,842.9	1,841.8	
38 Commercial and industrial	504.2	508.4	506.3	502.4	495.0	491.2	482.6	475.3	472.6	470.7	467.9	
39 Real estate	794.0	797.1	799.7	804.9	808.9	812.1	808.2	806.9	806.9	810.3	809.5	
40 Revolving home equity	62.9	63.3	63.6	64.4	65.7	66.6	67.0	67.6	68.7	69.3	69.6	
41 Other real estate	731.1	733.8	736.1	740.3	743.0	743.7	741.2	739.4	738.2	741.1	739.9	
42 Individual	378.6	376.4	371.5	372.0	370.7	369.8	368.3	368.2	366.7	363.7	361.8	
43 All other	200.2	205.1	197.7	198.4	198.8	203.6	202.6	200.2	203.1	198.1	202.6	
44 Total cash assets	166.6	172.7	177.0	171.6	193.6	184.3	187.6	172.3	177.0	179.7	197.8	
45 Reserves with Federal Reserve Banks	15.3	17.0	24.0	21.9	25.8	28.3	23.9	22.1	24.9	25.0	23.9	
46 Cash in vault	30.3	29.8	28.8	29.1	31.1	29.8	29.7	31.0	30.1	30.6	29.5	
47 Cash items in process of collection	72.9	78.2	74.9	72.6	85.5	76.2	86.1	70.1	73.8	73.4	88.1	
48 Demand balances at U.S. depository institutions	26.2	25.8	25.8	24.8	28.8	26.5	25.2	25.9	24.9	27.0	30.3	
49 Other cash assets	22.0	21.9	23.4	23.2	22.4	23.6	22.8	23.2	23.4	23.8	26.0	
50 Other assets	166.9	171.3	167.9	161.6	162.1	159.3	168.9	163.4	162.9	170.9	166.2	
51 Total liabilities	2,770.5	2,763.7	2,757.0	2,737.9	2,767.7	2,764.1	2,785.7	2,748.6	2,759.8	2,786.3	2,811.3	
52 Deposits	2,236.2	2,255.2	2,266.2	2,258.8	2,280.8	2,271.3	2,308.6	2,284.9	2,282.0	2,296.5	2,336.3	
53 Transaction accounts	577.4	583.8	592.2	591.4	607.5	600.9	629.3	602.1	604.0	618.1	659.2	
54 Savings deposits (excluding checkable)	570.6	580.2	590.6	591.9	602.5	607.1	616.2	620.4	624.5	636.2	643.8	
55 Time deposits	1,088.1	1,091.2	1,083.4	1,075.6	1,070.8	1,063.4	1,063.1	1,062.5	1,053.5	1,042.2	1,033.4	
56 Borrowings	380.1	371.8	354.9	346.5	355.1	364.4	352.2	338.8	355.6	359.9	343.3	
57 Other liabilities	124.2	136.8	136.0	132.6	131.9	128.4	124.9	125.0	122.3	129.9	131.7	
58 Residual (assets less liabilities) ³	220.9	222.6	223.4	224.5	226.0	225.3	224.2	224.8	225.4	225.3	226.9	

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

2. Includes insured domestically chartered commercial banks, agencies and branches of foreign banks, Edge act and agreement corporations, and New York

State foreign investment corporations. Data are estimates for the last Wednesday of the month based on a sample of weekly-reporting foreign-related institutions and quarter-end condition reports.

3. This balancing item is not intended as a measure of equity capital for use in capital adequacy analysis.

4. Includes all member banks and insured nonmember banks. Loans and securities data are estimates for the last Wednesday of the month based on a sample of weekly-reporting banks and quarter-end condition reports.

1.26 ASSETS AND LIABILITIES OF LARGE WEEKLY-REPORTING COMMERCIAL BANKS¹

Millions of dollars, Wednesday figures

Account	1991								
	Oct. 2	Oct. 9	Oct. 16	Oct. 23 ^f	Oct. 30 ^f	Nov. 6	Nov. 13	Nov. 20	Nov. 27
ASSETS									
1 Cash and balances due from depository institutions	104,048 ^f	97,617 ^f	125,152 ^f	97,373	102,694	101,196	127,512	107,506	114,730
2 U.S. Treasury and government securities	213,614	216,267 ^f	218,260	217,673	219,807	221,943	223,643	225,674	223,523
3 Trading account	19,214	21,312	21,133	20,376	18,924	21,246	21,461	22,663	20,094
4 Investment account	194,400	194,955 ^f	197,126 ^f	197,298	200,883	200,698	202,182	203,011	203,429
5 Mortgage-backed securities ²	78,496	78,326	78,736	77,228	78,344	77,222	77,076	77,640	76,636
6 All others, by maturity									
7 One year or less	25,328	25,736	25,892	25,721	26,016	26,330	26,901	26,029	25,932
8 One year through five years	47,942	48,391	49,753	49,847	50,796	51,410	52,145	53,499	54,545
9 More than five years	42,634	42,503	42,745	44,502	45,726	45,736	46,061	45,843	46,316
10 Other securities	56,655	56,623	56,423	56,330	56,399	56,097	55,930	55,798	56,338
11 Trading account	1,350	1,285	1,216	1,289	1,313	1,267	1,330	1,296	1,544
12 Investment account	55,305	55,338	55,207	55,041	55,086	54,830	54,599	54,502	54,795
13 State and political subdivisions, by maturity	24,020	23,986	23,942	23,694	23,630	23,497	23,217	22,977	23,033
14 One year or less	2,998	3,009	2,968	2,935	2,951	2,999	2,948	2,918	3,015
15 More than one year	21,022	20,977	20,973	20,759	20,679	20,498	20,269	20,060	20,018
16 Other bonds, corporate stocks, and securities	31,285	31,353	31,265	31,347	31,456	31,333	31,382	31,525	31,762
17 Other trading account assets	10,673	11,148	12,109	11,738	12,383	11,476	11,849	12,230	11,570
18 Federal funds sold ³	92,205	83,169	90,638	73,452	79,855	82,502	83,649	80,930	82,619
19 To commercial banks in the United States	64,828	55,866	66,658	49,200	55,329	58,156	60,326	52,792	56,629
20 To nonbank brokers and dealers	22,869	23,603	20,252	20,095	20,108	20,191	19,791	24,091	21,862
21 To others ⁴	4,508	3,700	3,728	4,157	4,418	4,155	3,533	4,047	4,128
22 Other loans and leases, gross	1,007,745 ^f	1,003,419 ^f	1,008,093 ^f	1,001,285	1,002,949	1,003,238	1,006,363	1,000,754	1,000,915
23 Commercial and industrial	299,715 ^f	297,852 ^f	299,020 ^f	296,430	295,476	296,157	295,478	295,216	294,339
24 Bankers acceptances and commercial paper	1,630	1,643	1,659	1,684	1,715	1,741	2,228	2,247	2,272
25 All other	298,085 ^f	296,209 ^f	297,361 ^f	294,746	293,761	294,416	293,250	292,969	292,067
26 U.S. addressees	296,407 ^f	294,611 ^f	295,673 ^f	293,052	292,172	292,962	291,885	291,617	290,758
27 Non-U.S. addressees	1,679	1,597	1,688	1,694	1,589	1,453	1,365	1,352	1,309
28 Real estate loans	395,944 ^f	396,068 ^f	396,066 ^f	395,696	395,806	396,107	396,730	395,979	395,470
29 Revolving, home equity	39,151 ^f	39,173 ^f	39,264 ^f	39,323	39,365	39,266	39,351	39,427	39,513
30 All other	356,793 ^f	356,895 ^f	356,802 ^f	356,373	356,441	356,841	357,379	356,553	355,958
31 To individuals for personal expenditures	182,437 ^f	181,785 ^f	181,737 ^f	181,799	182,237	181,909	181,935	180,692	180,056
32 To financial institutions	45,589 ^f	44,264 ^f	43,849 ^f	43,497	44,067	44,671	45,555	43,166	44,223
33 Commercial banks in the United States	20,669 ^f	19,598 ^f	18,870 ^f	19,281	19,808	19,671	20,183	18,966	18,998
34 Banks in foreign countries	1,896 ^f	2,003 ^f	2,348 ^f	2,177	1,681	2,058	2,130	1,686	2,164
35 Nonbank financial institutions	23,024 ^f	22,664	22,631	22,039	22,577	22,941	23,242	22,513	23,060
36 For purchasing and carrying securities	11,122 ^f	11,598	13,772 ^f	12,359	13,733	12,818	14,186	14,388	14,351
37 To finance agricultural production	6,208 ^f	6,210 ^f	6,176 ^f	6,131	6,118	6,076	6,025	6,001	5,945
38 To states and political subdivisions	18,231 ^f	18,182	18,210 ^f	18,155	18,091	17,968	17,896	17,851	17,866
39 To foreign governments and official institutions	979	1,053	1,005	956	1,006	1,019	1,407	930	1,109
40 All other loans	21,812 ^f	20,703 ^f	22,471 ^f	20,892	21,017	21,062	21,732	21,165	22,263
41 Lease-financing receivables	25,707 ^f	25,703 ^f	25,788 ^f	25,368	25,399	25,452	25,420	25,366	25,293
42 Less: Unearned income	3,521	3,519	3,518	3,401	3,415	3,368	3,363	3,358	3,341
43 Loan and lease reserve ⁵	37,487	37,163	36,383 ^f	36,368	36,419	37,029	36,980	36,977	36,754
44 Other assets	155,866 ^f	154,013 ^f	153,063 ^f	152,152	155,654	157,103	153,284	152,997	152,029
45 Total assets	1,599,800 ^f	1,581,573 ^f	1,623,837 ^f	1,570,234	1,589,906	1,593,160	1,621,886	1,595,555	1,601,631

Footnotes appear on the following page.

1.26 ASSETS AND LIABILITIES OF LARGE WEEKLY REPORTING COMMERCIAL BANKS—Continued

Millions of dollars, Wednesday figures

Account	1991								
	Oct. 2	Oct. 9	Oct. 16	Oct. 23 ^f	Oct. 30 ^f	Nov. 6	Nov. 13	Nov. 20	Nov. 27
LIABILITIES									
46 Deposits	1,111,508 ^f	1,100,648 ^f	1,126,656 ^f	1,087,015	1,093,732	1,103,034	1,121,361	1,105,399	1,118,098
47 Demand deposits	231,452	219,438	247,168 ^f	213,596	221,894	223,312	244,310	230,353	244,247
48 Individuals, partnerships, and corporations	186,121	178,993	195,651 ^f	172,711	178,008	181,219	193,712	182,847	194,383
49 Other holders	45,331	40,445	51,518	40,885	43,886	42,093	50,598	47,506	49,865
50 States and political subdivisions	7,252	6,563	7,417	7,109	6,995	7,328	7,176	7,459	8,311
51 U.S. government	2,213	1,344	2,583	1,392	1,634	1,373	1,548	1,630	3,405
52 Depository institutions in the United States	21,033	18,522	24,830	18,520	20,594	18,903	25,370	19,657	22,495
53 Banks in foreign countries	4,862	4,851	5,399	4,739	4,572	5,373	5,187	5,156	5,349
54 Foreign governments and official institutions	575	473	674	615	594	679	709	569	740
55 Certified and officers' checks	9,396	8,692	10,615	8,510	9,498	8,437	10,606	13,035	9,565
56 Transaction balances other than demand deposits ³	94,273 ^f	93,750	93,888 ^f	91,527	91,735	96,312	94,621	94,311	96,196
57 Nontransaction balances	785,783 ^f	787,460 ^f	785,600 ^f	781,891	780,122	783,410	782,430	780,735	777,655
58 Individuals, partnerships, and corporations	753,529 ^f	755,021 ^f	753,617 ^f	750,069	748,659	752,019	751,168	749,661	746,637
59 Other holders	32,254 ^f	32,438 ^f	31,983 ^f	31,821	31,464	31,391	31,262	31,074	31,018
60 States and political subdivisions	26,755 ^f	26,820 ^f	26,440 ^f	26,395	26,025	25,827	25,843	25,662	25,570
61 U.S. government	1,101	1,148	1,156	1,141	1,152	1,183	1,181	1,176	1,177
62 Depository institutions in the United States	3,975	4,052	3,973	3,873	3,876	3,959	3,822	3,834	3,849
63 Foreign governments, official institutions, and banks	423	419	415	412	411	420	416	402	422
64 Liabilities for borrowed money ⁶	279,473 ^f	265,889 ^f	282,732 ^f	269,875	280,993	275,888	285,358	272,825	264,571
65 Borrowings from Federal Reserve Banks	0	0	90	10	0	0	0	0	5
66 Treasury tax and loan notes	25,240	14,474 ^f	17,751 ^f	23,318	28,034	20,274	23,543	18,020	15,114
67 Other liabilities for borrowed money ⁷	254,233 ^f	251,415 ^f	264,891 ^f	246,547	252,959	255,614	261,815	254,805	249,452
68 Other liabilities (including subordinated notes and debentures)	94,428 ^f	99,625 ^f	99,530 ^f	98,029	100,818	99,054	99,495	101,296	103,620
69 Total liabilities	1,485,409 ^f	1,466,162 ^f	1,508,919 ^f	1,454,919	1,475,563	1,477,976	1,506,214	1,479,520	1,486,289
70 Residual (total assets less total liabilities) ⁸	114,391 ^f	115,411 ^f	114,918 ^f	115,315	114,344	115,185	115,673	116,035	115,343
MEMO									
71 Total loans and leases, gross, adjusted, plus securities ⁹	1,295,395 ^f	1,295,163 ^f	1,299,994 ^f	1,291,996	1,296,255	1,297,430	1,300,924	1,303,628	1,299,338
72 Time deposits in amounts of \$100,000 or more	177,268	177,949	175,607	174,614	172,697	172,824	170,972	170,806	170,673
73 Loans sold outright to affiliates ¹⁰	1,491	1,470	1,490	1,472	1,465	1,431	1,388	1,363	1,323
74 Commercial and industrial	821	799	826	805	798	787	759	735	705
75 Other	670	671	664	667	666	644	629	628	618
76 Foreign branch credit extended to U.S. residents ¹¹	24,122	24,274	24,239	23,881	23,981	24,307	24,115	24,204	24,572
77 Net due to related institutions abroad	-11,810 ^f	-6,573 ^f	-4,769	-6,571	-4,929	-7,334	-5,149	-3,867	-3,901

1. Components may not sum to totals because of rounding.
 2. Includes certificates of participation, issued or guaranteed by agencies of the U.S. government, in pools of residential mortgages.
 3. Includes securities purchased under agreements to resell.
 4. Includes allocated transfer risk reserve.
 5. Includes negotiable order of withdrawal (NOW), automatic transfer service (ATS), and telephone and preauthorized transfer savings deposits.
 6. Includes borrowings only from other-than-directly-related institutions.
 7. Includes federal funds purchased and securities sold under agreements to repurchase.
 8. This balancing item is not intended as a measure of equity capital for use in capital-adequacy analysis.
 9. Excludes loans to and federal funds transactions with commercial banks in

the United States.
 10. Affiliates include a bank's own foreign branches, nonconsolidated nonbank affiliates of the bank, the bank's holding company (if not a bank), and nonconsolidated nonbank subsidiaries of the holding company.
 11. Credit extended by foreign branches of domestically chartered weekly-reporting banks to nonbank U.S. residents. Consists mainly of commercial and industrial loans, but includes an unknown amount of credit extended to other than nonfinancial businesses.
 NOTE: Data that formerly appeared in table 1.28, Assets and Liabilities of Large Weekly Reporting Commercial Banks in New York City, can be obtained from the Board's H.4.2 (504) weekly statistical release. For ordering address see inside front cover.

A22 Domestic Financial Statistics □ February 1992

1.30 LARGE WEEKLY-REPORTING U.S. BRANCHES AND AGENCIES OF FOREIGN BANKS Assets and Liabilities¹

Millions of dollars, Wednesday figures

Account	1991								
	Oct. 2	Oct. 9	Oct. 16	Oct. 23	Oct. 30	Nov. 6	Nov. 13	Nov. 20	Nov. 27
1 Cash and balances due from depository institutions	15,862	16,473	15,934	16,820	16,898	16,154	19,818	17,590	16,932
2 U.S. Treasury and government agency securities	16,398 ^f	16,682 ^f	17,496 ^f	18,138	18,880	18,944	20,067	18,835	20,441
3 Other securities	7,496	7,361	7,537	7,426	7,589	7,615	7,666	7,847	7,847
4 Federal funds sold ¹	7,925	7,746	11,604	10,974	12,858	9,947	10,656	8,788	10,076
5 To commercial banks in the United States	3,420	2,448	4,607	3,794	5,983	2,546	4,007	2,746	4,080
6 To others ²	4,505	5,299	6,998	7,180	6,874	7,402	6,649	6,042	5,996
7 Other loans and leases, gross	143,905 ^f	143,111 ^f	145,210 ^f	144,542	145,233	146,655	146,284	148,761	150,400
8 Commercial and industrial	86,571 ^f	86,514 ^f	87,248 ^f	86,946 ^f	86,587 ^f	87,492	87,675	88,697	89,207
9 Bankers acceptances and commercial paper	1,904 ^f	2,134 ^f	2,104 ^f	1,824	1,862	1,818	1,868	2,036	2,252
10 All other	84,667 ^f	84,380 ^f	85,144 ^f	85,121 ^f	84,725 ^f	85,674	85,807	86,661	86,955
11 U.S. addressees	82,460 ^f	82,158 ^f	82,860 ^f	82,913 ^f	82,438 ^f	83,332	83,409	84,198	84,483
12 Non-U.S. addressees	2,207	2,222	2,284	2,208	2,288	2,342	2,398	2,463	2,472
13 Loans secured by real estate	32,722 ^f	32,738	33,049	33,166	33,321	33,287	33,244	33,317	33,430
14 To financial institutions	18,949 ^f	18,382 ^f	18,418 ^f	18,144 ^f	19,051 ^f	19,017	19,171	19,363	19,937
15 Commercial banks in the United States	8,546	8,084	7,603	7,506	8,093	7,739	7,816	7,945	8,205
16 Banks in foreign countries	2,113	2,018	1,894	1,894	1,930	2,003	2,292	2,262	2,265
17 Nonbank financial institutions	8,290 ^f	8,280 ^f	8,921 ^f	8,744 ^f	9,028 ^f	9,275	9,063	9,156	9,467
18 For purchasing and carrying securities	3,347 ^f	3,238 ^f	4,015 ^f	3,872 ^f	3,853 ^f	4,491	3,767	4,864	5,166
19 To foreign governments and official institutions	378	394	398	409	395	394	409	421	421
20 All other	1,938	1,847	2,083 ^f	2,006 ^f	2,027 ^f	1,974	2,018	2,100	2,238
21 Other assets (claims on nonrelated parties)	28,681 ^f	29,078 ^f	29,066 ^f	29,325	30,572	30,955	31,556	32,377	31,620
22 Total assets ³	262,629 ^f	259,589 ^f	263,294 ^f	262,248	269,027	270,752	274,403	273,220	275,973
23 Deposits or credit balances due to other than directly related institutions	96,490	92,589	89,147	90,106	93,755	92,319	93,611	95,240	94,950
24 Demand deposits ⁴	3,545	3,951	3,689	3,760	3,464	3,356	3,693	4,203	3,895
25 Individuals, partnerships, and corporations	2,291	2,121	2,366	2,180	2,221	2,138	2,369	2,284	2,332
26 Other	1,254	1,830	1,323	1,580	1,243	1,217	1,324	1,919	1,563
27 Nontransaction accounts	92,945	88,638	85,457	86,346	90,291	88,963	89,919	91,037	91,055
28 Individuals, partnerships, and corporations	66,765 ^f	63,539 ^f	62,417 ^f	62,974 ^f	65,562	64,176	65,567	65,678	65,256
29 Other	26,180 ^f	25,099 ^f	23,041 ^f	23,372 ^f	24,729	24,787	24,351	25,359	25,799
30 Borrowings from other than directly related institutions	93,470	93,593	98,135	95,691	94,461	97,987	95,197	94,777	95,466
31 Federal funds purchased ⁵	48,691	50,862	54,398	53,269	50,231	53,628	47,938	51,335	49,240
32 From commercial banks in the United States	21,151	18,869	23,172	17,210	18,867	22,018	19,620	18,226	19,151
33 From others	27,540	31,993	31,226	36,058	31,364	31,610	28,317	33,109	30,090
34 Other liabilities for borrowed money	44,780	42,731	43,736	42,422	44,230	44,359	47,259	43,442	46,225
35 To commercial banks in the United States	14,559	13,115	13,660	12,452 ^f	13,302	13,214	13,450	13,088	14,138
36 To others	30,221	29,615	30,076	29,970 ^f	30,928	31,145	33,809	30,354	32,087
37 Other liabilities to nonrelated parties	27,754 ^f	29,050 ^f	28,250 ^f	29,247	30,027	30,071	30,659	30,413	30,064
38 Total liabilities ⁶	262,629 ^f	259,589 ^f	263,294 ^f	262,248	269,027	270,752	274,403	273,220	275,973
MEMO									
39 Total loans (gross) and securities, adjusted ⁷	163,758 ^f	164,370 ^f	169,637 ^f	169,781	170,484	172,877	172,850	173,540	176,478
40 Net due to related institutions abroad	2,553 ^f	5,220 ^f	11,315 ^f	12,181	13,786	9,894	16,580	13,767	16,836

1. Includes securities purchased under agreements to resell.
 2. Includes transactions with nonbank brokers and dealers in securities.
 3. Includes net due from related institutions abroad for U.S. branches and agencies of foreign banks having a net "due from" position.
 4. Includes other transaction deposits.
 5. Includes securities sold under agreements to repurchase.
 6. Includes net to related institutions abroad for U.S. branches and agencies of foreign banks having a net "due to" position.
 7. Excludes loans to and federal funds transactions with commercial banks in the United States.

1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING¹

Millions of dollars, end of period

Item	1986 Dec.	1987 Dec.	1988 Dec.	1989 Dec.	1990 Dec.	1991					
						May	June	July	Aug.	Sept.	Oct.
Commercial paper (seasonally adjusted unless noted otherwise)											
1 All issuers	331,316	358,997	458,464	530,123	566,688	534,097	534,561	544,048	536,936	531,886	528,275
Financial companies ²											
Dealer-placed paper ³											
2 Total	101,707	102,742	159,777	186,343	218,953	206,500	203,139	205,099	208,159	211,821	219,028
3 Bank-related (not seasonally adjusted) ⁴	2,265	1,428	1,248	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Directly placed paper ⁵											
4 Total	151,897	174,332	194,931	212,640	201,862	183,383	189,512	193,699	190,659	188,382	178,834
5 Bank-related (not seasonally adjusted) ⁵	40,860	43,173	43,155	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
6 Nonfinancial companies ⁶	77,712	81,923	103,756	131,140	145,873	144,214	141,910	145,250	138,118	131,683	130,413
Bankers dollar acceptances (not seasonally adjusted) ⁷											
7 Total	64,974	70,565	66,631	62,972	54,771	46,438	45,539	44,756	44,228	43,462	44,910
Holder											
8 Accepting banks	13,423	10,943	9,086	9,433	9,017	10,138	10,028	9,081	9,622	10,174	9,876
9 Own bills	11,707	9,464	8,022	8,510	7,930	8,179	8,414	7,906	7,826	8,237	8,306
10 Bills bought	1,716	1,479	1,064	924	1,087	1,959	1,613	1,175	1,795	1,937	1,570
Federal Reserve Banks											
11 Own account	0	0	0	0	0	0	0	0	0	0	0
12 Foreign correspondents	1,317	965	1,493	1,066	918	1,053	1,203	1,274	1,665	1,678	1,862
13 Others	50,234	58,658	56,052	52,473	44,836	35,247	34,308	34,401	32,941	31,610	33,172
Basis											
14 Imports into United States	14,670	16,483	14,984	15,651	13,096	12,821	13,431	12,728	12,968	12,876	13,265
15 Exports from United States	12,960	15,227	14,410	13,683	12,703	11,511	11,416	11,468	11,044	10,966	11,105
16 All other	37,344	38,855	37,237	33,638	28,973	22,106	20,691	20,561	20,215	19,620	20,541

1. Components may not sum to totals because of rounding.
2. 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.
3. Includes all financial-company paper sold by dealers in the open market.
4. Bank-related series were discontinued in January 1989.
5. As reported by financial companies that place their paper directly with investors.
6. Includes public utilities and firms engaged primarily in such activities as communications, construction, manufacturing, mining, wholesale and retail trade, transportation, and services.
7. Data on bankers acceptances are gathered from institutions whose acceptances total \$100 million or more annually. The reporting group is revised every January. In January 1988, the group was reduced from 155 to 111 institutions. The current group, totaling approximately 100 institutions, accounts for more than 90 percent of total acceptances activity.

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

Percent per year

Date of change	Rate	Period	Average rate	Period	Average rate	Period	Average rate
1989— Jan. 1	10.50	1989	10.87	1990— Jan.	10.11	1991— Jan.	9.52
Feb. 10	11.00	1990	10.01	Feb.	10.00	Feb.	9.05
24	11.50	1991	8.46	Mar.	10.00	Mar.	9.00
June 5	11.00	1989— Jan.	10.50	Apr.	10.00	Apr.	9.00
July 31	10.50	Feb.	10.93	May	10.00	May	8.50
1990— Jan. 8	10.00	Mar.	11.50	June	10.00	June	8.50
1991— Jan. 2	9.50	Apr.	11.50	July	10.00	July	8.50
Feb. 4	9.00	May	11.50	Aug.	10.00	Aug.	8.50
May 1	8.50	June	11.07	Sept.	10.00	Sept.	8.20
Sept. 13	8.00	July	10.98	Oct.	10.00	Oct.	8.00
Nov. 6	7.50	Aug.	10.50	Nov.	10.00	Nov.	7.58
Dec. 23	6.50	Sept.	10.50	Dec.	10.00	Dec.	7.21
		Oct.	10.50				
		Nov.	10.50				
		Dec.	10.50				

1. 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

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

Item	1988	1989	1990	1991				1991, week ending				
				Aug.	Sept.	Oct.	Nov.	Nov. 1	Nov. 8	Nov. 15	Nov. 22	Nov. 29
MONEY MARKET INSTRUMENTS												
1 Federal funds ^{1,2,3}	7.57	9.21	8.10	5.66	5.45	5.21	4.81	5.10	5.05	4.74	4.89	4.68
2 Discount window borrowing ^{2,4}	6.20	6.93	6.98	5.50	5.20	5.00	4.58	5.00	4.93	4.50	4.50	4.50
<i>Commercial paper^{3,5,6}</i>												
3 1-month	7.58	9.11	8.15	5.72	5.57	5.29	4.95	5.19	4.98	4.99	4.92	4.91
4 3-month	7.66	8.99	8.06	5.72	5.57	5.35	4.98	5.26	5.00	5.00	4.96	4.94
5 6-month	7.68	8.80	7.95	5.76	5.59	5.33	4.93	5.21	4.98	4.94	4.91	4.84
<i>Finance paper, directly placed^{3,5,7}</i>												
6 1-month	7.44	8.99	8.00	5.58	5.43	5.18	4.80	5.09	4.86	4.81	4.74	4.74
7 3-month	7.38	8.72	7.87	5.56	5.33	5.19	4.87	5.12	4.90	4.89	4.85	4.80
8 6-month	7.14	8.16	7.53	5.50	5.34	5.12	4.76	5.04	4.82	4.74	4.73	4.71
<i>Bankers acceptances^{3,5,8}</i>												
9 3-month	7.56	8.87	7.93	5.54	5.38	5.21	4.85	5.09	4.88	4.87	4.84	4.78
10 6-month	7.60	8.67	7.80	5.55	5.42	5.15	4.76	5.01	4.83	4.79	4.73	4.65
<i>Certificates of deposit, secondary market⁹</i>												
11 1-month	7.59	9.11	8.15	5.64	5.47	5.23	4.86	5.12	4.93	4.87	4.79	4.82
12 3-month	7.73	9.09	8.15	5.65	5.47	5.33	4.94	5.21	4.98	4.98	4.90	4.86
13 6-month	7.91	9.08	8.17	5.79	5.60	5.32	4.92	5.19	4.97	4.97	4.90	4.83
14 Eurodollar deposits, 3-month ^{3,10}	7.85	9.16	8.16	5.65	5.50	5.34	4.96	5.25	5.01	4.98	4.90	4.90
<i>U.S. Treasury bills, secondary market^{1,3}</i>												
15 3-month	6.67	8.11	7.50	5.33	5.22	4.99	4.56	4.85	4.68	4.62	4.49	4.39
16 6-month	6.91	8.03	7.46	5.39	5.25	5.04	4.61	4.88	4.74	4.67	4.55	4.45
17 1-year	7.13	7.92	7.35	5.45	5.26	5.04	4.64	4.87	4.74	4.70	4.57	4.50
<i>Auction average^{3,3,11}</i>												
18 3-month	6.68	8.12	7.51	5.39	5.25	5.03	4.60	4.99	4.74	4.64	4.58	4.44
19 6-month	6.92	8.04	7.47	5.47	5.29	5.08	4.66	5.04	4.80	4.71	4.62	4.50
20 1-year	7.17	7.91	7.36	5.62	5.26	5.12	4.72	n.a.	n.a.	n.a.	4.72	n.a.
U.S. TREASURY NOTES AND BONDS												
<i>Constant maturities¹²</i>												
21 1-year	7.65	8.53	7.89	5.78	5.57	5.33	4.89	5.15	5.00	4.96	4.82	4.74
22 2-year	8.10	8.57	8.16	6.43	6.18	5.91	5.56	5.75	5.64	5.61	5.51	5.44
23 3-year	8.26	8.55	8.26	6.80	6.50	6.23	5.90	6.12	5.99	5.95	5.84	5.81
24 5-year	8.47	8.50	8.37	7.43	7.14	6.87	6.62	6.79	6.71	6.64	6.56	6.54
25 7-year	8.71	8.52	8.52	7.74	7.48	7.25	7.06	7.20	7.14	7.04	7.00	7.03
26 10-year	8.85	8.49	8.55	7.90	7.65	7.53	7.42	7.52	7.48	7.37	7.38	7.42
27 30-year	8.96	8.45	8.61	8.14	7.95	7.93	7.92	7.94	7.96	7.84	7.92	7.96
<i>Composite¹³</i>												
28 Over 10 years (long-term)	8.98	8.58	8.74	8.17	7.96	7.88	7.83	7.87	7.87	7.76	7.82	7.86
STATE AND LOCAL NOTES AND BONDS												
<i>Moody's series¹⁴</i>												
29 Aaa	7.36	7.00	6.96	6.62	6.51	6.28	6.24	6.32	6.24	6.32	6.20	6.20
30 Baa	7.83	7.40	7.29	6.95	6.87	6.70	6.58	6.68	6.54	6.69	6.55	6.55
31 Bond Buyer series ¹⁵	7.68	7.23	7.27	6.90	6.80	6.68	6.73	6.69	6.71	6.69	6.75	6.78
CORPORATE BONDS												
32 Seasoned issues, all industries ¹⁶	10.18	9.66	9.77	9.16	9.03	8.99	8.93	9.00	8.98	8.89	8.92	8.93
<i>Rating group</i>												
33 Aaa	9.71	9.26	9.32	8.75	8.61	8.55	8.48	8.58	8.55	8.43	8.46	8.46
34 Aa	9.94	9.46	9.56	8.99	8.86	8.83	8.78	8.83	8.81	8.74	8.78	8.79
35 A	10.24	9.74	9.82	9.26	9.11	9.08	9.01	9.07	9.05	8.97	8.99	9.00
36 Baa	10.83	10.18	10.36	9.65	9.51	9.49	9.45	9.52	9.50	9.42	9.44	9.46
37 A-rated, recently offered utility bonds ¹⁷	10.20	9.79	10.01	9.25	9.05	9.02	8.95	8.98	8.92	8.87	9.04	8.98
MEMO: Dividend-price ratio¹⁸												
38 Preferred stocks	9.23	9.05	8.96	8.04	7.88	7.84	7.81	7.93	7.84	7.73	7.83	7.85
39 Common stocks	3.64	3.45	3.61	3.10	3.15	3.14	3.15	3.09	3.11	3.05	3.20	3.22

1. The daily effective federal funds rate is a weighted average of rates on trades through N.Y. brokers.
 2. Weekly figures are averages of seven calendar days ending on Wednesday of the current week; monthly figures include each calendar day in the month.
 3. Annualized using a 360-day year or bank interest.
 4. Rate for the Federal Reserve Bank of New York.
 5. Quoted on a discount basis.
 6. An average of offering rates on commercial paper placed by several leading dealers for firms whose bond rating is AA or the equivalent.
 7. An average of offering rates on paper directly placed by finance companies.
 8. Representative closing yields for acceptances of the highest rated money center banks.
 9. An average of dealer offering rates on nationally traded certificates of deposit.
 10. Bid rates for Eurodollar deposits at 11 a.m. London time. Data are for indication purposes only.
 11. Auction date for daily data; weekly and monthly averages computed on an issue-date basis.

12. Yields on actively traded issues adjusted to constant maturities. Source: U.S. Treasury.
 13. Unweighted average of rates on all outstanding bonds neither due nor callable in less than 10 years, including one very low yielding "flower" bond.
 14. General obligations based on Thursday figures; Moody's Investors Service.
 15. General obligations only, with twenty years to maturity, issued by twenty state and local governmental units of mixed quality. Based on figures for Thursday.
 16. Daily figures from Moody's Investors Service. Based on yields to maturity on selected long-term bonds.
 17. Compilation of the Federal Reserve. This series is an estimate of the yield on recently-offered, A-rated utility bonds with a thirty-year maturity and five years of call protection. Weekly data are based on Friday quotations.
 18. Standard and Poor's corporate series. Preferred stock ratio based on a sample of ten issues: four public utilities, four industrials, one financial, and one transportation. Common stock ratios on the 500 stocks in the price index.
 NOTE: These data also appear in the Board's H.15 (519) and G.13 (415) releases. For address, see inside front cover.

1.36 STOCK MARKET Selected Statistics

Indicator	1988	1989	1990	1991								
				Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
Prices and trading volume (averages of daily figures)												
<i>Common stock prices (indexes)</i>												
1 New York Stock Exchange (Dec. 31, 1965 = 50)	149.96	180.13	183.58	203.56	207.71	207.07	207.32	208.29	213.33	212.55	213.10	213.25
2 Industrial	180.83	228.04	225.89	255.36	260.16	260.13	261.16	262.48	268.22	266.21	265.68	264.89
3 Transportation	134.07	174.90	158.88	166.26	166.90	170.77	177.05	177.15	178.42	177.99	187.45	188.52
4 Utility	72.22	94.33	90.71	92.29	92.92	90.73	89.01	90.05	92.38	93.72	95.25	96.78
5 Finance	127.41	162.01	133.36	145.41	152.64	151.32	152.30	151.69	157.70	157.69	158.94	159.78
6 Standard & Poor's Corporation (1941-43 = 10) ¹	265.86	323.05	334.83	372.28	379.68	378.27	378.29	380.23	389.40	387.20	386.88	385.87
7 American Stock Exchange (Aug. 31, 1973 = 30) ²	295.06	356.67	338.58	353.98	365.02	362.67	366.06	364.33	367.38	369.55	376.82	382.38
<i>Volume of trading (thousands of shares)</i>												
8 New York Stock Exchange	161,509	165,568	156,777	196,343	182,510	170,337	162,154	157,871	171,490	163,242	177,502	187,191
9 American Stock Exchange	9,955	13,124	13,155	15,326	13,140	10,995	11,477 ³	10,883	12,514 ⁴	n.a.	13,764	14,487
Customer financing (millions of dollars, end-of-period balances)												
10 Margin credit at broker-dealers ³	32,740	34,320	28,210	29,660	30,020	29,980	31,280	30,600	32,240	33,170	33,360	34,840
<i>Free credit balances at brokers⁴</i>												
11 Margin accounts ⁵	5,660	7,040	8,050	7,320	6,975	7,200	6,690	6,545	7,040	6,950	6,965	7,040
12 Cash accounts	16,595	18,505	19,285	19,555	17,830	16,650	18,110	16,945	17,040	17,595	17,100	17,780
Margin requirements (percent of market value and effective date) ⁶												
	Mar. 11, 1968		June 8, 1968		May 6, 1970		Dec. 6, 1971		Nov. 24, 1972		Jan. 3, 1974	
13 Margin stocks	70		80		65		55		65		50	
14 Convertible bonds	50		60		50		50		50		50	
15 Short sales	70		80		65		55		65		50	

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

2. 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 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. New series since June 1984.

6. These 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 other than options are the difference between the market value (100 percent) and the maximum loan value of collateral as prescribed by the Board. Regulation T was adopted effective Oct. 15, 1934; Regulation U, effective May 1, 1936; Regulation G, effective Mar. 11, 1968; and Regulation X, effective Nov. 1, 1971.

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

Effective June 8, 1988, margins were set to be the price option plus 20 percent of the market value of the stock underlying the option (or 15 percent in the case of stock-index options).

1.37 SELECTED FINANCIAL INSTITUTIONS Selected Assets and Liabilities

Millions of dollars, end of period

Account	1988	1989	1991									
			Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
SAIF-insured institutions												
1 Assets	1,350,500	1,249,055	1,084,821	1,065,993	1,054,654	1,041,977	1,027,568	1,020,716	1,001,240	984,979	972,546	949,098
2 Mortgages	764,513	733,729	633,385	624,707	619,720	610,618	608,857	605,915	596,029	586,255	578,259	566,152
3 Mortgage-backed securities	214,587	170,532	155,228	151,422	149,318	147,431	143,968	141,532	139,532	137,078	135,732	135,490
4 Contra-assets to mortgage assets ¹	37,950	25,457	16,897	15,211	14,872	14,592	14,338	14,388	14,610	14,187	13,998	13,354
5 Commercial loans	33,889	32,150	24,125	23,669	23,205	22,294	21,903	21,724	20,647	20,301	20,398	18,511
6 Consumer loans	61,922	58,685	48,753	48,129	47,729	47,653	46,702	45,827	45,178	44,349	43,248	42,437
7 Contra-assets to non-mortgage loans ²	3,056	3,592	1,939	1,700	1,876	1,827	1,742	1,739	1,745	1,674	1,535	1,392
8 Cash and investment securities	186,986	166,053	146,644	140,502	138,884	138,976	132,884	134,029	130,453	130,268	132,016	125,658
9 Other ³	129,610	116,955	95,522	94,474	92,546	91,424	89,334	87,766	85,756	82,589	78,426	75,597
10 Liabilities and net worth	1,350,500	1,249,055	1,084,821	1,065,993	1,054,654	1,041,977	1,027,568	1,020,716	1,001,240	984,979	972,546	949,098
11 Savings capital	971,700	945,656	835,496	823,515	816,477	816,991	806,269	801,681	792,936	775,448	763,767	749,423
12 Borrowed money	299,400	252,230	197,353	188,900	183,660	169,412	164,274	159,636	151,474	146,902	142,908	132,728
13 FHLBB	134,168	124,577	100,391	95,819	94,658	90,555	86,779	82,312	78,966	76,104	74,424	68,787
14 Other	165,232	127,653	96,962	93,081	89,002	78,857	77,495	77,324	72,508	70,798	68,484	63,941
15 Other	24,216	27,556	21,332	22,178	23,355	20,330	21,730	23,647	20,468	21,639	22,645	19,011
16 Net worth	n.a.	23,612	30,640	31,400	31,162	35,223	35,295	35,751	36,728	40,989	43,226	47,937

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

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

3. Includes holding of stock in Federal Home Loan Bank and finance leases plus interest.

NOTE: Components do not sum to totals because of rounding. Data for credit unions and life insurance companies have been deleted from this table. They will be shown in a separate table which will appear quarterly, starting in the December issue.

SOURCE: Savings Association Insurance Fund (SAIF)-insured institutions: Estimates by the Office of Thrift Supervision (OTS) for all institutions insured by the SAIF and based on the OTS thrift institution Financial Report.

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS¹

Millions of dollars

Type of account or operation	Fiscal year 1989	Fiscal year 1990	Fiscal year 1991	Calendar year					
				1991					
				May	June	July	Aug.	Sept.	Oct.
<i>U.S. budget²</i>									
1 Receipts, total	990,701	1,031,308	1,054,260	63,560	103,389	78,593	76,426	109,345	78,068
2 On-budget	727,035	749,652	760,377 ^r	41,958	76,322	56,327	54,651	83,130 ^f	57,216
3 Off-budget	263,666	281,656	293,883 ^f	21,602	27,067	22,266	21,775	26,215 ^f	20,852
4 Outlays, total	1,144,020	1,231,766	1,322,989	116,906	105,849	119,384	120,071	116,174	114,045
5 On-budget	933,107	1,026,711	1,081,303 ^f	95,906	90,901	99,532	97,247	91,517 ^f	94,062
6 Off-budget	210,911	225,065	241,685 ^f	21,003	14,948	19,852	22,824	24,658 ^f	19,983
7 Surplus or deficit (-), total	-153,319	-220,469	-268,729	-53,346	-2,460	-40,791	-43,645	-6,829	-35,976
8 On-budget	-206,072	-277,059	-320,926	-53,945	-14,579	-43,205	-42,596	-8,386	-36,846
9 Off-budget	52,753	56,590	52,198	599	12,119	2,414	-1,049	1,557	869
<i>Source of financing (total)</i>									
10 Borrowing from the public	141,806	220,101	276,802	41,742	10,715	34,434	32,574	27,970	40,657
11 Operating cash (decrease, or increase (-))	3,425	818	-1,329	20,362	-15,730	6,728	18,504	-23,133	-11,235
12 Other ³	8,088	-451	-6,744	-8,758	7,475	-371	-7,433	1,992	6,534
MEMO									
13 Treasury operating balance (level, end of period)	40,973	40,155	41,484	27,853	43,538	36,855	18,351	41,484	52,719
14 Federal Reserve Banks	13,452	7,638	7,928	6,619	11,822	5,831	6,745	7,928	18,111
15 Tax and loan accounts	27,521	32,517	33,556	21,234	31,761	31,024	11,606	33,556	34,608

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

2. In accordance with the Balanced Budget and Emergency Deficit Control Act of 1985, all former off-budget entries are now presented on-budget. Federal Financing Bank (FFB) activities are now shown as separate accounts under the agencies that use the FFB to finance their programs. The act also moved two social security trust funds (federal old-age survivors insurance and federal disability insurance trust fund) off-budget. The Postal Service is included as an off-budget item in the *Monthly Treasury Statement* beginning in 1990.

3. Includes special drawing rights (SDRs); reserve position on the U.S. quota

in the International Monetary Fund (IMF); loans to IMF; other cash and monetary assets; accrued interest payable to the public; allocations of SDRs; deposit funds; miscellaneous liability (including checks outstanding) and asset accounts; seigniorage; increment on gold; net gain or loss for U.S. currency valuation adjustment; net gain or loss for IMF loan-valuation adjustment; and profit on sale of gold.

SOURCES: *Monthly Treasury Statement of Receipts and Outlays of the U.S. Government* (MTS) and the *Budget of the U.S. Government*.

1.39 U.S. BUDGET RECEIPTS AND OUTLAYS¹

Millions of dollars

Source or type	Fiscal year 1990	Fiscal year 1991	Calendar year						
			1989	1990		1991			
			H2	H1	H2	H1	Sept.	Oct.	Nov.
RECEIPTS									
1 All sources	1,031,308	1,054,260	470,276	548,861	503,123	540,504	109,345	78,068	73,194
2 Individual income taxes, net	466,884	467,827	218,706	243,087	230,745	232,389	47,979	39,332	31,987
3 Withheld	388,384	404,152	193,296	190,219	207,469	193,440	30,758	37,291	32,448
4 Presidential Election Campaign Fund	32	32	3	30	3	31	0	0	0
5 Nonwithheld	151,285	142,693	33,303	117,675	31,728	109,405	19,145	3,725	1,743
6 Refunds	72,817	79,050	7,898	64,838	8,455	70,487	1,924	1,684	2,205
Corporation income taxes									
7 Gross receipts	110,017	113,599	52,269	58,830	54,044	58,903	19,514	3,613	2,411
8 Refunds	16,510	15,513	6,842	8,326	7,603	7,904	934	2,442	895
9 Social insurance taxes and contributions, net	380,047	396,011	162,574	210,476	178,468	214,303	34,042	28,435	31,502
10 Employment taxes and contributions ²	353,891	370,526	152,407	195,269	167,224	199,727	33,439	27,022	28,835
11 Self-employment taxes and contributions ³	21,795	25,457	1,947	19,017	2,638	22,150	3,119	0	0
12 Unemployment insurance	21,635	20,922	7,909	12,929	8,996	12,296	234	971	2,293
13 Other net receipts ⁴	4,522	4,563	2,260	2,278	2,249	2,279	370	443	374
14 Excise taxes	35,345	42,430	16,799	18,153	17,535	20,703	4,038	3,640	4,200
15 Customs deposits	16,707	15,921	8,667	8,096	8,568	7,488	1,322	1,607	1,412
16 Estate and gift taxes	11,500	11,138	4,451	6,442	5,333	5,631	939	923	984
17 Miscellaneous receipts ⁵	27,316	22,847	13,651	12,106	16,032	8,991	2,446	2,962	1,593
OUTLAYS									
18 All types	1,251,776	1,322,989	587,394	640,867	647,218	631,737	116,174	114,045	118,660
19 National defense	299,331	272,514	149,613	152,733	149,497	122,089	21,929	23,792	25,794
20 International affairs	13,762	16,167	5,971	6,770	8,943	7,592	1,026	1,842	1,836
21 General science, space, and technology	14,444	15,946	7,091	6,974	8,081	7,496	1,365	1,562	1,293
22 Energy	2,372	1,750	1,449	1,216	979	816	-573	640	667
23 Natural resources and environment	17,067	18,708	9,183	7,343	9,933	8,324	1,597	3,179	1,829
24 Agriculture	11,958	14,864	4,132	7,450	6,878	7,684	227	1,615	2,291
25 Commerce and housing credit	67,160	75,639	22,295	38,672	37,491	17,992	20,097	29	2,099
26 Transportation	29,485	31,531	14,982	13,754	16,218	14,748	2,764	2,891	2,882
27 Community and regional development	8,498	7,432	4,879	3,987	3,939	3,552	616	802	664
28 Education, training, employment, and social services	38,497	41,479	18,663	19,537	18,988	21,234	3,086	3,983	3,581
29 Health	57,716	71,183	25,339	29,488	31,424	35,608	7,031	7,194	7,283
30 Social security and medicare	346,383	373,495	162,322	175,997	176,353	190,247	30,884	32,659	32,186
31 Income security	147,314	171,618	67,950	78,475	75,948	88,778	12,189	13,695	15,778
32 Veterans benefits and services	29,112	31,344	14,864	15,217	15,479	14,326	1,322	3,086	4,060
33 Administration of justice	10,004	12,295	4,909	4,868	5,265	6,187	966	1,129	1,124
34 General government	10,724	11,358	4,760	4,916	6,976	5,212	1,181	2,056	1,303
35 Net interest ⁶	184,221	195,012	87,927	91,155	94,650	98,556	15,838	16,847	16,557
36 Undistributed offsetting receipts	-36,615	-39,356	-18,935	-17,688	-19,829	-18,702	-5,369	-2,956	-2,566

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

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

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

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

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

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

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

SOURCES: U.S. Department of the Treasury, *Monthly Treasury Statement of Receipts and Outlays of the U.S. Government*, and the U.S. Office of Management and Budget, *Budget of the U.S. Government, Fiscal Year 1990*.

A28 Domestic Financial Statistics □ February 1992

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION¹

Billions of dollars, end of month

Item	1989		1990				1991		
	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30
1 Federal debt outstanding	2881.1	2975.5	3081.9	3175.5	3266.1	3397.3	3491.7	3562.9	3598.9
2 Public debt securities	2857.4	2953.0	3052.0	3143.8	3233.3	3364.8	3465.2	3538.0	3665.3
3 Held by public	2180.7	2245.2	2329.3	2368.8	2437.6	2536.6	2598.4	2642.9	n.a.
4 Held by agencies	676.7	707.8	722.7	775.0	795.8	828.3	866.8	895.1	n.a.
5 Agency securities	23.7	22.5	29.9	31.7	32.8	32.5	26.5	25.0	n.a.
6 Held by public	23.5	22.4	29.8	31.6	32.6	32.4	26.4	24.8	n.a.
7 Held by agencies	.1	.1	.2	.2	.2	.1	.1	.1	n.a.
8 Debt subject to statutory limit	2829.8	2921.7	2988.9	3077.0	3161.2	3281.7	3377.1	3450.3	3569.3
9 Public debt securities	2829.5	2921.4	2988.6	3076.6	3160.9	3281.3	3376.7	3449.8	3569.0
10 Other debt	.3	.3	.3	.4	.4	.4	.4	.4	.3
11 MEMO: Statutory debt limit	2870.0	3122.7	3122.7	3122.7	3195.0	4145.0	4145.0	4145.0	4145.0

1. Components may not sum to totals because of rounding.
 2. Consists of guaranteed debt of Treasury and other federal agencies, specified participation certificates, notes to international lending organizations, and District

of Columbia stadium bonds.
 SOURCES: Treasury Bulletin and Monthly Statement of the Public Debt of the United States.

1.41 GROSS PUBLIC DEBT OF U.S. TREASURY Types and Ownership¹

Billions of dollars, end of period

Type and holder	1987	1988	1989	1990	1991			
					Q4	Q1	Q2	Q3
1 Total gross public debt	2431.7	2684.4	2953.0	3364.8	3364.8	3465.2	3538.0	3665.3
<i>By type</i>								
2 Interest-bearing	2428.9	2663.1	2931.8	3362.0	3362.0	3441.4	3516.1	3662.8
3 Marketable	1724.7	1821.3	1945.4	2195.8	2195.8	2227.9	2268.1	2390.7
4 Bills	389.5	414.0	430.6	527.4	527.4	533.3	521.5	564.6
5 Notes	1037.9	1083.6	1151.5	1265.2	1265.2	1280.4	1320.3	1387.7
6 Bonds	282.5	308.9	348.2	388.2	388.2	399.3	411.2	423.4
7 Nonmarketable	704.2	841.8	986.4	1166.2	1166.2	1213.5	1248.0	1272.1
8 State and local government series	139.3	151.5	163.3	160.8	160.8	159.4	161.0	158.1
9 Foreign issues ²	4.0	6.6	6.8	43.5	43.5	42.8	42.1	41.6
10 Government	4.0	6.6	6.8	43.5	43.5	42.8	42.1	41.6
11 Public	.0	.0	.0	.0	.0	.0	.0	.0
12 Savings bonds and notes	99.2	107.6	115.7	124.1	124.1	127.7	131.3	133.5
13 Government account series ⁴	461.3	575.6	695.6	813.8	813.8	853.1	883.2	908.4
14 Non-interest-bearing	2.8	21.3	21.2	2.8	2.8	23.8	21.9	2.5
<i>By holder⁵</i>								
15 U.S. Treasury and other federal agencies and trust funds	477.6	589.2	707.8	828.3	828.3	866.8	895.1	n.a.
16 Federal Reserve Banks	222.6	238.4	228.4	259.8	259.8	247.3	255.1	n.a.
17 Private investors	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
18 Commercial banks	201.5	193.8	174.8	188.2	188.2	194.8	200.0	n.a.
19 Money market funds	14.6	11.8	14.9	45.4	45.4	65.7	55.5	n.a.
20 Insurance companies	104.9	107.3	130.1	149.7	149.7	149.2	152.0	n.a.
21 Other companies	84.6	87.1	93.4	108.9	108.9	114.9	130.8	n.a.
22 State and local treasuries	284.6	313.6	338.7	329.6	329.6	329.3	329.0	n.a.
Individuals								
23 Savings bonds	101.1	109.6	117.7	126.2	126.2	129.7	133.2	n.a.
24 Other securities	71.3	79.2	98.7	107.6	107.6	108.6	110.3	n.a.
25 Foreign and international ⁶	299.7	362.2	392.9	425.1	425.1	430.3	441.6	n.a.
26 Other miscellaneous investors ⁷	569.1	593.4	654.6	807.6	807.6	838.1	845.5	n.a.

1. Components may not sum to totals because of rounding.
 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. Consists of investments of foreign balances and international accounts in the United States.
 7. Includes savings and loan associations, nonprofit institutions, credit unions, mutual savings banks, corporate pension trust funds, dealers and brokers, certain U.S. Treasury deposit accounts, and federally-sponsored agencies.
 SOURCES: Data by type of security, U.S. Treasury Department, Monthly Statement of the Public Debt of the United States; data by holder, the Treasury Bulletin.

1.42 U.S. GOVERNMENT SECURITIES DEALERS Transactions¹

Millions of dollars, daily averages, par value

Item	1991			1991, week ending								
	Aug.	Sept.	Oct.	Oct. 2	Oct. 9	Oct. 16	Oct. 23	Oct. 30	Nov. 6	Nov. 13	Nov. 20	Nov. 27
IMMEDIATE TRANSACTIONS²												
<i>By type of security</i>												
U.S. Treasury securities												
1 Bills	33,421	31,075	35,137	34,310	35,891	32,143	32,270	41,013	32,939	36,867	43,054	33,172
Coupon securities, by maturity												
2 Less than 3.5 years	43,814	36,102	37,973	38,802	36,533	31,117	38,517	43,925	45,321	40,130	40,957	43,682
3 3.5 to 7.5 years	32,184	28,216	35,346	33,414	37,857	32,910	34,330	37,930	30,990	33,303	33,703	35,448
4 7.5 to 15 years	17,292	13,490	16,120	14,265	15,842	13,898	16,091	18,244	21,859	24,781	18,278	13,000
5 15 years or more	17,076	13,580	15,732	14,071	15,902	16,287	14,888	15,822	19,192	27,845	17,930	12,646
Federal agency securities												
Debt, maturing in												
6 Less than 3.5 years	4,380	4,381	4,429	4,995	3,794	4,539	4,256	5,087	3,503	4,090	3,977	4,624
7 3.5 to 7.5 years	666	674	563	759	534	431	609	563	738	737	683	527
8 7.5 years or more	649	601	720	634	490	780	888	686	1,061	943	698	618
Mortgage-backed securities												
9 Pass-throughs	10,345	12,321	11,947 ^r	11,532	11,763 ^r	11,851	12,067	12,543	10,604	14,232	16,805	15,129
10 All others ^s	2,022	2,314	2,657 ^r	2,772	2,149	3,091	2,546	2,831	2,489	3,336	2,752	3,249
<i>By type of counterparty</i>												
Primary dealers and brokers												
11 U.S. Treasury securities	88,207	74,769	87,563	81,282	87,282	77,700	86,372	99,807	95,580	100,895	97,438	87,085
Federal agency securities												
12 Debt	1,424	1,457	1,583	1,677	1,281	1,695	1,432	1,957	1,224	1,542	1,237	1,251
13 Mortgage-backed	5,506	6,736	6,818 ^r	6,368	6,667 ^r	7,141	5,988	7,867	5,756	7,960	10,429	8,865
Customers												
14 U.S. Treasury securities	55,580	47,696	52,745	53,580	54,743	48,655	49,724	57,128	54,721	62,031	56,484	50,863
Federal agency securities												
15 Debt	4,272	4,200	4,129	4,711	3,538	4,055	4,321	4,378	4,078	4,228	4,122	4,518
16 Mortgage-backed	6,862	7,899	7,787 ^r	7,936	7,245	7,800	8,625	7,507	7,336	9,609	9,128	9,513
FUTURE AND FORWARD TRANSACTIONS⁴												
<i>By type of deliverable security</i>												
U.S. Treasury securities												
17 Bills	5,004	3,616	3,051	2,803	2,879	2,572	3,153	3,810	2,498	4,714	4,770	2,851
Coupon securities, by maturity												
18 Less than 3.5 years	1,426	996	1,327	868	810	1,673	1,478	1,332	2,329	1,451	1,429	1,667
19 3.5 to 7.5 years	529	541	821 ^r	673	708	1,023	785	758	1,171	646	764	890
20 7.5 to 15 years	1,145	881	941	690	815	925	1,054	1,041	1,079	1,434	1,384	1,101
21 15 years or more	9,267	8,235	9,300	7,862	8,049	9,901	10,090	9,757	9,199	12,835	10,724	9,707
Federal agency securities												
Debt, maturing in												
22 Less than 3.5 years	41	45	88	45	27	5	164	181	60	30	142	139
23 3.5 to 7.5 years	51	51	37	210	34	26	14	10	12	24	83	140
24 7.5 years or more	12	33	24	17	7	10	12	74	8	11	72	142
Mortgage-backed												
25 Pass-throughs ^s	11,939	11,134	12,172	9,623	12,713	14,294	12,425	10,945	8,836	15,672	13,419	12,541
26 Others	1,742	2,012	2,337 ^r	2,837	2,620	1,956	1,935	2,737	1,840	1,205	2,483	1,525
OPTION TRANSACTIONS⁵												
<i>By type of underlying security</i>												
U.S. Treasury, coupon securities, by maturity												
27 Less than 3.5 years	4,977	1,725	1,016	1,371	1,252	811	915	886	1,302	1,353	726	693
28 3.5 to 7.5 years	162	340	411	1,008	220	205	475	346	1,206	668	488	319
29 7.5 to 15 years	487	337	382	310	553	403	325	263	453	578	862	174
30 15 years or more	2,792	2,551	2,213	2,471	1,602	2,396	2,027	2,334	4,168	4,140	4,247	1,962
Federal agency, mortgage-backed securities												
31 Pass-throughs	379	603	0	1,444	692	509	382	222	296	585	371	127

1. Transactions are market purchases and sales of securities as reported to the Federal Reserve Bank of New York by the U.S. government securities dealers on its published list of primary dealers. Averages for transactions are based on the number of trading days in the period. Immediate, forward, and future transactions are reported at principal value, which does not include accrued interest; option transactions are reported at the face value of the underlying securities.

Dealers report cumulative transactions for each week ending Wednesday.

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

3. Includes such securities as collateralized mortgage obligations (CMOs), real estate mortgage investment conduits (REMICs), interest only securities (IOs), and principal only securities (POs).

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

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

NOTE. In tables 1.42 and 1.43, the term "n.a." refers to data that are not published because of insufficient activity.

Data formerly shown under option transactions for U.S. Treasury securities, bills; Federal agency securities, debt; and mortgage-backed securities, other than pass-throughs are no longer available because of insufficient activity.

A30 Domestic Financial Statistics □ February 1992

1.43 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing¹

Millions of dollars

Item	1991			1991, week ending								
	Aug.	Sept.	Oct.	Sept. 25	Oct. 2	Oct. 9	Oct. 16	Oct. 23	Oct. 30	Nov. 6	Nov. 13	Nov. 20
Positions ²												
NET IMMEDIATE TRANSACTIONS³												
<i>By type of security</i>												
<i>U.S. Treasury securities</i>												
1 Bills	15,391	15,937	15,720 ^f	21,374	15,848	13,836	13,013	18,827	16,581	19,828	16,398	15,573
<i>Coupon securities, by maturity</i>												
2 Less than 3.5 years	1,488	4,092	6,434 ^f	7,184	7,838	6,483	4,967	9,058	4,256	10,430	9,382	5,765
3 3.5 to 7.5 years	2,988	589	-2,979 ^f	1,308	-3,439	-1,950	-1,803	-5,109	-2,462	-6,208	-8,067	-10,225
4 7.5 to 15 years	-4,055	-4,912	-3,659 ^f	-5,304	-3,726	-3,484	-2,856	-4,268	-4,322	-1,467	-4,034	-3,466
5 15 years or more	-13,686	-12,134	-8,142 ^f	-11,624	-9,650	-7,331	-7,732	-8,447	-7,919	-13,093	-9,280	-3,637
<i>Federal agency securities</i>												
<i>Debt, maturing in</i>												
6 Less than 3.5 years	5,726	4,762	4,032 ^f	5,194	3,615	3,743	4,665	5,061	2,877	3,332	3,994	4,653
7 3.5 to 7.5 years	1,853	1,883	1,926 ^f	1,817	1,774	1,908	1,943	1,853	2,026	2,034	2,127	2,349
8 7.5 years or more	5,036	5,082	5,033 ^f	5,078	5,155	5,158	5,106	4,827	5,043	4,762	4,319	4,195
<i>Mortgage-backed securities</i>												
9 Pass-throughs	31,145	29,377	25,712 ^f	28,865	16,851	24,405	28,460	28,443	23,981	26,339	30,512	35,559
10 All others	11,274	12,611	14,411 ^f	13,572	14,413	13,349	15,825	14,143	14,299	14,610	13,735	15,918
<i>Other money market instruments</i>												
11 Certificates of deposit	3,115	3,020	3,355 ^f	3,014	3,320	2,825	3,485	3,346	3,849	2,838	3,456	3,481
12 Commercial paper	6,300	5,912	6,481 ^f	5,572	5,955	5,462	7,108	6,080	7,381	6,792	7,204	5,404
13 Bankers acceptances	1,319	1,575	1,495 ^f	1,489	1,339	1,488	1,696	1,140	1,692	1,542	1,676	1,331
FUTURE AND FORWARD TRANSACTIONS⁵												
<i>By type of deliverable security</i>												
<i>U.S. Treasury securities</i>												
14 Bills	-12,840	-7,828	-8,523	-8,445	-5,909	-7,549	-9,161	-8,621	-9,506	-8,532	-10,164	-12,389
<i>Coupon securities, by maturity</i>												
15 Less than 3.5 years	984	1,615	1,195 ^f	1,602	1,790	1,291	1,071	967	1,384	463	1,005	86
16 3.5 to 7.5 years	-1,113	-868	-1,553 ^f	-1,241	-952	-766	-1,924	-2,019	-1,677	-1,551	-1,356	-1,994
17 7.5 to 15 years	-2,316	-1,892	-1,061 ^f	-1,502	-2,081	-1,430	-856	-437	-1,429	345	-712	-1,005
18 15 years or more	-5,214	-5,582	-3,551 ^f	-5,442	-5,275	-4,689	-4,103	-2,344	-3,148	455	-275	-4,383
<i>Federal agency securities</i>												
<i>Debt, maturing in</i>												
19 Less than 3.5 years	-41	-41	35 ^f	-55	54	-64	21	101	80	20	54	-1
20 3.5 to 7.5 years	68	-1	-60 ^f	-58	5	-102	-121	-52	-2	63	-59	28
21 7.5 years or more	29	-26	-18 ^f	-92	-11	-56	-2	-37	15	11	0	30
<i>Mortgage-backed securities</i>												
22 Pass-throughs	-18,722	-18,899	-15,336 ^f	-18,369	-8,804	-13,466	-20,329	-17,278	-12,342	-13,903	-18,225	-21,511
23 All others	1,934	1,994	1,275 ^f	2,582	1,693	491	12	2,707	1,667	1,988	1,878	1,657
24 Certificates of deposit	-102,587	-128,658	-153,645 ^f	-140,293	-148,460	-158,034	-151,897	-151,431	-152,339	-170,176	-164,723	-184,690
Financing ⁶												
<i>Reverse repurchase agreements</i>												
25 Overnight and continuing	194,528	189,584	182,835 ^f	172,721	185,101	183,560	190,921	173,955	182,466	181,381	180,831	193,464
26 Term	244,421	247,564	251,079 ^f	255,320	232,936	252,760	245,959	257,128	252,322	260,401	270,775	243,308
<i>Repurchase agreements</i>												
27 Overnight and continuing	306,936	296,224	287,307 ^f	284,569	291,072	286,352	294,489	283,271	284,866	281,537	275,784	300,749
28 Term	224,357	227,932	234,937 ^f	244,141	207,237	232,550	228,455	243,006	242,167	245,312	260,551	237,837
<i>Securities borrowed</i>												
29 Overnight and continuing	62,248	61,963	59,052 ^f	61,686	57,729	58,548	57,695	59,490	60,827	59,239	60,457	63,251
30 Term	22,568	22,150	23,690 ^f	24,294	22,191	25,008	24,023	21,843	24,119	25,057	25,908	27,247
<i>Securities loaned</i>												
31 Overnight and continuing	7,995	8,725	9,304 ^f	10,264	8,640	8,346	10,135	9,620	9,327	9,137	9,256	10,129
32 Term	791	1,416	742 ^f	3,900	804	816	817	865	479	554	511	632
<i>Collateralized loans</i>												
33 Overnight and continuing	8,588	8,520	8,547	8,632	8,238	8,311	9,343	8,370	8,051	9,941	10,805	9,642
MEMO: Matched book⁷												
<i>Reverse repurchases</i>												
34 Overnight and continuing	129,272	127,648	124,310 ^f	117,395	123,571	125,865	130,327	117,562	123,866	123,131	122,262	134,835
35 Term	198,749	197,099	205,104 ^f	205,340	189,269	205,723	199,229	209,371	209,807	210,788	214,846	197,454
<i>Repurchases</i>												
36 Overnight and continuing	159,234	149,490	143,450 ^f	135,033	148,434	145,581	144,501	135,493	147,118	141,217	133,231	151,640
37 Term	166,164	169,284	181,206 ^f	178,568	158,834	180,559	175,047	186,484	187,542	192,282	200,996	179,090

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; monthly figures are averages of weekly data. Data for positions and financing are averages of close-of-business Wednesday data.

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

4. Includes securities such as collateralized mortgage obligations (CMOs), real estate mortgage investment conduits (REMICs), interest only (IOs), and principal only (POs).

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

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

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

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

NOTE. Data for future and forward commercial paper and bankers' acceptances and term financing of collateralized loans are no longer available because of insufficient activity.

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1987	1988	1989	1990	1991				
					May	June	July	Aug.	Sept.
1 Federal and federally sponsored agencies	341,386	381,498	411,805	434,668	432,306	429,179	432,587	437,892^f	436,139
2 Federal agencies	37,981	35,668	35,664	42,159	41,031	40,591	40,380	40,923 ^f	42,409
3 Defense Department ¹	13	8	7	7	7	7	7	7	7
4 Export-Import Bank	11,978	11,033	10,985	11,376	11,186	11,244	11,244	11,244	11,268
5 Federal Housing Administration	183	150	328	393	407	428	300	315	336
6 Government National Mortgage Association participation certificates	1,615	0	0	0	0	0	0	0	0
7 Postal Service ²	6,103	6,142	6,445	6,948	6,651	6,651	6,621	6,621	8,420
8 Tennessee Valley Authority	18,089	18,335	17,899	23,435	22,780	22,261	22,208	22,745 ^f	22,378
9 United States Railway Association ³	0	0	0	0	0	0	0	0	0
10 Federally sponsored agencies ⁷	303,405	345,830	375,407	392,509	391,275	388,588	392,207	396,969 ^f	393,730
11 Federal Home Loan Banks	115,727	135,836	136,108	117,895	108,981	105,775	106,397	107,469 ^f	106,510
12 Federal Home Loan Mortgage Corporation	17,645	22,797	26,148	30,941	29,016	28,836	29,559 ^f	31,650 ^f	31,502
13 Federal National Mortgage Association	97,057	105,459	116,064	123,403	126,806	126,606	128,764	128,589 ^f	127,460
14 Farm Credit Banks ⁸	55,275	53,127	54,864	53,590	51,485	51,712	51,318 ^f	52,056 ^f	52,010
15 Student Loan Marketing Association ⁹	16,503	22,073	28,705	34,194	35,560	36,232	36,742	37,778	36,821
16 Financing Corporation ¹⁰	1,200	5,850	8,170	8,170	8,170	8,170	8,170 ^f	8,170	8,170
17 Farm Credit Financial Assistance Corporation ¹¹	0	690	847	1,261	1,261	1,261	1,261	1,261	1,261
18 Resolution Funding Corporation ¹²	0	0	4,522	23,055	29,996	29,996	29,996	29,996	29,996
MEMO									
19 Federal Financing Bank debt ¹³	152,417	142,850	134,873	179,083	182,582	185,129	186,752	188,920	194,234
<i>Lending to federal and federally sponsored agencies</i>									
20 Export-Import Bank ³	11,972	11,027	10,979	11,370	11,180	11,238	11,238	11,238	11,262
21 Postal Service ²	5,853	5,892	6,195	6,698	6,401	6,401	6,401	6,401	8,200
22 Student Loan Marketing Association	4,940	4,910	4,880	4,850	4,850	4,850	4,850	4,850	4,850
23 Tennessee Valley Authority	16,709	16,955	16,519	14,055	13,400	12,881	12,828	12,573	11,875
24 United States Railway Association ³	0	0	0	0	0	0	0	0	0
<i>Other Lending¹⁴</i>									
25 Farmers Home Administration	59,674	58,496	53,311	52,324	52,669	52,254	51,334	51,334	50,694
26 Rural Electrification Administration	21,191	19,246	19,265	18,890	18,878	18,894	18,832	18,846	18,597
27 Other	32,078	26,324	23,724	70,896	75,204	78,611	81,269	83,878	88,756

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

6. Off-budget.

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

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

9. Before late 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. Since FFB incurs debt solely for the purpose of lending to other agencies, its debt is not included in the main portion of the table in order to avoid double counting.

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

A32 Domestic Financial Statistics □ February 1992

1.45 NEW SECURITY ISSUES Tax-Exempt State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1988	1989	1990	1991							
				Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
1 All issues, new and refunding ¹	114,522	113,646	120,339	10,916	14,753	13,804	11,629	15,744	13,240	11,357	17,734
<i>By type of issue</i>											
2 General obligation	30,312	35,774	39,610	3,771	4,946	4,442	3,900	5,919	5,253	3,088	6,510
3 Revenue	84,210	77,873	81,295	7,145	9,807	9,362	7,729	9,825	7,987	8,269	11,224
<i>By Type of issuer</i>											
4 State	8,830	11,819	15,149	1,199	1,890	1,529	650	2,328	3,371	7,195	1,171
5 Special district or statutory authority ²	74,409	71,022	72,661	6,604	9,349	5,057	7,320	8,890	6,272	605	10,817
6 Municipality, county, or township	31,193	30,805	32,510	3,113	3,314	7,218	3,659	4,526	3,597	3,557	5,746
7 Issues for new capital, total	79,665	84,062	103,235	6,919	11,191	10,008	9,513	12,164	9,586	8,967	13,495
<i>By use of proceeds</i>											
8 Education	15,021	15,133	17,042	2,001	2,462	2,684	2,214	1,826	1,244	1,524	1,297
9 Transportation	6,825	6,870	11,650	1,305	1,642	1,829	621	1,498	1,249	1,476	2,682
10 Utilities and conservation	8,496	11,427	11,739	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,915
11 Social welfare	19,027	16,703	23,099	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2,621
12 Industrial aid	5,624	5,036	6,117	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	349
13 Other purposes	24,672	28,894	34,607	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	4,631

1. Par amounts of long-term issues based on date of sale.
2. Since 1986, has included school districts.

SOURCES: *Investment Dealer's Digest* beginning April 1990. Securities Data/Bond Buyer Municipal Data Base beginning 1986. Public Securities Association for earlier data.

1.46 NEW SECURITY ISSUES U.S. Corporations

Millions of dollars

Type of issue, offering, or issuer	1988	1989	1990	1991							
				Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
1 All issues ¹	410,898	379,535	339,551	36,451 ^f	34,058 ^f	37,480 ^f	31,938 ^f	23,070 ^f	36,056 ^f	32,087 ^f	n.a.
2 Bonds ²	353,097	321,664	299,313	32,502 ^f	28,745 ^f	30,062 ^f	26,320 ^f	20,388 ^f	29,326 ^f	26,666 ^f	n.a.
<i>By type of offering</i>											
3 Public, domestic	202,215	181,393	189,271	29,999 ^f	24,888 ^f	27,231 ^f	23,899 ^f	18,833 ^f	27,456 ^f	23,770 ^f	24,000
4 Private placement, domestic ³	127,704	117,420	86,988	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
5 Sold abroad	23,178	22,851	23,054	2,503	3,857	2,830	2,421	1,555	1,870	2,897	2,300
<i>By industry group</i>											
6 Manufacturing	70,306	76,656	53,110	7,240	7,613	6,609	4,238	3,827	8,240	6,873	4,347
7 Commercial and miscellaneous	62,794	49,744	40,019	1,764 ^f	2,961 ^f	1,210 ^f	1,773 ^f	1,500 ^f	1,388 ^f	1,012 ^f	n.a.
8 Transportation	10,275	10,032	12,706	992	502	665	567	697	959	231	n.a.
9 Public utility	20,834	18,688	17,521	506	2,115	2,682	1,706	1,420	1,947	1,370	n.a.
10 Communication	5,593	8,461	6,664	988	845	337	1,838	715	668	408	n.a.
11 Real estate and financial	183,294	158,083	169,287	21,012 ^f	14,710 ^f	18,559 ^f	16,198 ^f	12,230 ^f	16,124 ^f	16,773	15,727
12 Stocks ²	57,802	57,870	40,165	3,949	5,313	7,418	5,618	2,682	6,730	5,421	8,864
<i>By type of offering</i>											
13 Public preferred	6,544	6,194	3,998	1,233	543	1,392	1,731	203	1,952	666	3,527
14 Common	35,911	26,030	19,443	2,716	4,771	6,027	3,887	2,479	4,778	4,755	5,337
15 Private placement ³	15,346	25,647	16,736	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<i>By industry group</i>											
16 Manufacturing	7,608	9,308	5,649	564	1,796	2,291	1,909	685	3,167	1,842	3,623
17 Commercial and miscellaneous	8,449	7,446	10,171	1,096	1,521	1,563	851	1,427	2,050	858	2,095
18 Transportation	1,535	1,929	369	249	416	277	0	18	56	0	16
19 Public utility	1,898	3,090	416	354	71	573	471	143	150	55	320
20 Communication	515	1,904	3,822	0	0	0	295	46	8	0	25
21 Real estate and financial	37,798	34,028	19,738	1,686	1,510	2,714	2,091	350	1,298	2,666	2,622

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, equities sold abroad, and Yankee bonds. Stock data include ownership securities issued by limited partnerships.

2. Monthly data cover only public offerings.

3. Monthly data are not available.

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

1.47. OPEN-END INVESTMENT COMPANIES Net Sales and Assets

Millions of dollars

Item ¹	1989	1990	1991							
			Mar.	Apr.	May	June	July	Aug.	Sept. [†]	Oct.
1 Sales of own shares ²	306,445	345,780	31,597	40,356	36,719	33,922	39,329	38,014	37,316	45,220
2 Redemptions of own shares	272,165	289,573	25,372	32,895	26,972	27,629	28,767	28,128	26,319	27,957
3 Net sales ³	34,280	56,207	6,226	7,461	9,747	6,293	10,562	9,886	10,997	17,263
4 Assets ⁴	553,871	570,744	632,052	647,053	671,852	661,643	690,486	712,782	730,426	755,332
5 Cash ⁵	44,780	48,638	52,895	52,982	55,450	55,057	55,293	52,791	53,884	59,842
6 Other	509,091	522,106	579,154	594,071	616,402	606,586	635,193	659,992	676,543	695,490

1. Data on sales and redemptions exclude money market mutual funds but include limited-maturity municipal bond funds. Data on asset positions exclude both money market mutual funds and limited-maturity municipal bond funds.
 2. Includes reinvestment of dividends. Excludes reinvestment of capital gains distributions.
 3. Does not include sales or 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 new companies.

1.48 CORPORATE PROFITS AND THEIR DISTRIBUTION

Billions of dollars; quarterly data at seasonally adjusted annual rates

Account	1988 [†]	1989 [†]	1990 [†]	1989	1990 [†]				1991 [†]		
				Q4 [†]	Q1	Q2	Q3	Q4	Q1	Q2	Q3
1 Profits with inventory valuation and capital consumption adjustment	365.0	351.7	319.0	334.7	340.2	339.8	299.8	296.1	302.1	303.5	306.1
2 Profits before taxes	347.5	344.5	332.3	332.8	336.6	331.6	335.1	326.1	309.1	306.2	318.2
3 Profits tax liability	137.0	138.0	135.3	129.8	137.6	137.9	138.8	127.1	119.4	123.5	128.6
4 Profits after taxes	210.5	206.6	197.0	203.0	199.1	193.7	196.3	199.0	189.7	182.7	189.6
5 Dividends	115.3	127.9	133.7	130.7	132.3	132.5	133.8	136.2	137.8	136.7	138.1 [†]
6 Undistributed profits	95.2	78.7	63.3	72.3	66.7	61.2	62.5	62.8	51.9	46.1	51.5
7 Inventory valuation	n.a.	n.a.	n.a.	-13.5	-6.6	3.8	-32.6	-21.2	6.7	9.9	-4.8 [†]
8 Capital consumption adjustment	n.a.	n.a.	n.a.	15.4	10.2	4.4	-2.7	-8.8	-13.6	-12.6	-7.3 [†]

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

1.50 TOTAL NONFARM BUSINESS EXPENDITURES on New Plant and Equipment

Billions of dollars; quarterly data at seasonally adjusted annual rates

Industry	1990	1991	1992 ¹	1990			1991				1992
				Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1 ¹
1 Total nonfarm business	532.61	529.97	558.60	534.55	534.11	530.13	535.50	524.57	527.86	531.96	563.31
Manufacturing											
2 Durable goods industries	82.58	77.04	79.38	84.15	82.48	79.03	81.24	79.69	74.51	72.74	80.58
3 Nondurable goods industries	110.04	107.27	104.68	110.87	111.57	110.69	109.90	107.66	102.54	108.98	107.52
Nonmanufacturing											
4 Mining	9.88	10.06	9.50	9.77	9.97	10.12	9.89	10.09	10.09	10.15	10.58
Transportation											
5 Railroad	6.40	5.84	6.78	6.67	5.66	6.81	5.59	6.27	6.50	5.02	5.52
6 Air	8.87	9.84	12.34	9.37	9.55	7.54	11.18	10.10	9.81	8.27	12.88
7 Other	6.20	6.50	7.12	5.90	5.87	6.82	6.48	6.68	6.52	6.32	6.41
Public utilities											
8 Electric	44.10	43.56	47.34	42.83	43.80	45.88	43.36	42.87	43.09	44.90	48.54
9 Gas and other	23.11	22.42	24.10	21.80	23.88	24.36	23.68	21.71	23.38	20.92	22.98
10 Commercial and other ²	241.43	247.44	267.35	243.18	241.32	238.87	244.19	239.50	251.42	254.66	268.28

1. Figures are amounts anticipated by business.
 2. "Other" consists of construction, wholesale and retail trade, finance and

insurance, personal and business services, and communication.
 SOURCE: Survey of Current Business (U.S. Department of Commerce).

A34 Domestic Financial Statistics □ February 1992

1.51 DOMESTIC FINANCE COMPANIES Assets and Liabilities

Billions of dollars, end of period; not seasonally adjusted

Account	1987	1988	1989	1989	1990					1991	
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	
ASSETS											
1 Accounts receivable, gross ¹	388.1	426.2	445.7	445.7	452.8	468.8	474.0	486.7	478.9	487.9	
2 Consumer	141.1	146.2	140.8	140.8	137.9	138.6	140.9	136.0	131.6	133.9	
3 Business	207.4	236.5	256.0	256.0	262.9	274.8	275.4	290.8	290.0	295.5	
4 Real estate	39.5	43.5	48.9	48.9	52.1	55.4	57.7	59.9	57.3	58.5	
5 LESS: Reserves for unearned income	45.3	50.0	52.0	52.0	51.9	54.3	55.1	56.6	57.0	58.7	
6 Reserves for losses	6.8	7.3	7.7	7.7	7.9	8.2	8.6	9.2	10.3	10.8	
7 Accounts receivable, net	336.0	368.9	386.1	386.1	393.0	406.3	410.3	420.9	411.6	418.4	
8 All other	58.3	72.4	91.6	91.6	92.5	95.5	102.8	99.6	103.4	106.1	
9 Total assets	394.2	441.3	477.6	477.6	485.5	501.9	513.1	520.6	515.0	524.5	
LIABILITIES AND CAPITAL											
10 Bank loans	16.4	15.4	14.5	14.5	13.9	15.8	15.6	19.4	22.0	22.7	
11 Commercial paper	128.4	142.0	149.5	149.5	152.9	152.4	148.6	152.7	141.2	140.6	
<i>Debt</i>											
12 Other short-term	28.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
13 Long-term	137.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
14 Due to parent	n.a.	50.6	63.8	63.8	70.5	72.8	82.0	82.7	77.8	81.7	
15 Not elsewhere classified	n.a.	137.9	147.8	147.8	145.7	153.0	156.6	157.0	162.4	164.2	
16 All other liabilities	52.8	59.8	62.6	62.6	61.7	66.1	68.7	66.0	68.0	72.2	
17 Capital, surplus, and undivided profits	31.5	35.6	39.4	39.4	40.7	41.8	41.6	42.8	43.7	43.0	
18 Total liabilities and capital	394.2	441.3	477.6	477.6	485.5	501.9	513.1	520.6	515.0	524.5	

1. Excludes pools of securitized assets.

1.52 DOMESTIC FINANCE COMPANIES Business Credit Outstanding and Net Change¹

Millions of dollars, end of period; seasonally adjusted, except as noted

Type of credit	1988	1989	1990	1991					
				May	June	July	Aug.	Sept.	Oct.
1 Total	234,891	258,957	292,638	297,171	298,228	300,161	305,024	307,599	310,876
<i>Retail financing of installment sales</i>									
2 Automotive	37,210	39,479	38,110	36,005	35,390	35,491	34,665	34,119	34,167
3 Equipment	28,185	29,627	31,784	32,690	32,189	32,194	33,146	34,822	33,989
4 Pools of securitized assets ²	n.a.	698	951	737	707	793	833	797	769
<i>Wholesale</i>									
5 Automotive	32,953	33,814	32,283	30,055	29,305	29,454	30,637	30,072	31,831
6 Equipment	5,971	6,928	11,569	11,000	10,427	11,344	10,631	10,594	11,075
7 All other	9,357	9,985	9,126	8,620	8,851	8,807	8,712	8,695	8,407
8 Pools of securitized assets ²	n.a.	0	2,950	2,855	2,805	2,843	3,508	4,053	4,458
<i>Leasing</i>									
9 Automotive	24,693	26,804	39,129	40,738	41,603	43,024	44,628	45,387	45,837
10 Equipment	57,658	68,240	75,626	84,126	83,961	84,311	86,145	86,732	87,701
11 Pools of securitized assets ²	n.a.	1,247	1,849	1,700	1,725	1,750	1,679	1,844	1,803
12 Loans on commercial accounts receivable and factored commercial accounts receivable	17,687	18,511	22,475	21,772	24,040	23,125	23,366	23,204	23,295
13 All other business credit	21,176	23,623	26,784	26,873	27,225	27,025	27,073	27,279	27,544
Net change (during period)									
1 Total	28,899	24,066	33,681	2,601	1,057	1,933	4,862	2,576	3,277
<i>Retail financing of installment sales</i>									
2 Automotive	1,071	2,269	-1,369	-647	-615	100	-825	-547	48
3 Equipment	3,111	1,442	2,157	656	-501	4	952	1,676	-833
4 Pools of securitized assets ²	n.a.	-26	253	-40	-30	86	40	-36	-28
<i>Wholesale</i>									
5 Automotive	2,883	861	-1,532	-11	-750	149	1,183	-564	1,759
6 Equipment	393	957	4,641	63	-573	917	-713	-37	481
7 All other	1,028	628	-859	-47	231	-44	-95	-17	-289
8 Pools of securitized assets ²	n.a.	0	2,950	-50	-50	38	665	545	405
<i>Leasing</i>									
9 Automotive	2,596	2,111	12,325	1,031	865	1,421	1,604	759	450
10 Equipment	14,166	10,581	7,386	1,377	-165	350	1,834	587	969
11 Pools of securitized assets ²	n.a.	526	602	-65	25	25	-71	165	-41
12 Loans on commercial accounts receivable and factored commercial accounts receivable	-483	825	3,964	506	2,268	-914	240	-162	91
13 All other business credit	4,135	2,446	3,161	-173	352	-199	47	207	264

1. Data in this table also appear in the Board's G.20 (422) monthly statistical release. For ordering address, see inside front cover.

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

1.53 MORTGAGE MARKETS Conventional Mortgages on New Homes

Millions of dollars, except as noted

Item	1988	1989	1990	1991						
				May	June	July	Aug.	Sept.	Oct.	Nov.
Terms and yields in primary and secondary markets										
PRIMARY MARKETS										
<i>Terms¹</i>										
1 Purchase price (thousands of dollars).....	150.0	159.6	153.2	146.8	166.7	165.1	159.0	157.8	153.4	162.6
2 Amount of loan (thousands of dollars).....	110.5	117.0	112.4	109.2	121.9	121.6	115.7	114.3	115.0	116.0
3 Loan-price ratio (percent).....	75.5	74.5	74.8	75.2	74.2	75.0	74.6	73.3	76.5	73.5
4 Maturity (years).....	28.0	28.1	27.3	26.1	26.8	27.0	27.1	25.9	27.5	26.4
5 Fees and charges (percent of loan amount) ²	2.19	2.06	1.93	1.54	1.69	1.85	1.74	1.86	1.61	1.53
6 Contract rate (percent per year).....	8.81	9.76	9.68	9.26	9.18	9.12	9.19	9.00	8.78	8.38
<i>Yield (percent per year)</i>										
7 OTS series ³	9.18	10.11	10.01	9.52	9.46	9.43	9.48	9.30	9.04	8.64
8 HUD series ⁴	10.30	10.21	10.08	9.46	9.60	9.46	9.22	8.88	8.76	n.a.
SECONDARY MARKETS										
<i>Yield (percent per year)</i>										
9 FHA mortgages (HUD series) ⁵	10.49	10.24	10.17	9.62	9.71	9.59	9.14	9.06	8.71	n.a.
10 GNMA securities ⁶	9.83	9.71	9.51	8.65	9.04	8.93	8.69	8.60	8.34	8.09
Activity in secondary markets										
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
<i>Mortgage holdings (end of period)</i>										
11 Total.....	101,329	104,974	113,329	121,798	122,806	123,770	124,230	124,954	125,884	126,624
12 FHA/VA-insured.....	19,762	19,640	21,028	21,609	21,474	21,511	21,529	21,636	21,576	21,547
13 Conventional.....	81,567	85,335	92,302	100,189	101,332	102,259	102,701	103,318	104,308	105,077
<i>Mortgage transactions (during period)</i>										
14 Purchases.....	23,110	22,518	23,959	4,450	3,145	3,183	3,069	3,032	3,408	3,299
<i>Mortgage commitments (during period)⁷</i>										
15 Issued ⁸	n.a.	n.a.	23,689	3,506	3,032	2,975	3,453	3,196	4,122	3,806
16 To sell ⁹	n.a.	n.a.	5,270	1,066	841	1,374	1,051	762	917	569
FEDERAL HOME LOAN MORTGAGE CORPORATION										
<i>Mortgage holdings (end of period)⁹</i>										
17 Total.....	15,105	20,105	20,419	24,525	23,649	24,061	24,217	23,906	n.a.	n.a.
18 FHA/VA-insured.....	620	590	547	491	486	481	475	471	n.a.	n.a.
19 Conventional.....	14,485	19,516	19,871	21,843	23,164	23,581	23,742	23,435	n.a.	n.a.
<i>Mortgage transactions (during period)</i>										
20 Purchases.....	44,077	78,588	75,517	8,562	10,052	8,649	9,191	9,155	n.a.	n.a.
21 Sales.....	39,780	73,446	73,817	7,692	10,694	8,057	8,803	9,305	7,433	8,517
<i>Mortgage commitments (during period)¹⁰</i>										
22 Contracted.....	66,026	88,519	102,401	11,334	9,008	8,890	12,430	7,468	n.a.	n.a.

1. Weighted averages based on sample surveys of mortgages originated by major institutional lender groups; 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 rates on loans closed, assuming prepayment at the end of ten years; from Office of Thrift Supervision (OTS).

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

5. Average gross yields 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. Large monthly movements in average yields may reflect market adjustments to changes in maximum permissible contract rates.

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 carrying the prevailing ceiling rate. Monthly figures are averages of Friday figures from the *Wall Street Journal*.

7. Includes some multifamily and nonprofit hospital loan commitments in addition to one- to four-family loan commitments accepted in the Federal National Mortgage Association's (FNMA's) free market auction system, and through the FNMA-GNMA tandem plans.

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

9. Includes participation as well as whole loans.

10. Includes conventional and government-underwritten loans. The Federal Home Loan Mortgage Corporation's mortgage commitments and mortgage transactions include activity under mortgage securities swap programs, while the corresponding data for FNMA exclude swap activity.

A36 Domestic Financial Statistics □ February 1992

1.54 MORTGAGE DEBT OUTSTANDING¹

Millions of dollars, end of period

Type of holder and property	1987	1988	1989	1990			1991	
				Q2	Q3	Q4	Q1	Q2 ^p
1 All holders	2,986,425	3,270,118	3,356,370	3,760,480	3,816,690	3,857,665	3,876,700	3,925,086
<i>By type of property</i>								
2 One- to four-family residences.....	1,962,958	2,201,231	2,429,689	2,619,522	2,669,996	2,709,998	2,730,239	2,781,005
3 Multifamily residences.....	278,899	291,405	303,416	301,789	305,903	307,378	307,932	308,457
4 Commercial.....	637,036	692,236	739,240	735,212	756,507	756,303	754,879	751,751
5 Farm.....	87,532	85,247	84,025	83,957	84,284	83,987	83,650	83,873
<i>By type of holder</i>								
6 Major financial institutions.....	1,665,291	1,831,472	1,931,537	1,940,366	1,933,303	1,913,322	1,895,544	1,884,850
7 Commercial banks ²	592,449	674,003	767,069	814,598	831,193	844,359	855,889	870,797
8 One- to four-family.....	275,613	334,367	389,632	431,115	445,882	456,010	463,796	476,744
9 Multifamily.....	32,756	39,212	38,876	38,420	37,900	37,092	37,993	37,930
10 Commercial.....	269,648	290,254	321,906	327,930	330,086	334,026	336,606	338,057
11 Farm.....	14,432	15,470	16,656	17,133	17,326	17,231	17,493	18,066
12 Savings institutions ³	860,467	924,606	910,254	860,903	836,947	801,628	776,551	754,834
13 One- to four-family.....	602,408	671,722	669,220	642,110	626,297	600,154	583,944	570,151
14 Multifamily.....	106,359	110,775	106,014	97,359	94,790	91,806	88,743	85,688
15 Commercial.....	150,943	141,433	134,370	120,866	114,430	109,168	103,647	98,557
16 Farm.....	757	676	650	568	530	500	468	439
17 Life insurance companies.....	212,375	232,863	254,214	264,865	266,063	267,335	263,105	259,218
18 One- to four-family.....	13,226	11,164	12,231	12,740	12,773	12,052	11,480	11,280
19 Multifamily.....	22,524	24,560	26,907	28,027	28,100	29,406	28,847	28,314
20 Commercial.....	166,722	187,549	205,472	214,024	214,585	215,121	212,018	208,838
21 Farm.....	9,903	9,590	9,604	10,075	10,605	10,756	10,760	10,787
22 Finance companies ⁴	29,716	37,846	45,476	47,104	49,784	48,777	48,187	48,972
23 Federal and related agencies.....	192,721	200,570	209,498	227,818	242,695	250,761	263,079	275,394
24 Government National Mortgage Association.....	444	26	23	21	21	20	20	20
25 One- to four-family.....	25	0	23	21	21	20	20	20
26 Multifamily.....	419	0	0	0	0	0	0	0
27 Farmers Home Administration ⁵	43,051	42,018	41,176	41,175	41,269	41,439	41,307	41,430
28 One- to four-family.....	18,169	18,347	18,422	18,434	18,476	18,527	18,522	18,521
29 Multifamily.....	8,044	8,513	9,054	9,361	9,477	9,640	9,720	9,898
30 Commercial.....	6,603	5,343	4,443	4,545	4,608	4,690	4,715	4,750
31 Farm.....	10,235	9,815	9,257	8,835	8,708	8,582	8,350	8,261
32 Federal Housing and Veterans Administration.....	5,574	5,973	6,087	6,792	7,938	8,801	9,492	10,210
33 One- to four-family.....	2,557	2,672	2,875	3,054	3,248	3,593	3,600	3,729
34 Multifamily.....	3,017	3,301	3,212	3,738	4,690	5,208	5,891	6,480
35 Federal National Mortgage Association.....	96,649	103,013	110,721	112,855	113,718	116,628	119,196	122,806
36 One- to four-family.....	89,666	95,833	102,295	103,431	103,722	106,081	108,348	111,560
37 Multifamily.....	6,983	7,180	8,426	9,424	9,996	10,547	10,848	11,246
38 Federal Land Banks.....	34,131	32,115	29,640	29,595	29,441	29,416	29,253	29,086
39 One- to four-family.....	2,008	1,890	1,210	1,741	1,766	1,838	1,884	1,936
40 Farm.....	32,123	30,225	28,430	27,854	27,675	27,577	27,368	27,150
41 Federal Home Loan Mortgage Corporation.....	12,872	17,425	21,851	19,979	20,508	21,857	22,111	22,312
42 One- to four-family.....	11,430	15,077	18,248	17,316	17,810	19,185	19,460	19,655
43 Multifamily.....	1,442	2,348	3,603	2,663	2,697	2,672	2,651	2,658
44 Mortgage pools or trusts ⁶	718,297	811,847	946,766	1,024,893	1,062,729	1,106,634	1,139,730	1,182,594
45 Government National Mortgage Association.....	317,555	340,527	368,367	385,456	394,859	403,613	409,929	418,421
46 One- to four-family.....	309,806	331,257	358,142	374,960	384,474	391,505	397,631	405,877
47 Multifamily.....	7,749	9,270	10,225	10,496	10,385	12,108	12,298	12,544
48 Federal Home Loan Mortgage Corporation.....	212,634	226,406	272,870	295,340	301,797	316,359	328,305	341,132
49 One- to four-family.....	205,977	219,988	266,060	287,232	293,721	308,369	319,978	332,624
50 Multifamily.....	6,657	6,418	6,810	8,108	8,077	7,990	8,327	8,509
51 Federal National Mortgage Association.....	139,960	178,250	228,232	263,330	281,806	299,833	312,101	331,089
52 One- to four-family.....	137,988	172,331	219,577	254,811	273,335	291,194	303,554	322,444
53 Multifamily.....	1,972	5,919	8,655	8,519	8,471	8,639	8,547	8,645
54 Farmers Home Administration ⁵	245	104	80	72	70	66	62	13
55 One- to four-family.....	121	26	21	19	18	17	14	13
56 Multifamily.....	0	0	0	0	0	0	0	0
57 Commercial.....	63	38	26	24	24	24	23	0
58 Farm.....	61	40	33	30	29	26	24	0
59 Individuals and others ⁷	410,116	426,229	468,569	567,403	577,964	586,948	578,347	582,248
60 One- to four-family.....	246,061	259,971	294,517	382,343	390,657	398,889	391,623	395,483
61 Multifamily.....	80,977	79,209	81,634	82,040	83,544	84,205	82,355	81,906
62 Commercial.....	63,057	67,618	73,023	83,557	84,350	84,538	85,182	85,690
63 Farm.....	20,021	19,431	19,395	19,463	19,412	19,316	19,187	19,170

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

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

3. Includes savings banks and savings and loan associations. Beginning 1987:1, data reported by institutions insured by the Federal Savings and Loan Insurance Corporation include loans in process and other contra-assets (credit balance accounts that must be subtracted from the corresponding gross asset categories to yield net asset levels).

4. Assumed to be entirely loans on one- to four-family residences.

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

6. Outstanding principal balances of mortgage-backed securities insured or guaranteed by the agency indicated. Includes private pools, which are not shown as a separate line item.

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

1.55 CONSUMER INSTALLMENT CREDIT Total Outstanding and Net Change¹

Millions of dollars, amounts outstanding, end of period

Holder and type of credit	1989	1990	1991								
			Feb.	Mar.	Apr.	May	June	July	Aug.	Sept. ^f	Oct.
Seasonally adjusted											
1 Total	718,863	735,102	732,762	732,442	733,621	732,289	730,591	729,962	729,108	729,151	729,953
2 Automobile	290,676	284,585	282,626	280,689	279,746	276,494	274,496	273,565	271,906	270,223	270,051
3 Revolving	199,082	220,110	221,556	224,817	225,994	227,301	227,737	228,199	229,453	232,070	235,412
4 Mobile home	22,471	20,919	20,200	20,123	20,098	19,796	19,907	19,615	19,495	18,892	18,764
5 Other	206,633	209,487	208,379	206,813	207,782	208,697	208,451	208,582	208,253	207,966	207,725
Not seasonally adjusted											
6 Total	730,901	748,300	729,264	725,462	727,907	727,717	728,023	727,754	731,531	732,183	730,359
<i>By major holder</i>											
7 Commercial banks	342,770	347,466	339,282	335,754	336,425	334,746	333,442	334,273	335,662	335,509	335,403
8 Finance companies	140,832	137,450	135,021	131,552	133,462	134,045	133,903	134,120	135,509	132,471	131,778
9 Credit unions	93,114	92,911	91,131	90,772	91,413	91,549	91,924	92,017	92,843	93,305	93,388
10 Retailers	44,154	43,552	38,864	38,497	37,817	36,782	36,702	36,392	37,296	37,281	37,359
11 Savings institutions	57,253	45,616	43,875	42,491	41,707	40,764	39,827	39,012	37,893	37,036	35,774
12 Gasoline companies	3,935	4,822	4,404	4,296	4,357	4,507	4,591	4,712	4,857	4,753	4,529
13 Pools of securitized assets ²	48,843	76,483	78,687	82,100	82,726	85,324	87,634	87,228	87,471	91,828	92,128
<i>By major type of credit³</i>											
14 Automobile	290,705	284,813	279,913	277,798	277,508	275,582	275,018	274,222	274,190	273,358	272,130
15 Commercial banks	126,288	126,259	124,745	123,411	122,710	121,631	121,605	121,319	120,577	119,730	119,276
16 Finance companies	82,721	74,396	70,287	69,233	70,500	69,689	70,304	70,444	71,571	69,853	69,364
17 Pools of securitized assets ²	18,235	24,337	26,872	27,755	26,875	27,085	26,039	25,609	25,071	26,812	26,803
18 Revolving	210,310	232,370	220,714	221,400	222,627	224,301	225,596	226,145	229,224	231,281	231,615
19 Commercial banks	130,811	132,433	125,673	124,619	126,009	126,047	124,106	124,645	125,787	125,524	126,235
20 Retailers	39,583	39,029	34,509	34,179	33,513	32,458	32,381	32,076	32,962	32,964	33,055
21 Gasoline companies	3,935	4,822	4,404	4,296	4,357	4,507	4,591	4,712	4,857	4,753	4,529
22 Pools of securitized assets ²	23,477	44,335	44,451	46,722	47,116	49,667	52,897	53,094	54,017	56,438	56,290
23 Mobile home	22,240	20,666	20,362	20,030	20,052	19,721	19,875	19,639	19,468	18,996	18,847
24 Commercial banks	9,112	9,763	9,730	9,632	9,386	9,552	9,552	9,552	9,534	9,614	9,600
25 Finance companies	4,716	5,252	5,330	5,328	5,573	5,595	5,652	5,669	5,700	5,300	5,358
26 Other	207,646	210,451	208,275	206,234	207,720	208,113	207,534	207,748	208,649	208,548	207,767
27 Commercial banks	76,559	79,011	79,134	78,092	78,141	77,682	78,079	78,757	79,764	80,641	80,292
28 Finance companies	53,395	57,801	57,404	56,991	57,388	58,761	57,947	58,007	58,238	57,318	57,056
29 Retailers	4,571	4,523	4,355	4,318	4,304	4,324	4,321	4,316	4,334	4,317	4,304
30 Pools of securitized assets ²	7,131	7,611	7,364	7,603	8,735	8,572	8,698	8,525	8,383	8,578	9,035

1. The Board's series on amounts of credit covers most short- and intermediate-term credit extended to individuals that is scheduled to be repaid (or has the option of repayment) in two or more installments.
Data in this table also appear in the Board's G.19 (421) monthly statistical release. For ordering address, see inside front cover.

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

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

1.56 TERMS OF CONSUMER INSTALLMENT CREDIT¹

Percent per year, except as noted

Item	1988	1989	1990	1991						
				Apr.	May	June	July	Aug.	Sept.	Oct.
INTEREST RATES										
<i>Commercial banks²</i>										
1 48-month new car	10.85	12.07	11.78	n.a.	11.28	n.a.	n.a.	11.06	n.a.	n.a.
2 24-month personal	14.68	15.44	15.46	n.a.	15.16	n.a.	n.a.	15.24	n.a.	n.a.
3 120-month mobile home ³	13.54	14.11	14.02	n.a.	13.80	n.a.	n.a.	13.73	n.a.	n.a.
4 Credit card	17.78	18.02	18.17	n.a.	18.22	n.a.	n.a.	18.24	n.a.	n.a.
<i>Auto finance companies</i>										
5 New car	12.60	12.62	12.54	13.14	12.95	12.77	12.55	12.40	12.38	n.a.
6 Used car	15.11	16.18	15.99	15.82	15.85	15.74	15.66	15.63	15.60	n.a.
OTHER TERMS⁴										
<i>Maturity (months)</i>										
7 New car	56.2	54.2	54.6	55.4	55.5	55.5	55.5	55.4	55.4	n.a.
8 Used car	46.7	46.6	46.1	47.3	47.3	47.3	47.4	47.2	47.2	n.a.
<i>Loan-to-value ratio</i>										
9 New car	94	91	87	87	87	88	88	88	87	n.a.
10 Used car	98	97	95	97	96	97	96	97	96	n.a.
<i>Amount financed (dollars)</i>										
11 New car	11,663	12,001	12,071	11,993	12,204	12,343	12,572	12,518	12,460	n.a.
12 Used car	7,824	7,954	8,289	8,751	8,873	8,916	8,989	8,902	8,996	n.a.

1. 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 only for the second month of each quarter.

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

4. At auto finance companies.

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS

Billions of dollars; quarterly data at seasonally adjusted annual rates

Instrument or sector	1986	1987	1988	1989	1990	1989	1990				1991	
						Q4	Q1	Q2	Q3	Q4	Q1	Q2
Nonfinancial sectors												
1 Total net borrowing by domestic nonfinancial sectors	836.9	687.0	760.8	678.2	639.3	620.2	803.4	596.9	657.7	499.3	411.4	462.6
<i>By lending sector and instrument</i>												
2 U.S. government.....	215.0	144.9	157.5	151.6	272.5	185.0	247.3	228.2	286.1	328.4	204.7	241.8
3 Treasury securities	214.7	143.4	140.0	150.0	264.4	189.6	217.8	222.9	287.5	329.4	228.7	248.0
4 Agency issues and mortgages .....	.4	1.5	17.4	1.6	8.2	-4.6	29.6	5.4	-1.3	-1.0	-24.0	-6.2
5 Private	621.9	542.1	603.3	526.6	366.8	435.2	556.1	368.7	371.6	170.9	206.7	220.9
<i>By instrument</i>												
6 Debt capital instruments	465.8	453.2	459.2	379.8	298.2	347.0	391.0	309.3	275.5	216.8	230.5	292.7
7 Tax-exempt obligations	22.7	49.3	49.8	30.4	20.1	19.1	12.4	24.5	30.0	13.5	11.3	27.5
8 Corporate bonds	126.8	79.4	102.9	73.7	49.7	87.4	30.2	68.8	32.8	67.1	80.6	95.3
9 Mortgages	316.3	324.5	306.5	275.7	228.3	240.5	348.4	216.0	212.7	136.3	138.6	169.9
10 Home mortgages	218.7	234.9	231.0	218.0	212.6	214.3	298.7	220.0	184.7	147.1	136.8	176.6
11 Multifamily residential	33.5	24.4	16.7	16.4	6.5	9.5	22.7	-15.5	16.2	2.7	4.6	2.9
12 Commercial	73.6	71.6	60.8	42.7	9.3	19.9	26.5	13.4	9.9	-12.8	-3.0	-8.0
13 Farm	-9.5	-6.4	-2.1	-1.5	.0	-3.2	.5	-1.9	2.0	-.7	.2	-1.6
14 Other debt instruments	156.1	88.9	144.1	146.8	68.7	88.2	165.1	59.4	96.0	-45.9	-23.8	-71.9
15 Consumer credit	58.0	33.5	50.2	39.1	14.3	44.1	30.4	2.8	21.3	2.5	-23.6	-20.4
16 Bank loans n.e.c.	66.9	10.0	39.8	39.9	1.3	7.7	16.3	15.4	-2.5	-24.2	14.2	-51.6
17 Open market paper	-9.3	2.3	11.9	20.4	9.7	-6.9	69.6	-6.2	17.3	-41.7	5.1	-22.6
18 Other	40.5	43.2	42.2	47.4	43.4	43.3	48.8	47.4	60.0	17.5	-19.5	22.6
<i>By borrowing sector</i>												
19 State and local government	36.2	48.8	45.6	29.6	17.2	16.5	16.0	17.2	28.1	7.6	12.2	16.8
20 Household	293.0	302.2	314.9	285.0	254.0	291.8	377.2	257.5	227.3	154.0	162.6	199.7
21 Nonfinancial business	292.7	191.0	242.8	211.9	95.6	126.9	162.9	94.0	116.2	9.4	32.0	4.3
22 Farm	-16.3	-10.6	-7.5	1.6	2.6	8.9	6.2	-10.8	11.7	3.1	4.7	-1.6
23 Nonfarm noncorporate	99.2	77.9	65.7	50.8	13.7	35.0	45.5	3.5	19.6	-14.0	-18.7	-3.6
24 Corporate	209.7	123.7	184.6	159.5	79.4	83.1	111.2	101.3	84.8	20.2	46.0	9.5
25 Foreign net borrowing in United States	9.7	4.5	6.3	10.9	23.5	16.9	2.0	41.2	29.7	21.1	50.6	-53.0
26 Bonds	3.1	7.4	6.9	5.3	21.6	-1.0	32.7	25.8	1.2	26.5	8.9	22.0
27 Bank loans n.e.c.	-1.0	-3.6	-1.8	-.1	-2.9	-4.3	-6.9	-1.8	1.9	-4.7	10.3	-7.1
28 Open market paper	11.5	2.1	8.7	13.3	12.3	22.2	-16.4	23.1	27.3	15.3	45.5	-52.0
29 U.S. government loans	-3.9	-1.4	-7.5	-7.5	-7.5	.1	-7.3	-5.9	-.8	-16.0	-14.1	-15.8
30 Total domestic plus foreign	846.6	691.5	767.1	689.1	662.8	637.1	805.5	638.1	687.3	520.4	462.0	409.7
Financial sectors												
31 Total net borrowing by financial sectors	285.1	300.2	247.6	205.5	202.1	187.3	190.2	170.4	180.0	267.7	102.6	95.4
<i>By instrument</i>												
32 U.S. government-related	154.1	171.8	119.8	151.0	167.4	156.4	171.7	184.0	139.2	174.6	155.8	150.6
33 Sponsored-credit-agency securities	15.2	30.2	44.9	25.2	17.1	-4.7	9.7	17.1	22.3	19.5	14.5	-22.4
34 Mortgage pool securities	139.2	142.3	74.9	125.8	150.3	161.1	162.0	166.8	116.9	155.5	141.3	173.0
35 Loans from U.S. government	-.4	-.8	.0	.0	-.1	.0	.0	.0	.0	-.5	.0	.0
36 Private	131.0	128.4	127.8	54.5	34.7	30.9	18.5	-13.5	40.8	93.1	-53.2	-55.2
37 Corporate bonds	82.9	78.9	51.7	36.8	49.8	39.6	33.5	71.2	18.0	76.7	39.5	63.2
38 Mortgages .....	.1	-.4	.3	.0	.3	-.4	.1	.2	.3	.5	.1	-.1
39 Bank loans n.e.c.	4.0	-3.2	1.4	1.8	.7	4.2	-2.3	-6	2.0	3.8	1.0	-5.8
40 Open market paper	24.2	27.9	54.8	26.9	8.6	36.3	9.2	-53.4	51.0	27.6	-65.9	-59.7
41 Loans from Federal Home Loan Banks	19.8	24.4	19.7	-11.0	-24.7	-48.8	-22.0	-30.9	-30.5	-15.5	-27.9	-52.9
<i>By borrowing sector</i>												
42 Sponsored credit agencies	14.9	29.5	44.9	25.2	17.0	-4.7	9.7	17.1	22.3	19.0	14.5	-22.4
43 Mortgage pools	139.2	142.3	74.9	125.8	150.3	161.1	162.0	166.8	116.9	155.5	141.3	173.0
44 Private	131.0	128.4	127.8	54.5	34.7	30.9	18.5	-13.5	40.8	93.1	-53.2	-55.2
45 Commercial banks	-3.6	6.2	-3.0	-1.4	-1.1	-7	-5.7	-13.9	-5.6	20.9	-22.0	-16.6
46 Bank affiliates	15.2	14.3	5.2	6.2	-27.7	-3.9	-8.0	-32.1	-40.4	-30.2	-18.5	-7.1
47 Savings and loan associations	20.9	19.6	19.9	-14.1	-31.2	-56.2	-15.8	-53.5	-31.9	-23.4	-29.5	-55.6
48 Mutual savings banks	4.2	8.1	1.9	-1.4	-.5	.7	-8.3	6.5	-4.2	4.0	-2.2	-1.4
49 Finance companies	54.7	40.8	67.7	46.3	57.1	52.6	28.2	27.0	97.3	75.7	-9.2	-11.7
50 Real estate investment trusts (REITs) .....	.8	.3	3.5	-1.9	-1.9	.1	-3.8	-2.7	-1.8	-.6	-.7	-.2
51 Securitized credit obligation (SCO) issuers	39.0	39.1	32.5	20.8	40.1	38.2	32.1	55.1	27.5	45.6	28.9	37.3

A40 Domestic Financial Statistics □ February 1992

1.57—Continued

Transaction category or sector	1986	1987	1988	1989	1990	1989	1990					1991	
						Q4	Q1	Q2	Q3	Q4	Q1	Q2	
All sectors													
52 Total net borrowing, all sectors	1,131.7	991.7	1,014.7	894.5	864.9	824.4	995.7	808.5	867.3	788.1	564.7	505.1	
53 U.S. government securities	369.5	317.5	277.2	302.6	440.0	341.4	419.0	412.2	425.4	503.4	360.5	392.4	
54 State and local obligations	22.7	49.3	49.8	30.4	20.1	19.1	12.4	24.5	30.0	13.5	11.3	27.5	
55 Corporate and foreign bonds	212.8	165.7	161.5	115.8	121.1	125.9	96.4	165.8	52.0	170.3	129.0	180.5	
56 Mortgages	316.4	324.9	306.7	275.7	228.6	240.1	348.5	216.2	213.0	136.7	138.7	169.8	
57 Consumer credit	58.0	33.5	50.2	39.1	14.3	44.1	30.4	2.8	21.3	2.5	-23.6	-20.4	
58 Bank loans n.e.c.	69.9	3.2	39.4	41.5	-9	7.5	7.1	13.0	1.4	-25.1	25.6	-64.5	
59 Open market paper	26.4	32.3	75.4	60.6	30.7	51.6	62.3	-36.6	95.7	1.2	-15.2	-134.3	
60 Other loans	56.1	65.5	54.4	28.9	11.1	-5.4	19.5	10.6	28.6	-14.5	-61.6	-46.0	
61 MEMO: U.S. government, cash balance	.0	-7.9	10.4	-5.9	8.3	-7.3	22.9	-38.1	21.1	27.4	51.6	-64.3	
<i>Totals net of changes in U.S. government cash balances</i>													
62 Net borrowing by domestic nonfinancial sectors	836.9	694.9	750.4	684.1	631.0	627.6	780.5	635.0	636.6	471.9	359.8	526.9	
63 Net borrowing by U.S. government	215.0	152.8	147.1	157.5	264.2	192.4	224.4	266.3	265.1	301.0	153.1	306.1	
External corporate equity funds raised in United States													
64 Total net share issues	86.8	10.9	-124.2	-63.7	9.6	14.9	-9.2	48.0	-24.1	23.6	108.0	173.9	
65 Mutual funds	159.0	73.9	1.1	41.3	61.4	72.4	47.8	71.0	46.1	80.6	87.8	122.2	
66 All other	-72.2	-63.0	-125.3	-105.1	-51.7	-57.6	-57.0	-22.9	-70.2	-56.9	20.2	51.7	
67 Nonfinancial corporations	-85.0	-75.5	-129.5	-124.2	-63.0	-79.3	-69.0	-48.0	-74.0	-61.0	-12.0	11.0	
68 Financial corporations	11.6	14.6	3.3	2.4	4.3	4.5	10.3	1.3	4.8	.9	3.4	4.3	
69 Foreign shares purchased in United States	1.2	-2.1	.9	16.7	6.9	17.2	1.7	23.8	-1.0	3.2	28.8	36.4	

1.58 DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

Billions of dollars, except as noted; quarterly data at seasonally adjusted annual rates

Transaction category or sector	1986	1987	1988	1989	1990	1989		1990				1991	
						Q4	Q1	Q2	Q3	Q4	Q1	Q2	
1 Total funds advanced in credit markets to domestic nonfinancial sectors	836.9	687.0	760.8	678.2	639.3	620.2	803.4	596.9	657.7	499.3	411.4	462.6	
2 Total net advances by federal agencies and foreign sectors	280.2	248.8	210.7	187.6	261.7	203.8	221.8	299.4	325.6	200.0	274.7	251.0	
<i>By instrument</i>													
3 U.S. government securities	69.4	70.1	85.2	30.7	74.4	27.1	4.4	111.9	139.1	42.1	122.6	74.4	
4 Residential mortgages	136.3	139.1	86.3	137.9	184.1	178.3	197.5	191.5	160.8	186.7	176.0	211.4	
5 Federal Home Loan Bank advances to thrifts	19.8	24.4	19.7	-11.0	-24.7	-48.8	-22.0	-30.9	-30.5	-15.5	-27.9	-52.9	
6 Other loans and securities	54.7	15.1	19.4	30.0	27.8	47.1	41.8	26.8	56.1	-13.3	4.0	18.1	
<i>By lender</i>													
7 U.S. government	9.7	-7.9	-9.4	-2.4	33.6	5.7	37.7	36.2	63.3	-2.7	30.3	32.1	
8 Sponsored credit agencies and mortgage pools	153.3	169.3	112.0	125.3	166.7	158.4	187.4	163.1	165.6	150.8	158.7	149.0	
9 Monetary authority	19.4	24.7	10.5	-7.3	8.1	-4.6	-6.3	40.4	24.4	-25.9	53.3	12.2	
10 Foreign	97.8	62.7	97.6	72.1	53.2	44.2	3.0	59.8	72.3	77.9	32.4	57.7	
<i>Agency and foreign borrowing not included in line 1</i>													
11 Sponsored credit agencies and mortgage pools	154.1	171.8	119.8	151.0	167.4	156.4	171.7	184.0	139.2	174.6	155.8	150.6	
12 Foreign	9.7	4.5	6.3	10.9	23.5	16.9	2.0	41.2	29.7	21.1	50.6	-53.0	
13 Total private domestic funds advanced	720.5	614.5	676.2	652.5	568.5	589.7	755.3	522.7	501.0	495.0	343.2	309.2	
14 U.S. government securities	300.1	247.4	192.1	271.9	365.6	314.3	414.6	300.3	286.2	461.4	237.8	317.9	
15 State and local obligations	22.7	49.3	49.8	30.4	20.1	19.1	12.4	24.5	30.0	13.5	11.3	27.5	
16 Corporate and foreign bonds	89.7	66.9	91.3	66.1	65.4	70.6	53.4	82.6	31.8	93.8	66.0	94.1	
17 Residential mortgages	115.9	120.2	161.3	96.5	35.0	45.5	123.8	13.0	40.0	-37.0	-34.5	-32.0	
18 Other mortgages and loans	212.0	155.2	201.4	176.6	57.7	91.5	129.2	71.4	82.4	-52.2	34.6	-151.2	
19 Less: Federal Home Loan Bank advances	19.8	24.4	19.7	-11.0	-24.7	-48.8	-22.0	-30.9	-30.5	-15.5	-27.9	-52.9	
20 Total credit market funds advanced by private financial institutions	730.0	528.4	562.3	511.1	394.6	561.9	444.8	266.4	366.7	500.4	185.8	91.6	
<i>By lending institution</i>													
21 Commercial banks	198.1	135.4	156.3	177.3	118.7	184.3	184.1	132.1	101.7	56.9	134.2	15.7	
22 Savings institutions	107.6	136.8	120.4	-90.9	-153.4	-201.9	-56.6	-210.4	-168.6	-178.0	-154.8	-147.6	
23 Insurance and pension funds	160.1	179.7	198.7	177.9	182.4	205.1	160.0	231.6	187.5	150.6	125.4	134.9	
24 Other financial institutions	264.2	76.6	86.9	246.8	246.9	374.5	157.3	113.1	246.1	470.9	80.9	88.6	
<i>By source of funds</i>													
25 Private domestic deposits and repurchase agreements	277.1	162.8	229.2	225.2	60.5	208.0	120.2	28.4	60.1	33.2	216.7	-74.0	
26 Credit market borrowing	131.0	128.4	127.8	54.5	34.7	30.9	18.5	-13.5	40.8	93.1	-53.2	-55.2	
27 Other sources	321.8	237.1	205.3	231.4	299.4	323.1	306.1	251.6	265.9	374.1	22.3	220.8	
28 Foreign funds	12.9	43.7	9.3	-9.9	24.0	-20.6	39.9	7.8	103.5	-55.1	43.8	-124.7	
29 Treasury balances	1.7	-5.8	7.3	-3.4	5.3	5.0	13.1	-13.4	18.2	3.4	30.1	-39.2	
30 Insurance and pension reserves	119.9	135.4	177.6	140.5	159.9	193.9	137.9	211.9	144.2	145.6	60.1	118.8	
31 Other, net	187.3	63.9	11.0	104.2	110.2	144.7	115.2	45.3	.0	280.2	-111.7	265.8	
<i>Private domestic nonfinancial investors</i>													
32 Direct lending in credit markets	121.5	214.6	241.7	195.9	208.6	58.7	329.0	242.8	175.0	87.7	104.2	162.4	
33 U.S. government securities	27.0	86.0	129.0	134.3	148.1	65.8	198.0	154.0	165.2	75.3	85.2	156.4	
34 State and local obligations	-19.9	61.8	53.5	28.4	-1.0	12.8	-1.5	10.0	15.6	-27.9	1.8	13.2	
35 Corporate and foreign bonds	52.9	23.3	-9.4	7	17.5	14.6	38.9	19.7	-74.7	86.1	9.1	57.4	
36 Open market paper	9.9	15.8	36.4	5.4	18.2	-64.6	60.6	33.8	16.8	-38.4	-7.7	67.8	
37 Other loans and mortgages	51.7	27.6	32.2	27.1	25.7	30.1	33.0	25.2	52.1	-7.4	15.9	3.3	
38 Deposits and currency	297.5	179.3	232.8	241.3	90.1	230.6	137.3	64.3	95.9	62.9	236.2	-41.8	
39 Currency	14.4	19.0	14.7	11.7	22.6	10.1	26.1	23.0	32.2	9.1	46.1	5.7	
40 Checkable deposits	96.4	-9	12.9	1.5	6	65.8	1.4	-18.9	13.4	6.4	31.9	-7.3	
41 Small time and savings accounts	120.6	76.0	122.4	100.5	59.4	109.1	107.7	21.5	59.6	48.9	101.0	16.7	
42 Money market fund shares	43.2	28.9	20.2	85.2	61.8	65.6	72.2	4.7	110.9	59.3	128.5	-29.8	
43 Large time deposits	-3.2	37.2	40.8	23.1	-46.8	-13.4	-26.4	-1.8	-97.9	-61.2	-2.3	-52.5	
44 Security repurchase agreements	20.2	21.6	32.9	14.9	-14.5	-19.2	-34.7	22.8	-25.8	-20.1	-42.4	-1.1	
45 Deposits in foreign countries	5.9	-2.5	-11.2	4.4	7.0	12.4	-8.9	12.8	3.6	20.6	-26.6	26.5	
46 Total of credit market instruments, deposits, and currency	419.0	393.9	474.5	437.2	298.7	289.3	466.3	307.0	270.9	150.6	340.4	120.6	
MEMO													
47 Public holdings as percent of total	33.1	36.0	27.5	27.2	39.5	32.0	27.5	46.9	47.4	38.4	59.4	61.3	
48 Private financial intermediation (percent)	101.3	86.0	83.2	78.3	69.4	95.3	58.9	51.0	73.2	101.1	54.1	29.6	
49 Total foreign funds	110.7	106.4	106.9	62.2	77.2	23.6	42.9	67.5	175.8	22.8	76.2	-66.9	
<i>Corporate equities not included above</i>													
50 Total net issues	86.8	10.9	-124.2	-63.7	9.6	14.9	-9.2	48.0	-24.1	23.6	108.0	173.9	
51 Mutual fund shares	159.0	73.9	1.1	41.3	61.4	72.4	47.8	71.0	46.1	80.6	87.8	122.2	
52 Other equities	-72.2	-63.0	-125.3	-105.1	-51.7	-57.6	-57.0	-22.9	-70.2	-56.9	20.2	51.7	
53 Acquisitions by financial institutions	50.9	32.0	-2.9	17.2	31.9	76.9	41.1	72.8	-48.2	61.9	44.0	73.4	
54 Other net purchases	35.9	-21.2	-121.4	-80.9	-22.3	-62.1	-50.3	-24.8	24.1	-38.3	64.1	100.6	

NOTES BY LINE NUMBER.

1. Line 1 of table 1.57.
 2. Sum of lines 3-6 or 7-10.
 6. Includes farm and commercial mortgages.
 11. Credit market funds raised by federally sponsored credit agencies, and net issues of federally related mortgage pool securities.
 13. Line 1 less line 2 plus lines 11 and 12. Also line 20 less line 26 plus line 32. Also sum of lines 28 and 47 less lines 40 and 46.
 18. Includes farm and commercial mortgages.
 25. Line 38 less lines 39 and 45.
 26. Excludes equity issues and investment company shares. Includes line 19.
 28. Foreign deposits at commercial banks, plus bank borrowings from foreign branches, plus liabilities of foreign banking agencies to foreign affiliates, less claims on foreign affiliates and deposits by banking institutions in foreign banks.
 29. Demand deposits and note balances at commercial banks.
 30. Excludes investment of these reserves in corporate equities.
 31. Mainly retained earnings and net miscellaneous liabilities.
 32. Line 13 less line 20 plus line 26.
 - 33-37. Lines 14-18 less amounts acquired by private finance plus amounts borrowed by private finance. Line 37 includes mortgages.
 39. Mainly an offset to line 9.
 46. Sum of lines 32 and 38, or line 13 less line 27 plus lines 39 and 45.
 47. Line 2 divided by line 1.
 48. Line 20 divided by line 13.
 49. Sum of lines 10 and 28.
 - 50, 52. Includes issues by financial institutions.
- NOTE: Full statements for sectors and transaction types in flows and in amounts outstanding may be obtained from Flow of Funds Section, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

1.59 SUMMARY OF CREDIT MARKET DEBT OUTSTANDING

Billions of dollars, end of period

Transaction category or sector	1986	1987	1988	1989	1989	1990				1991	
					Q4	Q1	Q2	Q3	Q4	Q1	Q2
Nonfinancial sectors											
1 Total credit market debt owed by domestic nonfinancial sectors	7,646.3	8,343.9	9,096.0	9,805.2	9,805.2	10,073.3	10,226.8	10,386.9	10,557.3	10,615.5	10,735.3
<i>By lending sector and instrument</i>											
2 U.S. government	1,815.4	1,960.3	2,117.8	2,269.4	2,269.4	2,360.9	2,401.7	2,470.2	2,568.9	2,624.7	2,667.7
3 Treasury securities	1,811.7	1,955.2	2,095.2	2,245.2	2,245.2	2,329.3	2,368.8	2,437.6	2,536.5	2,598.4	2,642.9
4 Agency issues and mortgages	3.6	5.2	22.6	24.2	24.2	31.6	32.9	32.6	32.4	26.4	24.8
5 Private	5,831.0	6,383.6	6,978.2	7,535.8	7,535.8	7,712.5	7,825.1	7,916.7	7,988.4	7,990.8	8,067.7
<i>By instrument</i>											
6 Debt capital instruments	3,962.7	4,427.9	4,886.4	5,283.3	5,283.3	5,451.9	5,533.8	5,608.8	5,669.9	5,709.8	5,787.5
7 Tax-exempt obligations	679.1	728.4	790.8	821.2	821.2	822.2	827.2	837.9	841.3	842.2	847.6
8 Corporate bonds	669.4	748.8	851.7	925.4	925.4	933.0	950.2	958.4	975.1	995.3	1,019.1
9 Mortgages	2,614.2	2,950.7	3,243.8	3,536.6	3,536.6	3,696.7	3,756.4	3,812.6	3,853.4	3,872.3	3,920.9
10 Home mortgages	1,720.8	1,943.1	2,173.9	2,404.3	2,404.3	2,558.3	2,619.5	2,670.0	2,710.0	2,730.1	2,781.0
11 Multifamily residential	246.2	270.0	286.7	304.4	304.4	304.5	300.5	304.5	306.0	306.5	307.1
12 Commercial	551.4	648.7	696.4	742.6	742.6	750.0	752.5	753.8	753.5	752.0	748.9
13 Farm	95.8	88.9	86.8	85.3	85.3	83.9	84.0	84.3	84.0	83.6	83.9
14 Other debt instruments	1,868.2	1,955.7	2,091.9	2,252.6	2,252.6	2,260.6	2,291.3	2,307.9	2,318.5	2,281.0	2,281.0
15 Consumer credit	659.8	693.2	743.5	790.6	790.6	782.3	789.4	798.7	808.9	782.3	784.2
16 Bank loans n.e.c.	666.0	673.3	713.1	763.0	763.0	748.5	756.1	753.6	757.4	749.0	740.3
17 Open market paper	62.9	73.8	85.7	107.1	107.1	126.0	128.7	131.8	116.9	119.9	118.4
18 Other	479.6	515.3	549.6	591.9	591.9	603.7	617.1	623.8	635.4	629.9	637.3
<i>By borrowing sector</i>											
19 State and local government	510.1	558.9	604.5	634.1	634.1	633.8	636.9	647.1	649.1	650.2	652.8
20 Household	2,596.1	2,879.1	3,191.5	3,501.8	3,501.8	3,654.8	3,726.5	3,790.3	3,847.2	3,853.3	3,911.3
21 Nonfinancial business	2,724.8	2,945.6	3,182.2	3,400.0	3,400.0	3,423.9	3,461.7	3,479.4	3,492.2	3,487.3	3,503.6
22 Farm	156.6	145.5	137.6	139.2	139.2	137.3	138.7	141.6	140.5	139.3	143.0
23 Nonfarm noncorporate	997.6	1,075.4	1,145.1	1,195.9	1,195.9	1,208.3	1,208.7	1,209.0	1,209.6	1,205.9	1,204.6
24 Corporate	1,570.6	1,724.6	1,899.5	2,064.8	2,064.8	2,078.3	2,114.3	2,128.7	2,142.1	2,142.1	2,155.9
25 Foreign credit market debt held in United States	238.3	244.6	253.9	261.5	261.5	261.7	273.0	279.4	284.9	297.2	285.1
26 Bonds	74.9	82.3	89.2	94.5	94.5	103.3	108.4	108.9	116.1	118.9	123.0
27 Bank loans n.e.c.	26.9	23.3	21.5	21.4	21.4	18.9	19.3	19.8	18.5	20.4	19.5
28 Open market paper	37.4	41.2	49.9	63.0	63.0	59.3	65.1	71.5	75.3	87.0	74.0
29 U.S. government loans	99.1	97.7	93.2	82.6	82.6	80.2	80.2	79.3	75.0	70.9	68.6
30 Total credit market debt owed by nonfinancial sectors, domestic and foreign	7,884.7	8,588.5	9,349.9	10,066.8	10,066.8	10,335.0	10,499.8	10,666.3	10,842.2	10,912.8	11,020.5
Financial sectors											
31 Total credit market debt owed by financial sectors	1,529.8	1,836.8	2,084.4	2,322.4	2,322.4	2,359.0	2,405.5	2,448.8	2,527.7	2,540.1	2,567.3
<i>By instrument</i>											
32 U.S. government-related	810.3	978.6	1,098.4	1,249.3	1,249.3	1,288.2	1,330.1	1,367.9	1,418.4	1,452.2	1,485.1
33 Sponsored credit-agency securities	273.0	303.2	348.1	373.3	373.3	378.1	381.0	384.4	393.7	397.0	389.6
34 Mortgage pool securities	531.6	670.4	745.3	871.0	871.0	905.2	944.2	978.5	1,019.9	1,050.4	1,090.7
35 Loans from U.S. government	5.7	5.0	5.0	5.0	5.0	5.0	5.0	4.9	4.9	4.9	4.9
36 Private	719.5	858.2	986.1	1,073.0	1,073.0	1,070.8	1,075.4	1,080.9	1,109.3	1,087.9	1,082.2
37 Corporate bonds	287.4	366.3	418.0	482.7	482.7	491.7	510.0	514.4	533.6	543.0	559.5
38 Mortgages	2.7	3.1	3.4	3.4	3.4	4.0	4.0	4.1	4.2	4.2	4.2
39 Bank loans n.e.c.	36.1	32.8	34.2	36.0	36.0	33.2	34.8	34.9	36.7	34.8	35.2
40 Open market paper	284.6	322.9	377.7	409.1	409.1	409.1	400.3	409.6	417.7	398.8	388.6
41 Loans from Federal Home Loan Banks	108.6	133.1	152.8	141.8	141.8	132.9	126.3	117.9	117.1	107.0	94.7
<i>By borrowing sector</i>											
42 Sponsored credit agencies	278.7	308.2	353.1	378.3	378.3	383.0	385.9	389.4	398.5	401.8	394.4
43 Mortgage pools	531.6	670.4	745.3	871.0	871.0	905.2	944.2	978.5	1,019.9	1,050.4	1,090.7
44 Private financial sectors	719.5	858.2	986.1	1,073.0	1,073.0	1,070.8	1,075.4	1,080.9	1,109.3	1,087.9	1,082.2
45 Commercial banks	75.6	81.8	78.8	77.4	77.4	73.2	71.6	70.7	76.3	68.1	65.9
46 Bank affiliates	116.8	131.1	136.2	142.5	142.5	142.0	134.3	122.9	114.8	111.7	110.3
47 Savings and loan associations	119.8	139.4	159.3	145.2	145.2	137.1	125.6	116.2	114.0	102.8	90.8
48 Mutual savings banks	8.6	16.7	18.6	17.2	17.2	15.4	16.7	16.2	16.7	16.4	15.8
49 Finance companies	328.1	378.8	446.1	496.2	496.2	499.2	509.7	530.9	551.8	545.9	547.0
50 Real estate investment trusts (REITs)	6.5	7.3	11.4	10.1	10.1	10.9	10.4	10.2	10.6	10.6	10.8
51 Securitized credit obligation (SCO) issuers	64.0	103.1	135.7	184.4	184.4	193.1	206.9	213.8	225.2	232.4	241.7
All sectors											
52 Total credit market debt, domestic and foreign	9,414.4	10,425.3	11,434.3	12,389.1	12,389.1	12,694.0	12,905.3	13,115.1	13,369.9	13,452.9	13,587.7
53 U.S. government securities	2,620.0	2,933.9	3,211.1	3,513.7	3,513.7	3,644.1	3,726.9	3,833.1	3,982.5	4,072.1	4,147.9
54 State and local obligations	679.1	728.4	790.8	821.2	821.2	822.2	827.2	837.9	841.3	842.2	847.6
55 Corporate and foreign bonds	1,031.7	1,197.4	1,358.9	1,502.6	1,502.6	1,527.9	1,568.6	1,518.6	1,624.8	1,657.3	1,701.6
56 Mortgages	2,610.7	2,953.8	3,247.2	3,540.1	3,540.1	3,700.7	3,760.5	3,816.7	3,857.7	3,876.5	3,925.1
57 Consumer credit	659.8	693.2	743.5	790.6	790.6	782.3	789.4	798.7	808.9	782.3	784.2
58 Bank loans n.e.c.	729.0	729.5	768.9	820.3	820.3	800.7	810.2	808.3	812.6	804.1	794.9
59 Open market paper	384.9	437.9	513.4	579.2	579.2	594.4	594.0	612.9	609.9	605.7	581.1
60 Other loans	693.1	751.1	800.5	821.4	821.4	821.7	828.5	826.0	832.3	812.7	805.5

1.60 SUMMARY OF CREDIT MARKET CLAIMS, BY HOLDER

Billions of dollars, except as noted, end of period

Transaction category or sector	1986	1987	1988	1989	1989		1990				1991	
					Q4	Q1	Q2	Q3	Q4	Q1	Q2	
1 Total funds advanced in credit markets to domestic nonfinancial sectors	7,646.3	8,343.9	9,096.0	9,805.2	9,805.2	10,073.3	10,226.8	10,386.9	10,557.3	10,615.5	10,735.3	
2 Total held by federal agencies and foreign sector	1,779.4	2,006.6	2,199.7	2,379.3	2,379.3	2,423.3	2,502.6	2,584.1	2,645.8	2,698.2	2,765.3	
<i>By instrument</i>												
3 U.S. government securities	509.8	570.9	651.5	682.1	682.1	682.7	714.1	745.6	763.0	786.3	808.3	
4 Residential mortgages	678.5	814.1	900.4	1,038.4	1,038.4	1,081.5	1,126.5	1,171.8	1,221.0	1,260.3	1,310.0	
5 Federal Home Loan Bank advances to thrifts	108.6	133.1	152.8	141.8	141.8	132.9	126.3	117.9	117.1	107.0	94.7	
6 Other loans and securities	482.4	488.6	495.1	517.0	517.0	526.3	535.8	548.8	544.7	544.6	552.2	
<i>By type of lender</i>												
7 U.S. government	255.3	240.0	217.6	207.1	207.1	217.1	227.4	242.7	240.6	248.9	258.2	
8 Sponsored credit agencies and mortgage pools	835.9	1,001.0	1,113.0	1,238.2	1,238.2	1,274.8	1,315.0	1,360.5	1,403.4	1,434.8	1,471.0	
9 Monetary authority	205.5	230.1	240.6	233.3	233.3	224.4	237.8	240.8	241.4	247.3	253.7	
10 Foreign	482.8	535.5	628.5	700.6	700.6	707.0	722.5	740.2	760.4	767.2	782.4	
<i>Agency and foreign debt not in line 1</i>												
11 Sponsored credit agencies and mortgage pools	810.3	978.6	1,098.3	1,249.3	1,249.3	1,288.2	1,330.1	1,367.9	1,418.4	1,452.2	1,485.1	
12 Foreign	238.3	244.6	253.9	261.5	261.5	261.7	273.0	279.4	284.9	297.2	285.1	
13 Total private domestic holdings	6,915.6	7,560.4	8,248.5	8,936.8	8,936.8	9,199.9	9,327.3	9,450.1	9,614.8	9,666.8	9,740.3	
14 U.S. government securities	2,110.1	2,363.0	2,559.7	2,831.6	2,831.6	2,961.4	3,012.8	3,087.5	3,219.4	3,285.8	3,339.6	
15 State and local obligations	679.1	728.4	790.8	821.2	821.2	822.2	827.2	837.9	841.3	845.2	847.6	
16 Corporate and foreign bonds	606.6	674.3	765.6	831.6	831.6	846.7	865.5	874.0	897.1	915.5	936.8	
17 Residential mortgages	1,288.5	1,399.0	1,560.2	1,670.4	1,670.4	1,781.4	1,793.5	1,802.8	1,795.0	1,776.3	1,778.0	
18 Other mortgages and loans	2,339.8	2,528.7	2,724.9	2,923.8	2,923.8	2,921.0	2,954.5	2,979.1	2,979.1	2,954.0	2,930.0	
19 Less: Federal Home Loan Bank advances	108.6	133.1	152.8	141.8	141.8	132.9	126.3	117.9	117.1	107.0	94.7	
20 Total credit market claims held by private financial institutions	6,018.0	6,564.5	7,128.6	7,662.7	7,662.7	7,852.1	7,913.4	7,987.2	8,127.7	8,173.1	8,199.4	
<i>By holding institution</i>												
21 Commercial banks	2,187.6	2,323.0	2,479.3	2,656.6	2,656.6	2,679.4	2,721.2	2,750.9	2,775.3	2,785.4	2,799.3	
22 Savings institutions	1,297.9	1,445.5	1,567.7	1,480.7	1,480.7	1,461.3	1,409.5	1,371.2	1,330.3	1,289.2	1,253.0	
23 Insurance and pension funds	1,525.4	1,705.1	1,903.8	2,081.6	2,081.6	2,150.3	2,194.4	2,227.6	2,264.1	2,308.1	2,335.6	
24 Other finance	1,007.1	1,091.0	1,177.9	1,443.8	1,443.8	1,561.1	1,588.4	1,637.5	1,758.0	1,790.5	1,811.6	
<i>By source of funds</i>												
25 Private domestic deposits and repurchase agreements	3,199.0	3,354.2	3,599.1	3,824.3	3,824.3	3,848.4	3,837.2	3,844.6	3,884.6	3,933.6	3,895.0	
26 Credit market debt	719.5	858.2	986.1	1,073.0	1,073.0	1,070.8	1,075.4	1,080.9	1,109.3	1,087.9	1,082.2	
27 Other sources	2,099.5	2,352.1	2,534.5	2,765.5	2,765.5	2,932.9	3,000.8	3,061.8	3,133.7	3,151.7	3,222.2	
28 Foreign funds	18.6	62.3	71.5	61.6	61.6	61.7	63.1	66.2	85.6	85.2	54.4	
29 U.S. Treasury balances	27.5	21.6	29.0	25.6	25.6	16.7	32.1	36.6	30.9	26.3	36.0	
30 Insurance and pension reserves	1,398.5	1,527.8	1,692.5	1,826.0	1,826.0	1,859.8	1,903.6	1,921.1	1,950.7	1,968.6	2,003.2	
31 Other, net	655.0	740.3	750.5	852.3	852.3	994.7	1,002.1	1,017.9	1,066.4	1,071.5	1,128.6	
<i>Private domestic nonfinancial investors</i>												
32 Credit market claims	1,617.0	1,854.1	2,106.0	2,347.1	2,347.1	2,418.6	2,489.2	2,543.8	2,596.5	2,581.6	2,623.0	
33 U.S. government securities	848.7	936.7	1,072.2	1,206.4	1,206.4	1,254.9	1,280.1	1,322.8	1,360.8	1,370.1	1,395.4	
34 State and local obligations	212.6	274.4	340.9	369.3	369.3	362.0	367.3	371.1	368.4	361.1	366.5	
35 Corporate and foreign bonds	90.5	114.0	100.4	130.5	130.5	153.4	169.2	166.8	180.6	180.3	195.1	
36 Open market paper	145.1	178.5	218.0	228.7	228.7	233.9	249.6	251.0	247.0	235.3	227.5	
37 Other loans and mortgages	320.1	350.4	374.4	412.1	412.1	414.4	423.0	432.1	439.7	434.8	438.5	
38 Deposits and currency	3,410.1	3,583.9	3,832.3	4,073.6	4,073.6	4,094.7	4,094.7	4,108.5	4,163.6	4,209.8	4,184.2	
39 Currency	186.3	205.4	220.1	231.8	231.8	234.4	242.7	254.4	262.0	265.9	265.9	
40 Checkable deposits	516.6	515.4	527.2	528.7	528.7	504.3	510.1	499.7	529.2	512.2	520.8	
41 Small time and savings accounts	1,948.3	2,017.1	2,156.2	2,256.7	2,256.7	2,285.6	2,286.6	2,295.8	2,313.2	2,343.0	2,342.7	
42 Money market fund shares	268.9	297.8	318.0	403.3	403.3	436.7	426.3	454.5	465.0	513.3	493.2	
43 Large time deposits	336.7	373.9	414.7	437.8	437.8	433.4	426.3	408.1	393.8	393.2	367.8	
44 Security repurchase agreements	128.5	150.1	182.9	197.9	197.9	188.4	192.7	186.6	183.4	171.9	170.4	
45 Deposits in foreign countries	24.8	24.3	13.1	17.6	17.6	11.9	17.5	16.8	24.6	14.3	23.4	
46 Total of credit market instruments, deposits, and currency	5,027.2	5,438.0	5,938.2	6,420.7	6,420.7	6,513.3	6,586.6	6,652.3	6,760.1	6,791.4	6,807.3	
<i>MEMO</i>												
47 Public holdings as percent of total	22.6	23.4	23.5	23.6	23.6	23.4	23.8	24.2	24.4	24.7	25.1	
48 Private financial intermediation (percent)	103.7	98.3	96.9	93.8	93.8	90.5	90.3	89.1	86.2	84.8	83.8	
49 Total foreign funds	501.3	597.8	700.1	762.3	762.3	768.7	785.6	826.4	846.0	852.4	836.8	
<i>Corporate equities not included above</i>												
50 Total market value	3,360.6	3,325.0	3,619.8	4,378.9	4,378.9	4,166.6	4,333.1	3,765.3	3,987.2	4,562.4	4,596.2	
51 Mutual fund shares	413.5	460.1	478.3	555.1	555.1	550.3	587.9	547.3	579.9	643.0	681.3	
52 Other equities	2,947.1	2,864.9	3,141.6	3,823.8	3,823.8	3,616.3	3,745.2	3,218.0	3,407.8	3,919.3	3,914.9	
53 Holdings by financial institutions	974.6	1,039.5	1,176.1	1,492.3	1,492.3	1,434.8	1,542.1	1,301.6	1,417.4	1,663.8	1,677.1	
54 Other holdings	2,385.9	2,285.5	2,443.7	2,886.6	2,886.6	2,731.8	2,791.0	2,463.6	2,565.3	2,898.6	2,919.1	

NOTES BY LINE NUMBER.

1. Line 1 of table 1.59.
2. Sum of lines 3-6 or 7-10.
6. Includes farm and commercial mortgages.
11. Credit market debt of federally sponsored agencies, and net issues of federally related mortgage pool securities.
13. Line 1 less line 2 plus lines 11 and 12. Also line 20 less line 26 plus line 32. Also sum of lines 27 and 46 less lines 39 and 45.
18. Includes farm and commercial mortgages.
25. Line 38 less lines 39 and 45.
26. Excludes equity issues and investment company shares. Includes line 19.
28. Foreign deposits at commercial banks, plus bank borrowings from foreign affiliates, less claims on foreign affiliates and deposits by banking in foreign banks.
29. Demand deposits and note balances at commercial banks.

30. Excludes net investment of these reserves in corporate equities.
 31. Mainly retained earnings and net miscellaneous liabilities.
 32. Line 13 less line 20 plus line 26.
 - 33-37. Lines 14-18 less amounts acquired by private finance plus amounts borrowed by private finance. Line 37 includes mortgages.
 39. Mainly an offset to line 9.
 46. Sum of lines 32 and 38, or line 13 less line 27 plus lines 39 and 45.
 47. Line 2 divided by lines 1 plus 12.
 48. Line 20 divided by line 13.
 49. Sum of lines 10 and 28.
 - 50-52. Includes issues by financial institutions.
- NOTE. Full statements for sectors and transaction types in flows and in amounts outstanding can be obtained from Flow of Funds Section, Stop 95, Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

Monthly data seasonally adjusted, except as noted

Measure	1988	1989	1990	1991								
				Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
1 Industrial production ¹ (1987=100)	105.4	108.1	109.2	105.0	105.5	106.4	107.3	108.1	108.0	108.2	108.2	107.8
<i>Market groupings (1987=100)</i>												
2 Products, total	105.3	108.6	110.1	106.5	106.9	107.7	108.6	108.7	108.5	108.8	108.9	108.4
3 Final, total	105.6	109.1	110.9	108.1	108.7	109.3	110.1	110.2	109.8	110.3	110.4	109.8
4 Consumer goods	104.0	106.7	107.3	104.7	105.5	106.6	108.0	108.3	108.4	109.2	109.3	108.8
5 Equipment	107.6	112.3	115.5	112.5	112.8	112.7	112.8	112.8	111.6	111.8	111.9	111.1
6 Intermediate	104.4	106.8	107.7	101.3	101.2	102.7	104.0	104.0	104.4	104.2	103.9	104.3
7 Materials	105.6	107.4	107.8	102.6	103.4	104.5	105.4	107.0	107.2	107.3	107.2	106.8
<i>Industry groupings (1987=100)</i>												
8 Manufacturing	105.8	108.9	109.9	105.2	105.9	106.6	107.5	108.3	108.4	108.9	108.9	108.3
9 Capacity utilization, manufacturing (percent) ²	83.9	83.9	82.3	77.2	77.5	77.8	78.3	78.7	78.6	78.8	78.6	78.0
10 Construction contracts (1982=100) ³	166.7	172.9	155.7	128.0	145.0	138.0	133.0	144.0	150.0	143.0	157.0	134.0
11 Nonagricultural employment, total ⁴	128.0	131.5	133.8	132.1	131.9	132.0	132.0	132.0	132.1	132.3	132.3	132.0
12 Goods-producing, total	103.4	104.0	102.7	98.1	97.7	98.0	97.7	97.8	97.9	97.8	97.5	96.9
13 Manufacturing, total	98.3	98.7	96.8	93.7	93.4	93.6	93.4	93.5	93.7	93.5	93.3	93.2
14 Manufacturing, production worker	93.5	93.8	91.5	87.9	87.7	87.9	87.8	88.0	88.3	88.1	88.0	87.8
15 Service-producing	138.3	142.9	146.8	146.3	146.1	146.3	146.4	146.3	146.5	146.7	146.8	146.6
16 Personal income, total	115.2	123.1	n.a.	126.0	126.9	127.5	127.1	127.7	128.2	128.5	128.3	n.a.
17 Wages and salary disbursements	114.4	121.1	n.a.	122.9	123.8	124.8	124.2	124.9	125.4	125.2	125.2	n.a.
18 Manufacturing	110.6	113.4	n.a.	112.0	112.7	113.4	113.8	114.4	114.6	115.5	114.3	n.a.
19 Disposable personal income ⁵	115.2	123.4	n.a.	127.0	128.1	128.6	128.3	128.9	129.3	129.7	129.5	n.a.
20 Retail sales ⁶	228.2	241.7	250.8	252.3	251.4	254.3	254.2	255.1	253.4	254.2	254.3	255.0
<i>Prices⁷</i>												
21 Consumer (1982-84=100)	118.3	124.0	130.7	135.0	135.2	135.6	136.0	136.2	136.6	137.2	137.4	137.8
22 Producer finished goods (1982=100)	108.0	113.6	119.2	120.9	121.1	121.8	121.9	121.6	121.7	121.3	122.3	122.3

1. A major revision of the industrial production index and the capacity utilization rates was released in April 1990. See "Industrial Production: 1989 Developments and Historical Revision," *Federal Reserve Bulletin*, vol. 76 (April 1990), pp. 187-204.

2. Ratio of index of production to index of capacity. Based on data from the Federal Reserve, DRI McGraw-Hill, U.S. Department of Commerce, and other sources.

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

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

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

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

7. Based on data not seasonally adjusted, as published in *Monthly Labor Review*. Seasonally adjusted data for changes in the price indexes can be obtained from the Bureau of Labor Statistics, U.S. Department of Labor.

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

Figures for industrial production for the latest month are preliminary, and many figures for the three months preceding the latest month have been revised. See "Recent Developments in Industrial Capacity and Utilization," *Federal Reserve Bulletin*, vol. 76 (June 1990), pp. 411-35.

2.11 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

Thousands of persons; monthly data seasonally adjusted; exceptions noted

Category	1988	1989	1990	1991							
				Apr.	May	June	July	Aug.	Sept.	Oct. [†]	Nov.
HOUSEHOLD SURVEY DATA											
1 Noninstitutional population ¹	186,837	188,601	190,216	191,525	191,664	191,805	191,955	192,095	192,240	192,386	192,522
2 Labor force (including Armed Forces) ¹	123,893	126,077	126,954	127,817	127,374	127,766	127,330	127,026	127,725	127,646	127,327
3 Civilian labor force	121,669	123,869	124,787	125,672	125,232	125,629	125,214	124,904	125,607	125,549	125,257
<i>Employment</i>											
4 Nonagricultural industries ²	111,800	114,142	114,728	114,243	113,319	113,576	113,474	113,150	113,859	113,772	113,457
5 Agriculture	3,169	3,199	3,186	3,156	3,272	3,308	3,239	3,266	3,306	3,195	3,302
<i>Unemployment</i>											
6 Number	6,701	6,528	6,874	8,274	8,640	8,745	8,501	8,488	8,442	8,582	8,499
7 Rate (percent of civilian labor force)	5.5	5.3	5.5	6.6	6.9	7.0	6.8	6.8	6.7	6.8	6.8
8 Not in labor force	62,944	62,524	63,262	63,708	64,290	64,039	64,625	65,069	64,515	64,740	65,195
ESTABLISHMENT SURVEY DATA											
9 Nonagricultural payroll employment ³	105,536	108,413	110,330	108,736	108,887	108,885	108,859	108,971	109,066 [†]	109,070	108,829
10 Manufacturing	19,350	19,426	19,064	18,396	18,426	18,378	18,402	18,442	18,414 [†]	18,374	18,341
11 Mining	713	700	735	710	706	704	701	693	684	678	676
12 Contract construction	5,110	5,200	5,205	4,688	4,715	4,710	4,695	4,691	4,699 [†]	4,671	4,576
13 Transportation and public utilities	5,527	5,648	5,838	5,814	5,819	5,809	5,809	5,820	5,829 [†]	5,829	5,826
14 Trade	25,132	25,851	26,151	25,410	25,424	25,413	25,411	25,393	25,387 [†]	25,337	25,215
15 Finance	6,649	6,724	6,833	6,718	6,712	6,703	6,688	6,687	6,692 [†]	6,698	6,702
16 Service	25,669	27,096	28,209	28,576	28,645	28,712	28,733	28,831	28,937 [†]	29,023	29,042
17 Government	17,386	17,769	18,295	18,424	18,440	18,456	18,420	18,414	18,424 [†]	18,460	18,451

1. Persons sixteen years of age and older. Monthly figures are based on sample data collected during the calendar week that contains the twelfth day; annual data are averages of monthly figures. By definition, seasonality does not exist in population figures.

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

3. Includes all full- and part-time employees who worked during, or received

pay for, the pay period that includes the twelfth day of the month, and exclude proprietors, self-employed persons, household and unpaid family workers, and members of the armed forces. Data are adjusted to the March 1984 benchmark, and only seasonally adjusted data are available at this time.

SOURCE: Based on data from *Employment and Earnings* (U.S. Department of Labor).

2.12 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION¹

Seasonally adjusted

Series	1990	1991			1990	1991			1990	1991		
	Q4	Q1	Q2	Q3 ^f	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3 ^f
	Output (1987=100)				Capacity (percent of 1987 output)				Capacity utilization rate (percent)			
1 Total industry	108.5	105.8	106.4	108.1	132.8	133.6	134.5	135.3	81.7	79.2	79.1	79.9
2 Manufacturing	109.0	106.1	106.7	108.5	135.0	136.0	136.9	137.9	80.8	78.0	77.9	78.7
3 Primary processing	104.7	100.6	100.8	104.0	126.1	126.8	127.5	128.1	83.0	79.4	79.1	81.2
4 Advanced processing	111.0	108.6	109.4	110.6	139.1	140.2	141.3	142.4	79.8	77.5	77.4	77.7
5 Durable goods	110.0	106.1	106.7	108.1	139.0	139.9	140.9	141.8	79.1	75.8	75.7	76.2
6 Lumber and products	95.7	92.3	94.0	95.0	124.6	125.0	125.2	125.4	76.8	73.9	75.1	75.7
7 Primary metals	107.3	97.9	95.9	102.0	127.9	128.2	128.6	129.0	83.9	76.4	74.6	79.1
8 Iron and steel	110.0	96.3	92.8	100.3	132.7	133.0	133.5	134.0	82.9	72.4	69.5	74.8
9 Nonferrous	103.4	100.2	100.3	104.5	121.1	121.3	121.5	121.7	85.3	82.6	82.6	85.8
10 Nonelectrical machinery	126.4	124.4	123.5	123.5	156.3	157.9	159.5	161.2	80.8	78.8	77.4	76.6
11 Electrical machinery	109.9	108.1	110.6	111.2	141.4	142.7	144.0	145.3	77.8	75.8	76.8	76.5
12 Motor vehicles and parts	89.4	80.8	89.5	95.9	132.9	133.4	134.2	134.9	67.2	60.5	66.7	71.1
13 Aerospace and miscellaneous transportation equipment	113.3	109.9	106.4	105.3	136.1	137.0	137.9	138.7	83.3	80.2	77.2	75.9
14 Nondurable goods	107.8	106.1	106.7	109.1	129.9	130.9	131.9	132.9	83.0	81.0	80.9	82.1
15 Textile mill products	98.2	94.6	99.4	104.0	117.0	117.3	117.7	118.0	84.0	80.6	84.5	88.2
16 Paper and products	105.8	102.6	102.7	107.6	115.7	116.4	117.1	117.9	91.4	88.2	87.7	91.2
17 Chemicals and products	110.2	109.1	109.3	112.1	137.1	138.4	139.7	141.0	80.4	78.8	78.2	79.5
18 Plastics materials	118.1	113.2	115.6	125.4	132.9	135.7	139.2	142.6 ^f	88.9	83.4	83.0	87.9
19 Petroleum products	107.4	107.3	107.6	108.1	121.4	121.4	121.4	121.4	88.5	88.4	88.6	89.0
20 Mining	103.1	102.0	101.1	101.6	114.0	113.8	114.3	114.6	90.4	89.6	88.4	88.7
21 Utilities	108.3	106.2	109.6	110.2	127.6	128.1	128.4	128.8	84.8	82.9	85.3	85.5
22 Electric	111.2	109.3	114.4	115.1	123.2	123.8	124.3	124.7	90.2	88.3	92.1	92.3

Series	Previous cycle ²		Latest cycle		1990	1991							
	High	Low	High	Low	Nov.	Apr.	May	June	July	Aug. ^f	Sept. ^f	Oct. ^f	Nov. ^p
	Capacity utilization rate (percent)												
1 Total industry	89.2	72.6	87.3	71.8	81.6	78.6	79.1	79.6	80.0	79.8	79.8	79.6	79.1
2 Manufacturing	88.9	70.8	87.3	70.0	80.7	77.5	77.8	78.3	78.7	78.6	78.8	78.6	78.0
3 Primary processing	92.2	68.9	89.7	66.8	83.2	78.2	79.0	79.9	81.1	81.2	81.2	81.1	80.7
4 Advanced processing	87.5	72.0	86.3	71.4	79.6	77.3	77.3	77.6	77.8	77.5	77.7	77.5	76.9
5 Durable goods	88.8	68.5	86.9	65.0	79.1	75.4	75.7	76.0	76.4	76.0	76.2	75.9	75.1
6 Lumber and products	90.1	62.2	87.6	60.9	76.6	74.1	73.9	77.2	75.6	76.0	75.6	74.6	76.1
7 Primary metals	100.6	66.2	102.4	46.8	85.3	73.6	75.3	74.9	78.5	79.6	79.2	79.2	79.0
8 Iron and steel	105.8	66.6	110.4	38.3	84.8	68.7	70.4	69.5	74.3	75.0	75.1	76.2	76.4
9 Nonferrous	92.9	61.3	90.5	62.2	85.9	81.1	83.1	83.5	85.1	86.7	85.6	83.9	83.1
10 Nonelectrical machinery	96.4	74.5	92.1	64.9	80.8	77.7	77.4	77.1	77.2	76.5	76.2	76.4	75.2
11 Electrical machinery	87.8	63.8	89.4	71.1	78.1	76.4	76.8	77.2	76.6	76.8	76.2	75.1	75.2
12 Motor vehicles and parts	93.4	51.1	93.0	44.5	64.5	64.3	66.9	68.9	71.8	67.9	73.6	74.2	70.6
13 Aerospace and miscellaneous transportation equipment	77.0	66.6	81.1	66.9	83.1	78.0	76.7	76.8	76.1	76.1	75.3	74.9	73.9
14 Nondurable goods	87.9	71.8	87.0	76.9	82.9	80.5	80.7	81.4	82.0	82.1	82.2	82.1	81.9
15 Textile mill products	92.0	60.4	91.7	73.8	83.3	82.7	84.3	86.4	88.4	88.8	87.3	87.3	87.2
16 Paper and products	96.9	69.0	94.2	82.0	90.9	86.7	86.5	89.7	91.9	90.4	91.4	90.8	90.7
17 Chemicals and products	87.9	69.9	85.1	70.1	80.2	78.3	78.2	79.3	79.7	79.6	79.7	79.7	79.7
18 Plastics materials	102.0	50.6	90.9	63.4	90.2	80.5	84.5	84.1	89.6	87.1	87.0	.....	.....
19 Petroleum products	96.7	81.1	89.5	68.2	88.9	87.1	88.6	90.2	89.2	88.4	89.4	88.5	87.1
20 Mining	94.4	88.4	96.6	80.6	90.6	88.3	87.6	89.2	89.6	88.5	88.0	87.5	87.5
21 Utilities	95.6	82.5	88.3	76.2	83.8	82.6	86.7	86.7	86.2	85.9	84.5	84.5	85.1
22 Electric	99.0	82.7	88.3	78.7	88.9	88.5	93.7	94.1	93.6	92.7	90.7	90.7	91.6

1. Data in this table also appear in the Board's G.17 (419) monthly statistical release. For ordering address, see inside front cover. For a detailed description of the series, see "Recent Developments in Industrial Capacity and Utilization," *Federal Reserve Bulletin*, vol. 76 (June 1990), pp. 411-35.

2. Monthly high, 1973; monthly low, 1975.

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

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value¹

Monthly data seasonally adjusted

Group	1987 pro- por- tion	1990 avg.	1990		1991										
			Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug. ^r	Sept. ^t	Oct. ^r	Nov. ^p
Index (1987 = 100)															
MAJOR MARKETS															
1 Total index	100.0	109.2	108.3	107.2	106.6	105.7	105.0	105.5	106.4	107.3	108.1	108.0	108.2	108.2	107.8
2 Products	60.8	110.1	109.3	108.4	107.8	106.9	106.5	106.9	107.7	108.6	108.7	108.5	108.8	108.9	108.4
3 Final products	46.0	110.9	110.2	109.2	109.1	108.3	108.1	108.7	109.3	110.1	110.2	109.8	110.3	110.4	109.8
4 Consumer goods, total	26.0	107.3	106.5	105.7	105.6	104.7	104.7	105.5	106.6	108.0	108.3	108.4	109.2	109.3	108.8
5 Durable consumer goods	5.6	106.2	99.4	96.0	97.6	95.2	95.9	99.3	101.1	104.2	105.5	104.0	107.7	107.8	106.2
6 Automotive products	2.5	102.3	93.5	86.7	90.6	88.1	88.9	94.2	97.4	100.4	102.3	98.6	106.6	107.3	103.8
7 Autos and trucks	1.5	97.4	84.2	74.6	79.6	74.7	76.7	85.0	89.2	92.5	98.1	90.2	103.0	105.1	99.0
8 Autos, consumer .....	.9	92.2	80.7	77.2	83.2	78.6	76.3	78.3	81.9	83.8	92.8	83.0	94.5	92.6	89.8
9 Trucks, consumer .....	.6	106.1	90.2	70.2	73.6	68.1	77.4	96.3	101.6	107.1	106.9	102.2	117.1	126.1	114.5
10 Auto parts and allied goods	1.0	109.6	107.3	104.8	107.1	108.3	107.3	108.0	109.5	112.2	108.6	111.3	112.1	110.5	111.0
11 Other	3.1	109.4	104.1	103.4	103.2	100.7	101.4	103.4	104.1	107.3	108.1	108.3	108.6	108.3	108.2
12 Appliances, A/C, and TV .....	.8	102.0	90.8	89.9	92.8	94.5	96.2	97.3	96.8	104.8	100.6	99.6	104.1	102.1	101.6
13 Carpeting and furniture .....	.9	104.9	99.2	100.9	100.3	92.0	93.9	97.0	96.9	99.2	103.1	103.9	101.8	102.1	101.8
14 Miscellaneous home goods	1.4	116.4	114.6	112.5	110.8	109.8	109.2	110.8	112.8	113.8	115.5	115.9	115.5	115.7	115.9
15 Nondurable consumer goods	20.4	107.6	108.5	108.4	107.8	107.3	107.1	107.2	108.1	109.0	109.0	109.6	109.6	109.7	109.4
16 Foods and tobacco	9.1	105.9	107.8	107.5	106.3	105.9	105.4	105.3	106.2	106.9	106.9	107.1	107.6	107.7	107.1
17 Clothing	2.6	95.7	91.7	92.1	90.6	90.8	90.4	90.6	92.0	93.9	94.3	94.8	95.2	95.7	95.3
18 Chemical products	3.5	113.3	113.5	113.5	114.7	114.8	114.2	115.0	113.9	114.3	115.4	117.4	117.3	117.2	117.7
19 Paper products	2.5	119.7	122.8	122.7	122.1	121.0	122.2	122.7	121.8	123.3	122.1	122.6	124.8	125.0	124.5
20 Energy	2.7	105.9	106.4	106.6	106.5	105.2	105.5	104.4	109.0	110.0	109.4	109.5	105.4	105.4	105.8
21 Fuels .....	.7	102.9	101.1	98.1	99.8	104.3	104.3	101.4	103.6	104.9	105.2	104.4	104.4	105.1	102.9
22 Residential utilities	2.0	107.0	108.4	109.7	109.0	105.9	105.9	105.5	111.0	111.9	110.9	111.5	105.8	105.5	106.9
23 Equipment	20.0	115.5	115.1	113.6	113.6	112.9	112.5	112.8	112.7	112.8	112.8	111.6	111.8	111.9	111.1
24 Business equipment	13.9	123.1	122.9	121.2	121.6	120.6	120.3	121.3	121.7	121.9	122.5	121.3	122.3	122.5	121.7
25 Information processing and related	5.6	127.2	128.8	127.5	130.1	131.6	131.2	131.5	131.8	130.9	131.1	130.3	130.4	131.7	132.6
26 Office and computing	1.9	149.8	149.8	148.9	155.0	157.3	155.1	155.6	155.6	154.0	156.0	153.1	152.2	156.5	157.3
27 Industrial	4.0	115.3	115.3	112.3	111.5	109.1	109.5	109.3	109.3	109.1	109.0	108.6	108.2	106.9	104.5
28 Transit	2.5	129.9	126.3	123.4	124.0	120.3	120.4	124.1	125.9	128.0	131.2	126.7	132.6	133.0	130.1
29 Autos and trucks	1.2	96.8	83.9	75.3	79.8	75.0	76.7	84.4	87.9	90.8	96.6	86.2	99.2	101.1	96.5
30 Other	1.9	118.5	117.6	118.5	115.0	112.5	110.8	112.7	113.0	114.8	114.8	114.8	114.8	115.0	115.2
31 Defense and space equipment	5.4	97.3	96.2	95.8	94.4	94.5	93.9	92.5	91.5	91.0	90.0	89.8	89.0	88.7	87.9
32 Oil and gas well drilling .....	.6	109.0	109.7	107.3	106.4	108.2	107.7	105.1	101.3	103.0	97.8	86.7	80.1	79.0	78.1
33 Manufactured homes .....	.2	90.8	87.3	83.4	83.1	77.3	79.3	83.1	86.6	90.8	86.5	90.3	86.2	86.3	87.6
34 Intermediate products, total	14.7	107.7	106.2	106.0	103.8	102.6	101.3	101.2	102.7	104.0	104.0	104.4	104.2	103.9	104.3
35 Construction supplies	6.0	105.2	101.8	101.0	97.7	96.4	94.0	94.9	95.8	97.4	96.9	96.7	96.4	95.4	95.5
36 Business supplies	8.7	109.4	109.2	109.4	108.1	106.8	106.4	105.6	107.5	108.5	109.0	109.7	109.6	109.9	110.4
37 Materials	39.2	107.8	106.8	105.3	104.8	103.9	102.6	103.4	104.5	105.4	107.0	107.2	107.3	107.2	106.8
38 Durable goods materials	19.4	111.8	110.4	107.5	106.8	105.5	103.3	104.9	106.2	106.7	108.2	109.1	109.2	108.8	107.8
39 Durable consumer parts	4.2	104.0	98.5	91.1	94.2	90.4	87.5	92.1	95.5	97.3	100.2	100.1	101.3	101.5	98.5
40 Equipment parts	7.3	118.1	117.4	116.9	115.9	116.2	114.8	114.6	114.8	113.6	113.5	114.3	113.9	113.4	113.0
41 Other	7.9	110.2	110.2	107.4	105.2	103.8	101.0	102.6	103.8	105.3	107.5	109.0	109.0	108.4	107.8
42 Basic metal materials	2.8	111.9	112.7	109.6	104.6	104.8	101.2	101.6	103.0	105.9	108.8	110.2	109.4	108.5	108.2
43 Nondurable goods materials	9.0	106.0	105.6	104.9	104.9	103.6	102.8	103.1	103.7	104.9	108.1	107.8	108.3	108.8	108.9
44 Textile materials	1.2	96.7	95.1	91.4	89.1	91.5	92.7	94.7	96.8	98.1	101.4	101.5	99.6	100.2	100.0
45 Pulp and paper materials	1.9	106.4	107.2	108.5	106.0	104.1	102.4	102.0	101.5	106.9	110.3	108.2	110.4	110.0	110.0
46 Chemical materials	3.8	106.8	105.8	105.7	106.7	104.1	102.7	102.9	103.9	103.9	107.7	107.9	108.3	109.2	109.5
47 Other	2.1	109.5	109.4	107.6	109.3	108.8	108.8	109.0	109.2	108.6	110.5	110.9	111.4	111.5	111.9
48 Energy materials	10.9	102.1	101.6	102.0	101.1	101.1	101.3	101.1	102.4	103.4	104.1	103.3	103.1	103.1	103.3
49 Primary energy	7.2	101.3	101.4	101.9	101.3	102.1	101.5	100.5	101.2	104.7	106.2	104.5	103.1	103.3	103.6
50 Converted fuel materials	3.7	103.5	102.0	102.1	100.9	99.2	100.8	102.4	104.7	101.0	100.1	101.0	103.1	102.6	102.8
SPECIAL AGGREGATES															
51 Total excluding autos and trucks	97.3	109.5	109.0	108.1	107.4	106.6	105.7	106.1	106.9	107.8	108.4	108.5	108.4	108.3	108.1
52 Total excluding motor vehicles and parts	95.3	109.8	109.4	108.6	107.8	107.0	106.2	106.5	107.3	108.1	108.6	108.8	108.7	108.6	108.4
53 Total excluding office and computing machines	97.5	108.2	107.3	106.1	105.4	104.4	103.7	104.2	105.2	106.2	106.9	106.8	107.1	107.0	106.6
54 Consumer goods excluding autos and trucks	24.5	107.9	107.9	107.6	107.2	106.5	106.4	106.7	107.6	108.9	108.9	109.5	109.6	109.5	109.3
55 Consumer goods excluding energy	23.3	107.9	106.5	105.6	105.5	104.7	104.6	105.6	106.3	107.7	108.1	108.3	109.6	109.7	109.1
56 Business equipment excluding autos and trucks	12.7	125.6	126.8	125.6	125.7	125.0	124.5	124.9	125.0	125.0	125.0	124.7	124.5	124.6	124.2
57 Business equipment excluding office and computing equipment	12.0	118.7	118.6	116.7	116.2	114.6	114.6	115.7	116.3	116.7	117.0	116.2	117.4	117.0	115.9
58 Materials excluding energy	28.4	110.0	108.9	106.6	106.2	104.9	103.1	104.3	105.4	106.1	108.2	108.7	108.9	108.8	108.1

A48 Domestic Nonfinancial Statistics □ February 1992

2.13—Continued

Group	SIC ² code	1987 proportion	1990 avg.	1990		1991										
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug. [†]	Sept. [†]	Oct. [†]	Nov. [‡]
Index (1987 = 100)																
MAJOR INDUSTRIES																
1 Total index		100.0	109.2	108.3	107.2	106.6	105.7	105.0	105.5	106.4	107.3	108.1	108.0	108.2	108.2	107.8
2 Manufacturing		84.4	109.9	108.9	107.5	107.0	106.1	105.2	105.9	106.6	107.5	108.3	108.4	108.9	108.9	108.3
3 Primary processing		26.7	106.3	104.9	102.9	102.0	100.8	99.0	99.6	100.7	102.1	103.7	104.1	104.3	104.3	103.9
4 Advanced processing		57.7	111.6	110.8	109.5	109.3	108.5	108.0	108.9	109.3	109.9	110.5	110.3	111.0	111.0	110.3
5 Durable goods		47.3	111.6	109.9	107.5	107.2	106.1	105.0	106.0	106.7	107.3	108.1	107.8	108.4	108.2	107.3
6 Lumber and products	24	2.0	101.6	95.5	93.5	94.2	91.5	91.2	92.7	92.5	96.7	94.8	95.3	94.9	93.7	95.7
7 Furniture and fixtures	25	1.4	105.9	102.3	102.0	99.0	94.9	95.4	98.3	98.5	99.4	100.5	101.3	101.2	101.2	100.4
8 Clay, glass, and stone products	32	2.5	105.7	103.8	100.7	97.2	98.9	94.4	94.2	95.1	95.0	95.8	95.5	94.3	94.4	92.7
9 Primary metals	33	3.3	108.4	109.1	104.2	99.7	99.5	94.7	94.5	96.9	96.4	101.2	102.6	102.2	102.3	102.2
10 Iron and steel	331,2	1.9	109.9	112.6	107.3	99.0	98.0	92.0	91.6	94.0	92.9	99.5	100.6	100.8	102.4	102.8
11 Raw steel		1	109.6	109.5	100.6	104.7	97.9	89.8	91.0	88.9	94.0	102.6	102.4	100.9	101.3	102.8
12 Nonferrous	333-6,9	1.4	106.2	104.1	99.8	100.6	101.6	98.4	98.5	101.0	101.5	103.5	105.5	104.3	102.3	101.3
13 Fabricated metal products	34	5.4	105.9	104.3	101.9	101.7	99.1	97.8	98.0	99.1	99.8	100.9	101.4	101.8	101.7	100.9
14 Nonelectrical machinery	35	8.6	126.5	126.3	124.7	125.5	124.5	123.1	123.5	123.6	123.4	123.9	123.3	123.2	124.0	122.4
15 Office and computing machines	357	2.5	149.8	149.8	148.9	155.0	157.3	155.1	155.6	155.6	154.0	156.0	153.0	152.2	156.5	157.3
16 Electrical machinery	36	8.6	111.4	110.4	108.7	107.6	108.2	108.6	109.7	110.6	111.5	111.0	111.5	111.0	109.7	110.2
17 Transportation equipment	37	9.8	105.5	100.1	96.6	97.6	95.5	95.0	97.2	98.2	99.7	101.3	99.0	102.2	102.4	99.6
18 Motor vehicles and parts	371	4.7	96.8	85.8	78.5	83.0	79.4	79.8	86.2	89.8	92.5	96.7	91.6	99.4	100.4	95.7
19 Autos and light trucks		2.3	96.6	83.7	74.9	80.1	75.3	76.6	84.0	88.2	91.2	97.3	89.1	101.7	103.2	97.7
20 Aerospace and miscellaneous transportation equipment	372-6,9	5.1	113.3	113.1	112.9	110.8	110.0	108.8	107.2	105.8	106.1	105.4	105.6	104.7	104.3	103.2
21 Instruments	38	3.3	116.8	118.1	117.3	119.0	119.3	118.4	118.6	118.2	117.3	116.5	116.9	118.2	118.0	118.3
22 Miscellaneous	39	1.2	120.0	122.5	119.1	116.1	114.6	115.3	117.5	118.7	119.8	121.6	123.2	121.9	120.9	120.7
23 Nondurable goods		37.2	107.8	107.7	107.4	106.8	106.0	105.4	105.9	106.5	107.6	108.6	109.0	109.5	109.7	109.6
24 Foods	20	8.8	107.6	109.6	109.1	108.3	107.6	107.4	107.6	107.8	108.6	108.3	108.7	109.3	109.3	109.2
25 Tobacco products	21	1.0	98.6	99.0	101.1	100.0	100.1	98.2	97.6	98.7	99.4	102.6	103.1	102.7	102.2	99.6
26 Textile mill products	22	1.8	100.8	97.4	96.1	94.0	94.3	95.4	97.2	99.2	101.7	104.2	104.7	103.2	103.2	103.2
27 Apparel products	23	2.4	98.8	95.5	94.9	92.9	93.1	92.5	93.2	95.2	96.2	97.8	98.3	98.3	98.9	98.6
28 Paper and products	26	3.6	105.3	105.1	105.4	104.2	102.2	101.3	101.3	101.3	105.3	108.1	106.5	108.0	107.5	107.6
29 Printing and publishing	27	6.4	111.9	112.4	112.8	112.1	110.9	110.4	110.7	110.6	111.2	111.9	112.3	113.1	113.9	114.2
30 Chemicals and products	28	8.6	110.3	110.0	109.9	110.1	109.1	108.2	109.0	109.2	109.6	111.5	112.3	112.6	113.1	113.5
31 Petroleum products	29	1.3	108.2	107.8	105.6	104.7	108.8	108.5	105.7	107.5	109.6	108.3	107.3	108.6	107.4	105.7
32 Rubber and plastic products	30	3.0	110.2	109.6	106.9	108.8	106.1	104.4	106.6	109.2	110.5	110.1	112.6	113.2	113.2	112.6
33 Leather and products	31	3	100.0	89.9	92.6	89.6	90.8	91.5	90.0	89.5	90.9	91.0	87.1	86.2	83.8	84.8
34 Mining		7.9	102.6	103.3	103.4	101.7	102.9	101.5	100.9	100.2	102.1	102.7	101.3	100.8	100.3	100.3
35 Metal	10	3	153.1	153.4	162.0	143.1	148.0	147.6	145.7	148.0	157.0	153.0	155.5	153.1	153.6	152.0
36 Coal	11,12	1.2	113.2	112.9	110.6	108.4	112.8	109.9	105.9	103.4	110.2	116.0	110.8	110.1	107.9	108.7
37 Oil and gas extraction	13	5.7	95.5	97.3	96.7	96.0	97.2	96.4	96.6	96.0	96.9	96.4	95.7	95.2	95.1	95.1
38 Stone and earth minerals	14	7	119.5	113.5	118.9	119.2	112.0	108.0	107.0	107.5	106.4	107.8	107.0	107.3	105.2	105.1
39 Utilities		7.6	108.0	106.9	108.8	107.6	104.6	106.4	105.9	111.4	111.5	110.9	110.7	108.9	109.0	109.9
40 Electric	491,3PT	6.0	110.8	109.6	111.8	110.4	107.8	109.8	109.8	116.4	117.1	116.6	115.6	113.3	113.4	114.6
41 Gas	492,3PT	1.6	97.3	97.0	97.6	97.5	92.8	93.6	91.6	92.8	90.7	89.7	92.4	93.0	92.7	92.6
SPECIAL AGGREGATES																
42 Manufacturing excluding motor vehicles and parts		79.8	110.7	110.3	109.1	108.4	107.6	106.7	107.1	107.6	108.3	109.0	109.3	109.4	109.3	109.0
43 Manufacturing excluding office and computing machines		82.0	108.7	107.7	106.2	105.6	104.5	103.7	104.4	105.1	106.1	106.9	107.0	107.6	107.4	106.8
Gross value (billions of 1982 dollars, annual rates)																
MAJOR MARKETS																
44 Products, total		1734.8	1,911.4	1,882.8	1,859.4	1,860.4	1,848.4	1,845.4	1,853.3	1,875.7	1,890.5	1,895.3	1,885.5	1,899.8	1,907.7	1,891.1
45 Final		1350.9	1,497.7	1,470.8	1,450.8	1,459.6	1,452.8	1,455.6	1,464.6	1,478.1	1,490.5	1,496.1	1,484.5	1,500.1	1,508.7	1,490.9
46 Consumer goods		833.4	882.9	865.2	857.6	857.9	852.7	857.4	862.9	874.4	884.2	888.3	882.7	896.6	900.4	890.4
47 Equipment		517.5	614.8	605.6	593.2	601.7	600.1	598.2	601.7	603.7	606.2	607.8	601.8	603.5	608.3	600.5
48 Intermediate		384.0	413.7	412.0	408.7	400.8	395.6	389.8	388.7	397.6	400.1	399.2	401.0	399.6	399.0	400.2

1. Data in this table also appear in the Board's G.17 (419) weekly statistical release. For ordering address see inside front cover.
A major revision of the industrial production index and the capacity utilization rates was released in April 1990. See "Industrial Production: 1989

Developments and Historical Revision," *Federal Reserve Bulletin*, vol. 76 (April 1990), pp. 187-204.
2. Standard industrial classification.

2.14 HOUSING AND CONSTRUCTION

Monthly figures at seasonally adjusted annual rates, except as noted

Item	1988	1989	1990	1991									
				Jan.	Feb.	Mar.	Apr.	May	June	July	Aug. ^r	Sept. ^r	Oct.
<i>Private residential real estate activity (thousands of units, except as noted)</i>													
NEW UNITS													
1 Permits authorized	1,456	1,339	1,111	802	876	892	913	966	999	1,005	953	982	1,028
2 One-family	994	932	794	611	695	689	742	760	780	794	769	782	796
3 Two-or-more-family	462	407	317	191	181	203	171	206	219	211	184	200	232
4 Started	1,488	1,376	1,193	847	992	907	977	983	1,034	1,049	1,056	1,017	1,089
5 One-family	1,081	1,003	895	648	788	742	801	831	869	879	883	861	891
6 Two-or-more-family	407	373	298	199	204	165	176	152	165	170	173	156	198
7 Under construction at end of period ¹	919	850	711	717	709	680	674	665	655	652	649	632	635
8 One-family	570	535	449	461	457	442	443	443	446	451	455	453	455
9 Two-or-more-family	350	315	262	256	252	238	231	222	209	201	194	179	180
10 Completed	1,530	1,423	1,308	1,125	1,096	1,190	1,089	1,070	1,105	1,069	1,054	1,192	1,036
11 One-family	1,085	1,026	966	841	838	881	821	800	815	806	821	864	857
12 Two-or-more-family	445	396	342	284	258	309	268	270	290	263	233	328	179
13 Mobile homes shipped	218	198	188	168	157	157	175	174	173	175	178	172	172
<i>Merchant builder activity in one-family units</i>													
14 Number sold	675	650	535	414	488	495	506	507	518	507 ^r	528	502	513
15 Number for sale at end of period ¹	368	363	318	315	313	308	303	299	295	296	292	291	288
<i>Price of units sold (thousands of dollars)²</i>													
16 Median	113.3	120.4	122.3	117.9	119.9	122.5	121.0	116.0	119.0	120.0	120.0	123.6	122.9
17 Average	139.0	148.3	149.0	148.6	147.8	156.4	150.8	145.4	145.9	148.2 ^r	141.5	150.7	149.4
EXISTING UNITS (one-family)													
18 Number sold	3,594	3,439	3,316	2,900	3,160	3,220	3,310	3,540	3,590	3,320	3,250	3,120	3,150
<i>Price of units sold (thousands of dollars)²</i>													
19 Median	89.2	92.9	95.2	95.6	94.0	98.2	100.3	101.1	102.0	103.6	102.2	99.7	99.2
20 Average	112.5	118.0	118.3	123.0	119.7	125.2	128.9	130.6	130.5	132.2	131.0	127.7	126.5
Value of new construction³ (millions of dollars)													
CONSTRUCTION													
21 Total put in place	432,222	443,720	446,433	406,502	410,072	401,883	407,050	399,030	398,189	399,577 ^r	402,423	407,468	411,451
22 Private	337,440	345,416	337,776	303,932	300,495	293,262	299,044	291,048	290,871	288,597 ^r	292,448	296,298	296,095
23 Residential	198,101	196,551	182,856	161,793	155,622	152,447	151,836	154,567	158,282	157,776	162,738	166,751	168,196
24 Nonresidential, total	139,339	148,865	154,920	142,139	144,873	140,815	147,208	136,481	132,589	130,821 ^r	129,710	129,547	127,899
25 Industrial buildings	16,451	20,412	23,849	22,433	23,249	23,089	24,301	20,683	20,868	20,948	20,418	20,302	21,322
26 Commercial buildings	64,025	65,496	62,866	53,848	54,023	51,766	54,824	50,220	47,596	46,964	46,298	45,631	43,586
27 Other buildings	19,038	19,683	21,591	20,621	20,850	20,628	21,928	20,858	20,429	20,684	19,968	20,586	20,081
28 Public utilities and other	39,825	43,274	46,614	45,237	46,751	45,332	46,155	44,720	43,696	42,225 ^r	43,026	43,028	42,910
29 Public	94,783	98,303	108,655	102,570	109,577	108,621	108,007	107,982	107,318	110,981	109,976	111,170	115,356
30 Military	3,579	3,520	2,734	1,868	1,723	1,866	1,828	1,918	1,864	1,776	1,783	2,261	1,868
31 Highway	29,227	28,171	30,595	25,560	30,699	29,996	28,591	29,246	28,776	28,744	30,068	28,773	29,350
32 Conservation and development	4,739	4,989	4,718	6,434	5,529	4,586	5,833	5,123	5,807	8,170	5,144	4,351	5,763
33 Other	57,238	61,623	70,608	68,708	71,626	72,173	71,755	71,695	70,871	72,291	72,981	75,785	78,375

1. Not at annual rates.
 2. Not seasonally adjusted.
 3. Recent data on value of new construction may not be strictly comparable with data for previous periods because of changes by the Bureau of the Census in its estimating techniques. For a description of these changes, see *Construction Reports* (C-30-76-5), issued by the Bureau in July 1976.

SOURCE: Bureau of the Census estimates for all series except (1) mobile homes, which are private, domestic shipments as reported by the Manufactured Housing Institute and seasonally adjusted by the Census Bureau, and (2) sales and prices of existing units, which are published by the National Association of Realtors. All back and current figures are available from the originating agency. Permit authorizations are those reported to the Census Bureau from 17,000 jurisdictions beginning in 1984.

2.15 CONSUMER AND PRODUCER PRICES

Percentage changes based on seasonally adjusted data, except as noted

Item	Change from 12 months earlier		Change from 3 months earlier (annual rate)				Change from 1 month earlier					Index level, Nov. 1991
	1990 Nov.	1991 Nov.	1990 Dec.	1991			1991					
				Mar.	June	Sept.	July	Aug.	Sept.	Oct.	Nov.	
CONSUMER PRICES² (1982-84=100)												
1 All items	6.3	3.0	4.9	2.4	3.0	3.3	.2	.2	.4	.1	.4	137.8
2 Food	5.6	1.6	3.9	2.4	5.1	-3.2	-.6	-.3	.1	-.1	.6	136.2
3 Energy items												
4 All items less food and energy	19.0	-8.2	18.0	-30.7	-1.2	1.6	-.4	-.2	1.0	.2	.8	101.8
5 Commodities	5.3	4.5	3.8	6.8	3.2	4.6	.4	.4	.4	.1	.3	144.4
6 Services	3.1	4.4	2.3	7.9	3.2	4.1	.4	.5	.2	-.1	.4	130.9
	6.2	4.5	4.8	6.4	3.0	4.6	.3	.3	.5	.3	.3	152.1
PRODUCER PRICES (1982=100)												
7 Finished goods	7.0	-.5	5.1	-3.5	.7	.3	-.2	.2	.1	.7	.2	122.3
8 Consumer foods	4.1	-1.5	1.3	1.0	-.6	-6.3	-.7	-.4	-.5	.4	-.1	123.1
9 Consumer energy	38.5	-12.6	21.1	-35.5	.0	5.3	-1.3	1.8	.8	1.7	.0	78.2
10 Other consumer goods	3.9	3.4	3.4	5.9	1.2	2.4	.4 ^F	.2 ^F	.0	.6	.4	135.3
11 Capital equipment	3.2	2.6	3.3	4.6	1.6	1.0	.1 ^F	.0 ^F	.2	.4	.2	127.9
<i>Intermediate materials</i>												
12 Excluding foods and feeds	5.6	-3.3	4.2	-9.8	-.7	.4	-.3	.4	.1	-.1	.1	114.3
13 Excluding energy	1.8	-.9	2.3	-2.3	-1.0	-.3	-.1	.0	.0	-.1	.1	121.1
<i>Crude materials</i>												
14 Foods	-1.3	-6.4	-7.3	.0	-12.5	-8.1	-1.5 ^F	-2.0 ^F	1.5	.1	-.2	101.6
15 Energy	35.4	-22.1	-18.8	-54.0	.5	.0	1.6 ^F	1.1 ^F	-2.7	3.9	1.2	81.1
16 Other .....	.2	-8.8	-18.1	-4.7	-13.3	-4.0	-.3 ^F	.2 ^F	-.9	-.5	-1.8	122.8

1. Not seasonally adjusted.

2. Figures for consumer prices are for all urban consumers and reflect a

rental-equivalence measure of homeownership.
SOURCE: Bureau of Labor Statistics.

2.16 GROSS DOMESTIC PRODUCT AND INCOME

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

Account	1988	1989	1990	1990		1991		
				Q3	Q4	Q1	Q2	Q3
GROSS DOMESTIC PRODUCT								
1 Total	4,900.4	5,244.0	5,513.8	5,570.5	5,557.5	5,589.0	5,652.6	5,709.2
<i>By source</i>								
2 Personal consumption expenditures	3,296.1	3,517.9	3,742.6	3,785.2	3,812.0	3,827.7	3,868.5	3,916.4
3 Durable goods	437.1	459.8	465.9	467.1	451.9	440.7	440.0	452.9
4 Nondurable goods	1,073.8	1,146.9	1,217.7	1,228.4	1,246.4	1,246.3	1,252.9	1,257.4
5 Services	1,785.2	1,911.2	2,059.0	2,089.6	2,113.6	2,140.7	2,175.6	2,206.1
6 Gross private domestic investment	793.6	837.6	802.6	821.8	750.9	709.3	708.8	740.9
7 Fixed investment	777.4	801.6	802.7	807.7	787.4	748.4	745.8	744.5
8 Nonresidential	545.4	370.7	387.0	396.3	585.2	560.0	554.6	546.8
9 Structures	182.0	193.1	198.7	201.7	191.2	184.0	180.0	169.0
10 Producers' durable equipment	363.4	377.6	388.3	394.7	394.0	375.9	374.7	377.8
11 Residential structures	232.0	230.9	215.7	211.4	202.2	188.4	191.2	197.7
12 Change in business inventories	16.2	36.0	.0	14.1	-36.5	-39.2	-37.1	-3.6
13 Nonfarm	27.5	35.5	-2.0	9.6	-28.9	-35.0	-34.0	-3.2
14 Net exports of goods and services	-108.0	-82.9	-74.4	-82.5	-76.6	-36.8	-17.2	-37.3
15 Exports	444.2	504.9	550.4	548.7	572.6	565.9	589.8	597.0
16 Imports	552.2	587.8	624.8	631.2	649.2	602.7	607.0	634.3
17 Government purchases of goods and services	918.7	971.4	1,042.9	1,046.0	1,071.2	1,088.8	1,092.5	1,089.1
18 Federal	387.0	401.4	424.9	424.7	434.5	451.5	452.1	444.9
19 State and local	531.7	570.0	618.0	621.4	636.7	637.3	640.4	644.2
<i>By major type of product</i>								
20 Final sales, total	4,884.2	5,208.1	5,513.8	5,556.5	5,594.0	5,628.2	5,689.6	5,712.8
21 Goods	1,925.8	2,062.1	2,167.6	2,181.6	2,194.5	2,208.6	2,223.2	2,214.1
22 Durable	835.6	892.9	934.7	939.3	927.2	916.4	939.5	929.4
23 Nondurable	1,090.1	1,169.2	1,233.0	1,242.3	1,267.3	1,292.1	1,283.7	1,284.7
24 Services	2,460.9	2,634.7	2,834.0	2,864.8	2,905.5	2,951.7	2,999.0	3,035.1
25 Structures	497.5	511.3	512.2	510.1	494.0	467.9	467.4	463.5
26 Change in business inventories	16.2	36.0	.0	14.1	-36.5	-39.2	-37.1	-3.6
27 Durable goods	24.3	26.9	-7.0	14.5	-29.4	-43.5	-33.5	-9.2
28 Nondurable goods	-8.1	9.1	7.0	-4	-7.1	4.3	-3.6	5.6
MEMO								
29 Total GDP in 1987 dollars	4,718.6	4,836.9	4,884.9	4,903.3	4,855.1	4,824.0	4,840.7	4,862.7
NATIONAL INCOME								
30 Total	4,002.6	4,244.7	4,459.6	4,475.2	4,506.8	4,489.8	4,530.8	4,559.8
31 Compensation of employees	2,921.3	3,101.3	3,290.3	3,325.3	3,340.0	3,342.9	3,377.4	3,405.3
32 Wages and salaries	2,443.0	2,585.8	2,738.9	2,769.9	2,778.3	2,771.1	2,800.2	2,822.4
33 Government and government enterprises	449.0	478.6	514.0	517.7	525.4	536.0	540.1	541.8
34 Other	1,994.0	2,107.2	2,224.9	2,252.2	2,253.0	2,235.1	2,260.1	2,280.6
35 Supplement to wages and salaries	478.3	515.5	551.4	555.4	561.6	571.8	577.2	582.9
36 Employer contributions for social insurance	247.8	261.7	277.3	279.1	281.7	287.5	288.7	292.2
37 Other labor income	230.5	253.7	274.0	276.3	279.9	284.2	288.5	292.8
38 Proprietors' income ¹	324.3	347.0	373.2	368.8	373.9	364.2	380.0	382.5
39 Business and professional ¹	293.4	305.5	330.7	336.5	332.7	331.4	340.4	350.5
40 Farm ¹	30.9	41.4	42.5	32.4	41.2	32.8	39.6	32.0
41 Rental income of persons ²	4.3	-7.9	-12.9	-10.4	-9.5	-11.9	-11.7	-14.2
42 Corporate profits ¹	365.0	351.7	319.0	299.8	296.1	302.1	303.5	306.1
43 Profits before tax	347.5	344.5	332.3	335.1	326.1	309.1	306.2	318.2
44 Inventory valuation adjustment	-27.3	-17.5	-14.2	-32.6	-21.2	6.7	9.9	-4.8
45 Capital consumption adjustment	44.7	24.7	.8	-2.7	-8.8	-13.6	-12.6	-7.3
46 Net interest	387.7	452.6	490.1	491.8	506.4	492.6	481.6	480.1

1. With inventory valuation and capital consumption adjustments.

2. With capital consumption adjustment.

3. For after-tax profits, dividends, and the like, see table 1.48.

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

2.17 PERSONAL INCOME AND SAVING

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

Account	1988	1989	1990	1990		1991		
				Q3	Q4	Q1	Q2	Q3
PERSONAL INCOME AND SAVING								
1 Total personal income	4075.9	4380.2	4679.8	4719.3	4764.7	4768.0	4821.1	4853.3
2 Wage and salary disbursements	2443.0	2585.8	2738.9	2769.8	2778.2	2770.9	2800.6	2822.4
3 Commodity-producing industries	699.1	723.8	745.4	751.2	745.2	733.4	735.2	742.3
4 Manufacturing	524.5	542.1	555.8	560.4	557.3	549.3	552.3	559.9
5 Distributive industries	375.3	607.5	634.6	640.4	639.0	635.1	642.0	644.0
6 Service industries	719.6	775.9	845.0	860.6	868.8	866.5	883.0	894.4
7 Government and government enterprises	449.0	478.6	514.0	517.7	525.2	535.8	540.5	541.8
8 Other labor income	230.5	253.7	274.0	276.3	279.9	284.2	288.5	292.8
9 Proprietors' income ¹	324.3	347.0	373.2	368.8	373.9	364.2	380.0	382.5
10 Business and professional	293.4	305.5	330.7	336.5	332.7	331.4	340.4	350.5
11 Farm ¹	30.9	41.4	42.5	32.4	41.2	32.8	39.6	32.0
12 Rental income of persons ¹	4.3	-7.9	-12.9	-10.4	-9.5	-11.9	-11.7	-14.2
13 Dividends	108.4	119.8	124.8	124.8	127.0	128.7	127.4	128.7
14 Personal interest income	583.2	669.0	721.3	729.1	736.9	730.1	721.8	716.7
15 Transfer payments	576.7	624.4	684.9	687.7	705.8	737.2	751.5	763.7
16 Old-age survivors, disability, and health insurance benefits	300.4	325.1	352.0	353.0	358.4	373.1	377.2	381.7
17 Less: Personal contributions for social insurance	194.5	211.7	224.3	226.7	227.5	235.4	237.0	239.3
18 EQUALS: Personal income	4075.9	4380.2	4679.8	4719.3	4764.7	4768.0	4821.1	4853.3
19 Less: Personal tax and nontax payments	527.7	591.7	621.0	627.5	627.2	617.1	613.6	615.1
20 EQUALS: Disposable personal income	3548.2	3788.6	4058.8	4091.8	4137.5	4151.0	4207.5	4238.2
21 Less: Personal outlays	3392.0	3621.6	3852.2	3895.3	3921.7	3937.5	3977.9	4024.9
22 EQUALS: Personal saving	156.2	166.9	206.6	196.5	215.8	213.4	229.6	213.3
MEMO								
<i>Per capita (1982 dollars)</i>								
23 Gross national product	4908.2	5248.2	5524.5	5576.8	5583.2	5611.7	5660.6	5720.1
24 Personal consumption expenditures	3296.1	3517.9	3742.6	3785.2	3812.0	3827.7	3868.5	3916.4
25 Disposable personal income	3548.2	3788.6	4058.8	4091.8	4137.5	4151.0	4207.5	4238.2
26 Saving rate (percent)	4.4	4.4	5.1	4.8	5.2	5.1	5.5	5.0
GROSS SAVING								
27 Gross saving	704.5	744.2	711.8	698.3	678.3	747.7	713.9	698.0
28 Gross private saving	802.8	827.3	851.3	821.9	853.9	873.8	893.0	876.4
29 Personal saving	156.2	166.9	206.6	196.5	215.8	213.4	229.6	213.3
30 Undistributed corporate profits ¹	112.6	85.8	49.9	27.2	32.8	45.0	43.4	39.4
31 Corporate inventory valuation adjustment	-27.3	-17.5	-14.2	-32.6	-21.2	6.7	9.9	-4.8
<i>Capital consumption allowances</i>								
32 Corporate	327.6	350.5	365.5	367.5	372.7	380.1	383.2	384.6
33 Noncorporate	206.4	224.0	229.3	230.8	232.7	235.3	236.8	239.1
34 Government surplus, or deficit (-), national income and product accounts	-98.3	-83.0	-139.5	-123.6	-175.6	-126.1	-179.1	-178.4
35 Federal	-136.6	-124.2	-165.3	-149.7	-193.6	-146.4	-206.7	-210.2
36 State and local	38.4	41.1	25.7	26.1	18.0	20.4	27.6	31.8
37 Gross investment	676.1	741.5	719.9	726.5	680.4	765.8	730.4	720.0
38 Gross private domestic	793.6	837.6	802.6	821.8	750.9	709.3	708.8	740.9
39 Net foreign	-117.5	-96.0	-82.8	-95.3	-70.4	56.5	21.7	-20.9
40 Statistical discrepancy	-28.4	-2.7	8.1	28.2	2.1	18.0	16.5	22.0

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

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

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars; quarterly data seasonally adjusted, except as noted¹

Item credits or debits	1988	1989	1990	1990		1991		
				Q3	Q4	Q1	Q2 ^r	Q3 ^p
1 Balance on current account	-126,236	-106,305	-92,123	-23,881	-23,402	10,501	3,028	-10,459
2 Not seasonally adjusted				-29,112	-25,136	15,507	4,593	-15,593
3 Merchandise trade balance	-126,986	-115,917	-108,115	-28,760	-27,728	-18,394	-15,391	-20,486
4 Merchandise exports	320,337	361,451	389,550	96,638	100,580	100,900	104,245	104,532
5 Merchandise imports	-447,323	-477,368	-497,665	-125,398	-128,308	-119,294	-119,636	-125,018
6 Military transactions, net	-5,743	-6,203	-7,219	-1,683	-2,243	-2,329	-1,484	-1,168
7 Investment income, net	5,353	2,688	11,945	2,802	6,133	4,883	2,345	2,502
8 Other service transactions, net	16,082	28,618	33,595	8,086	9,716	9,402	10,429	10,630
9 Remittances, pensions, and other transfers	-4,437	-4,420	-4,843	-1,302	-1,201	-1,316	-1,315	-1,267
10 U.S. government grants (excluding military)	-10,506	-11,071	-17,486	-3,024	-8,079	18,255	8,444	-670
11 Change in U.S. government assets other than official reserve assets, net (increase, -)	2,966	1,320	2,976	-314	4,759	1,422	-493	2,715
12 Change in U.S. official reserve assets (increase, -)	-3,912	-25,293	-2,158	1,739	-1,092	-353	1,014	3,878
13 Gold	0	0	0	0	0	0	0	0
14 Special drawing rights (SDRs)	127	-535	-192	363	-93	31	-190	6
15 Reserve position in International Monetary Fund	1,025	471	731	8	-4	-341	72	-114
16 Foreign currencies	-5,064	-25,229	-2,697	1,368	-995	-43	1,132	3,986
17 Change in U.S. private assets abroad (increase, -)	-85,112	-104,637	-58,524	-28,114	-38,370	-1,992	-15,503	-18,564
18 Bank-reported claims	-56,322	-51,255	5,333	-9,984	-24,513	20,598	1,215	-178
19 Nonbank-reported claims	-3,064	2,581	-1,944	676	-2,509	-1,308	-2,076	
20 U.S. purchases of foreign securities, net	-7,846	-22,575	-28,476	-1,014	-7,546	-9,430	-12,833	-12,511
21 U.S. direct investments abroad, net	-17,880	-33,388	-33,437	-17,792	-3,802	-11,852	-1,809	-5,875
22 Change in foreign official assets in United States (increase, +)	39,657	8,624	32,425	13,341	20,301	6,631	-3,105	4,309
23 U.S. Treasury securities	41,741	149	28,643	11,849	20,119	2,381	-2,287	5,717
24 Other U.S. government obligations	1,309	1,383	667	134	708	-29	-219	407
25 Other U.S. government liabilities	-568	281	1,703	-248	1,102	1,012	370	1,302
26 Other U.S. liabilities reported by U.S. banks	-319	4,976	2,998	1,871	-707	2,501	-1,084	-3,144
27 Other foreign official assets	-2,506	1,835	-1,586	-265	-921	766	115	27
28 Change in foreign private assets in United States (increase, +)	181,877	207,925	53,879	35,754	18,732	-7,360	6,608	18,507
29 U.S. bank-reported liabilities	70,235	63,382	9,975	26,968	17,261	-18,795	-28,687	8,840
30 U.S. nonbank-reported liabilities	5,626	5,454	3,779	4,260	-1,840	-1,616	-760	
31 Foreign private purchases of U.S. Treasury securities, net	20,239	29,618	1,131	24	-2,029	3,409	13,434	-1,389
32 Foreign purchases of other U.S. securities, net	26,353	38,920	1,781	-2,558	802	5,306	15,073	9,653
33 Foreign direct investments in United States, net	59,424	70,551	37,213	7,060	4,538	4,336	7,548	1,403
34 Allocation of special drawing rights	0	0	0	0	0	0	0	0
35 Discrepancy	-9,240	18,366	63,526	1,475	19,072	-8,849	8,451	-386
36 Due to seasonal adjustments				-6,473	2,007	3,995	166	-6,059
37 Statistical discrepancy in recorded data before seasonal adjustment	-9,240	18,366	63,526	7,948	17,066	-12,844	8,285	5,673
MEMO								
<i>Changes in official assets</i>								
38 U.S. official reserve assets (increase, -)	-3,912	-25,293	-2,158	1,739	-1,092	-353	1,014	3,878
39 Foreign official assets in United States excluding line 25 (increase, +)	40,225	8,343	30,722	13,589	19,199	5,619	-3,475	3,007
40 Change in Organization of Petroleum Exporting Countries official assets in United States (part of line 22)	-2,996	10,738	2,163	-1,699	575	988	-3,162	-4,298

1. Seasonal factors not calculated for lines 6, 10, 12-16, 18-20, 22-34, and 38-40.

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

3. Reporting banks include all kinds of depository institutions besides commercial banks, as well as some brokers and dealers.

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

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

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

3.11 U.S. FOREIGN TRADE¹

Millions of dollars; exports, F.A.S. value; imports, Customs value; monthly data seasonally adjusted

Item	1988	1989	1990	1991						
				Apr.	May	June	July	Aug.	Sept. ^f	Oct. ^p
1 Exports of domestic and foreign merchandise, excluding grant-aid shipments	322,426	363,812	393,592	35,632	35,271	34,975	35,227	34,380	35,348	36,737
2 General imports, including merchandise for immediate consumption plus entries into bonded warehouses	440,952	473,211	495,311	40,139	40,062	38,764	41,176	40,910	42,282	43,465
3 Trade balance	-118,526	-109,399	-101,718	-4,507	-4,790	-3,789	-5,949	-6,530	-6,934	-6,728

1. The Census basis data differ from merchandise trade data shown in table 3.10, U.S. International Transactions Summary, because of coverage and timing. On the export side, the largest difference is the exclusion of military sales (which are combined with other military transactions and reported separately in the "service account" in table 3.10, line 6). On the import side, this table includes imports of gold, ship purchases, imports of electricity from Canada, and other transactions; military payments are excluded and shown separately in table 3.10,

as indicated above. Since Jan. 1, 1987 census data have been released forty-five days after the end of the month; the previous month is revised to reflect late documents. Total exports and the trade balance reflect adjustments for undocumented exports to Canada. Components may not sum to totals because of rounding.

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

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Type	1988	1989	1990	1991						
				May	June	July	Aug.	Sept.	Oct.	Nov. ^p
1 Total	47,802	74,609	83,316	78,263	74,940	74,816	73,514	74,731	74,508	74,651
2 Gold stock, including Exchange Stabilization Fund ¹	11,057	11,059	11,058	11,057	11,062	11,062	11,062	11,062	11,059	11,058
3 Special drawing rights ^{2,3}	9,637	9,951	10,989	10,515	10,309	10,360	10,479	10,722	10,710	10,942
4 Reserve position in International Monetary Fund ²	9,745	9,048	9,076	8,854	8,629	8,730	8,726	9,094	9,065	8,943
5 Foreign currencies ⁴	17,363	44,551	52,193	47,837	44,940	44,664	43,247	43,853	43,674	43,708

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

2. Special drawing rights 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, 16 currencies were used; since January 1981, 5 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 by the International Monetary Fund of SDRs as follows: \$867 million on Jan. 1, 1970; \$717 million on Jan. 1, 1971; \$710 million on Jan. 1, 1972; \$1,139 million on Jan. 1, 1979; \$1,152 million on Jan. 1, 1980; and \$1,093 million on Jan. 1, 1981; plus 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

Assets	1988	1989	1990	1991						
				May	June	July	Aug.	Sept.	Oct.	Nov. ^p
1 Deposits	347	589	369	196	223	314	256	384	223	346
Assets held in custody										
2 U.S. Treasury securities ²	232,547	224,911	278,499	279,695	273,893	274,514	279,394	279,013	280,249	285,905
3 Earmarked gold ³	13,636	13,456	13,387	13,358	13,354	13,330	13,330	13,330	13,326	13,307

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

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

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

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

Millions of dollars, end of period

Assets	1988	1989	1990	1991						
				Apr.	May	June	July	Aug.	Sept.	Oct.
All foreign countries										
1 Total, all currencies	505,595	545,366	556,925	538,814	530,707	532,698 ^f	528,944 ^f	527,534 ^f	546,849 ^f	548,651
2 Claims on United States	169,111	198,835	188,496	181,011	172,742	180,816 ^f	174,433	168,602 ^f	177,146 ^f	176,417
3 Parent bank	129,856	157,092	148,837	141,580	134,906	141,903	136,790	129,780	136,610	136,128
4 Other banks in United States	14,918	17,042	13,296	12,438	10,589	12,011 ^f	11,100	12,377 ^f	13,692 ^f	13,332
5 Nonbanks	24,337	24,701	26,363	26,993	27,247	26,902	26,543	26,445	26,844	26,957
6 Claims on foreigners	299,728	300,575	312,449	301,248	298,820	294,421 ^f	294,826 ^f	296,773 ^f	300,147 ^f	299,661
7 Other branches of parent bank	107,179	113,810	135,003	122,151	118,469	115,640 ^f	112,445 ^f	113,131 ^f	115,078 ^f	108,156
8 Banks	96,932	90,703	72,602	73,046	75,566	74,976 ^f	77,471 ^f	76,175 ^f	77,053 ^f	80,042
9 Public borrowers	17,163	16,456	17,555	17,825	17,620	17,453 ^f	18,641 ^f	19,262 ^f	18,850 ^f	18,600
10 Nonbank foreigners	78,454	79,606	87,289	88,226	87,165	86,352 ^f	86,269 ^f	88,205 ^f	89,166 ^f	92,863
11 Other assets	36,756	45,956	55,980	56,555	59,145	57,461 ^f	59,685 ^f	62,159 ^f	69,556 ^f	72,573
12 Total payable in U.S. dollars	357,573	382,498	379,479	372,769	363,468	373,122 ^f	364,639 ^f	358,773 ^f	367,639 ^f	364,598
13 Claims on United States	163,456	191,184	180,174	174,317	166,665	174,456 ^f	167,984	163,134 ^f	170,967 ^f	170,074
14 Parent bank	126,929	152,294	142,962	137,343	130,732	137,943	132,514	126,357	133,024	132,488
15 Other banks in United States	14,167	16,386	12,513	11,977	10,197	11,502 ^f	10,605	11,903 ^f	13,109 ^f	12,804
16 Nonbanks	22,360	22,504	24,699	24,997	25,736	25,011	24,865	24,874	24,834	24,782
17 Claims on foreigners	177,685	169,690	174,451	173,544	172,657	171,752 ^f	169,494 ^f	166,957 ^f	166,914 ^f	164,461
18 Other branches of parent bank	80,736	82,949	95,298	87,895	85,369	84,316 ^f	79,114 ^f	79,318 ^f	80,181 ^f	75,649
19 Banks	54,884	48,396	33,440	40,904	43,616	43,580 ^f	45,587 ^f	47,262 ^f	40,647 ^f	41,130
20 Public borrowers	12,131	10,961	12,298	12,996	12,549	12,518 ^f	13,602 ^f	14,116 ^f	13,529 ^f	13,809
21 Nonbank foreigners	29,934	27,384	30,415	31,749	31,123	31,338 ^f	31,191 ^f	31,767 ^f	32,557 ^f	33,873
22 Other assets	16,432	21,624	24,854	24,908	24,146	26,914 ^f	27,161 ^f	28,682 ^f	29,758 ^f	30,063
United Kingdom										
23 Total, all currencies	156,835	161,947	184,818	168,985	169,192	165,534	161,869	162,879	172,113	172,795
24 Claims on United States	40,089	39,212	45,560	38,136	38,338	37,574	32,475	31,315	34,409	32,615
25 Parent bank	34,243	35,847	42,413	34,930	34,830	34,534	29,241	28,189	31,205	29,021
26 Other banks in United States	1,123	1,058	792	1,179	1,104	711	860	816	997	1,502
27 Nonbanks	4,723	2,307	2,355	2,027	2,404	2,329	2,374	2,310	2,207	2,092
28 Claims on foreigners	106,388	107,657	115,536	107,136	106,053	103,608	103,067	103,935	105,699	108,397
29 Other branches of parent bank	35,625	37,728	46,367	40,730	39,060	38,333	36,588	38,382	39,077	36,757
30 Banks	36,765	36,159	31,604	30,608	32,048	31,019	31,866	30,168	31,658	33,375
31 Public borrowers	4,019	3,293	3,860	3,711	3,657	3,584	3,676	3,717	3,502	3,492
32 Nonbank foreigners	29,979	30,477	33,705	32,087	31,288	30,672	30,937	31,668	31,462	34,773
33 Other assets	10,358	15,078	23,722	23,713	24,801	24,352	26,327	27,629	32,005	31,783
34 Total payable in U.S. dollars	103,503	103,208	116,762	108,566	105,588	106,536	101,040	100,966	105,243	103,439
35 Claims on United States	38,012	36,404	41,259	35,058	35,274	34,726	29,352	28,870	31,772	29,995
36 Parent bank	33,252	34,329	39,609	32,973	32,771	32,790	27,085	26,608	29,673	27,404
37 Other banks in United States	964	843	334	976	970	555	759	680	727	1,378
38 Nonbanks	3,796	1,232	1,316	1,109	1,533	1,381	1,508	1,582	1,372	1,213
39 Claims on foreigners	60,472	59,062	63,701	62,186	60,125	58,565	57,861	56,127	56,354	57,155
40 Other branches of parent bank	28,474	29,872	37,142	32,842	31,297	30,108	29,111	30,279	30,840	28,655
41 Banks	18,494	16,579	13,135	15,460	16,118	14,983	15,723	12,534	12,485	13,269
42 Public borrowers	2,840	2,371	3,143	3,193	3,152	3,082	3,032	3,083	2,899	2,969
43 Nonbank foreigners	10,664	10,240	10,281	10,691	9,558	10,392	9,995	10,231	10,130	12,262
44 Other assets	5,019	7,742	11,802	11,322	10,691	13,245	13,827	15,969	17,117	16,289
Bahamas and Caymans										
45 Total, all currencies	170,639	176,006	162,316	165,420	159,429	168,875 ^f	169,675 ^f	165,790 ^f	169,709 ^f	169,904
46 Claims on United States	105,320	124,205	112,989	113,916	107,837	114,809 ^f	114,501	111,328 ^f	115,837 ^f	117,241
47 Parent bank	73,409	87,882	77,873	79,818	74,894	80,644	81,605	77,177	80,464	82,845
48 Other banks in United States	13,145	15,071	11,869	10,416	8,925	10,718 ^f	9,683	11,049 ^f	12,063 ^f	10,928
49 Nonbanks	18,766	21,252	23,247	23,682	24,018	23,447	23,213	23,102	23,310	23,468
50 Claims on foreigners	58,393	44,168	41,356	42,564	42,796	45,346 ^f	46,696 ^f	46,236 ^f	45,558 ^f	43,580
51 Other branches of parent bank	17,954	11,309	13,416	12,554	12,397	12,886 ^f	10,880 ^f	10,774 ^f	10,645 ^f	9,086
52 Banks	28,268	22,611	16,310	17,955	18,560	20,917 ^f	21,836 ^f	21,111 ^f	20,528 ^f	20,298
53 Public borrowers	5,830	5,217	5,807	6,556	5,932	5,916 ^f	7,136 ^f	7,314 ^f	7,069 ^f	7,355
54 Nonbank foreigners	6,341	5,031	5,823	5,499	5,907	5,627 ^f	6,844 ^f	7,037 ^f	7,316 ^f	6,841
55 Other assets	6,926	7,633	7,971	8,940	8,796	8,720 ^f	8,478 ^f	8,226 ^f	8,314 ^f	9,083
56 Total payable in U.S. dollars	163,518	170,780	158,390	161,381	155,643	164,971 ^f	165,746 ^f	161,717 ^f	165,777 ^f	165,973

1. Since June 1984, reported claims held by foreign branches have been reduced by an increase in the reporting threshold for "shell" branches from \$50 million to \$150 million equivalent in total assets, the threshold now applicable to all reporting branches.

A56 International Statistics □ February 1992

3.14—Continued

Liabilities	1988	1989	1990	1991						
				Apr.	May	June	July	Aug.	Sept.	Oct.
All foreign countries										
57 Total, all currencies	505,595	545,366	556,925	538,814	530,707	532,698 ^f	528,944 ^f	527,534 ^f	546,849 ^f	548,651
58 Negotiable certificates of deposit (CDs)	28,511	23,500	18,060	19,484	17,753	16,503	19,692	18,796	17,579	18,928
59 To United States	185,577	197,239	189,412	181,132	173,102	187,706 ^f	181,901 ^f	177,706 ^f	187,938 ^f	185,566
60 Parent bank	114,720	138,412	138,748	124,691	118,346	128,033 ^f	126,915 ^f	121,675 ^f	131,524 ^f	129,506
61 Other banks in United States	14,737	11,704	7,463	9,932	8,998	11,789 ^f	10,090 ^f	10,085 ^f	11,843 ^f	10,356
62 Nonbanks	56,120	47,123	43,201	46,509	45,758	47,884 ^f	44,896 ^f	45,946 ^f	44,571 ^f	45,704
63 To foreigners	270,923	296,850	311,668	300,907	301,433	290,277 ^f	287,887	290,257	295,645 ^f	295,177
64 Other branches of parent bank	111,267	119,591	139,113	122,789	119,765	116,253	112,521	112,845	114,101	108,495
65 Banks	72,842	76,452	58,986	63,908	66,207	57,236 ^f	59,975	62,329	62,700 ^f	68,474
66 Official institutions	15,183	16,750	14,791	18,398	19,803	20,394	17,245	18,030	19,420 ^f	17,247
67 Nonbank foreigners	71,631	84,037	98,778	95,812	95,658	96,394	98,146	97,053	99,424 ^f	100,961
68 Other liabilities	20,584	27,777	37,785	37,291	38,419	38,212	39,464	40,775	45,687 ^f	48,980
69 Total payable in U.S. dollars	367,483	396,613	383,522	373,468	360,363	372,552 ^f	363,500 ^f	359,854 ^f	367,261 ^f	365,824
70 Negotiable CDs	24,045	19,619	14,094	14,882	13,258	12,620	14,538	14,183	13,180	14,157
71 To United States	173,190	187,286	175,654	169,661	160,778	175,563 ^f	170,241 ^f	166,664 ^f	176,199 ^f	173,649
72 Parent bank	107,150	132,563	130,510	118,105	111,112	120,799 ^f	120,189 ^f	115,495 ^f	125,022 ^f	122,814
73 Other banks in United States	13,468	10,519	6,052	8,514	7,668	10,647 ^f	8,815 ^f	8,449 ^f	10,368	9,011
74 Nonbanks	52,572	44,204	39,092	43,042	41,998	44,117 ^f	41,237 ^f	42,720 ^f	40,809 ^f	41,824
75 To foreigners	160,766	176,460	179,002	173,589	171,227	170,334 ^f	163,451	164,188	163,551 ^f	161,850
76 Other branches of parent bank	84,021	87,636	98,128	88,299	85,857	84,952	79,909	79,277	79,679	75,243
77 Banks	28,493	30,537	20,251	22,892	21,706	21,142 ^f	21,470	23,330	21,346 ^f	25,637
78 Official institutions	8,224	9,873	7,921	11,568	12,339	13,972	11,563	11,496	12,591	10,565
79 Nonbank foreigners	40,028	48,414	52,702	50,830	51,325	50,268	50,509	50,085	50,035 ^f	50,385
80 Other liabilities	9,482	13,248	14,772	15,336	15,100	14,035	15,270	14,819	14,331 ^f	16,168
United Kingdom										
81 Total, all currencies	156,835	161,947	184,818	168,985	169,192	165,534	161,869	162,879	172,113	172,795
82 Negotiable CDs	24,528	20,056	14,256	15,162	13,486	12,196	14,889	14,148	12,941	14,145
83 To United States	36,784	36,036	39,928	28,450	28,618	31,084	26,599	27,915	31,534	29,137
84 Parent bank	27,849	29,726	31,806	21,676	19,951	23,238	19,545	20,367	23,707	21,080
85 Other banks in United States	2,037	1,256	1,505	1,175	1,413	1,092	1,490	1,662	1,724 ^f	2,053
86 Nonbanks	6,898	5,054	6,617	5,599	7,254	6,754	5,564	5,886	6,103 ^f	6,004
87 To foreigners	86,026	92,307	108,531	103,976	104,322	99,756	97,263	96,773	98,572	100,267
88 Other branches of parent bank	26,812	27,397	36,709	31,860	30,155	29,371	28,591	27,457	29,898	26,879
89 Banks	30,609	29,780	25,126	27,001	28,459	22,994	24,310	25,131	23,560	28,470
90 Official institutions	7,873	8,551	8,361	11,300	12,342	13,062	10,010	10,722	12,071	10,045
91 Nonbank foreigners	20,732	26,579	38,335	33,815	33,366	34,329	34,352	33,463	33,043	34,873
92 Other liabilities	9,497	13,548	22,103	21,397	22,766	22,498	23,118	24,043	29,066	29,246
93 Total payable in U.S. dollars	105,907	108,178	116,094	106,571	104,077	104,523	99,756	100,131	104,303	103,238
94 Negotiable CDs	22,063	18,143	12,710	13,291	11,610	10,833	12,758	12,337	11,249	12,397
95 To United States	32,588	33,056	34,697	24,690	24,245	27,106	22,355	23,788	27,272	24,394
96 Parent bank	26,404	28,812	29,955	20,391	18,457	21,848	17,924	18,949	22,228	19,391
97 Other banks in United States	1,752	1,065	1,156	848	1,002	892	1,233	1,216	1,259	1,704
98 Nonbanks	4,432	3,179	3,086	3,451	4,786	4,366	3,198	3,623	3,785	3,299
99 To foreigners	47,083	50,517	60,014	59,440	58,849	58,068	55,433	54,848	56,829	56,639
100 Other branches of parent bank	18,561	18,384	25,957	22,452	21,671	20,452	19,509	18,480	20,878	18,319
101 Banks	13,407	12,244	9,488	9,931	9,654	8,758	9,678	9,731	8,408	12,044
102 Official institutions	4,348	5,454	4,692	8,239	8,914	10,032	7,519	7,929	9,149	7,050
103 Nonbank foreigners	10,767	14,435	19,877	18,818	18,610	18,826	18,727	18,708	18,394	19,226
104 Other liabilities	4,173	6,462	8,673	9,150	9,373	8,516	9,210	9,158	8,953	9,808
Bahamas and Caymans										
105 Total, all currencies	170,639	176,006	162,316	165,420	159,429	168,875 ^f	169,675 ^f	165,790 ^f	169,709 ^f	169,904
106 Negotiable CDs	953	678	646	674	694	696	904	963	1,055	981
107 To United States	122,332	124,859	114,738	121,850	115,742	125,863 ^f	126,714 ^f	122,574 ^f	127,707 ^f	129,598
108 Parent bank	62,894	75,188	74,941	74,609	72,048	76,661 ^f	81,172 ^f	76,655 ^f	81,668 ^f	84,268
109 Other banks in United States	11,494	8,883	4,526	7,548	6,410	9,449 ^f	7,484 ^f	7,036 ^f	8,841	7,070
110 Nonbanks	47,944	40,788	35,271	39,693	37,284	39,753 ^f	38,058 ^f	38,883 ^f	37,198 ^f	38,260
111 To foreigners	45,161	47,382	44,444	40,289	40,696	40,180	39,624	39,994	38,868 ^f	36,861
112 Other branches of parent bank	23,686	23,414	24,715	21,645	22,017	21,701	21,765	21,846	20,767	19,675
113 Banks	8,336	8,823	5,588	5,837	5,832	5,734	4,877	5,558	5,431 ^f	5,218
114 Official institutions	1,074	1,097	622	676	736	931	661	655	647	666
115 Nonbank foreigners	12,065	14,048	13,519	12,131	12,111	11,814	12,321	11,935	12,023	11,302
116 Other liabilities	2,193	3,087	2,488	2,607	2,297	2,136	2,433	2,259	2,079 ^f	2,464
117 Total payable in U.S. dollars	162,950	171,250	157,132	161,139	155,204	164,587 ^f	165,339 ^f	161,497 ^f	165,046 ^f	165,601

3.15 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1989	1990	1991						
			Apr.	May	June	July	Aug.	Sept. ^f	Oct. ^p
1 Total ¹	312,477	344,504	344,605	351,017	346,511	349,864	356,153 ^f	349,997	356,216
<i>By type</i>									
2 Liabilities reported by banks in the United States ²	36,496	39,855	39,057	41,891	41,156	43,336	47,173 ^f	38,412	40,318
3 U.S. Treasury bills and certificates ³	76,985	79,424	81,087	82,421	84,526	86,071	88,596	90,394	94,428
4 Marketable	179,269	202,487	201,089	203,109	197,277	196,573	196,284	197,114	197,561
5 Nonmarketable ⁴	568	4,491	4,610	4,642	4,672	4,704	4,734	4,765	4,796
6 U.S. securities other than U.S. Treasury securities ⁵	19,159	18,247	18,762	18,954	18,880	19,180	19,366	19,312	19,113
<i>By area</i>									
7 Western Europe ¹	132,849	167,191	163,012	167,009	163,994	166,333	170,300 ^f	165,045	169,926
8 Canada	9,482	8,671	8,453	9,507	9,229	9,260	10,001	9,608	9,121
9 Latin America and Caribbean	9,313	21,159	25,355	27,732	29,415	30,032	31,352	31,891	32,491
10 Asia	153,338	138,096	137,662	136,510	133,764	134,288	134,387 ^f	132,643	133,514
11 Africa	1,030	1,434	1,171	1,184	1,254	1,178	1,197	1,553	1,514
12 Other countries ⁶	6,469	7,955	8,953	9,073	8,851	8,771	8,914	9,255	9,648

1. Includes the Bank for International Settlements.
2. Principally demand deposits, time deposits, bankers acceptances, commercial paper, negotiable time certificates of deposit, and borrowings under repurchase agreements.
3. Includes nonmarketable certificates of indebtedness (including those payable in foreign currencies through 1974) and Treasury bills issued to official institutions of foreign countries.
4. Excludes notes issued to foreign official nonreserve agencies. Includes

bonds and notes payable in foreign currencies; zero coupon bonds are included at current value.

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

6. Includes countries in Oceania and Eastern Europe.
 SOURCE: Based on Treasury Department data and on data reported to the Treasury Department by banks (including Federal Reserve Banks) and securities dealers in the United States and on the 1984 benchmark survey of foreign portfolio investment in the United States.

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

Millions of dollars, end of period

Item	1987	1988	1989	1990	1991		
				Dec.	Mar.	June	Sept.
1 Banks' own liabilities	55,438	74,980	67,835	70,413	64,347	59,236	63,370
2 Banks' own claims	51,271	68,983	65,127	66,855	67,309	61,481	66,535
3 Deposits	18,861	25,100	20,491	29,672	27,510	27,545	32,139
4 Other claims	32,410	43,884	44,636	37,182	39,799	33,935	34,396
5 Claims of banks' domestic customers ²	551	364	3,507	10,594	7,357	2,733	2,348

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

2. Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the accounts of the domestic customers.

3.17 LIABILITIES TO FOREIGNERS Reported by Banks in the United States¹
Payable in U.S. dollars
Millions of dollars, end of period

Holder and type of liability	1988	1989	1990	1991						
				Apr.	May	June	July	Aug. ^f	Sept. ^f	Oct. ^p
1 All foreigners	685,339	736,878	754,005	732,847	727,365	723,281	722,670	732,769	736,065	745,781
2 Banks' own liabilities.....	514,532	577,498	577,190	562,129	556,510	549,382	547,948	552,494	554,672	560,927
3 Demand deposits.....	21,863	22,032	21,723	19,751	18,863	18,796	17,929	18,423	19,841	17,649
4 Time deposits ²	152,164	168,780	168,003	157,148	151,772	148,452	148,566	146,290	149,703	153,897
5 Other ³	51,366	67,823	65,809	73,718	72,632	65,438	66,870	72,524	67,766	73,049
6 Own foreign offices ⁴	289,138	318,864	321,655	311,512	313,244	316,696	314,583	315,257	317,362	316,332
7 Banks' custody liabilities ⁵	170,807	159,380	176,815	170,718	170,855	173,899	174,722	180,275	181,393	184,854
8 U.S. Treasury bills and certificates ⁶	115,056	91,100	96,796	97,311	98,019	100,876	101,733	104,949	107,019	112,267
9 Other negotiable and readily transferable instruments ⁷	16,426	19,526	17,578	16,475	16,959	17,944	17,287	16,508	16,820	17,089
10 Other.....	39,325	48,754	62,441	56,933	55,876	55,079	55,702	58,818	57,554	55,498
11 Nonmonetary international and regional organizations	3,224	4,894	5,918	6,237	6,057	5,917	6,226	6,935	6,905	8,097
12 Banks' own liabilities.....	2,527	3,279	4,540	5,061	4,675	3,863	4,117	4,961	5,400	6,396
13 Demand deposits.....	71	96	36	76	24	26	44	28	36	28
14 Time deposits ²	1,183	927	1,050	1,980	2,151	2,010	1,732	1,540	2,297	2,477
15 Other ³	1,272	2,255	3,455	3,006	2,501	1,827	2,341	3,393	3,067	3,881
16 Banks' custody liabilities ⁵	698	1,616	1,378	1,176	1,381	2,054	2,109	1,974	1,505	1,701
17 U.S. Treasury bills and certificates ⁶	57	197	364	275	662	1,287	1,404	1,269	1,032	1,246
18 Other negotiable and readily transferable instruments ⁷	641	1,417	1,014	901	719	767	705	705	473	455
19 Other.....	0	2	0	0	0	0	0	0	0	0
20 Official institutions⁹	135,241	113,481	119,278	120,144	124,311	125,682	129,407	135,769	128,806	134,746
21 Banks' own liabilities.....	27,109	31,108	34,885	36,096	38,545	36,788	38,805	42,955	33,864	36,351
22 Demand deposits.....	1,917	2,196	1,924	1,633	1,448	1,542	1,396	1,683	1,645	1,307
23 Time deposits ²	9,767	10,495	14,334	13,546	14,346	14,638	14,941	14,722	13,275	13,790
24 Other ³	15,425	18,417	18,628	20,917	22,751	20,608	22,468	26,550	18,944	21,254
25 Banks' custody liabilities ⁵	108,132	82,373	84,393	84,048	85,766	88,994	90,602	92,814	94,942	98,395
26 U.S. Treasury bills and certificates ⁶	103,722	76,985	79,424	81,087	82,421	84,526	86,071	88,596	90,394	94,428
27 Other negotiable and readily transferable instruments ⁷	4,130	5,028	4,766	2,831	3,194	4,101	4,324	4,047	4,128	3,832
28 Other.....	280	361	203	130	152	267	207	171	420	135
29 Banks¹⁰	459,523	515,275	535,202	510,795	500,983	499,494	494,662	500,599	509,557	511,566
30 Banks' own liabilities.....	409,501	454,273	458,457	440,068	432,311	431,592	427,575	429,787	439,924	443,363
31 Unaffiliated foreign banks.....	120,362	135,409	136,802	128,555	119,068	114,896	112,992	114,530	122,562	127,041
32 Demand deposits.....	9,948	10,279	10,053	9,073	8,674	8,584	8,423	8,252	8,959	8,124
33 Time deposits ²	80,189	90,557	88,558	79,232	72,355	69,826	70,078	70,558	74,848	78,118
34 Other ³	30,226	34,573	38,192	40,250	38,038	36,486	34,491	35,720	38,755	40,799
35 Own foreign offices ⁴	289,138	318,864	321,655	311,512	313,244	316,696	314,583	315,257	317,362	316,332
36 Banks' custody liabilities ⁵	50,022	61,002	76,745	70,728	68,672	67,903	67,087	70,812	69,633	68,203
37 U.S. Treasury bills and certificates ⁶	7,602	9,367	10,669	10,030	8,712	8,666	7,970	8,242	8,161	8,363
38 Other negotiable and readily transferable instruments ⁷	5,725	5,124	5,341	6,116	5,877	5,833	5,408	5,316	5,819	6,024
39 Other.....	36,694	46,510	60,735	54,582	54,083	53,404	53,709	57,254	55,653	53,816
40 Other foreigners	87,351	103,228	93,606	95,671	96,014	92,188	92,375	89,466	90,797	91,372
41 Banks' own liabilities.....	75,396	88,839	79,307	80,905	80,978	77,139	77,451	74,791	75,484	74,817
42 Demand deposits.....	9,928	9,460	9,711	8,969	8,717	8,644	8,066	8,460	9,201	8,190
43 Time deposits ²	61,025	66,801	64,062	62,391	62,920	61,977	61,815	59,470	59,283	59,512
44 Other ³	4,443	12,577	5,534	9,345	9,341	6,518	7,570	6,861	7,000	7,115
45 Banks' custody liabilities ⁵	11,956	14,389	14,299	14,766	15,035	15,049	14,924	14,675	15,313	16,555
46 U.S. Treasury bills and certificates ⁶	3,675	4,551	6,339	5,919	6,224	6,397	6,288	6,842	7,432	8,230
47 Other negotiable and readily transferable instruments ⁷	5,929	7,958	6,457	6,626	7,170	7,244	6,850	6,440	6,400	6,778
48 Other.....	2,351	1,880	1,503	2,221	1,642	1,408	1,786	1,393	1,481	1,547
49 MEMO: Negotiable time certificates of deposit in custody for foreigners.....	6,425	7,203	7,073	7,321	7,563	7,934	6,813	7,062	7,542	7,596

1. Reporting banks include all kinds of depository institutions besides commercial banks, as well as some brokers and dealers.

2. Excludes negotiable time certificates of deposit, which are included in "Other negotiable and readily transferable instruments."

3. Includes borrowing under repurchase agreements.

4. For U.S. banks, includes amounts due to own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies. For agencies, branches, and majority-owned subsidiaries of foreign banks, consists principally of amounts due to head office or parent foreign bank, and foreign branches, agencies, or wholly owned subsidiaries of head office or parent foreign bank.

5. Financial claims on residents of the United States, other than long-term securities, held by or through reporting banks.

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

7. Principally bankers acceptances, commercial paper, and negotiable time certificates of deposit.

8. Principally the International Bank for Reconstruction and Development and the Inter-American and Asian Development Banks. Data exclude "holdings of dollars" of the International Monetary Fund.

9. Foreign central banks, foreign central governments, and the Bank for International Settlements.

10. Excludes central banks, which are included in "Official institutions."

3.17—Continued

Area and country	1988	1989	1990	1991						
				Apr.	May	June	July	Aug.	Sept. ^f	Oct. ^g
1 Total	685,339	736,878	754,005	732,847	727,365	723,281	722,670	732,769 ^f	736,065	745,781
2 Foreign countries	682,115	731,984	748,087	726,610	721,308	717,364	716,444	725,834 ^f	729,160	737,684
3 Europe	231,912	237,501	254,452	241,708	238,174	236,448	228,728	234,877 ^f	237,010	246,323
4 Austria	1,155	1,233	1,229	1,147	1,147	1,067	1,234	961	1,109	1,231
5 Belgium-Luxembourg	10,022	10,648	12,382	12,393	11,593	11,854	12,292	11,168	13,912	13,585
6 Denmark	2,200	1,415	1,399	945	988	1,370	1,197	1,065	1,038	912
7 Finland	285	570	602	724	453	732	1,222	1,170	618	938
8 France	24,777	26,903	30,946	26,969	26,270	26,382	26,747	26,580	27,475	30,450
9 Germany	6,772	7,578	7,485	8,436	8,488	7,822	7,056	7,037	7,500	7,839
10 Greece	672	1,028	934	809	785	791	817	851	944	840
11 Italy	14,599	16,169	17,735	15,043	14,723	14,345	13,883	12,507	12,507	12,274
12 Netherlands	5,316	6,613	5,350	6,773	6,686	6,100	6,069	5,651	6,310	6,346
13 Norway	1,559	2,401	2,357	1,098	1,167	1,926	1,653	1,279	1,444	1,192
14 Portugal	903	2,418	2,958	2,628	2,410	2,392	2,279	2,313	2,391	2,431
15 Spain	5,494	4,364	7,544	10,006	10,095	9,392	10,496	10,396	10,834	12,284
16 Sweden	1,284	1,491	1,837	720	525	745	858	1,424	1,437	1,216
17 Switzerland	34,199	34,496	36,690	36,716	34,884	36,124	34,818	35,977	38,350	36,704
18 Turkey	1,012	1,818	1,169	1,490	1,535	1,806	1,720	1,780	1,538	1,493
19 United Kingdom	111,811	102,362	109,555	101,567	99,879	98,199	89,995	95,359 ^f	95,628	99,458
20 Yugoslavia	529	1,474	928	1,034	953	925	1,016	955	854	807
21 Other Western Europe ¹¹	8,598	13,363	11,689	10,335	12,797	11,371	12,423	15,025 ^f	9,640	12,534
22 U.S.S.R.	138	350	119	138	129	178	75	136	117	178
23 Other Eastern Europe ¹²	591	608	1,545	2,739	2,713	2,925	2,878	3,243	3,364	3,411
24 Canada	21,062	18,865	20,349	23,264	22,740	23,850	22,519	23,919 ^f	24,038	24,685
25 Latin America and Caribbean	271,146	311,028	327,370	325,444	328,845	328,380	335,338	337,704 ^f	340,634	337,056
26 Argentina	7,804	7,304	7,365	7,704	7,591	7,110	6,978	6,978 ^f	6,858	7,190
27 Bahamas	86,863	99,341	107,386	96,307	97,485	96,855	98,021	93,977 ^f	96,577	99,099
28 Bermuda	2,621	2,884	2,822	2,753	3,054	2,919	3,087	3,520 ^f	3,120	3,191
29 Brazil	5,314	6,351	5,834	5,806	5,756	5,749	5,806	6,049 ^f	6,183	6,008
30 British West Indies	113,840	138,309	141,719	150,993	151,629	150,939	157,372	162,590 ^f	163,040	157,827
31 Chile	2,936	3,212	3,145	3,107	3,240	3,233	3,308	3,162 ^f	3,092	3,348
32 Colombia	4,374	4,653	4,492	4,347	4,408	4,448	4,421	4,735 ^f	4,641	4,823
33 Cuba	10	10	11	8	8	7	2	9	8	4
34 Ecuador	1,379	1,391	1,379	1,260	1,293	1,288	1,270	1,236 ^f	1,226	1,237
35 Guatemala	1,195	1,312	1,541	1,571	1,595	1,664	1,641	1,613	1,585	1,541
36 Jamaica	269	209	257	233	237	219	219	235 ^f	213	202
37 Mexico	15,185	15,423	16,625	17,508	18,657	19,552	20,008	20,357 ^f	20,937	19,979
38 Netherlands Antilles	6,420	6,310	7,357	6,874	5,962	5,935	5,830	5,732 ^f	5,565	5,478
39 Panama	4,353	4,362	4,574	4,290	4,549	4,672	4,438	4,748 ^f	4,374	4,451
40 Peru	1,671	1,984	1,294	1,427	1,412	1,341	1,334	1,287 ^f	1,305	1,233
41 Uruguay	1,898	2,284	2,520	2,463	2,488	2,573	2,452	2,439 ^f	2,507	2,410
42 Venezuela	9,147	9,482	12,271	11,833	12,665	12,585	12,176	12,249 ^f	12,210	12,237
43 Other	5,868	6,206	6,779	6,959	6,815	6,828	6,843	6,788 ^f	7,193	6,798
44 Asia	147,838	156,201	136,842	127,737	122,893	120,618	121,985	121,313 ^f	118,830	119,598
45 China	1,895	1,773	2,421	2,415	2,446	2,412	2,408	2,247	2,198	2,477
46 Taiwan	26,058	19,588	11,246	11,001	10,649	9,838	11,178	11,579 ^f	9,425	11,753
47 Hong Kong	12,248	12,416	12,754	16,141	15,035	14,582	14,720	14,206 ^f	14,468	13,931
48 India	699	780	1,233	1,895	1,968	1,959	2,122	2,373	2,474	2,503
49 Indonesia	1,180	1,281	1,238	1,309	1,303	1,612	1,191	1,232	1,065	1,230
50 Israel	1,461	1,243	2,767	2,849	2,564	2,355	2,376	2,697	2,848	2,115
51 Japan	74,015	81,184	67,074	53,172	52,031	51,482	50,008	48,499	48,089	46,989
52 Korea	2,541	3,215	2,287	2,887	2,193	2,102	2,364	2,272 ^f	2,107	2,134
53 Philippines	1,163	1,766	1,585	1,681	1,521	1,587	1,537	1,465	1,647	1,926
54 Thailand	1,236	2,093	1,443	2,571	2,502	2,386	2,368	2,650	3,348	3,114
55 Middle-East oil-exporting countries ¹³	12,083	13,370	13,829	14,635	14,122	13,355	15,738	14,835 ^f	15,310	15,522
56 Other	13,260	17,491	16,965	17,162	16,560	16,949	15,975	17,258	15,851	15,904
57 Africa	3,991	3,824	4,630	4,495	4,695	4,188	3,929	4,017	4,483	4,558
58 Egypt	911	686	1,425	927	1,017	1,017	999	957	1,125	1,241
59 Morocco	68	78	104	89	97	122	81	91	82	78
60 South Africa	437	206	228	220	202	221	137	137	242	207
61 Zaire	85	53	53	50	52	45	24	58	37	42
62 Oil-exporting countries ¹⁴	1,017	1,121	1,110	1,434	1,140	1,105	960	992	1,145	1,182
63 Other	1,474	1,648	1,710	1,776	1,840	1,658	1,644	1,782	1,852	1,808
64 Other countries	6,165	4,564	4,444	3,962	3,879	3,945	3,945	4,004	4,165	5,464
65 Australia	5,293	3,867	3,807	3,118	3,232	3,097	3,173	3,149	3,231	4,446
66 All other	872	697	637	845	730	781	772	855	934	1,018
67 Nonmonetary international and regional organizations	3,224	4,894	5,918	6,237	6,057	5,917	6,226	6,935	6,905	8,097
68 International ¹⁵	2,503	3,947	4,390	4,895	4,641	4,025	4,346	4,361	4,867	5,847
69 Latin American regional	589	684	1,048	913	802	1,410	1,273	1,531	1,094	1,227
70 Other regional ¹⁶	133	263	479	429	614	482	607	1,043	944	1,023

11. Includes the Bank for International Settlements and Eastern European countries not listed in line 23.

12. Comprises Bulgaria, Czechoslovakia, Hungary, Poland, and Romania.

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

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

15. Excludes "holdings of dollars" of the International Monetary Fund.

16. Asian, African, Middle Eastern, and European regional organizations, except the Bank for International Settlements, which is included in "Other Western Europe."

3.18 BANKS' OWN CLAIMS ON FOREIGNERS Reported by Banks in the United States¹
Payable in U.S. Dollars
Millions of dollars, end of period

Area and country	1988	1989	1990	1991						
				Apr.	May	June	July	Aug.	Sept. ²	Oct. ³
1 Total	491,165	534,492	511,543	508,419	503,064	504,738	497,441	502,448 ⁴	499,949	509,170
2 Foreign countries	489,094	530,630	506,750	505,558	500,134	500,656	495,407	500,000 ⁴	497,443	507,354
3 Europe	116,928	119,025	113,093	100,367	99,221	99,001	97,828	98,587 ⁴	103,512	103,883
4 Austria	483	415	362	392	220	303	269	185	297	374
5 Belgium-Luxembourg	8,515	6,478	5,473	5,472	7,841	6,721	5,924	6,534	7,185	7,690
6 Denmark	483	582	497	765	909	896	898	945	670	611
7 Finland	1,065	1,027	1,047	1,168	862	668	642	771	908	1,196
8 France	13,243	16,146	14,468	13,934	13,578	14,302	14,292	13,827	14,520	13,085
9 Germany	2,329	2,865	3,343	3,236	2,631	2,782	2,690	3,118 ⁴	2,665	2,078
10 Greece	433	788	727	688	762	654	619	495	473	487
11 Italy	7,936	6,662	6,052	5,429	5,827	6,329	5,911	5,931	6,574	6,400
12 Netherlands	2,541	1,904	1,761	2,222	1,960	2,122	2,234	2,101	1,955	2,175
13 Norway	455	609	782	679	695	701	661	599	679	682
14 Portugal	261	376	292	293	322	378	260	308	266	301
15 Spain	1,823	1,930	2,668	3,344	3,082	2,056	2,582	1,995	2,370	2,439
16 Sweden	1,977	1,773	2,094	1,944	1,937	1,968	1,858	1,633	1,894	1,842
17 Switzerland	3,895	6,141	4,202	3,240	3,487	2,969	3,627	3,609	4,049	4,192
18 Turkey	1,233	1,071	1,405	1,440	1,445	1,593	1,458	1,407	1,368	1,192
19 United Kingdom	65,706	65,527	65,151	52,553	50,159	51,363	50,836	51,625 ⁴	54,348	55,333
20 Yugoslavia	1,390	1,329	1,142	1,012	965	932	877	820	802	803
21 Other Western Europe ²	1,152	1,302	597	1,118	999	734	832	1,024	773	714
22 U.S.S.R.	1,255	1,179	530	904	956	911	772	1,015	1,157	1,358
23 Other Eastern Europe ³	754	921	499	533	585	618	586	645	559	731
24 Canada	18,889	15,451	16,091	17,600	17,713	17,431	16,719	14,495	14,754	16,005
25 Latin America and Caribbean	214,264	230,438	231,506	240,899	244,314	248,511	245,982	249,214 ⁴	250,944	253,111
26 Argentina	11,826	9,270	6,967	6,420	6,363	6,128	5,945	5,749 ⁴	5,749	6,000
27 Bahamas	66,954	77,921	76,525	77,231	79,429	78,024	81,295	78,414 ⁴	80,316	85,598
28 Bermuda	483	1,315	4,056	4,935	7,182	3,893	5,813	11,773	6,847	4,292
29 Brazil	25,735	23,749	17,995	16,524	15,594	15,249	12,351	12,332 ⁴	12,435	11,853
30 British West Indies	55,888	68,749	88,565	105,220	105,686	114,954	110,553	111,019	112,567	113,567
31 Chile	5,217	4,353	3,271	3,050	3,032	2,779	2,823	2,779	2,734	2,726
32 Colombia	2,944	2,784	2,587	2,334	2,281	2,349	2,202	2,368	2,430	2,543
33 Cuba	1	0	0	0	0	0	0	0	0	0
34 Ecuador	2,075	1,688	1,387	1,326	1,339	1,344	1,263	1,238	1,115	1,293
35 Guatemala	198	197	222	222	220	203	190	182	186	191
36 Jamaica	212	297	238	197	181	187	144	150	150	162
37 Mexico	24,637	23,376	14,851	15,609	15,177	15,411	15,450	15,279	16,406	16,847
38 Netherlands Antilles	1,306	1,921	7,998	1,496	1,589	1,639	1,563	1,540	3,606	1,333
39 Panama	2,521	1,740	1,471	1,475	1,410	1,423	1,501	1,490	1,489	1,574
40 Peru	1,013	771	663	670	722	726	712	728	719	1,026
41 Uruguay	910	786	620	615	590	577	577	571	577	555
42 Venezuela	10,733	9,652	2,571	2,211	2,223	2,222	2,405	2,403	2,452	2,391
43 Other	1,612	1,726	1,384	1,360	1,271	1,252	1,195	1,199	1,166	1,160
44 Asia	130,881	157,474	138,722	139,243	131,465	128,051	127,560	130,220 ⁴	120,612	126,977
45 China	762	634	620	641	567	992	659	575	621	597
46 Taiwan	4,184	2,776	1,952	1,685	1,390	2,019	1,696	1,522	1,460	1,577
47 Hong Kong	10,143	11,128	10,648	10,891	9,870	9,217	9,051	9,154	9,467	10,203
48 India	560	621	655	574	478	432	409	425	449	481
49 Indonesia	674	651	933	1,029	982	891	874	858 ⁴	852	824
50 Israel	1,136	813	774	871	829	851	818	919	944	993
51 Japan	90,149	111,300	90,699	91,482	88,821	85,689	88,183	90,604	80,758	84,816
52 Korea	5,213	5,323	5,766	6,193	5,584	5,924	5,597	5,383	5,140	5,339
53 Philippines	1,876	1,344	1,247	1,478	1,452	1,647	1,647	1,682	1,633	1,919
54 Thailand	848	1,140	1,573	1,662	1,747	1,977	1,975	1,870	1,934	1,826
55 Middle East oil-exporting countries ⁴	6,213	10,149	10,749	12,286	9,636	10,468	9,771	9,741	10,439	9,973
56 Other	9,122	11,594	13,106	10,449	10,110	8,087	6,880	7,487	6,915	8,429
57 Africa	5,718	5,890	5,445	5,355	5,464	5,429	5,417	5,344 ⁴	5,272	5,264
58 Egypt	507	502	380	304	305	315	324	315	312	294
59 Morocco	511	559	513	538	603	590	597	576	579	589
60 South Africa	1,681	1,628	1,525	1,627	1,641	1,626	1,627	1,610	1,498	1,494
61 Zaire	17	16	16	18	18	12	9	9	8	12
62 Oil-exporting countries ⁵	1,523	1,648	1,486	1,372	1,365	1,336	1,285	1,273	1,270	1,260
63 Other	1,479	1,537	1,525	1,497	1,533	1,550	1,575	1,561 ⁴	1,605	1,615
64 Other countries	2,413	2,354	1,892	2,093	1,957	2,233	1,901	2,140	2,349	2,114
65 Australia	1,520	1,781	1,413	1,569	1,470	1,621	1,384	1,464	1,526	1,503
66 All other	894	573	479	524	487	611	517	676	823	611
67 Nonmonetary international and regional organizations ⁶	2,071	3,862	4,793	2,861	2,930	4,081	2,034	2,445 ⁴	2,506	1,816

1. Reporting banks include all kinds of depository institutions besides commercial banks, as well as some brokers and dealers.

2. Includes the Bank for International Settlements and Eastern European countries not listed in line 23.

3. Comprises Bulgaria, Czechoslovakia, Hungary, Poland, and Romania.

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

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

6. Excludes the Bank for International Settlements, which is included in "Other Western Europe."

3.19 BANKS' OWN AND DOMESTIC CUSTOMERS' CLAIMS ON FOREIGNERS Reported by Banks in the United States¹
Payable in U.S. Dollars
Millions of dollars, end of period

Type of claim	1988	1989	1990	1991						
				Apr.	May	June	July	Aug. ^r	Sept. ^r	Oct. ^p
1 Total	538,689	593,087	577,213			570,476			565,375	
2 Banks' own claims on foreigners	491,165	534,492	511,543	508,419	503,064	504,738	497,441	502,445	499,949	509,170
3 Foreign public borrowers	62,638	60,511	41,838	42,960	38,928	39,315	34,814	35,395	35,547	34,933
4 Own foreign offices ²	257,436	296,011	304,315	304,028	298,517	305,914	305,392	301,352	304,314	309,568
5 Unaffiliated foreign banks	129,425	134,885	117,860	112,640	117,674	114,858	114,871	116,499	113,551	119,674
6 Deposits	65,898	78,185	65,252	64,748	68,822	68,695	69,066	70,492	68,507	72,505
7 Other	63,527	56,700	52,608	47,892	48,852	46,162	45,805	46,007	45,044	47,169
8 All other foreigners	41,646	43,085	47,530	48,791	47,945	44,650	42,364	48,999	46,537	44,995
9 Claims of banks' domestic customers ³	47,524	58,594	65,670			65,738			65,426	
10 Deposits	8,289	13,019	14,375			19,380			19,512	
11 Negotiable and readily transferable instruments ⁴	25,700	30,983	40,987			35,404			35,054	
12 Outstanding collections and other claims	13,535	14,592	10,307			10,953			10,860	
13 MEMO: Customer liability on acceptances	19,596	12,899	13,659			10,410			8,665	
14 Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States ⁵	45,360	45,744	44,562	42,700	40,087	36,063	40,434 ^r	43,432	37,455	n.a.

1. Data for banks' own claims are given on a monthly basis, but the data for claims of banks' own domestic customers are available on a quarterly basis only.

Reporting banks include all kinds of depository institutions besides commercial banks, as well as some brokers and dealers.

2. For U.S. banks, includes amounts due from own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies. For agencies, branches, and majority-owned subsidiaries of foreign banks, consists principally of amounts due from head office or parent foreign bank, and foreign branches, agencies, or wholly owned

subsidiaries of head office or parent foreign bank.

3. Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the account of their domestic customers.

4. Principally negotiable time certificates of deposit and bankers acceptances.

5. Includes demand and time deposits and negotiable and nonnegotiable certificates of deposit denominated in U.S. dollars issued by banks abroad. For description of changes in data reported by nonbanks, see July 1979 *Bulletin*, p. 550.

3.20 BANKS' OWN CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Banks in the United States¹
Payable in U.S. Dollars
Millions of dollars, end of period

Maturity, by borrower and area	1987	1988	1989	1990	1991		
				Dec.	Mar.	June	Sept. ^p
1 Total	235,130	233,184	238,123	207,035	199,171	199,078	195,386
<i>By borrower</i>							
2 Maturity of one year or less ²	163,997	172,634	178,346	165,773	158,146	158,749	159,441
3 Foreign public borrowers	25,889	26,562	23,916	19,310	21,205	18,563	16,990
4 All other foreigners	138,108	146,071	154,430	146,463	136,941	140,186	142,451
5 Maturity of more than one year ²	71,133	60,550	59,776	41,262	41,025	40,328	35,945
6 Foreign public borrowers	38,625	35,291	36,014	22,406	22,435	20,613	18,263
7 All other foreigners	32,507	25,259	23,762	18,855	18,590	19,715	17,682
<i>By area</i>							
8 Maturity of one year or less ²							
9 Europe	59,027	55,909	53,913	49,157	49,593	49,909	51,197
10 Canada	5,680	6,282	5,910	5,439	5,909	7,221	5,691
11 Latin America and Caribbean	56,535	57,991	53,003	49,731	42,686	40,616	47,266
12 Asia	35,919	46,224	57,755	53,134	54,032	53,093	49,292
13 Africa	2,833	3,337	3,225	3,040	3,008	2,945	2,815
14 All other ³	4,003	2,891	4,541	5,272	2,918	4,966	3,180
9 Maturity of more than one year ²							
14 Europe	6,696	4,666	4,121	3,869	4,329	4,308	3,815
15 Canada	2,661	1,922	2,353	3,291	3,387	3,891	3,671
16 Latin America and Caribbean	53,817	47,547	45,816	25,977	24,962	23,758	19,757
17 Asia	3,830	3,613	4,172	5,189	5,404	5,721	6,095
18 Africa	1,747	2,301	2,630	2,374	2,426	2,456	2,385
19 All other ³	2,381	501	684	561	517	195	222

1. Reporting banks include all kinds of depository institutions besides commercial banks, as well as some brokers and dealers.

2. Remaining time to maturity.

3. Includes nonmonetary international and regional organizations.

3.21 CLAIMS ON FOREIGN COUNTRIES Held by U.S. Offices and Foreign Branches of U.S.-Chartered Banks¹

Billions of dollars, end of period

Area or country	1987	1988	1989		1990				1991		
			Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept. ^P
1 Total	382.4	346.3	346.5	338.8	333.9	321.7	332.1	317.8	324.6	320.2 ^F	337.2
2 G-10 countries and Switzerland	159.7	152.7	146.4	152.9	146.6	139.3	144.3	132.1	129.6	130.2 ^F	135.0
3 Belgium-Luxembourg	10.0	9.0	6.9	6.3	6.7	6.2	6.5	5.9	6.2	6.1	5.8
4 France	13.7	10.5	11.1	11.7	10.4	10.2	11.1	10.4	9.7	10.5	11.1
5 Germany	12.6	10.3	10.4	10.5	11.2	11.2	11.1	10.6	8.8	8.3	9.7
6 Italy	7.5	6.8	6.8	7.4	5.9	5.4	4.4	5.0	4.0	3.6	4.5
7 Netherlands	4.1	2.7	2.4	3.1	3.1	2.7	3.8	3.0	3.3	3.3	3.0
8 Sweden	2.1	1.8	2.0	2.0	2.1	2.3	2.3	2.2	2.0	2.4	2.1
9 Switzerland	5.6	5.4	6.1	7.1	6.2	6.3	5.6	4.4	3.7	3.3	3.9
10 United Kingdom	68.8	66.2	63.7	67.2	64.0	59.9	62.5	60.8	62.0	59.9 ^F	65.6
11 Canada	5.5	5.0	5.9	5.4	4.8	5.1	5.1	5.9	6.7	8.2	5.8
12 Japan	29.8	34.9	31.0	32.2	32.2	30.1	32.0	23.9	23.2	24.6	23.4
13 Other developed countries	26.4	21.0	21.0	20.7	23.0	22.4	23.1	22.6	23.1	21.1	21.7
14 Austria	1.9	1.5	1.5	1.5	1.5	1.5	1.6	1.4	1.4	1.1	1.0
15 Denmark	1.7	1.1	1.1	1.1	1.2	1.1	1.1	1.1	1.1	1.2	.9
16 Finland	1.2	1.1	1.1	1.0	1.1	.9	.8	.7	1.0	.8	.7
17 Greece	2.0	1.8	2.4	2.5	2.6	2.7	2.8	2.7	2.5	2.4	2.3
18 Norway	2.2	1.8	1.4	1.4	1.7	1.4	1.6	1.6	1.5	1.5	1.4
19 Portugal	.6	.4	.4	.4	.4	.8	.6	.6	.6	.6	.5
20 Spain	8.0	6.2	6.9	7.1	8.2	7.8	8.4	8.3	9.0	7.0	8.3
21 Turkey	2.0	1.5	1.2	1.2	1.3	1.4	1.6	1.7	1.7	1.9	1.6
22 Other Western Europe	1.6	1.3	1.0	.7	1.0	1.1	.7	.9	.8	.9	1.0
23 South Africa	2.9	2.4	2.1	2.0	2.0	1.9	1.9	1.8	1.8	1.8	1.6
24 Australia	2.4	1.8	2.1	1.6	2.1	1.8	2.0	1.8	1.9	2.0	2.4
25 OPEC countries ²	17.4	16.6	16.2	17.1	15.5	15.3	14.4	12.8	17.1	14.0	15.6
26 Ecuador	1.9	1.7	1.5	1.3	1.2	1.1	1.1	1.0	.9	.9	.8
27 Venezuela	8.1	7.9	7.4	7.0	6.1	6.0	6.0	5.0	5.1	5.3	5.6
28 Indonesia	1.9	1.7	2.0	2.0	2.1	2.0	2.3	2.7	2.8	2.6	2.8
29 Middle East countries	3.6	3.4	3.5	5.0	4.3	4.4	3.3	2.5	6.6	3.7	5.0
30 African countries	1.9	1.9	1.9	1.7	1.8	1.8	1.7	1.7	1.6	1.5	1.5
31 Non-OPEC developing countries	97.8	85.3	81.2	77.5	68.8	66.7	67.1	65.4	66.3	65.0 ^F	65.8
Latin America											
32 Argentina	9.5	9.0	7.6	6.3	5.6	5.2	5.0	5.0	4.7	4.6	4.7
33 Brazil	24.7	22.4	20.9	19.0	17.5	16.7	15.4	14.4	13.9	11.6	11.0
34 Chile	6.9	5.6	4.9	4.6	4.3	3.7	3.6	3.5	3.6	3.6	3.7
35 Colombia	2.0	2.1	1.6	1.8	1.8	1.7	1.8	1.8	1.7	1.6	1.6
36 Mexico	23.5	18.8	17.2	17.7	12.8	12.6	12.8	13.0	13.7	14.3	16.1
37 Peru	1.1	.8	.6	.6	.5	.5	.5	.5	.5	.5	.4
38 Other Latin America	2.8	2.6	2.9	2.8	2.8	2.3	2.4	2.3	2.2	2.0	1.9
Asia											
39 China											
40 Mainland	.3	.3	.3	.3	.3	.2	.2	.2	.4	.6	.4
41 Taiwan	8.2	3.7	5.0	4.5	3.8	3.6	4.0	3.5	3.6	4.1	4.1
42 India	1.9	2.1	2.7	3.1	3.5	3.6	3.6	3.3	3.5	3.0	2.8
43 Israel	1.0	1.2	.7	.7	.6	.7	.6	.5	.5	.5	.5
44 Korea (South)	5.0	6.1	6.5	5.9	5.3	5.6	6.2	6.2	6.8	6.9	6.0
45 Malaysia	1.5	1.6	1.7	1.7	1.8	1.8	1.8	1.9	2.0	2.1	2.3
46 Philippines	5.2	4.5	4.0	4.1	3.7	3.9	3.9	3.8	3.7	3.7	3.6
47 Thailand	.7	1.1	1.3	1.3	1.1	1.3	1.5	1.5	1.6	1.7	1.9
48 Other Asia ³	.7	.9	1.0	1.0	1.2	1.1	1.6	1.7	2.1	2.3	2.8
Africa											
49 Egypt	.6	.4	.5	.4	.4	.5	.4	.4	.4	.4	.4
50 Morocco	.9	.9	.8	.9	.9	.9	.8	.8	.8	.7	.7
51 Zaire	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
52 Other Africa ³	1.3	1.1	1.0	1.0	.9	.8	.8	1.0	.8	.8	.8
53 Eastern Europe	3.2	3.6	3.5	3.5	3.3	2.9	2.7	2.3	2.1	2.1	1.8
54 U.S.S.R.	.3	.7	.8	.7	.8	.4	.4	.2	.3	.4	.4
55 Yugoslavia	1.8	1.8	1.7	1.6	1.4	1.4	1.3	1.2	1.0	1.0	.8
56 Other	1.1	1.1	1.1	1.3	1.2	1.1	1.1	.9	.8	.7	.7
56 Offshore banking centers	54.5	44.2	49.2	36.6	43.1	40.3	42.2	42.5	49.6	48.3 ^F	52.6
57 Bahamas	17.3	11.0	11.4	5.5	9.2	8.5	8.9	2.8	8.3	6.8	6.6
58 Bermuda	.6	.9	1.3	1.7	1.2	2.5	4.5	4.4	4.4	4.2	7.1
59 Cayman Islands and other British West Indies	13.5	12.9	15.3	9.0	10.9	8.5	9.0	11.5	13.7	14.9	14.2
60 Netherlands Antilles	1.2	1.0	1.1	2.3	2.6	2.3	2.2	7.9	1.1	1.4	3.5
61 Panama ⁴	3.7	2.5	1.5	1.4	1.3	1.4	1.5	1.4	1.4	1.3	1.3
62 Lebanon	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1
63 Hong Kong	11.2	9.6	10.7	9.7	9.8	10.0	8.7	7.7	11.5	12.4 ^F	12.0
64 Singapore	7.0	6.1	7.8	7.0	8.0	7.0	7.5	6.6	8.9	7.2	7.7
65 Others ⁵	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
66 Miscellaneous and unallocated ⁶	23.2	22.6	28.7	30.3	33.3	34.5	38.1	39.8	36.6	39.4	44.6

1. The banking offices covered by these data are the U.S. offices and foreign branches of U.S.-owned banks and of U.S. subsidiaries of foreign-owned banks. Offices not covered include (1) U.S. agencies and branches of foreign banks, and (2) foreign subsidiaries of U.S. banks. To minimize duplication, the data are adjusted to exclude the claims on foreign branches held by a U.S. office or another foreign branch of the same banking institution. The data in this table combine foreign branch claims in table 3.14 (the sum of lines 7 through 10) with the claims of U.S. offices in table 3.18 (excluding those held by agencies and branches of foreign banks and those constituting claims on own foreign branches).

Since June 1984, reported claims held by foreign branches have been reduced by an increase in the reporting threshold for "shell" branches from \$50 million to

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

2. This group comprises the Organization of Petroleum Exporting Countries shown individually, other members of OPEC (Algeria, Gabon, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, and United Arab Emirates), and Bahrain and Oman (not formally members of OPEC).

3. Excludes Liberia.

4. Includes Canal Zone beginning December 1979.

5. Foreign branch claims only.

6. Includes New Zealand, Liberia, and international and regional organizations.

3.22 LIABILITIES TO UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States¹

Millions of dollars, end of period

Type and area or country	1987	1988	1989 ^f	1990				1991	
				Mar.	June	Sept.	Dec.	Mar.	June
1 Total	28,302	32,952	38,182	38,384 ^f	39,390 ^f	44,145 ^f	42,292 ^f	39,962 ^f	39,278 ^f
2 Payable in dollars	22,785	27,335	33,393	34,030	34,911	39,015	37,894	35,715 ^f	35,259 ^f
3 Payable in foreign currencies	5,517	5,617	4,789	4,355 ^f	4,479 ^f	5,130 ^f	4,398 ^f	4,246 ^f	4,019 ^f
<i>By type</i>									
4 Financial liabilities	12,424	14,507	17,891	17,445 ^f	19,025 ^f	19,898 ^f	17,979 ^f	17,104 ^f	16,767
5 Payable in dollars	8,643	10,608	14,047	14,169	15,663	16,059	14,731	14,182 ^f	13,872
6 Payable in foreign currencies	3,781	3,900	3,844	3,276 ^f	3,362 ^f	3,839 ^f	3,247 ^f	2,922 ^f	2,895
7 Commercial liabilities	15,878	18,445	20,292	20,939	20,365	24,247	24,313	22,858	22,511 ^f
8 Trade payables	7,305	6,505	7,590	7,443	6,935	10,040	9,945	8,224	8,665 ^f
9 Advance receipts and other liabilities	8,573	11,940	12,701	13,496	13,430	14,206	14,368	14,634	13,846 ^f
10 Payable in dollars	14,142	16,727	19,346	19,861	19,248	22,956	23,163	21,533	21,387 ^f
11 Payable in foreign currencies	1,737	1,717	945	1,078	1,117	1,291	1,150	1,325	1,124 ^f
<i>By area or country</i>									
<i>Financial liabilities</i>									
12 Europe	8,320	9,962	11,672	11,143 ^f	11,802 ^f	11,251 ^f	9,813 ^f	9,187 ^f	9,244
13 Belgium-Luxembourg	213	289	340	318	332	350	344	285	297
14 France	382	359	258	268 ^f	165 ^f	463 ^f	695 ^f	627 ^f	535
15 Germany	551	699	464	431 ^f	547 ^f	606 ^f	622 ^f	561 ^f	664
16 Netherlands	866	880	941	897 ^f	928 ^f	942 ^f	990 ^f	945 ^f	917
17 Switzerland	558	1,033	541	526 ^f	552	628 ^f	576	577	535
18 United Kingdom	5,557	6,533	8,830	8,372 ^f	8,832 ^f	7,632 ^f	5,976 ^f	5,551 ^f	5,706
19 Canada	360	388	610	352	306	309	223	272	287
20 Latin America and Caribbean	1,189	839	1,357	2,022 ^f	2,774 ^f	3,560 ^f	3,400 ^f	3,636 ^f	3,308
21 Bahamas	318	184	157	354	312	395	371	392 ^f	375
22 Bermuda	0	0	17	2	0	0	0	0	12
23 Brazil	25	0	0	0	0	0	0	0	0
24 British West Indies	778	645	724	1,186 ^f	1,920 ^f	2,548 ^f	2,407 ^f	2,674 ^f	2,319
25 Mexico	13	1	6	5	4	4	5	6	6
26 Venezuela	0	0	0	0	0	0	4	4	4
27 Asia	2,451	3,312	4,151	3,821	4,085	4,296 ^f	4,132 ^f	4,005 ^f	3,918
28 Japan	2,042	2,563	3,299	2,783	2,883	3,161 ^f	2,930 ^f	2,932 ^f	2,865
29 Middle East oil-exporting countries ²	8	3	2	3	5	4	5	1	4
30 Africa	4	2	2	3	3	2	2	2	9
31 Oil-exporting countries ³	1	0	0	0	1	0	0	0	7
32 All other ⁴	100	4	100	103	55	479	409	2	2
<i>Commercial liabilities</i>									
33 Europe	5,516	7,319	8,944	9,203	8,559	9,831	10,232	9,605	8,816 ^f
34 Belgium-Luxembourg	132	158	175	232	291	245	275	261	254 ^f
35 France	426	455	877	888	1,049	1,263	1,197	1,209	1,245 ^f
36 Germany	909	1,699	1,392	1,176	990	1,031	1,269	1,380	1,044 ^f
37 Netherlands	423	587	697	687	606	699	837	715	750 ^f
38 Switzerland	559	417	641	604	628	729	761	656	586 ^f
39 United Kingdom	1,599	2,079	2,620	2,927	2,440	2,778	2,792	2,734	2,308 ^f
40 Canada	1,301	1,217	1,124	1,151	1,178	1,263	1,250	1,230	1,186
41 Latin America and Caribbean	864	1,090	1,187	1,310	1,285	1,559	1,616	1,544	1,631 ^f
42 Bahamas	18	49	41	37	22	18	12	21	12 ^f
43 Bermuda	168	286	308	516	412	371	538	494	505 ^f
44 Brazil	46	95	100	121	109	129	145	214	180 ^f
45 British West Indies	19	34	27	18	29	42	30	35	43
46 Mexico	189	217	304	241	288	506	429	304	364 ^f
47 Venezuela	162	114	154	86	119	120	122	109	121 ^f
48 Asia	6,565	6,915	7,166	7,000	7,065	8,868	8,977	8,235	8,847 ^f
49 Japan	2,578	3,094	2,914	2,748	3,189	3,283	3,617	3,467	3,383 ^f
50 Middle East oil-exporting countries ^{2,3}	1,964	1,385	1,401	1,394	1,125	2,321	1,730	1,268	1,699 ^f
51 Africa	574	576	844	759	889	1,318	841	650	594
52 Oil-exporting countries ³	135	202	307	264	277	594	422	225	224
53 All other ⁴	1,057	1,328	1,027	1,517	1,390	1,408	1,398	1,594	1,436

1. For a description of the changes in the International Statistics tables, see July 1979 *Bulletin*, p. 550.

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

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

4. Includes nonmonetary international and regional organizations.

5. Revisions include a reclassification of transactions, which also affects the totals for Asia and the grand totals.

3.23 CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States¹

Millions of dollars, end of period

Type, and area or country	1987	1988 ^f	1989 ^f	1990				1991	
				Mar.	June	Sept.	Dec.	Mar.	June
1 Total	30,964	33,805	31,129	29,454 ^f	31,355 ^f	30,758 ^f	32,919 ^f	33,690 ^f	35,849 ^f
2 Payable in dollars	28,502	31,425	28,795	27,300 ^f	29,026 ^f	28,363 ^f	30,498 ^f	31,459 ^f	33,851 ^f
3 Payable in foreign currencies	2,462	2,381	2,334	2,154	2,329	2,395	2,421	2,231 ^f	1,997 ^f
<i>By type</i>									
4 Financial claims	20,363	21,640	17,320	16,158 ^f	17,725 ^f	16,307 ^f	17,627 ^f	18,032 ^f	19,586 ^f
5 Deposits	14,894	15,643	10,421	10,461	9,901	10,359	11,513	11,475 ^f	11,198 ^f
6 Payable in dollars	13,765	14,544	9,495	9,583	8,820	9,165	10,501	10,533	10,494 ^f
7 Payable in foreign currencies	1,128	1,099	927	878	1,082	1,193	1,012	942 ^f	705 ^f
8 Other financial claims	5,470	5,997	6,899	5,697 ^f	7,823 ^f	5,949 ^f	6,114 ^f	6,557 ^f	8,387 ^f
9 Payable in dollars	4,656	5,220	6,145	5,007 ^f	7,090 ^f	5,296 ^f	5,247 ^f	5,861 ^f	7,699 ^f
10 Payable in foreign currencies	814	777	754	690	733	652	866	696 ^f	688 ^f
11 Commercial claims	10,600	12,166	13,809	13,296	13,631	14,450	15,292	15,658	16,263 ^f
12 Trade receivables	9,535	11,091	12,191	11,691	11,924	12,674	13,415	13,595	13,967 ^f
13 Advance payments and other claims	1,065	1,075	1,618	1,605	1,707	1,776	1,877	2,063	2,296 ^f
14 Payable in dollars	10,081	11,660	13,156	12,710	13,117	13,901	14,749	15,066	15,658 ^f
15 Payable in foreign currencies	519	505	653	586	514	549	543	593	605 ^f
<i>By area or country</i>									
<i>Financial claims</i>									
16 Europe	9,531	10,278	6,915	6,804 ^f	9,574 ^f	7,939 ^f	7,879 ^f	9,297 ^f	10,660 ^f
17 Belgium-Luxembourg	7	18	28	22	126	27	76	85 ^f	74 ^f
18 France	332	203	153	182 ^f	126 ^f	145 ^f	358 ^f	193 ^f	255 ^f
19 Germany	102	120	87	386 ^f	76 ^f	79 ^f	302 ^f	249 ^f	233 ^f
20 Netherlands	350	348	303	316	339 ^f	327 ^f	330 ^f	443 ^f	494 ^f
21 Switzerland	65	217	91	108 ^f	131 ^f	163 ^f	293 ^f	358 ^f	367 ^f
22 United Kingdom	8,467	9,039	6,010	5,569 ^f	8,551 ^f	6,971 ^f	6,276	7,754 ^f	9,088 ^f
23 Canada	2,844	2,325	1,904	1,758	2,036	1,989	2,887	1,850 ^f	1,986 ^f
24 Latin America and Caribbean	7,012	8,160	7,590	6,984	5,490	5,642	5,757	5,986 ^f	5,844 ^f
25 Bahamas	1,994	1,846	1,461	1,662	992	977	1,261	1,714	1,031 ^f
26 Bermuda	7	19	7	4	3	4	3	6	4
27 Brazil	63	47	224	79	84	70	68	68	127 ^f
28 British West Indies	4,433	5,763	5,486	4,824	4,003	4,191	4,021	3,769 ^f	4,302 ^f
29 Mexico	172	151	94	152	164	158	177	179	161
30 Venezuela	19	21	20	21	20	23	25	28	29
31 Asia	879	623	590	526 ^f	534 ^f	531 ^f	860 ^f	568 ^f	757 ^f
32 Japan	605	354	213	191 ^f	185 ^f	207 ^f	523 ^f	246 ^f	409 ^f
33 Middle East oil-exporting countries ²	8	5	8	7	6	9	8	11	9
34 Africa	65	106	140	67	62	49	37	62	64
35 Oil-exporting countries ³	7	10	12	11	8	7	0	3	1
36 All other ⁴	33	148	180	18 ^f	28 ^f	158 ^f	206 ^f	268 ^f	275 ^f
<i>Commercial claims</i>									
37 Europe	4,180	5,181	6,193	6,035	6,072	6,490	7,046	7,005	7,542 ^f
38 Belgium-Luxembourg	178	189	242	220	209	188	211	221	220
39 France	650	672	963	964	924	1,206	1,240	1,267	1,408 ^f
40 Germany	562	669	696	699	670	638	803	859	957 ^f
41 Netherlands	133	212	479	453	478	491	551	591	756 ^f
42 Switzerland	185	344	305	270	234	300	298	323	299
43 United Kingdom	1,073	1,324	1,572	1,688	1,582	1,673	1,796	1,645	1,820 ^f
44 Canada	936	983	1,076	1,145	1,145	1,144	1,049	1,194	1,248 ^f
45 Latin America and Caribbean	1,930	2,241	2,174	2,053	2,198	2,393	2,305	2,305	2,433 ^f
46 Bahamas	19	36	57	22	17	25	14	15	16 ^f
47 Bermuda	170	230	323	243	284	340	246	232	245
48 Brazil	226	299	293	228	232	251	320	308	297 ^f
49 British West Indies	26	22	36	38	47	35	40	49	43
50 Mexico	368	461	507	521	575	649	636	657	711 ^f
51 Venezuela	283	227	147	188	223	224	189	190	195 ^f
52 Asia	2,915	2,993	3,555	3,271	3,463	3,621	4,044	4,292	4,159 ^f
53 Japan	1,158	946	1,197	1,072	1,096	1,221	1,396	1,749	1,604 ^f
54 Middle East oil-exporting countries ²	450	453	518	433	418	407	459	548	510 ^f
55 Africa	401	435	419	419	387	371	486	390	428 ^f
56 Oil-exporting countries ³	144	122	108	89	97	72	67	68	59
57 All other ⁴	238	333	392	372	365	432	362	472	453 ^f

1. For a description of the changes in the International Statistics tables, see July 1979 *Bulletin*, p. 550.

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

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

4. Includes nonmonetary international and regional organizations.

3.24 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transaction and area or country	1989	1990	1991							
			Jan. - Oct.	Apr.	May ^f	June ^f	July ^f	Aug. ^f	Sept. ^f	Oct. ^p
U.S. corporate securities										
STOCKS										
1 Foreign purchases	214,071	173,293	175,425	20,577	19,230	17,342	16,462	17,934	12,919	17,201
2 Foreign sales	204,129	188,419	162,538	17,440	15,900	16,107	15,304	16,192	13,659	16,791
3 Net purchases, or sales (-)	9,941	-15,126	12,887	3,137	3,330	1,234	1,158	1,742	-740	410
4 Foreign countries	10,175	-15,197	12,338	3,059	3,276	1,191	1,135	1,606	-850	365
5 Europe	476	-8,479	2,288	1,639	1,214	713	5	753	-567	-452
6 France	-708	-1,234	193	-45	83	170	-41	39	-95	-21
7 Germany	-830	-367	-148	13	24	45	-8	21	62	12
8 Netherlands	79	-397	-130	30	20	64	47	-209	38	6
9 Switzerland	-3,277	-2,866	376	552	290	346	42	96	-48	-93
10 United Kingdom	3,683	-2,980	1,161	686	585	-149	-130	831	-501	-216
11 Canada	-881	886	2,989	111	712	383	159	439	16	385
12 Latin America and Caribbean	3,042	-1,330	2,649	120	242	285	160	315	25	366
13 Middle East ¹	3,531	-2,435	-130	-174	207	-460	272	67	-402	-6
14 Other Asia	3,577	-3,477	4,188	1,236	829	96	110	-33	210	267
15 Japan	3,330	-2,891	1,447	1,163	669	74	-15	-96	135	156
16 Africa	131	-63	132	0	21	9	6	4	-7	20
17 Other countries	299	-298	224	128	51	165	423	61	-125	-215
18 Nonmonetary international and regional organizations	-234	71	548	78	55	44	23	136	110	45
BONDS²										
19 Foreign purchases	120,550	118,764	121,059	10,291	14,434	12,242	9,929	14,989	14,397	12,687
20 Foreign sales	87,533	102,027	99,460	9,083	11,651	8,637	7,681	10,812	12,315	10,582
21 Net purchases, or sales (-)	33,017	16,737	21,599	1,207	2,783	3,605	2,248	4,177	2,082	2,105
22 Foreign countries	32,664	17,208	21,873	1,307	2,842	3,666	2,275	4,274	2,121	2,168
23 Europe	18,907	10,079	11,039	1,189	1,749	2,113	856	1,727	-136	1,692
24 France	-372	373	669	34	86	2	15	-26	93	-25
25 Germany	-238	-377	1,130	114	400	-120	-1	106	156	213
26 Netherlands	850	172	292	84	23	45	-1	47	-18	44
27 Switzerland	-511	284	936	-56	206	318	9	116	-52	-67
28 United Kingdom	17,965	10,383	8,260	789	932	1,784	564	1,405	359	1,856
29 Canada	1,116	1,906	1,175	247	374	68	34	-40	-155	86
30 Latin America and Caribbean	3,686	4,291	1,683	188	-118	524	378	172	130	-365
31 Middle East ¹	-182	76	1,619	-25	20	160	430	449	350	182
32 Other Asia	9,025	1,104	6,460	-301	831	898	558	2,015	1,957	526
33 Japan	6,292	747	4,707	-240	544	685	285	1,818	1,149	237
34 Africa	56	96	32	8	10	-1	-1	4	-2	12
35 Other countries	57	-344	-135	3	-23	-96	20	-53	-23	35
36 Nonmonetary international and regional organizations	353	-471	-275	-100	-58	-62	-27	-97	-39	-63
Foreign securities										
37 Stocks, net purchases, or sales (-) ³	-13,062	-9,205	-27,619	-2,540	-3,292	-3,592	-3,155	-3,521	-2,165	-2,348
38 Foreign purchases	109,850	122,641	95,401	7,942	8,627	9,973	10,172	9,586	9,906	11,292
39 Foreign sales ¹	122,912	131,846	123,020	10,482	11,919	13,565	13,327	13,107	12,071	13,640
40 Bonds, net purchases, or sales (-)	-5,493	-22,487	-13,838	-254	-489	-1,547	-807	-2,168	-1,171	-4,156
41 Foreign purchases	234,770	314,545	268,242	20,779	22,147	19,916	22,041	22,186	23,409	33,230
42 Foreign sales	240,263	337,032	282,079	21,033	22,636	21,462	22,848	24,354	24,580	37,386
43 Net purchases, or sales (-), of stocks and bonds	-18,556	-31,692	-41,456	-2,793	-3,781	-5,138	-3,962	-5,689	-3,336	-6,504
44 Foreign countries	-18,594	-29,019	-40,316	-2,917	-3,252	-5,418	-4,476	-5,794	-3,516	-6,137
45 Europe	-17,663	-8,418	-24,086	348	-419	-3,030	-5,035	-4,769	-2,670	-5,096
46 Canada	-3,730	-7,502	-8,316	-2,290	-943	-1,011	278	-1,009	-352	-1,619
47 Latin America and Caribbean	426	-8,954	398	8	-1,633	-26	130	108	454	570
48 Asia	2,532	-3,828	-8,965	-987	-159	-1,172	105	-305	-1,185	-197
49 Africa	93	-137	-126	10	4	-198	8	-7	2	1
50 Other countries	-251	-180	779	-4	-101	19	38	188	235	204
51 Nonmonetary international and regional organizations	38	-2,673	-1,140	123	-529	280	514	105	180	-367

1. Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
 2. Includes state and local government securities and securities of U.S. government agencies and corporations. Also includes issues of new debt securi-

ties sold abroad by U.S. corporations organized to finance direct investments abroad.

3. As a result of the merger of a U.S. and U.K. company in July 1989, the former stockholders of the U.S. company received \$5,453 million in shares of the new combined U.K. company. This transaction is not reflected in the data.

3.25 MARKETABLE U.S. TREASURY BONDS AND NOTES Foreign Transactions

Millions of dollars

Country or area	1989	1990	1991							
			Jan. - Oct.	Apr.	May	June	July	Aug.	Sept. ^r	Oct. ^p
Transactions, net purchases or sales (-) during period ¹										
1 Estimated total ²	54,203	19,439	12,110	2,826	15,311 ^r	-5,830	725	1,356	-3,862	403
2 Foreign countries ²	52,301	19,276	12,809	2,583	15,293 ^r	-5,337	407	722	-2,804	-208
3 Europe ²	36,286	19,040	2,134	-1,358	4,409 ^r	-4,250	-1,082	1,554	464	193
4 Belgium-Luxembourg	1,048	10	345	37	113 ^r	-102	-109	71	-190	1
5 Germany	7,904	5,880	-5,303	-549	1,433	-1,458	684	-360	195	326
6 Netherlands	-1,141	1,077	-2,889	-292	-165 ^r	-794	-997	-372	-426	549
7 Sweden	693	1,152	-1,170	-410	560	31	-299	-239	3	46
8 Switzerland ²	1,098	112	678	-622	230	207	-218	292	-184	195
9 United Kingdom	20,198	-1,414	3,626	260	1,699	-1,249	-398	388	-32	-334
10 Other Western Europe	6,508	12,202	6,830	214	540	-886	258	1,774	1,090	-590
11 Eastern Europe	-21	13	16	5	-3	3	-3	0	8	0
12 Canada	698	-4,617	-474	566	342	-114	395	-118	78	-838
13 Latin America and Caribbean	464	14,730	14,308	5,561	10,481	161	1,669	1,436	-1,076	-2,086
14 Venezuela	311	33	-119	2	2	20	7	-20	-2	20
15 Other Latin America and Caribbean	-322	3,939	6,908	2,969	5,687	-233	242	-2,010	-1,883	-14
16 Netherlands Antilles	475	10,757	7,519	2,590	4,793	374	1,420	3,466	809	-2,092
17 Asia	13,297	-11,031	-1,703	-2,179	12	-879	-491	-2,115	-2,067	3,465
18 Japan	1,681	-14,864	-3,936	-3,379	711	1,422	45	-364	-3,625	4,111
19 Africa	116	313	392	16	1	104	7	27	10	39
20 All other	1,439	842	-1,848	-22	48	-358	-91	-62	-213	-981
21 Nonmonetary international and regional organizations	1,902	163	-700	243	18 ^r	-493	318	634	-1,058	611
22 International	1,473	287	-1,340	35	43 ^r	-21	168	654	-1,211	287
23 Latin American regional	231	-2	217	225	-186	-9	150	-146	152	72
MEMO										
24 Foreign countries ²	52,301	19,276	12,809	2,583	15,293 ^r	-5,337	407	722	-2,804	-208
25 Official institutions	26,840	23,218	-4,926	886	2,020	-5,832	-704	-289	830	447
26 Other foreign ²	25,461	-3,942	17,735	1,698	13,273 ^r	495	1,111	1,011	-3,634	-655
Oil-exporting countries										
27 Middle East ³	8,148	-387	-6,752	-513	-562	-505	-643	-3,731	-795	316
28 Africa ⁴	-1	0	20	5	0	0	0	0	0	0

1. Estimated 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. Includes U.S. Treasury notes, denominated in foreign currencies, publicly issued to private foreign residents.

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

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

3.26 DISCOUNT RATES OF FOREIGN CENTRAL BANKS

Percent per year

Country	Rate on Dec. 31, 1991		Country	Rate on Dec. 31, 1991		Country	Rate on Dec. 31, 1991	
	Percent	Month effective		Percent	Month effective		Percent	Month effective
Austria	8.0	Dec. 1991	Germany, Fed. Rep. of ...	8.0	Dec. 1991	Norway	10.50	July 1990
Belgium	8.5	Dec. 1991	Italy	12.0	Nov. 1991	Switzerland	7.0	Aug. 1991
Canada	7.67	Dec. 1991	Japan	4.5	Dec. 1991	United Kingdom .....	.....	.....
Denmark	9.5	Dec. 1991	Netherlands	8.5	Dec. 1991			
France	9.5	Dec. 1991						

1. Since Feb. 1981, the rate has been that at which the Bank of France discounts Treasury bills for seven to ten days.

2. Minimum lending rate suspended as of Aug. 20, 1981.

NOTE: Rates shown are mainly those at which the central bank either discounts

or makes advances against eligible commercial paper or government securities for commercial banks or brokers. For countries with more than one rate applicable to such discounts or advances, the rate shown is the one at which it is understood the central bank transacts the largest proportion of its credit operations.

3.27 FOREIGN SHORT-TERM INTEREST RATES

Averages of daily figures, percent per year

Type or country	1989	1990	1991	1991						
				June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1 Eurodollars	9.16	8.16	5.86	6.08	6.01	5.65	5.50	5.34	4.96	4.48
2 United Kingdom	13.87	14.73	11.47	11.21	11.04	10.85	10.24	10.38	10.44	10.73
3 Canada	12.20	13.00	9.07	8.83	8.78	8.73	8.59	8.29	7.75	7.50
4 Germany	7.04	8.41	9.15	8.95	9.06	9.23	9.16	9.28	9.33	9.48
5 Switzerland	6.83	8.71	8.01	7.89	7.74	7.80	7.90	8.09	7.89	7.99
6 Netherlands	7.28	8.57	9.19	9.08	9.09	9.27	9.21	9.27	9.32	9.59
7 France	9.27	10.20	9.49	9.59	9.46	9.46	9.30	9.20	9.41	9.97
8 Italy	12.44	12.11	12.04	11.48	11.74	11.86	11.63	11.44	11.66	12.46
9 Belgium	8.65	9.70	9.30	9.08	9.12	9.25	9.01	9.22	9.39	9.61
10 Japan	5.39	7.75	7.33	7.79	7.56	7.31	6.70	6.41	6.22	6.02

NOTE: Rates are for three-month interbank loans, with the following exceptions: Canada, finance company paper; Belgium, three-month Treasury bills; and Japan, CD rate.

3.28 FOREIGN EXCHANGE RATES¹

Currency units per dollar

Country/currency	1989	1990	1991	1991					
				July	Aug.	Sept.	Oct.	Nov.	Dec.
1 Australia/dollar ²	79.186	78.069	77.872	77.156	78.235	79.369	79.251	78.660	77.122
2 Austria/schilling	13.236	11.331	11.686	12.562	12.267	11.910	11.887	11.408	11.003
3 Belgium/franc	39.409	33.424	34.195	36.751	35.890	34.878	34.787	33.391	32.198
4 Canada/dollar	1.1842	1.1668	1.1460	1.1493	1.1452	1.1370	1.1279	1.1302	1.1467
5 China, P.R./yuan	3.7673	4.7921	5.3337	5.3693	5.3725	5.3869	5.3917	5.3994	5.4232
6 Denmark/krone	7.3210	6.1899	6.4038	6.9030	6.7396	6.5367	6.5246	6.2947	6.0831
7 Finland/markka	4.2963	3.8300	4.0521	4.3295	4.2325	4.1241	4.1155	4.1953	4.2447
8 France/franc	6.3802	5.4467	5.6468	6.0596	5.9244	5.7621	5.7583	5.5391	5.3406
9 Germany/deutsche mark	1.8808	1.6166	1.6610	1.7852	1.7435	1.6933	1.6893	1.6208	1.5630
10 Greece/drachma	162.60	158.59	182.63	195.46	192.69	188.07	188.50	183.68	179.52
11 Hong Kong/dollar	7.8008	7.7899	7.7712	7.7610	7.7646	7.7524	7.7542	7.7591	7.7738
12 India/rupee	16.213	17.492	22.712	25.613	25.846	25.834	25.797	25.802	25.818
13 Ireland/pound ²	141.80	165.76	158.26	136.48	153.38	157.87	158.21	164.75	170.46
14 Italy/lira	1,372.28	1,198.27	1,241.28	1,329.55	1,303.31	1,266.25	1,263.20	1,221.04	1,182.21
15 Japan/yen	138.07	145.00	134.59	137.83	136.82	134.30	130.77	129.63	128.04
16 Malaysia/ringgit	2.7079	2.7057	2.7503	2.7868	2.7806	2.7577	2.7469	2.7412	2.7417
17 Netherlands/guilder	2.1219	1.8215	1.8720	2.0114	1.9650	1.9084	1.9039	1.8269	1.7618
18 New Zealand/dollar ²	59.561	59.619	57.832	56.681	57.353	57.989	56.306	56.352	55.256
19 Norway/krone	6.9131	6.2541	6.4912	6.9627	6.8118	6.6266	6.6136	6.3643 ^f	6.1558
20 Portugal/escudo	157.53	142.70	144.77	154.20	149.72	145.64	145.41	141.43	138.90
21 Singapore/dollar	1.9511	1.8134	1.7283	1.7555	1.7269	1.7002	1.6940	1.6709	1.6453
22 South Africa/rand	2.6214	2.5885	2.7633	2.8819	2.8704	2.8316	2.8314	2.7916	2.7665
23 South Korea/won	674.29	710.64	736.73	731.76	733.90	744.18	753.54	757.44	761.68
24 Spain/peseta	118.44	101.96	104.01	111.81	108.92	106.28	106.54	102.56	99.70
25 Sri Lanka/rupee	35.947	40.078	41.200	41.213	41.723	41.935	42.179	42.374	42.523
26 Sweden/krona	6.4559	5.9231	6.0521	6.4609	6.3311	6.1652	6.1552	5.9246	5.7158
27 Switzerland/franc	1.6369	1.3901	1.4356	1.5481	1.5201	1.4803	1.4781	1.4348	1.3855
28 Taiwan/dollar	26.407	26.918	26.759	26.982	26.730	26.559	26.406	25.975	25.759
29 Thailand/baht	25.725	25.609	25.528	25.745	25.720	25.617	25.397	25.497	25.431
30 United Kingdom/pound ²	163.82	178.41	176.74	165.13	168.41	172.65	172.31	177.96	182.72
MEMO									
31 United States/dollar ³	98.60	89.09	89.84	95.19	93.47	91.18	90.69	87.98	85.65

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. Value in U.S. cents.

3. Index of weighted-average exchange value of U.S. dollar against the

currencies of ten industrial countries. The weight for each of the ten countries is the 1972-76 average world trade of that country divided by the average world trade of all ten countries combined. Series revised as of August 1978 (see *Federal Reserve Bulletin*, vol. 64 (August 1978), p. 700).

Guide to Statistical Releases and Special Tables

STATISTICAL RELEASES—List Published Semiannually, with Latest BULLETIN Reference

	<i>Issue</i>	<i>Page</i>
Anticipated schedule of release dates for periodic releases	December 1991	A86

SPECIAL TABLES—Quarterly Data Published Irregularly, with Latest BULLETIN Reference

<i>Title and Date</i>	<i>Issue</i>	<i>Page</i>
<i>Assets and liabilities of commercial banks</i>		
December 31, 1990	May 1991	A72
March 31, 1991	August 1991	A72
June 30, 1991	November 1991	A70
September 30, 1991	February 1992	A70
<i>Terms of lending at commercial banks</i>		
February 1991	August 1991	A78
May 1991	October 1991	A72
August 1991	December 1991	A70
November 1991	February 1992	A76
<i>August</i>		
<i>Assets and liabilities of U.S. branches and agencies of foreign banks</i>		
December 31, 1990	June 1991	A72
March 31, 1991	November 1991	A76
June 30, 1991	December 1991	A74
September 30, 1991	February 1992	A80
<i>Pro forma balance sheet and income statements for priced service operations</i>		
June 30, 1990	October 1990	A72
March 31, 1991	August 1991	A82
June 30, 1991	November 1991	A80
September 30, 1991	January 1992	A70
<i>Assets and liabilities of life insurance companies</i>		
June 30, 1991	December 1991	A79

Special tables follow.

4.20 DOMESTIC AND FOREIGN OFFICES, Insured Commercial Bank Assets and Liabilities^{1,2}
Consolidated Report of Condition, September 30, 1991

Millions of dollars

Item	Total	Banks with foreign offices			Banks with domestic offices only	
		Total	Foreign	Domestic	Over 100	Under 100
1 Total assets ⁶	3,415,788	1,918,010	429,474	1,558,727	1,125,806	371,971
2 Cash and balances due from depository institutions.....	299,183	208,200	88,727	119,473	67,297	23,685
3 Cash items in process of collection, unposted debits, and currency and coin.....	n.a.	92,294	1,727	90,567	35,721	n.a.
4 Cash items in process of collection and unposted debits.....	n.a.	n.a.	n.a.	75,037	25,238	n.a.
5 Currency and coin.....	n.a.	n.a.	n.a.	15,530	10,483	n.a.
6 Balances due from depository institutions in the United States.....	n.a.	33,686	22,095	11,591	18,096	n.a.
7 Balances due from banks in foreign countries and foreign central banks.....	n.a.	67,222	64,759	2,463	3,595	n.a.
8 Balances due from Federal Reserve Banks.....	n.a.	14,997	145	14,852	9,887	n.a.
MEMO						
9 Noninterest-bearing balances due from commercial banks in the United States (included in balances due from depository institutions in the United States).....	n.a.	n.a.	n.a.	7,282	13,727	9,106
10 Total securities, loans and lease financing receivables, net.....	2,815,284	1,483,833	n.a.	n.a.	999,090	332,361
11 Total securities, book value.....	657,630	269,248	30,045	239,203	269,471	118,911
12 U.S. Treasury securities and U.S. government agency and corporation obligations.....	486,455	186,171	3,222	182,949	206,020	94,265
13 U.S. Treasury securities.....	n.a.	59,713	1,599	58,113	85,017	n.a.
14 U.S. government agency and corporation obligations.....	n.a.	126,458	1,622	124,836	121,002	n.a.
15 All holdings of U.S. government-issued or guaranteed certificates of participation in pools of residential mortgages.....	153,127	75,272	1,248	74,024	55,416	22,439
16 All other.....	n.a.	51,186	374	50,812	65,586	n.a.
17 Securities issued by states and political subdivisions in the United States.....	74,287	24,288	711	23,577	34,351	15,648
18 Other domestic debt securities.....	n.a.	28,200	1,103	27,097	24,054	n.a.
19 All holdings of private certificates of participation in pools of residential mortgages.....	3,487	1,989	11	1,979	1,269	228
20 All other domestic debt securities.....	56,429	26,211	1,093	25,118	22,785	7,433
21 Foreign debt securities.....	n.a.	25,112	23,796	1,316	409	n.a.
22 Equity securities.....	11,452	5,477	1,213	4,264	4,638	1,337
23 Marketable.....	5,568	1,837	111	1,726	2,736	996
24 Investments in mutual funds.....	3,465	895	22	873	1,672	898
25 Other.....	2,339	1,029	90	939	1,156	154
26 Less: Net unrealized loss.....	236	88	1	87	91	56
27 Other equity securities.....	5,884	3,641	1,103	2,538	1,902	341
28 Federal funds sold and securities purchased under agreements to resell.....	161,311	86,665	611	86,054	54,035	20,611
29 Federal funds sold.....	133,085	64,266	n.a.	n.a.	48,459	20,359
30 Securities purchased under agreements to resell.....	28,227	22,399	n.a.	n.a.	5,575	252
31 Total loans and lease financing receivables, gross.....	2,062,131	1,168,241	204,168	964,074	695,969	197,921
32 Less: Unearned income on loans.....	11,670	4,406	1,276	3,130	5,517	1,747
33 Total loans and leases (net of unearned income).....	2,050,461	1,163,835	202,891	960,944	690,452	196,174
34 Less: Allowance for loan and lease losses.....	53,698	35,494	n.a.	n.a.	14,869	3,335
35 Less: Allocated transfer risk reserves.....	421	420	n.a.	n.a.	0	0
36 EQUALS: Total loans and leases, net.....	1,996,342	1,127,920	n.a.	n.a.	675,583	192,839
Total loans, gross, by category						
37 Loans secured by real estate.....	842,962	410,010	25,529	384,481	330,727	102,225
38 Construction and land development.....	n.a.	n.a.	n.a.	69,128	33,448	6,500
39 Farmland.....	n.a.	n.a.	n.a.	2,042	6,170	10,109
40 1-4 family residential properties.....	n.a.	n.a.	n.a.	191,736	171,896	56,778
41 Revolving, open-end loans, extended under lines of credit.....	n.a.	n.a.	n.a.	36,842	28,672	3,344
42 All other loans.....	n.a.	n.a.	n.a.	154,894	143,224	53,434
43 Multifamily (5 or more) residential properties.....	n.a.	n.a.	n.a.	10,659	9,483	2,002
44 Nonfarm nonresidential properties.....	n.a.	n.a.	n.a.	110,916	109,730	26,836
45 Loans to depository institutions.....	48,919	39,884	15,488	24,396	8,759	276
46 To commercial banks in the United States.....	n.a.	21,229	407	20,822	8,259	n.a.
47 To other depository institutions in the United States.....	n.a.	1,197	252	945	433	n.a.
48 To banks in foreign countries.....	n.a.	17,458	14,829	2,629	67	n.a.
49 Loans to finance agricultural production and other loans to farmers.....	35,839	5,672	282	5,390	10,060	20,107
50 Commercial and industrial loans.....	569,574	403,941	97,859	306,082	130,496	35,137
51 To U.S. addressees (domicile).....	n.a.	327,928	23,632	304,295	130,130	n.a.
52 To non-U.S. addressees (domicile).....	n.a.	76,013	74,227	1,787	366	n.a.
53 Acceptances of other banks.....	1,966	814	355	459	687	465
54 U.S. banks.....	n.a.	366	22	344	n.a.	n.a.
55 Foreign banks.....	n.a.	447	332	115	n.a.	n.a.
56 Loans to individuals for household, family, and other personal expenditures (includes purchased paper).....	383,802	158,371	17,600	140,771	189,251	36,180
57 Credit cards and related plans.....	131,148	51,271	n.a.	n.a.	77,307	2,570
58 Other (includes single payment and installment).....	252,655	107,100	n.a.	n.a.	111,945	33,610
59 Obligations (other than securities) of states and political subdivisions in the U.S. (includes nonrated industrial development obligations).....	30,579	17,410	275	17,135	11,712	1,458
60 Taxable.....	1,468	970	138	832	433	65
61 Tax-exempt.....	29,112	16,440	137	16,303	11,279	1,393
62 All other loans.....	112,336	102,314	42,362	59,953	8,446	1,576
63 Loans to foreign governments and official institutions.....	n.a.	25,596	24,566	1,029	88	n.a.
64 Other loans.....	n.a.	76,719	17,795	58,924	8,359	n.a.
65 Loans for purchasing and carrying securities.....	n.a.	n.a.	n.a.	13,092	1,485	n.a.
66 All other loans.....	n.a.	n.a.	n.a.	45,832	6,873	n.a.
67 Lease financing receivables.....	36,154	29,825	4,418	25,407	5,831	498
68 Assets held in trading accounts.....	71,566	69,834	36,877	32,915	1,595	136
69 Premises and fixed assets (including capitalized leases).....	51,318	27,609	n.a.	n.a.	17,571	6,138
70 Other real estate owned.....	25,988	15,499	n.a.	n.a.	8,301	2,188
71 Investments in unconsolidated subsidiaries and associated companies.....	3,349	2,900	n.a.	n.a.	399	50
72 Customers' liability on acceptances outstanding.....	17,061	16,749	n.a.	n.a.	292	20
73 Net due from own foreign offices, Edge and agreement subsidiaries, and IBFs.....	n.a.	n.a.	n.a.	45,706	n.a.	n.a.
74 Intangible assets.....	12,338	7,331	n.a.	n.a.	4,598	409
75 Other assets.....	119,701	86,054	n.a.	n.a.	26,664	6,983

4.20—Continued

Item	Total	Banks with foreign offices			Banks with domestic offices only	
		Total	Foreign	Domestic	Over 100	Under 100
76 Total liabilities, limited-life preferred stock, and equity capital	3,415,788	1,918,010	n.a.	n.a.	1,125,806	371,971
77 Total liabilities ⁷	3,186,801	1,808,439	429,474	1,449,156	1,040,219	338,144
78 Limited-life preferred stock	5	0	n.a.	n.a.	3	2
79 Total deposits	2,651,134	1,390,720	301,803	1,088,917	930,939	329,475
80 Individuals, partnerships, and corporations	n.a.	n.a.	179,828	1,003,020	868,200	304,237
81 U.S. government	n.a.	n.a.	n.a.	4,615	1,951	652
82 States and political subdivisions in the United States	n.a.	n.a.	n.a.	37,355	43,210	20,284
83 Commercial banks in the United States	n.a.	n.a.	n.a.	22,749	8,032	1,176
84 Other depository institutions in the United States	n.a.	n.a.	n.a.	3,972	3,409	1,078
85 Banks in foreign countries	n.a.	n.a.	n.a.	6,444	114	n.a.
86 Foreign governments and official institutions	n.a.	23,254	22,211	1,043	48	n.a.
87 Certified and official checks	18,908	10,952	1,232	9,720	5,975	1,981
88 All other			98,532	n.a.	n.a.	67
89 Total transaction accounts				340,613	241,737	85,477
90 Individuals, partnerships, and corporations				287,831	213,610	75,862
91 U.S. government				3,445	1,692	558
92 States and political subdivisions in the United States				10,977	13,071	6,252
93 Commercial banks in the United States				18,926	6,054	600
94 Other depository institutions in the United States				2,852	1,231	208
95 Banks in foreign countries				5,955	88	n.a.
96 Foreign governments and official institutions				908	16	n.a.
97 Certified and official checks				9,720	5,975	1,981
98 All other				n.a.	n.a.	17
99 Demand deposits (included in total transaction accounts)				252,530	141,273	42,480
100 Individuals, partnerships, and corporations				203,237	120,898	37,416
101 U.S. government				3,402	1,626	543
102 States and political subdivisions in the United States				7,637	5,408	1,724
103 Commercial banks in the United States				18,926	6,052	598
104 Other depository institutions in the United States	n.a.	n.a.	n.a.	2,752	1,209	201
105 Banks in foreign countries				5,951	88	n.a.
106 Foreign governments and official institutions				907	16	n.a.
107 Certified and official checks				9,720	5,975	1,981
108 All other				n.a.	n.a.	17
109 Total nontransaction accounts				748,304	689,201	243,998
110 Individuals, partnerships, and corporations				715,190	654,590	228,375
111 U.S. government				1,169	528	95
112 States and political subdivisions in the United States				26,378	30,138	14,032
113 Commercial banks in the United States				3,823	1,978	577
114 U.S. branches and agencies of foreign banks				267	191	n.a.
115 Other commercial banks in the United States				3,555	1,787	n.a.
116 Other depository institutions in the United States				1,120	2,178	870
117 Banks in foreign countries				489	26	n.a.
118 Foreign branches of other U.S. banks				1	17	n.a.
119 Other banks in foreign countries				487	9	n.a.
120 Foreign governments and official institutions				136	33	n.a.
121 All other				n.a.	n.a.	49
122 Federal funds purchased and securities sold under agreements to repurchase	241,689	180,540	788	179,751	58,063	3,086
123 Federal funds purchased	154,372	122,514	n.a.	n.a.	30,637	1,221
124 Securities sold under agreements to repurchase	87,317	58,026	n.a.	n.a.	27,427	1,865
125 Demand notes issued to the U.S. Treasury	n.a.	n.a.	n.a.	28,012	4,463	365
126 Other borrowed money	120,286	91,226	36,750	54,476	27,887	1,173
127 Banks liability on acceptances executed and outstanding	17,187	16,875	3,461	13,414	292	20
128 Notes and debentures subordinated to deposits	24,309	22,844	n.a.	n.a.	1,330	135
129 Net due to own foreign offices, Edge and agreement subsidiaries, and IBFs	n.a.	n.a.	n.a.	24,485	n.a.	n.a.
130 All other liabilities	99,357	78,222	n.a.	n.a.	17,245	3,890
131 Total equity capital ⁹	228,981	109,572	n.a.	n.a.	85,584	33,825
MEMO						
132 Holdings of commercial paper included in total loans, gross		718	340	377	1,892	n.a.
133 Total individual retirement accounts (IRA) and Keogh plan accounts				65,720	61,220	19,379
134 Total brokered deposits				43,960	19,985	827
135 Total brokered retail deposits				28,404	16,347	774
136 Issued in denominations of \$100,000 or less				2,880	5,176	603
137 Issued in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less				25,523	11,171	171
Savings deposits						
138 Money market deposit accounts (MMDAs)				216,720	150,711	38,497
139 Other savings deposits (excluding MMDAs)				100,386	92,843	30,251
140 Total time deposits of less than \$100,000				260,779	330	139,836
141 Time certificates of deposit of \$100,000 or more	n.a.	n.a.	n.a.	144,263	112,452	34,338
142 Open-account time deposits of \$100,000 or more				26,156	3,654	1,077
143 All NOW accounts (including Super NOW)				87,299	98,699	41,785
144 Total time and savings deposits				836,387	789,666	286,995
Quarterly averages						
145 Total loans				931,601	686,217	193,793
146 Obligations (other than securities) of states and political subdivisions in the United States				17,476	11,527	n.a.
147 Transaction accounts in domestic offices (NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts)				85,150	98,772	42,076
Nontransaction accounts in domestic offices						
148 Money market deposit accounts (MMDAs)				215,176	148,320	37,697
149 Other savings deposits				97,947	91,020	29,563
150 Time certificates of deposit of \$100,000 or more				151,098	114,371	34,226
151 All other time deposits				285,922	332,732	140,660
152 Number of banks	12,050	225	n.a.	n.a.	2,754	9,071

Footnotes appear at the end of table 4.22

4.21 DOMESTIC OFFICES, Insured Commercial Banks with Assets of \$100 Million or more or with foreign offices^{1,2,6}
Consolidated Report of Condition, September 30, 1992

Millions of dollars

Item	Total	Members			Non-members
		Total	National	State	
1 Total assets ⁶	2,684,533	2,090,125	1,668,214	421,911	594,408
2 Cash and balances due from depository institutions	186,770	154,164	127,125	27,039	32,606
3 Cash items in process of collection and unposted debits	100,274	89,677	73,662	16,015	10,597
4 Currency and coin	26,013	21,246	17,697	3,549	4,767
5 Balances due from depository institutions in the United States	29,686	19,263	16,136	3,127	10,423
6 Balances due from banks in foreign countries and foreign central banks	6,058	4,310	3,469	841	1,748
7 Balances due from Federal Reserve Banks	24,739	19,666	16,160	3,506	5,072
8 Total securities, loans and lease financing receivables, (net of unearned income)	2,300,189	1,767,082	1,428,983	338,099	533,077
9 Total securities, book value	508,674	378,713	292,214	86,499	129,961
10 U.S. Treasury securities	143,131	100,860	80,849	20,011	42,271
11 U.S. government agency and corporation obligations	245,838	192,074	148,767	43,307	53,764
12 All holdings of U.S. government-issued or guaranteed certificates of participation in pools of residential mortgages	129,440	106,085	84,746	21,339	23,354
13 All other	116,399	85,989	64,021	21,967	30,410
14 Securities issued by states and political subdivisions in the United States	57,928	42,481	31,687	10,794	15,447
15 Other domestic debt securities	51,151	36,875	25,663	11,212	14,276
16 All holdings of private certificates of participation in pools of residential mortgages	3,247	2,604	2,217	387	643
17 All other	47,904	34,271	23,446	10,825	13,632
18 Foreign debt securities	1,725	1,218	896	322	506
19 Equity securities	8,902	5,205	4,353	852	3,697
20 Marketable	4,462	1,785	1,572	213	2,676
21 Investments in mutual funds	2,545	1,350	1,288	61	1,195
22 Other	2,095	467	313	154	1,628
23 Less: Net unrealized loss	178	32	29	3	146
24 Other equity securities	4,441	3,419	2,781	639	1,021
25 Federal funds sold and securities purchased under agreements to resell ¹⁰	140,089	113,965	90,458	23,507	26,124
26 Federal funds sold	48,459	30,842	27,344	3,498	17,617
27 Securities purchased under agreements to resell	5,575	2,813	2,544	269	2,762
28 Total loans and lease financing receivables, gross	1,660,043	1,280,586	1,051,349	229,237	379,457
29 Less: Unearned income on loans	8,647	6,182	5,038	1,144	2,465
30 Total loans and leases (net of unearned income)	1,651,396	1,274,404	1,046,311	228,093	376,991
<i>Total loans, gross, by category</i>					
31 Loans secured by real estate	715,208	532,882	450,109	82,773	182,326
32 Construction and land development	102,576	79,458	65,481	13,978	23,117
33 Farmland	8,212	5,130	4,428	701	3,082
34 1-4 family residential properties	363,633	271,957	230,871	41,085	91,676
35 Revolving, open-end and extended under lines of credit	65,514	50,194	42,085	8,109	15,320
36 All other loans	298,118	221,763	188,787	32,976	76,356
37 Multifamily (5 or more) residential properties	20,143	14,566	12,237	2,329	5,576
38 Nonfarm nonresidential properties	220,645	161,771	137,092	24,679	58,875
39 Loans to commercial banks in the United States	29,081	20,105	16,347	3,758	8,975
40 Loans to other depository institutions in the United States	1,378	1,216	1,133	83	162
41 Loans to banks in foreign countries	2,697	2,591	1,211	1,381	105
42 Loans to finance agricultural production and other loans to farmers	15,449	10,995	9,946	1,049	4,454
43 Commercial and industrial loans	436,578	356,861	283,315	73,546	79,717
44 To U.S. addressees (domicile)	434,426	355,008	281,979	73,029	79,418
45 To non-U.S. addressees (domicile)	2,152	1,853	1,336	517	299
46 Acceptances of other banks ¹¹	1,146	711	524	186	435
47 Of U.S. banks	591	415	264	151	176
48 Of foreign banks	155	95	94	2	60
49 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	330,022	241,831	204,925	36,907	88,191
50 Credit cards and related plans	77,307	42,288	39,780	2,508	35,019
51 Other (includes single payment and installment)	111,945	68,270	57,759	10,512	43,675
52 Loans to foreign governments and official institutions	1,117	1,071	953	118	46
53 Obligations (other than securities) of states and political subdivisions in the United States	28,846	23,853	17,841	6,012	4,994
54 Taxable	1,265	1,043	779	264	222
55 Tax-exempt	27,581	22,810	17,062	5,748	4,772
56 Other loans	67,282	62,203	43,503	18,700	5,079
57 Loans for purchasing and carrying securities	14,577	13,392	7,043	6,349	1,186
58 All other loans	52,705	48,811	36,460	12,352	3,893
59 Lease financing receivables	31,238	26,267	21,543	4,724	4,972
60 Customers' liability on acceptances outstanding	13,447	12,188	9,089	3,099	1,260
61 Net due from own foreign offices, Edge and agreement subsidiaries, and IBFs	45,706	40,457	17,185	23,272	5,249
62 Remaining assets	184,156	156,692	103,018	53,674	27,465

4.21—Continued

Item	Total	Members			Non-members
		Total	National	State	
63 Total liabilities and equity capital	2,684,533	2,090,125	1,668,214	421,911	594,408
64 Total liabilities ^d	2,489,374	1,942,879	1,552,456	390,423	546,495
65 Total deposits	2,019,856	1,551,298	1,269,817	281,481	468,558
66 Individuals, partnerships, and corporations	1,871,220	1,434,133	1,177,321	256,812	437,087
67 U.S. government	6,565	5,812	4,957	855	753
68 States and political subdivisions in the United States	80,564	59,023	48,722	10,301	21,541
69 Commercial banks in the United States	30,781	27,486	21,583	5,904	3,295
70 Other depository institutions in the United States	7,381	5,253	4,214	1,039	2,128
71 Banks in foreign countries	6,558	6,013	3,569	2,445	545
72 Foreign governments and official institutions	1,092	979	595	384	113
73 Certified and official checks	15,694	12,598	8,856	3,742	3,096
74 Total transaction accounts	582,351	466,705	376,967	89,738	115,646
75 Individuals, partnerships, and corporations	501,441	397,655	324,222	73,433	103,786
76 U.S. government	5,138	4,446	3,732	714	692
77 States and political subdivisions in the United States	24,048	18,882	15,471	3,411	5,166
78 Commercial banks in the United States	24,980	23,118	18,110	5,008	1,862
79 Other depository institutions in the United States	4,083	3,352	2,650	702	731
80 Banks in foreign countries	6,044	5,772	3,400	2,371	272
81 Foreign governments and official institutions	923	882	526	356	41
82 Certified and official checks	15,694	12,598	8,856	3,742	3,096
83 Demand deposits (included in total transaction accounts)	393,803	323,522	257,129	66,392	70,281
84 Individuals, partnerships, and corporations	324,134	262,770	211,164	51,606	61,364
85 U.S. government	5,028	4,370	3,667	703	658
86 States and political subdivisions in the United States	13,045	10,774	8,868	1,906	2,270
87 Commercial banks in the United States	24,978	23,118	18,110	5,008	1,861
88 Other depository institutions in the United States	3,962	3,238	2,538	700	723
89 Banks in foreign countries	6,039	5,771	3,400	2,371	268
90 Foreign governments and official institutions	922	882	526	356	40
91 Certified and official checks	15,694	12,598	8,856	3,742	3,096
92 Total nontransaction accounts	1,437,505	1,084,593	892,850	191,744	352,912
93 Individuals, partnerships, and corporations	1,369,780	1,036,479	853,100	183,379	333,301
94 U.S. government	1,427	1,366	1,225	141	62
95 States and political subdivisions in the United States	56,516	40,140	33,250	6,890	16,376
96 Commercial banks in the United States	5,801	4,368	3,473	896	1,432
97 U.S. branches and agencies of foreign banks	458	210	76	134	248
98 Other commercial banks in the United States	5,343	4,159	3,397	762	1,184
99 Other depository institutions in the United States	3,299	1,902	1,564	337	1,397
100 Banks in foreign countries	515	242	169	73	273
101 Foreign branches of other U.S. banks	18	13	10	3	6
102 Other banks in foreign countries	496	229	158	71	267
103 Foreign governments and official institutions	168	97	69	28	72
104 Federal funds purchased and securities sold under agreements to repurchase ¹²	237,815	204,357	144,445	59,912	33,458
105 Federal funds purchased	30,637	21,864	18,207	3,657	8,773
106 Securities sold under agreements to repurchase	27,427	13,841	11,722	2,119	13,585
107 Demand notes issued to the U.S. Treasury	32,474	30,072	20,408	9,665	2,402
108 Other borrowed money	82,363	58,691	45,121	13,569	23,673
109 Banks liability on acceptances executed and outstanding	13,706	12,446	9,316	3,129	1,260
110 Notes and debentures subordinated to deposits	1,330	921	845	76	409
111 Net due to own foreign offices, Edge and agreement subsidiaries, and IBFs	24,485	18,195	16,182	2,013	6,290
112 Remaining liabilities	101,830	85,094	62,503	22,591	16,736
113 Total equity capital ⁹	195,159	147,246	115,758	31,488	47,913
MEMO					
114 Holdings of commercial paper included in total loans, gross	2,269	905	887	18	1,364
115 Total individual retirement accounts (IRA) and Keogh plan accounts	126,940	98,176	81,043	17,133	28,764
116 Total brokered deposits	63,945	46,992	40,066	6,926	16,953
117 Total brokered retail deposits	44,751	31,777	27,281	4,496	12,974
118 Issued in denominations of \$100,000 or less	8,057	2,942	2,527	415	5,115
119 Issued in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less	36,694	28,835	24,754	4,081	7,859
Savings deposits					
120 Money market deposit accounts (MMDAs)	367,431	290,217	239,003	51,215	77,214
121 Other savings accounts	193,229	149,390	111,803	37,587	43,839
122 Total time deposits of less than \$100,000	590,320	436,113	368,131	67,981	154,207
123 Time certificates of deposit of \$100,000 or more	256,715	184,606	158,818	25,788	72,109
124 Open-account time deposits of \$100,000 or more	29,810	24,267	15,094	9,173	5,543
125 All NOW accounts (including Super NOW accounts)	185,997	141,540	118,358	23,182	44,458
126 Total time and savings deposits	1,626,053	1,227,777	1,012,687	215,089	398,277
Quarterly averages					
127 Total loans	1,617,818	1,243,513	1,020,691	222,822	374,305
128 Obligations (other than securities) of states and political subdivisions in the United States	29,003	24,106	17,811	6,295	4,897
129 Transaction accounts (NOW accounts, ATS accounts, and telephone preauthorized transfer accounts)	183,923	139,271	116,152	23,119	44,652
Nontransaction accounts					
130 Money market deposit accounts (MMDAs)	363,496	286,901	234,912	51,989	76,596
131 Other savings deposits	188,967	145,758	109,107	36,651	43,209
132 Time certificates of deposits of \$100,000 or more	265,469	193,208	165,436	27,752	72,261
133 All other time deposits	618,633	458,012	379,520	78,493	160,641
134 Number of banks	2,979	1,614	1,355	259	1,365

Footnotes appear at the end of table 4.22

4.22 DOMESTIC OFFICES, Insured Commercial Bank Assets and Liabilities^{1,2,6}
 Consolidated Report of Condition, September 30, 1992

Millions of dollars

Item	Total	Members			Non-members
		Total	National	State	
1 Total assets⁴	3,056,504	2,236,144	1,783,337	452,807	820,361
2 Cash and balances due from depository institutions	210,456	163,687	134,788	28,899	46,769
3 Currency and coin	29,383	22,590	18,769	3,821	6,793
4 Noninterest-bearing balances due from commercial banks	30,116	16,844	13,680	3,164	13,272
5 Other	150,957	124,252	102,339	21,913	26,705
6 Total securities, loans, and lease financing receivables (net of unearned income)	2,635,855	1,898,639	1,532,507	366,132	737,217
7 Total securities, book value	627,585	425,591	330,336	95,255	201,994
8 U.S. Treasury securities and U.S. government agency and corporation obligations	483,234	330,591	260,361	70,230	152,643
9 Securities issued by states and political subdivisions in the United States	73,576	48,135	36,145	11,990	25,441
10 Other debt securities	60,537	41,019	28,949	12,069	19,518
11 All holdings of private certificates of participation in pools of residential mortgages	3,476	2,700	2,287	414	775
12 All other	57,061	38,318	26,662	11,656	18,743
13 Equity securities	10,239	5,847	4,881	966	4,392
14 Marketable	5,458	2,186	1,921	265	3,272
15 Investments in mutual funds	3,443	1,744	1,634	110	1,699
16 Other	2,249	494	333	161	1,755
17 Less: Net unrealized loss	235	52	46	6	183
18 Other equity securities	4,781	3,661	2,960	701	1,120
19 Federal funds sold and securities purchased under agreements to resell ¹⁰	160,700	123,079	97,640	25,439	37,621
20 Federal funds sold	68,818	39,859	34,445	5,413	28,959
21 Securities purchased under agreements to resell	5,828	2,910	2,625	285	2,918
22 Total loans and lease financing receivables, gross	1,857,964	1,356,856	1,110,114	246,742	501,108
23 LESS: Unearned income on loans	10,394	6,887	5,584	1,304	3,506
24 Total loans and leases (net of unearned income)	1,847,570	1,349,969	1,104,530	245,438	497,601
<i>Total loans, gross, by category</i>					
25 Loans secured by real estate	817,433	571,881	480,051	91,830	245,552
26 Construction and land development	109,076	82,187	67,458	14,729	26,889
27 Farmland	18,320	8,333	7,011	1,322	9,988
28 1-4 family residential properties	420,410	293,763	247,520	46,244	126,647
29 Revolving, open-end loans, and extended under lines of credit	68,858	51,687	43,158	8,529	17,171
30 All other loans	351,552	242,076	204,362	37,715	109,476
31 Multifamily (5 or more) residential properties	22,145	15,312	12,816	2,496	6,833
32 Nonfarm nonresidential properties	247,482	172,287	145,247	27,040	75,195
33 Loans to depository institutions	33,431	24,083	18,823	5,259	9,349
34 Loans to finance agricultural production and other loans to farmers	35,557	17,790	15,391	2,398	17,767
35 Commercial and industrial loans	471,715	371,235	294,009	77,225	100,480
36 Acceptances of other banks	1,611	892	681	211	719
37 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	366,202	256,292	216,322	39,970	109,910
38 Credit cards and related plans	79,877	43,597	40,974	2,623	36,280
39 Other (includes single payment installment)	145,554	81,421	67,962	13,459	64,133
40 Obligations (other than securities) of states and political subdivisions in the United States	30,304	24,387	18,287	6,100	5,917
41 Taxable	1,330	1,079	812	267	250
42 Tax-exempt	28,974	23,307	17,475	5,832	5,667
43 All other loans	69,975	63,870	44,870	19,001	6,104
44 Lease financing receivables	31,736	26,427	21,679	4,748	5,309
45 Customers' liability on acceptances outstanding	13,467	12,204	9,105	3,099	1,263
46 Net due from own foreign offices, Edge and agreement subsidiaries, and IBFs	45,706	40,457	17,185	23,272	5,249
47 Remaining assets	196,726	161,614	106,937	54,677	35,112
48 Total liabilities and equity capital	3,056,504	2,236,144	1,783,337	452,807	820,361
49 Total liabilities⁴	2,827,518	2,075,974	1,657,510	418,463	751,544
50 Total deposits	2,349,331	1,680,520	1,371,800	308,719	668,812
51 Individuals, partnerships, and corporations	2,175,457	1,553,737	1,271,753	281,984	621,720
52 U.S. government	7,218	6,029	5,135	894	1,188
53 States and political subdivisions in the United States	100,849	66,386	54,676	11,710	34,462
54 Commercial banks in the United States	31,957	28,235	22,016	6,219	3,722
55 Other depository institutions in the United States	8,459	5,634	4,495	1,139	2,825
56 Certified and official checks	17,676	13,455	9,524	3,931	4,220
57 All other	7,717	7,042	4,200	2,842	675
58 Total transaction accounts	667,828	501,639	404,952	96,687	166,189
59 Individuals, partnerships, and corporations	577,303	428,662	349,156	79,506	148,641
60 U.S. government	5,695	4,635	3,892	743	1,060
61 States and political subdivisions in the United States	30,300	21,118	17,318	3,799	9,182
62 Commercial banks in the United States	25,580	23,655	18,400	5,255	1,925
63 Other depository institutions in the United States	4,291	3,447	2,727	720	843
64 Certified and official checks	17,676	13,455	9,524	3,931	4,220
65 All other	6,984	6,668	3,934	2,733	317
66 Demand deposits (included in total transaction accounts)	436,283	341,459	271,275	70,184	94,823
67 Individuals, partnerships, and corporations	361,550	278,396	223,598	54,798	83,154
68 U.S. government	5,571	4,556	3,824	732	1,015
69 States and political subdivisions in the United States	14,769	11,400	9,382	2,018	3,369
70 Commercial banks in the United States	25,576	23,654	18,399	5,255	1,922
71 Other depository institutions in the United States	4,163	3,332	2,613	719	831
72 Certified and official checks	17,676	13,455	9,524	3,931	4,220
73 All other	6,978	6,666	3,934	2,732	312
74 Total nontransaction accounts	1,681,504	1,178,881	966,849	212,032	502,623
75 Individuals, partnerships, and corporations	1,598,154	1,125,076	922,597	202,478	473,079
76 U.S. government	1,522	1,394	1,244	151	128
77 States and political subdivisions in the United States	70,549	45,269	37,358	7,911	25,280
78 Commercial banks in the United States	6,377	4,581	3,616	964	1,797
79 Other depository institutions in the United States	4,169	2,187	1,768	419	1,982
80 All other	732	374	266	109	358

4.22—Continued

Item	Total	Members			Non-members
		Total	National	State	
81 Federal funds purchased and securities sold under agreements to repurchase ¹²	240,901	205,794	145,481	60,313	35,107
82 Federal funds purchased	31,858	22,501	18,612	3,888	9,358
83 Securities sold under agreements to repurchase	29,291	14,641	12,353	2,289	14,650
84 Demand notes issued to the U.S. Treasury	32,839	30,216	20,526	9,690	2,622
85 Other borrowed money	83,536	59,314	45,665	13,649	24,223
86 Banks liability on acceptances executed and outstanding	13,726	12,462	9,333	3,130	1,263
87 Notes and debentures subordinated to deposits	1,465	980	897	83	486
88 Net due to own foreign offices, Edge and agreement subsidiaries, and IBFs	24,485	18,195	16,182	2,013	6,290
89 Remaining liabilities	105,720	86,688	63,809	22,879	19,032
90 Total equity capital⁹	228,986	160,170	125,826	34,343	68,816
MEMO					
91 Assets held in trading accounts ¹³	34,647	33,560	18,865	14,695	1,087
92 U.S. Treasury securities	17,300	17,200	7,539	9,661	100
93 U.S. government agency corporation obligations	3,615	3,503	2,968	535	112
94 Securities issued by states and political subdivisions in the United States	1,162	1,118	736	382	44
95 Other bonds, notes, and debentures	550	471	136	335	79
96 Certificates of deposit	981	967	616	350	15
97 Commercial paper	160	160	160	0	0
98 Bankers acceptances	3,315	3,229	2,043	1,186	86
99 Other	6,866	6,655	4,466	2,189	210
100 Total individual retirement accounts (IRA) and Keogh plan accounts	146,320	105,535	86,882	18,653	40,785
101 Total brokered deposits	64,772	47,188	40,186	7,002	17,584
102 Total brokered retail deposits	45,524	31,965	27,398	4,567	13,559
103 Issued in denominations of \$100,000 or less	8,660	3,104	2,628	476	5,556
104 Issued in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less	36,865	28,861	24,770	4,091	8,004
Savings deposits					
105 Money market deposit accounts (MMDAs)	405,928	306,613	251,916	54,697	99,315
106 Other savings deposits	223,480	161,251	121,111	40,140	62,229
107 Total time deposits of less than \$100,000	730,156	487,943	408,792	79,151	242,213
108 Time certificates of deposit of \$100,000 or more	291,052	198,442	169,639	28,803	92,611
109 Open-account time deposits of \$100,000 or more	30,887	24,632	15,391	9,241	6,255
110 All NOW accounts (including Super NOW)	227,783	158,134	131,908	26,226	69,649
111 Total time and savings deposits	1,913,049	1,339,060	1,100,525	238,535	573,988
Quarterly averages					
112 Total loans	1,811,610	1,318,288	1,078,293	239,995	493,323
113 Transaction accounts (NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts)	225,999	155,914	129,701	26,213	70,085
Nontransaction accounts					
114 Money market deposit accounts (MMDAs)	401,194	302,953	247,581	55,372	98,241
115 Other savings deposits	218,530	157,339	118,216	39,123	61,191
116 Time certificates of deposit of \$100,000 or more	299,695	206,969	176,217	30,752	92,726
117 All other time deposits	759,313	510,197	420,466	89,731	249,117
118 Number of banks	12,050	4,858	3,875	983	7,192

1. Effective Mar. 31, 1984, the report of condition was substantially revised for commercial banks. Some of the changes are as follows: (1) Previously, banks with international banking facilities (IBFs) that had no other foreign offices were considered domestic reporters. Beginning with the Mar. 31, 1984 call report these banks are considered foreign and domestic reporters and must file the foreign and domestic report of condition; (2) banks with assets greater than \$1 billion have additional items reported; (3) the domestic office detail for banks with foreign offices has been reduced considerably; and (4) banks with assets under \$25 million have been excused from reporting certain detail items.

2. The "n.a." for some of the items is used to indicate the lesser detail available from banks without foreign offices, the inapplicability of certain items to banks that have only domestic offices and/or the absence of detail on a fully consolidated basis for banks with foreign offices.

3. All transactions between domestic and foreign offices of a bank are reported in "net due from" and "net due to." All other lines represent transactions with parties other than the domestic and foreign offices of each bank. Since these intraoffice transactions are nullified by consolidation, total assets and total liabilities for the entire bank may not equal the sum of assets and liabilities respectively, of the domestic and foreign offices.

4. Foreign offices include branches in foreign countries, Puerto Rico, and in U.S. territories and possessions; subsidiaries in foreign countries; all offices of Edge act and agreement corporations wherever located and IBFs.

5. The "over 100" column refers to those respondents whose assets, as of June 30 of the previous calendar year, were equal to or exceeded \$100 million. (These respondents file the FFIEC 032 or FFIEC 033 call report.) The "under 100" column

refers to those respondents whose assets, as of June 30 of the previous calendar year, were less than \$100 million. (These respondents filed the FFIEC 034 call report.)

6. Since the domestic portion of allowances for loan and lease losses and allocated transfer risk reserve are not reported for banks with foreign offices, the components of total assets (domestic) will not add to the actual total (domestic).

7. Since the foreign portion of demand notes issued to the U.S. Treasury is not reported for banks with foreign offices, the components of total liabilities (foreign) will not add to the actual total (foreign).

8. The definition of "all other" varies by report form and therefore by column in this table. See the instructions for more detail.

9. Equity capital is not allocated between the domestic and foreign offices of banks with foreign offices.

10. Only the domestic portion of federal funds sold and securities purchased under agreements to resell are reported here, therefore, the components will not add to totals for this item.

11. "Acceptances of other banks" is not reported by domestic respondents less than \$300 million in total assets, therefore the components will not add to totals for this item.

12. Only the domestic portion of federal funds purchased and securities sold are reported here, therefore the components will not add to totals for this item.

13. Components of assets held in trading accounts are only reported for banks with total assets of \$1 billion or more; therefore the components will not add to the totals for this item.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, August 5-9, 1991¹

A. Commercial and Industrial Loans

Characteristic	Amount of loans (thousands of dollars)	Average size (thousands of dollars)	Weighted average maturity ²	Loan rate (percent)		Loans secured by collateral (percent)	Loans made under commitment (percent)	Participation loans (percent)	Most common base pricing rate ⁵
				Days	Weighted average effective ³					Standard error^{4}
			Months								Effective^{3}	Nominal^{8}
ALL BANKS									
1 Overnight ⁶	7,132,014	5,339	*	6.76	.20	13.0	59.2	1.3	Fed funds
2 One month and under (excluding overnight)	4,755,173	556	15	7.16	.20	31.8	85.5	4.5	Domestic
3 Fixed rate	3,345,085	708	14	6.94	.30	26.2	86.9	4.1	Other
4 Floating rate	1,410,088	369	17	7.68	.24	45.3	82.4	5.2	Prime
5 Over one month and under a year	9,564,387	148	130	8.28	.16	52.7	75.9	11.0	Prime
6 Fixed rate	4,727,065	157	93	7.67	.25	37.9	67.5	9.1	Other
7 Floating rate	4,837,322	140	166	8.88	.20	67.2	84.0	12.9	Prime
8 Demand ⁷	12,900,100	246	*	8.29	.15	60.2	77.2	13.0	Prime
9 Fixed rate	3,425,965	728	*	7.37	.23	31.0	83.1	29.7	Other
10 Floating rate	9,474,133	199	*	8.63	.17	70.8	75.1	7.0	Prime
11 Total short term	34,351,660	271	61	7.82	.16	44.4	74.3	8.9	Prime
12 Fixed rate (thousands of dollars)	18,629,150	455	32	7.13	.26	25.0	70.7	9.0	Other
13 1-99	423,305	12	124	11.20	.15	73.0	32.2	.5	Other
14 100-499	447,685	207	129	9.17	.26	70.7	54.0	3.2	Prime
15 500-999	342,370	679	59	7.89	.14	40.8	83.4	10.5	Other
16 1,000-4,999	3,833,407	2,376	36	7.27	.06	33.8	75.3	9.4	Other
17 5,000-9,999	3,625,025	6,752	27	7.16	.14	21.4	73.6	8.2	Other
18 10,000 and over	9,957,370	19,379	25	6.78	.11	18.3	69.8	9.8	Other
19 Floating rate (thousands of dollars)	15,722,510	183	132	8.62	.18	67.4	78.5	8.7	Prime
20 1-99	1,641,747	25	166	10.16	.03	82.4	83.2	1.8	Prime
21 100-499	2,933,890	197	177	9.65	.04	78.6	85.8	7.7	Prime
22 500-999	1,485,031	661	177	9.48	.11	68.0	87.5	9.5	Prime
23 1,000-4,999	3,650,884	2,004	134	8.72	.14	60.8	88.6	8.4	Prime
24 5,000-9,999	1,312,643	6,678	97	8.16	.29	49.4	78.2	6.2	Prime
25 10,000 and over	4,698,315	20,918	89	7.22	.30	65.1	61.7	12.2	Fed funds
			Months						
26 Total long term	3,687,750	178	40	9.13	.16	64.2	67.5	8.9	Prime
27 Fixed rate (thousands of dollars)	1,329,657	125	44	8.53	.30	51.2	58.3	5.7	Other
28 1-99	123,590	13	38	11.26	.12	83.4	18.9	.4	Other
29 100-499	189,319	202	36	10.28	.12	74.0	57.9	7.8	Other
30 500-999	107,574	650	89	9.03	.46	84.8	31.4	.0	Foreign
31 1,000 and over	909,174	6,717	41	7.74	.29	38.0	66.9	6.7	Fed funds
32 Floating rate (thousands of dollars)	2,358,093	233	37	9.47	.12	71.6	72.8	10.8	Prime
33 1-99	195,638	29	44	10.37	.04	84.7	43.9	3.4	Prime
34 100-499	504,873	204	38	9.88	.13	78.6	65.9	12.5	Prime
35 500-999	279,885	668	42	9.86	.22	80.0	66.9	13.2	Prime
36 1,000 and over	1,377,697	3,178	35	9.12	.24	65.5	80.6	10.7	Prime
			Days	Loan rate (percent)					
				Effective ³	Nominal ⁸			Prime rate ⁹	
LOANS MADE BELOW PRIME¹⁰									
37 Overnight ⁶	6,897,561	6,586	*	6.67	6.45	12.2	59.0	.9	8.50
38 One month and under (excluding overnight)	4,179,582	3,375	13	6.79	6.58	26.9	86.4	3.8	8.50
39 Over one month and under a year	5,780,243	570	101	7.19	6.98	39.1	77.2	13.5	8.59
40 Demand ⁷	5,639,330	2,482	*	6.60	6.49	43.0	60.7	18.2	8.52
41 Total short term	22,496,700	1,530	38	6.81	6.62	29.6	69.2	9.0	8.53
42 Fixed rate	16,503,520	2,038	26	6.80	6.61	20.5	71.1	9.7	8.51
43 Floating rate	5,993,195	907	98	6.84	6.66	54.5	64.1	7.0	8.58
			Months						
44 Total long term	1,134,473	532	40	7.30	7.13	36.0	67.4	12.4	8.64
45 Fixed rate	783,127	573	40	7.35	7.21	27.2	59.1	6.1	8.60
46 Floating rate	351,346	459	39	7.18	6.97	55.6	85.8	26.4	8.73

For notes see end of table.

4.23—Continued

A.—Continued

Characteristic	Amount of loans (thousands of dollars)	Average size (thousands of dollars)	Weighted average maturity ²		Loan rate (percent)		Loans secured by collateral (percent)	Loans made under commitment (percent)	Participation loans (percent)	Most common base pricing rate ³
			Days	Months	Weighted average effective ³	Standard error ⁴				
LARGE BANKS										
1 Overnight ⁶	5,272,413	7,638	*		6.80	.25	8.9	52.8	1.4	Fed funds
2 One month and under (excluding overnight)	3,706,097	3,747	14		6.93	.17	27.8	85.4	4.3	Domestic
3 Fixed rate	2,649,922	6,099	13		6.87	.18	24.8	86.2	4.2	Domestic
4 Floating rate	1,056,175	1,904	15		7.08	.24	35.6	83.5	4.4	Domestic
5 Over one month and under a year	5,660,339	1,069	109		7.68	.14	46.5	80.5	11.9	Foreign
6 Fixed rate	3,356,690	2,816	81		7.25	.17	27.9	73.1	7.0	Other
7 Floating rate	2,303,649	561	150		8.31	.18	73.6	91.4	19.2	Prime
8 Demand ⁷	8,410,643	483	*		7.95	.13	57.0	68.2	17.8	Prime
9 Fixed rate	2,933,711	1,437	*		7.31	.16	27.7	81.7	33.6	Other
10 Floating rate	5,476,932	357	*		8.28	.18	72.7	60.9	9.3	Prime
11 Total short term	23,049,493	946	46		7.45	.13	38.7	70.5	10.4	Fed funds
12 Fixed rate (thousands of dollars)	14,211,768	3,263	28		7.03	.16	20.2	69.8	9.9	Other
13 1-99	40,303	29	146		9.53	.19	62.3	61.6	1.2	Prime
14 100-499	168,664	230	76		8.56	.21	56.5	77.2	4.7	Prime
15 500-999	225,659	674	59		8.03	.07	44.1	86.6	7.0	Other
16 1,000-4,999	2,374,528	2,286	35		7.38	.10	30.9	78.2	10.3	Other
17 5,000-9,999	2,817,956	6,848	25		7.12	.12	17.0	71.0	9.4	Other
18 10,000 and over	8,584,658	20,079	26		6.83	.11	16.8	66.5	10.2	Other
19 Floating rate (thousands of dollars)	8,837,725	442	108		8.15	.19	68.5	71.6	11.3	Prime
20 1-99	387,553	30	175		9.87	.06	80.5	88.0	1.6	Prime
21 100-499	1,011,075	203	167		9.48	.07	74.3	89.2	5.2	Prime
22 500-999	562,390	664	162		9.24	.10	61.1	90.7	9.7	Prime
23 1,000-4,999	1,876,541	2,134	116		8.60	.20	59.9	83.4	12.4	Prime
24 5,000-9,999	965,049	6,860	79		7.89	.45	53.3	77.5	8.4	Prime
25 10,000 and over	4,035,115	22,934	91		7.34	.47	74.6	56.0	14.2	Fed funds
			Months							
26 Total long term	2,102,319	790	36		8.71	.14	58.4	77.2	11.2	Prime
27 Fixed rate (thousands of dollars)	681,597	1,574	39		7.90	.26	45.4	61.4	5.0	Fed funds
28 1-99	5,446	27	42		10.63	.28	82.9	35.7	.0	Other
29 100-499	26,904	253	36		9.17	.22	74.8	73.0	2.9	Other
30 500-999	33,637	631	39		7.80	.53	51.5	86.9	.0	Foreign
31 1,000 and over	615,610	8,729	40		7.83	.34	43.4	59.7	5.4	Fed funds
32 Floating rate (thousands of dollars)	1,420,722	637	35		9.10	.13	64.7	84.8	14.2	Prime
33 1-99	32,290	40	38		9.92	.10	77.5	77.9	11.3	Prime
34 100-499	210,390	224	37		9.63	.09	72.7	82.5	15.8	Prime
35 500-999	141,383	668	38		9.43	.20	68.8	90.3	21.2	Prime
36 1,000 and over	1,036,660	3,723	34		8.92	.39	62.1	84.7	13.0	Prime
			Days		Loan rate (percent)					Prime rate ⁹
					Effective ³	Nominal ⁸				
LOANS MADE BELOW PRIME¹⁰										
37 Overnight ⁶	5,146,852	7,954	*		6.72	6.51	7.8	53.1	.8	8.50
38 One month and under (excluding overnight)	3,488,662	7,160	13		6.78	6.56	26.3	85.3	3.8	8.50
39 Over one month and under a year	4,419,866	4,182	95		7.13	6.92	37.2	77.7	11.6	8.50
40 Demand ⁷	4,414,070	4,579	*		6.57	6.46	48.6	49.8	22.0	8.50
41 Total short term	17,469,450	5,537	36		6.80	6.61	29.3	64.9	9.5	8.50
42 Fixed rate	13,002,272	5,728	26		6.82	6.64	17.1	68.2	10.2	8.50
43 Floating rate	4,467,178	5,047	86		6.72	6.55	64.7	55.5	7.4	8.50
			Months							
44 Total long term	764,119	3,019	33		7.16	7.04	33.2	64.5	13.6	8.50
45 Fixed rate	486,420	3,908	30		7.37	7.31	25.4	48.8	7.0	8.50
46 Floating rate	277,700	2,159	38		6.78	6.58	46.9	92.1	25.1	8.50

For notes see end of table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, August 5-9, 1991¹—Continued

A. Commercial and Industrial Loans—Continued

Characteristic	Amount of loans (thousands of dollars)	Average size (thousands of dollars)	Weighted average maturity ²	Loan rate (percent)		Loans secured by collateral (percent)	Loans made under commitment (percent)	Participation loans (percent)	Most common base pricing rate ³
				Days	Weighted average effective ³					Standard error^{4}
			Months								Effective^{3}	Nominal^{8}
OTHER BANKS									
1 Overnight ⁶	1,859,601	2,880	*	6.65	.34	24.5	77.4	1.1	Other
2 One month and under (excluding overnight).....	1,049,076	139	18	7.97	.25	46.0	85.9	5.1	Prime
3 Fixed rate.....	695,163	162	16	7.20	.39	31.7	89.5	3.8	Other
4 Floating rate.....	353,913	108	22	9.49	.26	74.1	78.9	7.7	Prime
5 Over one month and under a year.....	3,904,048	66	159	9.16	.18	61.7	69.1	9.7	Prime
6 Fixed rate.....	1,370,375	47	120	8.70	.27	62.2	54.0	14.3	Other
7 Floating rate.....	2,533,673	83	181	9.41	.18	61.4	77.3	7.2	Prime
8 Demand ⁷	4,489,455	128	*	8.94	.22	66.3	94.1	4.1	Prime
9 Fixed rate.....	492,254	185	*	7.67	.38	50.6	91.2	6.7	Other
10 Floating rate.....	3,997,201	124	*	9.10	.21	68.2	94.5	3.8	Prime
11 Total short term.....	11,302,180	110	94	8.55	.19	55.9	82.0	5.6	Prime
12 Fixed rate (thousands of dollars).....	4,417,393	121	45	7.49	.29	40.3	73.6	6.3	Other
13 1-99.....	383,001	11	123	11.37	.13	74.2	29.1	.4	Other
14 100-499.....	279,021	196	145	9.55	.26	79.2	39.9	2.3	Prime
15 500-999.....	116,712	690	59	7.62	.31	34.6	77.4	17.1	Other
16 1,000-4,999.....	1,458,879	2,540	37	7.09	.09	38.7	70.6	8.0	Other
17 5,000-9,999.....	807,069	6,436	36	7.30	.38	36.7	82.8	3.8	Other
18 10,000 and over.....	1,372,712	15,913	20	6.51	.13	27.1	90.2	7.3	Other
19 Floating rate (thousands of dollars).....	6,884,787	104	161	9.23	.20	66.0	87.4	5.3	Prime
20 1-99.....	1,254,194	23	165	10.25	.03	83.0	81.7	1.9	Prime
21 100-499.....	1,922,815	194	181	9.73	.06	80.9	84.1	9.1	Prime
22 500-999.....	922,641	660	184	9.63	.16	72.2	85.5	9.4	Prime
23 1,000-4,999.....	1,774,343	1,882	159	8.85	.34	61.9	94.0	4.3	Prime
24 5,000-9,999.....	347,594	6,220	127	8.92	.55	38.4	80.2	.0	Prime
25 10,000 and over.....	663,200	13,629	70	6.49	1.02	7.6	96.2	.0	Other
			Months						
26 Total long term.....	1,585,431	88	44	9.70	.14	71.9	54.7	6.0	Prime
27 Fixed rate (thousands of dollars).....	648,060	63	49	9.20	.27	57.2	55.0	6.5	Other
28 1-99.....	118,144	13	37	11.29	.12	83.4	18.1	.4	Other
29 100-499.....	162,415	196	36	10.47	.17	73.8	55.4	8.6	Other
30 500-999.....	73,937	659	111	9.60	.32	100.0	6.1	.0	Domestic
31 1,000 and over.....	293,565	4,529	45	7.55	.66	26.8	81.9	9.3	Domestic
32 Floating rate (thousands of dollars).....	937,370	119	41	10.04	.13	82.0	54.6	5.6	Prime
33 1-99.....	163,347	27	45	10.45	.05	86.1	37.2	1.9	Prime
34 100-499.....	294,483	191	39	10.06	.20	82.8	54.1	10.2	Prime
35 500-999.....	138,502	668	46	10.29	.24	91.3	42.9	5.1	Prime
36 1,000 and over.....	341,038	2,199	38	9.74	.31	75.6	68.0	3.7	Prime
			Days	Loan rate (percent)					
				Effective ³	Nominal ⁸				Prime rate ⁹
LOANS MADE BELOW PRIME¹⁰									
37 Overnight ⁶	1,750,710	4,373	*	6.50	6.30	25.1	76.4	1.2	8.50
38 One month and under (excluding overnight).....	690,921	920	15	6.85	6.63	29.4	92.1	3.8	8.53
39 Over one month and under a year.....	1,360,377	150	119	7.41	7.18	45.1	75.7	19.5	8.88
40 Demand ⁷	1,225,260	937	*	6.74	6.61	23.0	99.9	4.5	8.60
41 Total short term.....	5,027,267	435	46	6.85	6.66	30.6	84.1	7.3	8.63
42 Fixed rate.....	3,501,250	601	27	6.72	6.51	33.1	81.8	7.9	8.54
43 Floating rate.....	1,526,017	267	135	7.17	7.00	24.9	89.3	6.0	8.82
			Months						
44 Total long term.....	370,353	197	55	7.58	7.32	41.6	73.3	9.9	8.93
45 Fixed rate.....	296,707	239	57	7.30	7.04	30.0	76.1	4.6	8.76
46 Floating rate.....	73,646	116	46	8.70	8.43	88.6	62.2	31.2	9.61

For notes see following page.

NOTES TO TABLE 4.23

1. As of Sept. 30, 1990, assets of most of the large banks were at least \$7.0 billion. For all insured banks, total assets averaged \$275 million.
2. Average maturities are weighted by loan size and exclude demand loans.
3. Effective (compounded) annual interest rates are calculated from the stated rate and other terms of the loans and weighted by loan size.
4. The chances are about two out of three that the average rate shown would differ by less than this amount from the average rate that would be found by a complete survey of lending at all banks.
5. The most common base rate is that used to price the largest dollar volume of loans. Base pricing rates include the prime rate (sometimes referred to as a bank's "basic" or "reference" rate); the federal funds rate; domestic money market

rates other than the federal funds rate; foreign money market rates; and other base rates not included in the foregoing classifications.

6. Overnight loans mature on the following business day.
7. Demand loans have no stated date of maturity.
8. Nominal (not compounded) annual interest rates are calculated from the stated rate and other terms of the loans and weighted by loan size.
9. The prime rate reported by each bank is weighted by the volume of loans extended and then averaged.
10. The proportion of loans made at rates below the prime may vary substantially from the proportion of such loans outstanding in banks' portfolios.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, September 30, 1991¹

Millions of dollars

Item	All states		New York		California		Illinois	
	Total including IBF's	IBF's only	Total including IBF's	IBF's only	Total including IBF's	IBF's only	Total including IBF's	IBF's only
1 Total assets ⁴	672,339	291,342	501,627	227,163	83,362	35,126	49,871	19,064
2 Claims on nonrelated parties.....	579,678	212,703	425,872	175,727	75,744	15,460	49,557	16,089
3 Cash and balances due from depository institutions.....	154,477	128,858	130,897	107,134	8,635	7,958	13,240	12,878
4 Cash items in process of collection and unposted debits.....	1,873	2	1,818	2	22	0	12	0
5 Currency and coin (U.S. and foreign).....	25	n.a.	18	n.a.	2	n.a.	1	n.a.
6 Balances with depository institutions in United States.....	79,977	58,100	67,587	47,105	5,019	4,387	6,555	6,268
7 U.S. branches and agencies of other foreign banks (including their IBFs).....	71,882	54,833	60,399	43,969	4,618	4,327	6,219	6,208
8 Other depository institutions in United States (including their IBFs).....	8,095	3,268	7,188	3,136	401	60	336	60
9 Balances with banks in foreign countries and with foreign central banks.....	71,935	70,756	60,981	60,027	3,573	3,571	6,611	6,609
10 Foreign branches of U.S. banks.....	1,705	1,589	1,524	1,411	72	71	103	102
11 Other banks in foreign countries and foreign central banks.....	70,230	69,167	59,456	58,616	3,501	3,500	6,507	6,507
12 Balances with Federal Reserve Banks.....	667	n.a.	494	n.a.	19	n.a.	62	n.a.
13 Total securities and loans.....	348,304	72,140	231,359	58,572	59,704	6,696	31,940	2,509
14 Total securities, book value.....	56,334	15,267	50,854	13,950	3,493	838	1,510	428
15 U.S. Treasury.....	13,726	n.a.	13,548	n.a.	60	n.a.	55	n.a.
16 Obligations of U.S. government agencies and corporations.....	8,825	n.a.	8,410	n.a.	232	n.a.	95	n.a.
17 Other bonds, notes, debentures and corporate stock (including state and local securities).....	33,782	15,267	28,896	13,950	3,201	838	1,360	428
18 Federal funds sold and securities purchased under agreements to resell.....	24,339	3,311	22,709	2,787	527	88	665	328
19 U.S. branches and agencies of other foreign banks.....	11,608	1,753	10,532	1,533	428	83	329	75
20 Commercial banks in United States.....	3,515	143	3,303	93	73	0	73	50
21 Other.....	9,216	1,414	8,874	1,160	26	5	263	203
22 Total loans, gross.....	292,143	56,905	180,627	44,651	56,248	5,860	30,438	2,081
23 Less: Unearned income on loans.....	173	31	121	29	37	2	8	0
24 Equals: Loans, net.....	291,970	56,873	180,506	44,622	56,211	5,858	30,429	2,081
<i>Total loans, gross, by category</i>								
25 Real estate loans.....	52,745	521	27,216	306	16,092	155	5,439	61
26 Loans to depository institutions.....	45,953	29,856	36,096	22,888	4,609	3,646	3,002	1,483
27 Commercial banks in United States (including IBFs).....	23,887	11,037	18,790	8,107	3,058	2,161	1,854	723
28 U.S. branches and agencies of other foreign banks.....	20,219	9,841	15,748	6,961	2,922	2,131	1,389	708
29 Other commercial banks in United States.....	3,668	1,196	3,042	1,146	136	30	465	15
30 Other depository institutions in United States (including IBFs).....	67	0	60	0	7	0	0	0
31 Banks in foreign countries.....	21,998	18,819	17,246	14,781	1,544	1,485	1,148	760
32 Foreign branches of U.S. banks.....	1,504	854	1,403	753	83	83	18	18
33 Other banks in foreign countries.....	20,494	17,965	15,843	14,028	1,461	1,401	1,130	742
34 Other financial institutions.....	12,183	767	9,865	664	908	51	994	41
35 Commercial and industrial loans.....	159,465	14,514	89,815	11,994	33,523	1,679	20,402	378
36 U.S. addressees (domicile).....	138,624	368	73,926	228	30,800	111	19,791	13
37 Non-U.S. addressees (domicile).....	20,841	14,145	15,889	11,765	2,724	1,568	611	364
38 Acceptances of other banks.....	1,249	16	841	13	210	0	121	0
39 U.S. banks.....	361	0	182	0	118	0	3	0
40 Foreign banks.....	888	16	659	13	92	0	118	0
41 Loans to foreign governments and official institutions (including foreign central banks).....	12,125	10,908	9,437	8,489	406	328	122	119
42 Loans for purchasing or carrying securities (secured and unsecured).....	5,023	4	4,607	4	415	0	0	0
43 All other loans.....	3,400	318	2,749	294	86	0	357	0
44 All other assets.....	52,558	8,394	40,907	7,234	6,878	717	3,712	374
45 Customers' liability on acceptances outstanding.....	22,682	n.a.	16,484	n.a.	4,726	n.a.	963	n.a.
46 U.S. addressees (domicile).....	15,876	n.a.	10,621	n.a.	4,100	n.a.	930	n.a.
47 Non-U.S. addressees (domicile).....	6,807	n.a.	5,863	n.a.	626	n.a.	33	n.a.
48 Other assets including other claims on nonrelated parties.....	29,876	8,394	24,423	7,234	2,152	717	2,748	374
49 Net due from related depository institutions ⁵	92,662	78,639	75,755	51,436	7,617	19,665	314	2,975
50 Net due from head office and other related depository institutions ⁵	92,662	n.a.	75,755	n.a.	7,617	n.a.	314	n.a.
51 Net due from establishing entity, head offices, and other related depository institutions ⁵	n.a.	78,639	n.a.	51,436	n.a.	19,665	n.a.	2,975
52 Total liabilities ⁴	672,339	291,342	501,627	227,163	83,362	35,126	49,871	19,064
53 Liabilities to nonrelated parties.....	571,216	240,717	446,557	186,972	73,074	34,534	31,968	11,772

4.30—Continued

Millions of dollars

Item	All states		New York		California		Illinois	
	Total excluding IBF's	IBF's only	Total excluding IBF's	IBF's only	Total excluding IBF's	IBF's only	Total excluding IBF's	IBF's only
54 Total deposits and credit balances	143,232	177,192	122,494	155,988	4,312	11,263	7,606	3,223
55 Individuals, partnerships, and corporations	98,909	16,068	81,389	9,233	3,459	1,235	6,786	46
56 U.S. addressees (domicile)	83,313	362	72,117	362	1,414	0	5,722	0
57 Non-U.S. addressees (domicile)	15,596	15,706	9,272	8,870	2,045	1,235	1,064	46
58 Commercial banks in United States (including IBFs)	32,678	54,764	30,320	49,943	598	3,062	665	1,322
59 U.S. branches and agencies of other foreign banks	10,374	48,204	10,119	44,211	82	2,523	148	1,086
60 Other commercial banks in United States	22,304	6,560	20,201	5,732	516	539	517	236
61 Banks in foreign countries	4,483	92,152	4,214	83,235	5	6,532	143	1,818
62 Foreign branches of U.S. banks	1,549	8,123	1,428	6,946	0	823	120	263
63 Other banks in foreign countries	2,934	84,029	2,786	76,289	5	5,709	23	1,555
64 Foreign governments and official institutions (including foreign central banks)	1,497	13,936	1,171	13,304	219	435	3	36
65 All other deposits and credit balances	5,238	273	5,033	273	4	0	1	0
66 Certified and official checks	426	n.a.	367	n.a.	28	n.a.	8	n.a.
67 Transaction accounts and credit balances (excluding IBFs)	7,837	↑	6,473	↑	275	↑	405	↑
68 Individuals, partnerships, and corporations	4,952	↑	3,780	↑	236	↑	393	↑
69 U.S. addressees (domicile)	3,573	↑	2,860	↑	191	↑	388	↑
70 Non-U.S. addressees (domicile)	1,379	↑	920	↑	45	↑	0	↑
71 Commercial banks in United States (including IBFs)	132	↑	125	↑	1	↑	0	↑
72 U.S. branches and agencies of other foreign banks	18	↑	17	↑	0	↑	0	↑
73 Other commercial banks in United States	114	n.a.	108	n.a.	1	n.a.	0	n.a.
74 Banks in foreign countries	875	↑	796	↑	5	↑	2	↑
75 Foreign branches of U.S. banks	10	↑	10	↑	0	↑	0	↑
76 Other banks in foreign countries	865	↑	786	↑	5	↑	2	↑
77 Foreign governments and official institutions (including foreign central banks)	400	↑	368	↑	2	↑	1	↑
78 All other deposits and credit balances	1,051	↑	1,038	↑	3	↑	1	↑
79 Certified and official checks	426	↓	367	↓	28	↓	8	↓
80 Demand deposits (included in transaction accounts and credit balances)	6,930	↑	5,831	↑	217	↑	392	↑
81 Individuals, partnerships, and corporations	4,581	↑	3,661	↑	182	↑	381	↑
82 U.S. addressees (domicile)	3,422	↑	2,810	↑	150	↑	375	↑
83 Non-U.S. addressees (domicile)	1,159	↑	852	↑	32	↑	5	↑
84 Commercial banks in United States (including IBFs)	117	↑	110	↑	1	↑	0	↑
85 U.S. branches and agencies of other foreign banks	18	↑	17	↑	1	↑	0	↑
86 Other commercial banks in United States	99	n.a.	93	n.a.	0	n.a.	0	n.a.
87 Banks in foreign countries	781	↑	705	↑	5	↑	2	↑
88 Foreign branches of U.S. banks	10	↑	10	↑	0	↑	0	↑
89 Other banks in foreign countries	771	↑	0	↑	5	↑	2	↑
90 Foreign governments and official institutions (including foreign central banks)	349	↑	316	↑	2	↑	1	↑
91 All other deposits and credit balances	676	↑	671	↑	1	↑	1	↑
92 Certified and official checks	426	↓	367	↓	28	↓	8	↓
93 Non-transaction accounts (including MMDAs, excluding IBFs)	135,395	↑	116,021	↑	4,037	↑	7,201	↑
94 Individuals, partnerships, and corporations	93,958	↑	77,609	↑	3,223	↑	6,393	↑
95 U.S. addressees (domicile)	79,741	↑	69,257	↑	1,222	↑	5,334	↑
96 Non-U.S. addressees (domicile)	14,217	↑	8,352	↑	2,000	↑	1,059	↑
97 Commercial banks in United States (including IBFs)	32,546	↑	30,195	↑	597	↑	665	↑
98 U.S. branches and agencies of other foreign banks	10,356	↑	10,101	↑	82	↑	148	↑
99 Other commercial banks in United States	22,190	n.a.	20,093	n.a.	515	n.a.	517	n.a.
100 Banks in foreign countries	3,608	↑	3,418	↑	0	↑	141	↑
101 Foreign branches of U.S. banks	1,539	↑	1,418	↑	0	↑	120	↑
102 Other banks in foreign countries	2,069	↑	2,000	↑	0	↑	21	↑
103 Foreign governments and official institutions (including foreign central banks)	1,096	↑	803	↑	217	↑	2	↑
104 All other deposits and credit balances	4,187	↑	3,995	↑	0	↑	0	↑
105 IBF deposit liabilities	↑	117,000	↑	155,988	↑	11,263	↑	3,223
106 Individuals, partnerships, and corporations	↑	16,068	↑	9,233	↑	1,235	↑	46
107 U.S. addressees (domicile)	↑	362	↑	362	↑	0	↑	0
108 Non-U.S. addressees (domicile)	↑	15,706	↑	8,870	↑	1,235	↑	46
109 Commercial banks in United States (including IBFs)	↑	54,764	↑	49,943	↑	3,062	↑	1,322
110 U.S. branches and agencies of other foreign banks	↑	48,204	↑	44,211	↑	2,523	↑	1,086
111 Other commercial banks in United States	n.a.	6,560	n.a.	5,732	n.a.	539	n.a.	236
112 Banks in foreign countries	↑	92,152	↑	83,235	↑	6,532	↑	1,818
113 Foreign branches of U.S. banks	↑	8,123	↑	6,946	↑	823	↑	263
114 Other banks in foreign countries	↑	84,029	↑	76,289	↑	5,709	↑	1,555
115 Foreign governments and official institutions (including foreign central banks)	↑	13,936	↑	13,304	↑	435	↑	36
116 All other deposits and credit balances	↑	273	↑	273	↑	0	↑	0

For notes see end of table.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, September 30, 1991¹—Continued

Millions of dollars

Item	All states		New York		California		Illinois	
	Total including IBF's	IBF's only	Total including IBF's	IBF's only	Total including IBF's	IBF's only	Total including IBF's	IBF's only
117 Federal funds purchased and securities sold under agreements to repurchase	81,020	6,155	61,908	3,355	12,706	2,025	5,683	775
118 U.S. branches and agencies of other foreign banks	16,159	2,550	10,189	750	4,139	1,330	1,648	470
119 Other commercial banks in United States	26,830	978	18,166	427	5,667	551	2,791	0
120 Other	38,031	2,627	33,552	2,177	2,900	144	1,243	305
121 Other borrowed money	118,052	50,499	65,436	21,737	37,968	20,519	12,347	7,577
122 Owed to nonrelated commercial banks in United States (including IBF's)	48,663	19,759	21,955	5,417	20,171	11,310	4,801	2,536
123 Owed to U.S. offices of nonrelated U.S. banks	18,326	2,323	9,861	758	5,764	1,186	1,933	317
124 Owed to U.S. branches and agencies of nonrelated foreign banks	30,337	17,436	12,094	4,659	14,407	10,124	2,868	2,219
125 Owed to nonrelated banks in foreign countries	29,473	27,988	15,053	14,056	9,442	8,985	4,778	4,778
126 Owed to foreign branches of nonrelated U.S. banks	2,833	2,732	785	723	1,624	1,624	405	405
127 Owed to foreign offices of nonrelated foreign banks	26,640	25,236	14,269	13,333	7,818	7,361	4,373	4,373
128 Owed to others	39,916	2,752	28,427	2,264	8,355	225	2,767	263
129 All other liabilities	51,719	6,870	40,732	5,893	6,825	727	3,110	198
130 Branch or agency liability on acceptances executed and outstanding	25,452	n.a.	19,123	n.a.	4,778	n.a.	786	n.a.
131 Other liabilities to nonrelated parties	26,267	6,870	21,609	5,893	2,046	727	2,324	198
132 Net due to related depository institutions ³	101,124	50,625	55,070	40,190	10,287	591	17,904	7,291
133 Net due to head office and other related depository institutions ³	101,124	n.a.	55,070	n.a.	10,287	n.a.	17,904	n.a.
134 Net due to establishing entity, head office, and other related depository institutions ³	n.a.	50,625	n.a.	40,190	n.a.	591	n.a.	7,291
MEMO								
135 Non-interest bearing balances with commercial banks in United States	1,732	0	1,436	0	122	0	101	0
136 Holding of commercial paper included in total loans	1,372	↑	1,187	↑	116	↑	67	↑
137 Holding of own acceptances included in commercial and industrial loans	2,080	↑	1,386	↑	459	↑	57	↑
138 Commercial and industrial loans with remaining maturity of one year or less	92,872	↑	51,491	↑	19,602	↑	12,641	↑
139 Predetermined interest rates	57,122	n.a.	30,736	n.a.	12,102	n.a.	8,014	n.a.
140 Floating interest rates	35,750	↓	20,755	↓	7,500	↓	4,627	↓
141 Commercial and industrial loans with remaining maturity of more than one year	66,593	↓	38,324	↓	13,922	↓	7,761	↓
142 Predetermined interest rates	21,493	↓	11,709	↓	4,058	↓	3,653	↓
143 Floating interest rates	45,100	↓	26,615	↓	9,864	↓	4,108	↓

4.30—Continued

Millions of dollars

Item	All states		New York		California		Illinois	
	Total excluding IBFs	IBFs only	Total excluding IBFs	IBFs only	Total excluding IBFs	IBFs only	Total excluding IBFs	IBFs only
144 Components of total nontransaction accounts, included in total deposits and credit balances of nontransactional accounts, including IBFs	140,685	↑	122,576	↑	4,247	↑	7,087	↑
145 Time CDs in denominations of \$100,000 or more	102,214	↑	88,184	↑	2,458	↑	5,368	↑
146 Other time deposits in denominations of \$100,000 or more	25,071	n.a.	22,081	n.a.	1,158	n.a.	1,500	n.a.
147 Time CDs in denominations of \$100,000 or more with remaining maturity of more than 12 months	13,401	↓	12,310	↓	631	↓	218	↓
	All states ²		New York		California		Illinois	
	Total including IBFs	IBFs only	Total including IBFs	IBFs only	Total including IBFs	IBFs only	Total including IBFs	IBFs only
148 Market value of securities held	56,086	14,977	50,673	13,673	3,453	828	1,506	428
149 Immediately available funds with a maturity greater than one day included in other borrowed money	68,880	n.a.	33,014	n.a.	25,242	n.a.	8,890	n.a.
150 Number of reports filed ⁶	580	0	272	0	133	0	55	0

1. Data are aggregates of categories reported on the quarterly form FFIEC 002, "Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks." Details may not add to totals because of rounding. This form was first used for reporting data as of June 30, 1980, and was revised as of December 31, 1985. From November 1972 through May 1980, U.S. branches and agencies of foreign banks had filed a monthly FR 886a report. Aggregate data from that report were available through the Federal Reserve statistical release G.11, last issued on July 10, 1980. Data in this table and in the G.11 tables are not strictly comparable because of differences in reporting panels and in definitions of balance sheet items.

2. Includes the District of Columbia.

3. Effective December 1981, the Federal Reserve Board amended Regulations D and Q to permit banking offices located in the United States to operate International Banking Facilities (IBFs). As of December 31, 1985 data for IBFs are reported in a separate column. These data are either included in or excluded from the total columns as indicated in the headings. The notation "n.a." indicates

that no IBF data are reported for that item, either because the item is not an eligible IBF asset or liability or because that level of detail is not reported for IBFs. From December 1981 through September 1985, IBF data were included in all applicable items reported.

4. Total assets and total liabilities include net balances, if any, due from or due to related banking institutions in the United States and in foreign countries (see footnote 5). On the former monthly branch and agency report, available through the G.11 statistical release, gross balances were included in total assets and total liabilities. Therefore, total asset and total liability figures in this table are not comparable to those in the G.11 tables.

5. "Related banking institutions" includes the foreign head office and other U.S. and foreign branches and agencies of the bank, the bank's parent holding company, and majority-owned banking subsidiaries of the bank and of its parent holding company (including subsidiaries owned both directly and indirectly).

6. In some cases two or more offices of a foreign bank within the same metropolitan area file a consolidated report.

Index to Statistical Tables

References are to pages A3–A83 although the prefix ‘A’ is omitted in this index

- ACCEPTANCES, bankers (*See* Bankers acceptances)
 Agricultural loans, commercial banks, 20, 21
 Assets and liabilities (*See also* Foreigners)
 Banks, by classes, 19–21
 Domestic finance companies, 34
 Federal Reserve Banks, 11
 Financial institutions, 26
 Foreign banks, U.S. branches and agencies, 22, 80–83
 Automobiles
 Consumer installment credit, 37, 38
 Production, 47, 48
- BANKERS acceptances, 10, 23, 24
 Bankers balances, 19–21, 80–83. (*See also* Foreigners)
 Bonds (*See also* U.S. government securities)
 New issues, 33
 Rates, 24
 Branch banks, 22, 55
 Business activity, nonfinancial, 44
 Business expenditures on new plant and equipment, 33
 Business loans (*See* Commercial and industrial loans)
- CAPACITY utilization, 46
 Capital accounts
 Banks, by classes, 19, 71, 73, 75
 Federal Reserve Banks, 11
 Central banks, discount rates, 67
 Certificates of deposit, 24
 Commercial and industrial loans
 Commercial banks, 17, 20, 70, 72, 74, 76–79
 Weekly reporting banks, 20–22
 Commercial banks
 Assets and liabilities, 19–21, 76–79
 Commercial and industrial loans, 17, 19, 20, 21, 22
 Consumer loans held, by type and terms, 37, 38, 70, 72, 74, 80–83
 Loans sold outright, 20
 Nondeposit funds, 18
 Number by classes, 71, 73, 75
 Real estate mortgages held, by holder and property, 36
 Terms of lending, 76–79
 Time and savings deposits, 4
 Commercial paper, 23, 24, 34
 Condition statements (*See* Assets and liabilities)
 Construction, 44, 49
 Consumer installment credit, 37, 38
 Consumer prices, 44, 46
 Consumption expenditures, 52, 53
 Corporations
 Nonfinancial, assets and liabilities, 33
 Profits and their distribution, 33
 Security issues, 32, 65
 Cost of living (*See* Consumer prices)
 Credit unions, 37
 Currency and coin, 19, 70, 72, 74
 Currency in circulation, 5, 14
 Customer credit, stock market, 25
- DEBITS to deposit accounts, 16
 Debt (*See specific types of debt or securities*)
- Demand deposits
 Banks, by classes, 19–22, 71, 73, 75
 Ownership by individuals, partnerships, and corporations, 22
 Turnover, 16
 Depository institutions
 Reserve requirements, 9
 Reserves and related items, 4, 5, 6, 13
 Deposits (*See also specific types*)
 Banks, by classes, 4, 19–21, 22, 71, 73, 75
 Federal Reserve Banks, 5, 11
 Turnover, 16
 Discount rates at Reserve Banks and at foreign central banks and foreign countries (*See* Interest rates)
 Discounts and advances by Reserve Banks (*See* Loans)
 Dividends, corporate, 33
- EMPLOYMENT, 45
 Eurodollars, 24
- FARM mortgage loans, 36
 Federal agency obligations, 5, 10, 11, 12, 29, 30
 Federal credit agencies, 31
 Federal finance
 Debt subject to statutory limitation, and types and ownership of gross debt, 28
 Receipts and outlays, 26, 27
 Treasury financing of surplus, or deficit, 26
 Treasury operating balance, 26
 Federal Financing Bank, 26, 31
 Federal funds, 7, 18, 20, 21, 22, 24, 26
 Federal Home Loan Banks, 31
 Federal Home Loan Mortgage Corporation, 31, 35, 36
 Federal Housing Administration, 31, 35, 36
 Federal Land Banks, 36
 Federal National Mortgage Association, 31, 35, 36
 Federal Reserve Banks
 Condition statement, 11
 Discount rates (*See* Interest rates)
 U.S. government securities held, 5, 11, 12, 28
 Federal Reserve credit, 5, 6, 11, 12
 Federal Reserve notes, 11
 Federally sponsored credit agencies, 31
 Finance companies
 Assets and liabilities, 34
 Business credit, 34
 Loans, 37, 38
 Paper, 23, 24
 Financial institutions
 Loans to, 20, 21, 22
 Selected assets and liabilities, 26
 Float, 51
 Flow of funds, 39, 41, 42, 43
 Foreign banks, assets and liabilities of U.S. branches and agencies, 21, 22, 80–83
 Foreign currency operations, 11
 Foreign deposits in U.S. banks, 5, 11, 20, 21
 Foreign exchange rates, 68
 Foreign trade, 54

- Foreigners**
 Claims on, 55, 57, 60, 61, 62, 64
 Liabilities to, 21, 54, 55, 57, 58, 63, 65, 66
- GOLD**
 Certificate account, 11
 Stock, 5, 54
 Government National Mortgage Association, 31, 35, 36
 Gross national product, 51
- HOUSING**, new and existing units, 49
- INCOME**, personal and national, 44, 51, 52
 Industrial production, 44, 47
 Installment loans, 37, 38
 Insurance companies, 28, 36
- Interest rates**
 Bonds, 24
 Commercial banks, 76–79
 Consumer installment credit, 38
 Federal Reserve Banks, 8
 Foreign central banks and foreign countries, 67
 Money and capital markets, 24
 Mortgages, 35
 Prime rate, 23
- International capital transactions of United States, 53–67
 International organizations, 57, 58, 60, 63, 64
 Inventories, 51
 Investment companies, issues and assets, 33
 Investments (*See also specific types*)
 Banks, by classes, 19, 20, 21, 22, 26
 Commercial banks, 4, 17, 19–21, 36, 72
 Federal Reserve Banks, 11, 12
 Financial institutions, 36
- LABOR** force, 45
 Life insurance companies (*See Insurance companies*)
 Loans (*See also specific types*)
 Banks, by classes, 19–21
 Commercial banks, 4, 17, 19–21, 70, 72, 74
 Federal Reserve Banks, 5, 6, 8, 11, 12
 Financial institutions, 26, 36
 Insured or guaranteed by United States, 35, 36
- MANUFACTURING**
 Capacity utilization, 46
 Production, 46, 48
 Margin requirements, 25
 Member banks (*See also Depository institutions*)
 Federal funds and repurchase agreements, 7
 Reserve requirements, 9
 Mining production, 48
 Mobile homes shipped, 49
 Monetary and credit aggregates, 4, 13
 Money and capital market rates, 24
 Money stock measures and components, 4, 14
 Mortgages (*See Real estate loans*)
 Mutual funds, 33
 Mutual savings banks (*See Thrift institutions*)
- NATIONAL** defense outlays, 27
 National income, 51
- OPEN** market transactions, 10
- PERSONAL** income, 52
 Prices
 Consumer and producer, 44, 50
 Stock market, 25
 Prime rate, 23
 Producer prices, 44, 50
 Production, 44, 47
 Profits, corporate, 33
- REAL estate loans**
 Banks, by classes, 17, 20, 21, 36, 72
 Financial institutions, 26
 Terms, yields, and activity, 35
 Type of holder and property mortgaged, 36
 Repurchase agreements, 7, 18, 20, 21, 22
 Reserve requirements, 9
- Reserves**
 Commercial banks, 19
 Depository institutions, 4, 5, 6, 13
 Federal Reserve Banks, 11
 U.S. reserve assets, 54
 Residential mortgage loans, 35
 Retail credit and retail sales, 37, 38, 44
- SAVING**
 Flow of funds, 39, 41, 42, 43
 National income accounts, 51
 Savings and loan associations, 36, 37, 39. (*See also SAIF-insured institutions*)
 Savings Association Insurance Funds (SAIF) insured institutions, 26
 Savings banks, 26, 36, 37
 Savings deposits (*See Time and savings deposits*)
 Securities (*See also specific types*)
 Federal and federally sponsored credit agencies, 31
 Foreign transactions, 65
 New issues, 32
 Prices, 25
 Special drawing rights, 5, 11, 53, 54
 State and local governments
 Deposits, 20, 21
 Holdings of U.S. government securities, 28
 New security issues, 32
 Ownership of securities issued by, 20, 21
 Rates on securities, 24
 Stock market, selected statistics, 25
 Stocks (*See also Securities*)
 New issues, 32
 Prices, 25
 Student Loan Marketing Association, 31
- TAX** receipts, federal, 27
 Thrift institutions, 4. (*See also Credit unions and Savings and loan associations*)
 Time and savings deposits, 4, 14, 18, 19, 20, 21, 22, 71, 73, 75
 Trade, foreign, 54
 Treasury cash, Treasury currency, 5
 Treasury deposits, 5, 11, 26
 Treasury operating balance, 26
- UNEMPLOYMENT**, 45
 U.S. government balances
 Commercial bank holdings, 19, 20, 21
 Treasury deposits at Reserve Banks, 5, 11, 26
 U.S. government securities
 Bank holdings, 19–21, 22, 28
 Dealer transactions, positions, and financing, 30
 Federal Reserve Bank holdings, 5, 11, 12, 28
 Foreign and international holdings and transactions, 11, 28, 66
 Open market transactions, 10
 Outstanding, by type and holder, 26, 28
 Rates, 23
 U.S. international transactions, 53–67
 Utilities, production, 48
- VETERANS** Administration, 35, 36
- WEEKLY** reporting banks, 20–22
 Wholesale (producer) prices, 44, 50
- YIELDS** (*See Interest rates*)

Federal Reserve Board of Governors and Official Staff

ALAN GREENSPAN, *Chairman*
DAVID W. MULLINS, JR., *Vice Chairman*

WAYNE D. ANGELL
EDWARD W. KELLEY, JR.

OFFICE OF BOARD MEMBERS

JOSEPH R. COYNE, *Assistant to the Board*
DONALD J. WINN, *Assistant to the Board*
THEODORE E. ALLISON, *Assistant to the Board for Federal Reserve System Affairs*
BOB STAHLY MOORE, *Special Assistant to the Board*
DIANE E. WERNEKE, *Special Assistant to the Board*

LEGAL DIVISION

J. VIRGIL MATTINGLY, JR., *General Counsel*
SCOTT G. ALVAREZ, *Associate General Counsel*
RICHARD M. ASHTON, *Associate General Counsel*
OLIVER IRELAND, *Associate General Counsel*
RICKI R. TIGERT, *Associate General Counsel*
KATHLEEN M. O'DAY, *Assistant General Counsel*
MARYELLEN A. BROWN, *Assistant to the General Counsel*

OFFICE OF THE SECRETARY

WILLIAM W. WILES, *Secretary*
JENNIFER J. JOHNSON, *Associate Secretary*
BARBARA R. LOWREY, *Associate Secretary*
RICHARD C. STEVENS, *Assistant Secretary*¹

DIVISION OF CONSUMER AND COMMUNITY AFFAIRS

GRIFFITH L. GARWOOD, *Director*
GLENN E. LONEY, *Assistant Director*
ELLEN MALAND, *Assistant Director*
DOLORES S. SMITH, *Assistant Director*

DIVISION OF BANKING SUPERVISION AND REGULATION

RICHARD SPILLENKOTHEN, *Director*
STEPHEN C. SCHEMERING, *Deputy Director*
DON E. KLINE, *Associate Director*
WILLIAM A. RYBACK, *Associate Director*
FREDERICK M. STRUBLE, *Associate Director*
HERBERT A. BIERN, *Assistant Director*
ROGER T. COLE, *Assistant Director*
JAMES I. GARNER, *Assistant Director*
JAMES D. GOETZINGER, *Assistant Director*
MICHAEL G. MARTINSON, *Assistant Director*
ROBERT S. PLOTKIN, *Assistant Director*
SIDNEY M. SUSSAN, *Assistant Director*
LAURA M. HOMER, *Securities Credit Officer*

DIVISION OF INTERNATIONAL FINANCE

EDWIN M. TRUMAN, *Staff Director*
LARRY J. PROMISEL, *Senior Associate Director*
CHARLES J. SIEGMAN, *Senior Associate Director*
DALE W. HENDERSON, *Associate Director*
DAVID H. HOWARD, *Senior Adviser*
DONALD B. ADAMS, *Assistant Director*
PETER HOOPER III, *Assistant Director*
KAREN H. JOHNSON, *Assistant Director*
RALPH W. SMITH, JR., *Assistant Director*

DIVISION OF RESEARCH AND STATISTICS

MICHAEL J. PRELL, *Director*
EDWARD C. ETTIN, *Deputy Director*
WILLIAM R. JONES, *Associate Director*
THOMAS D. SIMPSON, *Associate Director*
LAWRENCE SLIFMAN, *Associate Director*
DAVID J. STOCKTON, *Associate Director*
MARTHA BETHEA, *Deputy Associate Director*
PETER A. TINSLEY, *Deputy Associate Director*
MYRON L. KWAST, *Assistant Director*
PATRICK M. PARKINSON, *Assistant Director*
MARTHA S. SCANLON, *Assistant Director*
JOYCE K. ZICKLER, *Assistant Director*
JOHN J. MINGO, *Adviser*
LEVON H. GARABEDIAN, *Assistant Director (Administration)*

DIVISION OF MONETARY AFFAIRS

DONALD L. KOHN, *Director*
DAVID E. LINDSEY, *Deputy Director*
BRIAN F. MADIGAN, *Assistant Director*
RICHARD D. PORTER, *Assistant Director*
NORMAND R.V. BERNARD, *Special Assistant to the Board*

OFFICE OF THE INSPECTOR GENERAL

BRENT L. BOWEN, *Inspector General*
BARRY R. SNYDER, *Assistant Inspector General*

1. On loan from the Division of Information Resources Management.

JOHN P. LAWARE
LAWRENCE B. LINDSEY

SUSAN M. PHILLIPS

*OFFICE OF
STAFF DIRECTOR FOR MANAGEMENT*

S. DAVID FROST, *Staff Director*
WILLIAM SCHNEIDER, *Special Assignment:*
Project Director, National Information Center
PORTIA W. THOMPSON, *Equal Employment Opportunity
Programs Officer*

*DIVISION OF HUMAN RESOURCES
MANAGEMENT*

DAVID L. SHANNON, *Director*
JOHN R. WEIS, *Associate Director*
ANTHONY V. DIGIOIA, *Assistant Director*
JOSEPH H. HAYES, JR., *Assistant Director*
FRED HOROWITZ, *Assistant Director*

OFFICE OF THE CONTROLLER

GEORGE E. LIVINGSTON, *Controller*
STEPHEN J. CLARK, *Assistant Controller (Programs and
Budgets)*
DARRELL R. PAULEY, *Assistant Controller (Finance)*

DIVISION OF SUPPORT SERVICES

ROBERT E. FRAZIER, *Director*
GEORGE M. LOPEZ, *Assistant Director*
DAVID L. WILLIAMS, *Assistant Director*

*DIVISION OF INFORMATION RESOURCES
MANAGEMENT*

STEPHEN R. MALPHRUS, *Director*
BRUCE M. BEARDSLEY, *Deputy Director*
ROBERT J. ZEMEL, *Senior Adviser*
MARIANNE M. EMERSON, *Assistant Director*
PO KYUNG KIM, *Assistant Director*
RAYMOND H. MASSEY, *Assistant Director*
EDWARD T. MULRENIN, *Assistant Director*
DAY W. RADEBAUGH, JR., *Assistant Director*
ELIZABETH B. RIGGS, *Assistant Director*

*DIVISION OF RESERVE BANK OPERATIONS
AND PAYMENT SYSTEMS*

CLYDE H. FARNSWORTH, JR., *Director*
DAVID L. ROBINSON, *Deputy Director (Finance and
Control)*
BRUCE J. SUMMERS, *Deputy Director (Payments and
Automation)*
CHARLES W. BENNETT, *Assistant Director*
JACK DENNIS, JR., *Assistant Director*
EARL G. HAMILTON, *Assistant Director*
JEFFREY C. MARQUARDT, *Assistant Director*
JOHN H. PARRISH, *Assistant Director*
LOUISE L. ROSEMAN, *Assistant Director*
FLORENCE M. YOUNG, *Assistant Director*

Federal Open Market Committee and Advisory Councils

FEDERAL OPEN MARKET COMMITTEE

MEMBERS

ALAN GREENSPAN, *Chairman*

E. GERALD CORRIGAN, *Vice Chairman*

WAYNE D. ANGELL
WILLIAM H. HENDRICKS
THOMAS H. HOENIG
EDWARD W. KELLEY, JR.

JOHN P. LAWARE
LAWRENCE B. LINDSEY
THOMAS C. MELZER

DAVID W. MULLINS, JR.
SUSAN M. PHILLIPS
RICHARD F. SYRON

ALTERNATE MEMBERS

EDWARD G. BOEHNE
SILAS KEEHN

ROBERT D. MCTEER, JR.

JAMES H. OLTMAN
GARY H. STERN

STAFF

DONALD L. KOHN, *Secretary and Economist*
NORMAND R.V. BERNARD, *Deputy Secretary*
JOSEPH R. COYNE, *Assistant Secretary*
GARY P. GILLUM, *Assistant Secretary*
J. VIRGIL MATTINGLY, JR., *General Counsel*
ERNEST T. PATRIKIS, *Deputy General Counsel*
MICHAEL J. PRELL, *Economist*
EDWIN M. TRUMAN, *Economist*
JACK H. BEEBE, *Associate Economist*

J. ALFRED BROADDUS, JR., *Associate Economist*
RICHARD G. DAVIS, *Associate Economist*
DAVID E. LINDSEY, *Associate Economist*
LARRY J. PROMISEL, *Associate Economist*
KARL A. SCHELD, *Associate Economist*
CHARLES J. SIEGMAN, *Associate Economist*
THOMAS D. SIMPSON, *Associate Economist*
LAWRENCE SLIFMAN, *Associate Economist*
SHEILA T. TSCHINKEL, *Associate Economist*

PETER D. STERNLIGHT, *Manager for Domestic Operations, System Open Market Account*
WILLIAM J. McDONOUGH, *Manager for Foreign Operations, System Open Market Account*

FEDERAL ADVISORY COUNCIL

IRA STEPANIAN, *First District*
CHARLES S. SANFORD, JR., *Second District*
TERRENCE A. LARSEN, *Third District*
JOHN B. MCCOY, *Fourth District*
EDWARD E. CRUTCHFIELD, *Fifth District*
E.B. ROBINSON, JR., *Sixth District*

EUGENE A. MILLER, *Seventh District*
DAN W. MITCHELL, *Eighth District*
JOHN F. GRUNDHOFER, *Ninth District*
DAVID A. RISMILLER, *Tenth District*
RONALD G. STEINHART, *Eleventh District*
RICHARD M. ROSENBERG, *Twelfth District*

HERBERT V. PROCHNOW, *Secretary*
WILLIAM J. KORSVIK, *Associate Secretary*

CONSUMER ADVISORY COUNCIL

COLLEEN D. HERNANDEZ, Kansas City, Missouri, *Chairman*
 DENNY D. DUMLER, Denver, Colorado, *Vice Chairman*

BARRY A. ABBOTT, San Francisco, California
 JOHN R. ADAMS, Philadelphia, Pennsylvania
 JOHN A. BAKER, Atlanta, Georgia
 VERONICA E. BARELA, Denver, Colorado
 MULGUGETTA BIRRU, Pittsburgh, Pennsylvania
 GENEVIEVE BROOKS, Bronx, New York
 TOYE L. BROWN, Boston, Massachusetts
 CATHY CLOUD, Washington, D.C.
 MICHAEL D. EDWARDS, Yelm, Washington
 GEORGE C. GALSTER, Wooster, Ohio
 E. THOMAS GARMAN, Blacksburg, Virginia
 DONALD A. GLAS, Hutchinson, Minnesota
 DEBORAH B. GOLDBERG, Washington, D.C.
 MICHAEL M. GREENFIELD, St. Louis, Missouri

JOYCE HARRIS, Madison, Wisconsin
 GARY S. HATTEM, New York, New York
 JULIA E. HILER, Marietta, Georgia
 HENRY JARAMILLO, Belen, New Mexico
 KATHLEEN E. KEEST, Boston, Massachusetts
 EDMUND MIERZWINSKI, Washington, D.C.
 BERNARD F. PARKER, JR., Detroit, Michigan
 OTIS PITTS, JR., Miami, Florida
 JEAN POGGE, Chicago, Illinois
 JOHN V. SKINNER, Irving, Texas
 NANCY HARVEY STEORTS, Dallas, Texas
 LOWELL N. SWANSON, Portland, Oregon
 MICHAEL W. TIERNEY, Philadelphia, Pennsylvania
 SANDRA L. WILLETT, Boston, Massachusetts

THRIFT INSTITUTIONS ADVISORY COUNCIL

LYNN W. HODGE, Greenwood, South Carolina, *President*
 DANIEL C. ARNOLD, Houston, Texas, *Vice President*

JAMES L. BRYAN, Richardson, Texas
 VANCE W. CHEEK, Johnson City, Tennessee
 BEATRICE D'AGOSTINO, Somerville, New Jersey
 THOMAS J. HUGHES, Merrifield, Virginia
 RICHARD A. LARSON, West Bend, Wisconsin

PRESTON MARTIN, San Francisco, California
 RICHARD D. PARSONS, New York, New York
 THOMAS R. RICKETTS, Troy, Michigan
 EDMOND M. SHANAHAN, Chicago, Illinois
 WOODBURY C. TITCOMB, Worcester, Massachusetts

Federal Reserve Board Publications

For ordering assistance, write PUBLICATIONS SERVICES, MS-138, Board of Governors of the Federal Reserve System, Washington, D.C. 20551 or telephone (202) 452-3244 or FAX (202) 728-5886. When a charge is indicated, payment should accompany request and be made payable to the Board of Governors of the Federal Reserve System. Payment from foreign residents should be drawn on a U.S. bank.

THE FEDERAL RESERVE SYSTEM—PURPOSES AND FUNCTIONS. 1984. 120 pp.

ANNUAL REPORT.

ANNUAL REPORT: BUDGET REVIEW, 1990–91.

FEDERAL RESERVE BULLETIN. Monthly. \$25.00 per year or \$2.50 each in the United States, its possessions, Canada, and Mexico. Elsewhere, \$35.00 per year or \$3.00 each.

ANNUAL STATISTICAL DIGEST

1974–78. 1980. 305 pp. \$10.00 per copy.

1981. 1982. 239 pp. \$ 6.50 per copy.

1982. 1983. 266 pp. \$ 7.50 per copy.

1983. 1984. 264 pp. \$11.50 per copy.

1984. 1985. 254 pp. \$12.50 per copy.

1985. 1986. 231 pp. \$15.00 per copy.

1986. 1987. 288 pp. \$15.00 per copy.

1987. 1988. 272 pp. \$15.00 per copy.

1988. 1989. 256 pp. \$25.00 per copy.

1980–89. 1991. 712 pp. \$25.00 per copy.

1990. 1991. 196 pp. \$25.00 per copy.

SELECTED INTEREST AND EXCHANGE RATES—WEEKLY SERIES OF CHARTS. Weekly. \$30.00 per year or \$.70 each in the United States, its possessions, Canada, and Mexico. Elsewhere, \$35.00 per year or \$.80 each.

THE FEDERAL RESERVE ACT and other statutory provisions affecting the Federal Reserve System, as amended through August 1990. 646 pp. \$10.00.

REGULATIONS OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.

ANNUAL PERCENTAGE RATE TABLES (Truth in Lending—Regulation Z) *Vol. I* (Regular Transactions). 1969. 100 pp. *Vol. II* (Irregular Transactions). 1969. 116 pp. Each volume \$2.25; 10 or more of same volume to one address, \$2.00 each.

Introduction to Flow of Funds. 1980. 68 pp. \$1.50 each; 10 or more to one address, \$1.25 each.

Federal Reserve Regulatory Service. Looseleaf; updated at least monthly. (Requests must be prepaid.)

Consumer and Community Affairs Handbook. \$75.00 per year.

Monetary Policy and Reserve Requirements Handbook. \$75.00 per year.

Securities Credit Transactions Handbook. \$75.00 per year.

The Payment System Handbook. \$75.00 per year.

Federal Reserve Regulatory Service. 3 vols. (Contains all four Handbooks plus substantial additional material.) \$200.00 per year.

Rates for subscribers outside the United States are as follows and include additional air mail costs:

Federal Reserve Regulatory Service, \$250.00 per year.

Each Handbook, \$90.00 per year.

THE U.S. ECONOMY IN AN INTERDEPENDENT WORLD: A MULTICOUNTRY MODEL, May 1984. 590 pp. \$14.50 each.

WELCOME TO THE FEDERAL RESERVE. March 1989. 14 pp.

INDUSTRIAL PRODUCTION—1986 EDITION. December 1986. 440 pp. \$9.00 each.

FINANCIAL FUTURES AND OPTIONS IN THE U.S. ECONOMY. December 1986. 264 pp. \$10.00 each.

FINANCIAL SECTORS IN OPEN ECONOMIES: EMPIRICAL ANALYSIS AND POLICY ISSUES. August 1990. 608 pp. \$25.00 each.

CONSUMER EDUCATION PAMPHLETS

Short pamphlets suitable for classroom use. Multiple copies are available without charge.

Consumer Handbook on Adjustable Rate Mortgages

Consumer Handbook to Credit Protection Laws

A Guide to Business Credit for Women, Minorities, and Small Businesses

How to File A Consumer Credit Complaint

Series on the Structure of the Federal Reserve System

The Board of Governors of the Federal Reserve System

The Federal Open Market Committee

Federal Reserve Bank Board of Directors

Federal Reserve Banks

Organization and Advisory Committees

A Consumer's Guide to Mortgage Lock-Ins

A Consumer's Guide to Mortgage Settlement Costs

A Consumer's Guide to Mortgage Refinancing

Home Mortgages: Understanding the Process and Your Right to Fair Lending

Making Deposits: When Will Your Money Be Available?

When Your Home is on the Line: What You Should Know

About Home Equity Lines of Credit

STAFF STUDIES: Summaries Only Printed in the Bulletin

Studies and papers on economic and financial subjects that are of general interest. Requests to obtain single copies of the full text or to be added to the mailing list for the series may be sent to Publications Services.

Staff Studies 1-145 are out of print.

146. THE ROLE OF THE PRIME RATE IN THE PRICING OF BUSINESS LOANS BY COMMERCIAL BANKS, 1977-84, by Thomas F. Brady. November 1985. 25 pp.
147. REVISIONS IN THE MONETARY SERVICES (DIVISIA) INDEXES OF THE MONETARY AGGREGATES, by Helen T. Fart and Deborah Johnson. December 1985. 42 pp.
148. THE MACROECONOMIC AND SECTORAL EFFECTS OF THE ECONOMIC RECOVERY TAX ACT: SOME SIMULATION RESULTS, by Flint Brayton and Peter B. Clark. December 1985. 17 pp.
149. THE OPERATING PERFORMANCE OF ACQUIRED FIRMS IN BANKING BEFORE AND AFTER ACQUISITION, by Stephen A. Rhoades. April 1986. 32 pp.
150. STATISTICAL COST ACCOUNTING MODELS IN BANKING: A REEXAMINATION AND AN APPLICATION, by John T. Rose and John D. Wolken. May 1986. 13 pp.
151. RESPONSES TO DEREGULATION: RETAIL DEPOSIT PRICING FROM 1983 THROUGH 1985, by Patrick I. Mahoney, Alice P. White, Paul F. O'Brien, and Mary M. McLaughlin. January 1987. 30 pp.
152. DETERMINANTS OF CORPORATE MERGER ACTIVITY: A REVIEW OF THE LITERATURE, by Mark J. Warshawsky. April 1987. 18 pp.
153. STOCK MARKET VOLATILITY, by Carolyn D. Davis and Alice P. White. September 1987. 14 pp.
154. THE EFFECTS ON CONSUMERS AND CREDITORS OF PROPOSED CEILINGS ON CREDIT CARD INTEREST RATES, by Glenn B. Canner and James T. Fergus. October 1987. 26 pp.
155. THE FUNDING OF PRIVATE PENSION PLANS, by Mark J. Warshawsky. November 1987. 25 pp.
156. INTERNATIONAL TRENDS FOR U.S. BANKS AND BANKING MARKETS, by James V. Houpt. May 1988. 47 pp.
157. M2 PER UNIT OF POTENTIAL GNP AS AN ANCHOR FOR THE PRICE LEVEL, by Jeffrey J. Hallman, Richard D. Porter, and David H. Small. April 1989. 28 pp.
158. THE ADEQUACY AND CONSISTENCY OF MARGIN REQUIREMENTS IN THE MARKETS FOR STOCKS AND DERIVATIVE PRODUCTS, by Mark J. Warshawsky with the assistance of Dietrich Earnhart. September 1989. 23 pp.

159. NEW DATA ON THE PERFORMANCE OF NONBANK SUBSIDIARIES OF BANK HOLDING COMPANIES, by Nellie Liang and Donald Savage. February 1990. 12 pp.
160. BANKING MARKETS AND THE USE OF FINANCIAL SERVICES BY SMALL AND MEDIUM-SIZED BUSINESSES, by Gregory E. Elliehausen and John D. Wolken. September 1990. 35 pp.
161. A REVIEW OF CORPORATE RESTRUCTURING ACTIVITY, 1980-90, by Margaret Hastings Pickering. May 1991. 21 pp.

REPRINTS OF SELECTED Bulletin ARTICLES

Some Bulletin articles are reprinted. The articles listed below are those for which reprints are available. Most of the articles reprinted do not exceed twelve pages.

Limit of ten copies

- Recent Developments in the Bankers Acceptance Market. 1/86.
The Use of Cash and Transaction Accounts by American Families. 2/86.
Financial Characteristics of High-Income Families. 3/86.
Prices, Profit Margins, and Exchange Rates. 6/86.
Agricultural Banks under Stress. 7/86.
Foreign Lending by Banks: A Guide to International and U.S. Statistics. 10/86.
Recent Developments in Corporate Finance. 11/86.
Measuring the Foreign-Exchange Value of the Dollar. 6/87.
Changes in Consumer Installment Debt: Evidence from the 1983 and 1986 Surveys of Consumer Finances. 10/87.
Home Equity Lines of Credit. 6/88.
Mutual Recognition: Integration of the Financial Sector in the European Community. 9/89.
The Activities of Japanese Banks in the United Kingdom and in the United States, 1980-88. 2/90.
Industrial Production: 1989 Developments and Historical Revision. 4/90.
Recent Developments in Industrial Capacity and Utilization. 6/90.
Developments Affecting the Profitability of Commercial Banks. 7/90.
Recent Developments in Corporate Finance. 8/90.
U.S. Exchange Rate Policy: Bretton Woods to Present. 11/90.
The Transmission Channels of Monetary Policy: How Have They Changed? 12/90.
U.S. International Transactions in 1990. 5/91.

Federal Reserve Banks, Branches, and Offices

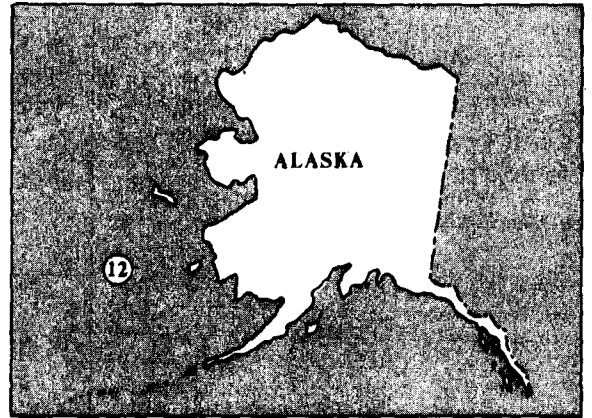
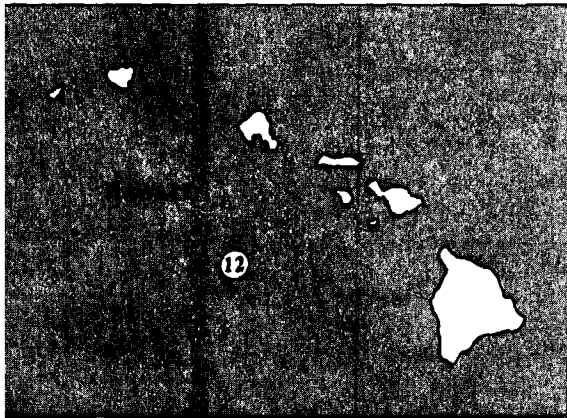
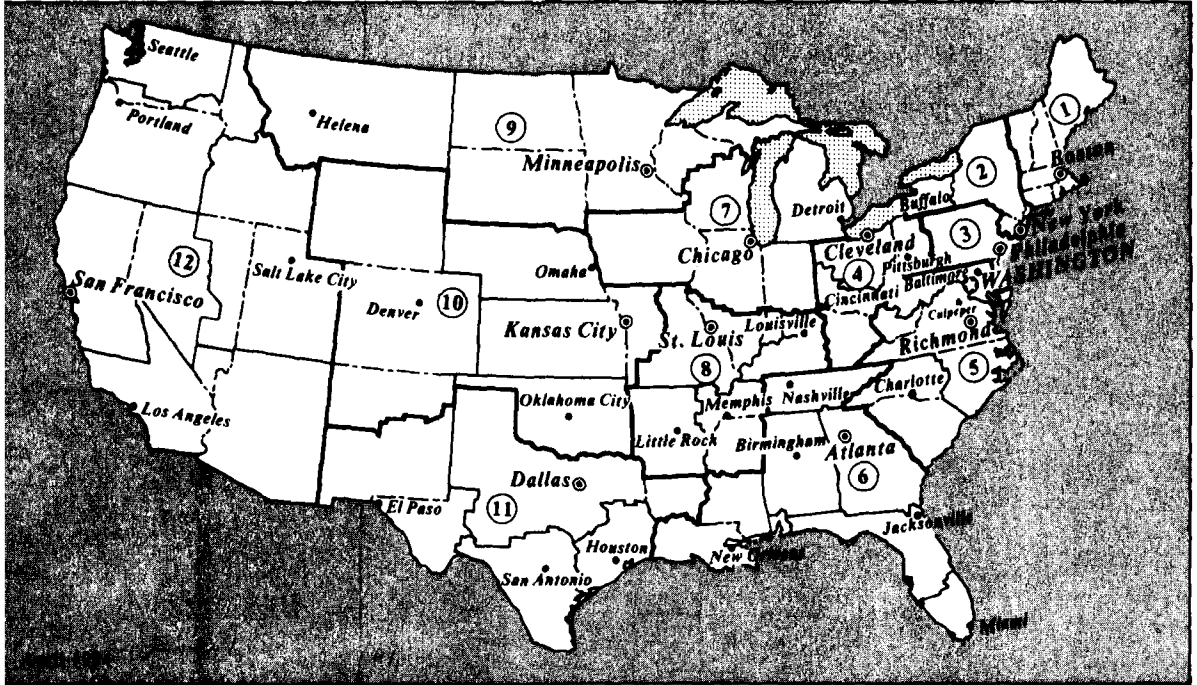
FEDERAL RESERVE BANK branch, or facility	Zip	Chairman Deputy Chairman	President First Vice President	Vice President in charge of branch
BOSTON*	02106	Richard N. Cooper Jerome H. Grossman	Richard F. Syron Cathy E. Minehan	
NEW YORK*	10045	Ellen V. Futter Maurice R. Greenberg	E. Gerald Corrigan James H. Oltman	
Buffalo	14240	Herbert L. Washington		James O. Aston
PHILADELPHIA	19105	Peter A. Benoliel Jane G. Pepper	Edward G. Boehne William H. Stone, Jr.	
CLEVELAND*	44101	John R. Miller A. William Reynolds	Vacancy William H. Hendricks	
Cincinnati	45201	Marvin Rosenberg		Charles A. Cerino ¹
Pittsburgh	15230	Robert P. Bozzone		Harold J. Swart ¹
RICHMOND*	23219	Anne Marie Whittemore Henry J. Faison	Robert P. Black Jimmie R. Monhollon	
Baltimore	21203	John R. Hardesty, Jr.		Ronald B. Duncan ¹
Charlotte	28230	Anne M. Allen		Albert D. Tinkenberg ¹
<i>Culpeper Communications and Records Center 22701</i>				John G. Stoides ¹
ATLANTA	30303	Edwin A. Huston Leo Benatar	Robert P. Forrestal Jack Guynn	
Birmingham	35283	Nelda P. Stephenson		Donald E. Nelson ¹
Jacksonville	32231	Lana Jane Lewis-Brent		Fred R. Herr ¹
Miami	33152	Michael T. Wilson		James D. Hawkins ¹
Nashville	37203	Harold A. Black		James T. Curry III
New Orleans	70161	Victor Bussie		Melvyn K. Purcell
				Robert J. Musso
CHICAGO*	60690	Richard G. Cline Robert M. Healey	Silas Keehn Daniel M. Doyle	
Detroit	48231	J. Michael Moore		Roby L. Sloan ¹
ST. LOUIS	63166	H. Edwin Trusheim Robert H. Quenon	Thomas C. Melzer James R. Bowen	
Little Rock	72203	To be announced		Karl W. Ashman
Louisville	40232	To be announced		Howard Wells
Memphis	38101	Seymour B. Johnson		Ray Laurence
MINNEAPOLIS	55480	Delbert W. Johnson Gerald A. Rauenhorst	Gary H. Stern Thomas E. Gainor	
Helena	59601	J. Frank Gardner		John D. Johnson
KANSAS CITY	64198	Burton A. Dole, Jr. Herman Cain	Thomas M. Hoenig Henry R. Czerwinski	
Denver	80217	Barbara B. Grogan		Kent M. Scott
Oklahoma City	73125	Ernest L. Holloway		David J. France
Omaha	68102	Sheila Griffin		Harold L. Shewmaker
DALLAS	75222	Leo E. Linbeck, Jr. Henry G. Cisneros	Robert D. McTeer, Jr. Tony J. Salvaggio	
El Paso	79999	To be announced		Sammie C. Clay
Houston	77252	To be announced		Robert Smith, III ¹
San Antonio	78295	To be announced		Thomas H. Robertson
SAN FRANCISCO	94120	James A. Vohs Robert F. Erburu	Robert T. Parry Patrick K. Barron	
Los Angeles	90051	Yvonne B. Burke		John F. Moore ¹
Portland	97208	William A. Hilliard		Leslie R. Watters
Salt Lake City	84125	Gary G. Michael		Andrea P. Wolcott
Seattle	98124	George F. Russell, Jr.		Gerald R. Kelly ¹

*Additional offices of these Banks are located at Lewiston, Maine 04240; Windsor Locks, Connecticut 06096; Cranford, New Jersey 07016; Jericho, New York 11753; Utica at Oriskany, New York 13424; Columbus, Ohio 43216; Columbia, South Carolina 29210; Charleston, West Virginia 25311; Des Moines, Iowa 50306; Indianapolis, Indiana 46204; and Milwaukee, Wisconsin 53202.

1. Senior Vice President.

The Federal Reserve

Boundaries of Federal Reserve Districts and Their Branch Territories



LEGEND

— Boundaries of Federal Reserve Districts

— Boundaries of Federal Reserve Branch Territories

★ Board of Governors of the Federal Reserve System

⊙ Federal Reserve Bank Cities

• Federal Reserve Branch Cities

· Federal Reserve Bank Facility