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This article focuses on four financial-management activities—cash-flow management, credit management, saving, and investment. Data from the Surveys of Consumers are used to analyze some of the connections between knowledge and behavior—what consumers know and what they do. Overall, financial knowledge was statistically linked to financial practices: Those who knew more were more likely to engage in recommended financial practices. In addition, certain types of financial knowledge were statistically significant for particular financial practices—knowing about credit, saving, and investment was correlated with higher probabilities of engaging in recommended credit, saving, and investment practices respectively. Although the causality could flow in either direction, this finding indicates that increases in knowledge may lead to improvements in financial-management practices. Thus, financial education in combination with skill-building and audience-targeted motivational strategies may be one way to elicit the desired behavioral changes in financial-management practices.

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Household Financial Management: The Connection between Knowledge and Behavior

Marianne A. Hilgert and Jeanne M. Hogarth, of the Board's Division of Consumer and Community Affairs and Sondra G. Beverly, of the University of Kansas, prepared this article.

Across the decade of the 1990s to the present, the issue of financial education has risen on the agendas of educators, community groups, businesses, government agencies, and policymakers.¹ This increased interest in financial education has been prompted by the increasing complexity of financial products and the increasing responsibility on the part of individuals for their own financial security. Well-informed, financially educated consumers are better able to make good decisions for their families and thus are in a position to increase their economic security and well-being. Financially secure families are better able to contribute to vital, thriving communities and thereby further foster community economic development. Thus, financial education is important not only to individual households and families but to their communities as well.

Knowledgeable consumers who make informed choices are essential to an effective and efficient marketplace. In classical economics, informed consumers provide the checks and balances that keep unscrupulous sellers out of the market. For instance, consumers who know the full range of mortgage interest rates and terms in the marketplace, who understand how their credit-risk profile and personal situation fit with those rates and terms, and, consequently, who can determine which mortgage is best for them make it difficult for unfair or deceptive lenders to gain a foothold in the marketplace.

Amid growing concerns about consumers' financial literacy, the number and types of financial education programs have grown dramatically since the

mid-1990s.² Many of these programs focus on providing information to consumers and operate under the implicit assumption that increases in information and knowledge will lead to changes in financial-management practices and behaviors. Whether that is the case is the province of behavioral economics, which offers its blend of psychological and economic insights into household financial management. Behavioral economics acknowledges the role that psychological characteristics (such as procrastination, regret, risk aversion, compulsiveness, generosity, altruism, and peer pressure) play in household economic decisions. Thus, behavioral economics offers a framework for studying behaviors that seem inconsistent or irrational—for example, consumers who hold money in a savings account earning interest at 2 percent while carrying balances on credit cards and paying 18 percent interest.³

This article explores the connection between knowledge and behavior—what consumers know and what they do—focusing on four financial-management activities: cash-flow management, credit management, saving, and investment. Data are from

2. Several researchers and organizations have developed catalogs of programs. For examples, see Lois A. Vitt, Carol Anderson, Jamie Kent, Deanna M. Lyter, Jurg K. Siegenthaler, and Jeremy Ward, *Personal Finance and the Rush to Competence: Financial Literacy Education in the U.S.* (Fannie Mae Foundation, 2000) (www.fanniemae.foundation.org/programs/pdf/rep_finliteracy.pdf); Katy Jacob, Sharyl Hudson, and Malcolm Bush, *Tools For Survival: An Analysis of Financial Literacy Programs for Lower-Income Families* (Chicago, Ill.: Woodstock Institute, 2000); JumpStart Coalition, JumpStart Personal Finance Clearinghouse (www.jumpstart.org/mdb/jsssearch.cfm); National Endowment for Financial Education, "Economic Independence Clearinghouse" (2001) (www.nefe.org/amexeconfund/index.html); Neighborhood Reinvestment Corporation NeighborWorks®, "Annotated Reference Guide for the NeighborWorks® Campaign for Home Ownership 2002" (August 2001) (www.nw.org/network/pubsAndMedia/publications/catalog/pubs/annoRefGuide.pdf).

3. Sendhil Mullainathan and Richard H. Thaler, "Behavioral Economics," National Bureau of Economic Research Working Paper no. w7948 (National Bureau of Economic Research, October 2000) (www.nber.org/papers/w7948); Amos Tversky and Daniel Kahneman, "Rational Choice and the Framing of Decisions," *Journal of Business*, vol. 59 (October 1986), pp. S251–278; Amos Tversky and Daniel Kahneman, "Loss Aversion in Riskless Choice: A Reference-Dependent Model," *Quarterly Journal of Economics*, vol. 106 (November 1991), pp. 1039–61; Thomas Gilovich, Dale Griffin, and Daniel Kahneman, eds., *Heuristics and Biases: The Psychology of Intuitive Judgement* (Cambridge: Cambridge University Press, 2002).

NOTE. Chris Anguelov, of the Board's Division of Consumer and Community Affairs, assisted with additional analysis of the Survey of Consumer Finances data. Jane Schuchardt and Sommer Clarke, of the U.S. Department of Agriculture, and Manisha Sharma, of the Board's Division of Consumer and Community Affairs, contributed to the development of the survey design and questionnaire.

1. See Sandra Braunstein and Carolyn Welch, "Financial Literacy: An Overview of Practice, Research, and Policy," *Federal Reserve Bulletin*, vol. 87 (November 2002), pp. 445–57.

the University of Michigan's monthly Surveys of Consumers conducted in November and December 2001 (see Appendix A: Survey Data). Also, data from the Survey of Consumer Finances (SCF) are used for purposes of comparison.⁴

HOUSEHOLD FINANCIAL-MANAGEMENT PRACTICES

Households in the Surveys of Consumers reported on eighteen financial-management behaviors, ranging from very basic money management skills (tracking expenses, paying bills on time) to more sophisticated ones (diversifying investments). They also provided information on their use of thirteen financial products. These ranged from savings and checking accounts to credit cards, mortgages, home equity loans, and investments. To look at the different types of financial practices, measures of financial-management behaviors and financial product ownership were combined.⁵ Practices were categorized as cash-flow management, credit management, saving, investment, and other. Table 1 lists the behaviors or products used to analyze each type of practice.

A fairly large percentage of individuals reported what are considered "good" cash-flow management practices: 89 percent of households had a checking account, 88 percent paid all their bills on time, and 75 percent reconciled their checkbook every month. However, fewer than half reported using a spending plan or budget. For the credit management practices, although nearly four-fifths of respondents had a credit card, only one-third compared offers before applying for a card. As to saving practices, the data show that while 80 percent and 63 percent had a savings account and an emergency fund, respectively, only 39 percent were saving for long-term goals, such as for education, a car, or a home. There was also a wide range in the investment practices reported by households. For example, although three-fifths (63 percent) reported having retirement accounts—pensions, 401(k), or IRA plans—and half (52 percent) had

1. Financial behavior and product variables used to analyze cash-flow management, credit management, saving, and investment practices

Financial behavior or product	Percentage of respondents reporting (n = 1,004)
<i>Cash-flow management</i>	
Have checking account	89
Pay all bills on time	88
Have financial recordkeeping system or track expenses	79
Reconcile checkbook every month	75
Use a spending plan or budget	46
<i>Credit management</i>	
Have credit card	79
Pay credit card balances in full each month	61
Review credit reports	58
Compare offers before applying for a credit card	35
<i>Saving</i>	
Have savings account	80
Have emergency fund	63
Save or invest money out of each paycheck ¹	49
Save for long-term goals such as education, car, or home	39
Have certificates of deposit	30
<i>Investment</i>	
Have money spread over different types of investments	74
Have any retirement plan/account ¹	63
Have any investment account	52
Have mutual funds	46
Have 401(k) plan or company pension plan ²	45
Have IRA/Keogh	43
Calculated net worth in past two years	40
Participate in employer's 401(k) retirement plan ¹	37
Have public stock	24
Put money into other retirement plans such as an IRA ³	22
Have bonds	6
<i>Other financial experience</i>	
Own home	75
Bought a house	72
Do own taxes each year	40
Often or always plan and set goals for financial future	36
Refinanced mortgage or loan for home improvements	35
Read about money management	20

1. Not able to control for employment status because these data are not available in the data set.

2. Could be either defined contribution or defined benefit plan.

3. Only for respondents younger than 65.

SOURCE: Surveys of Consumers, November and December 2001.

investment accounts, less than half (46 percent) said that they had mutual funds, about one-fourth reported holding individual stocks, and about one-fifth said that they put money in other retirement accounts.⁶ Of all the behaviors, reading about money management was the least frequently reported (20 percent).

Financial Practices Indexes

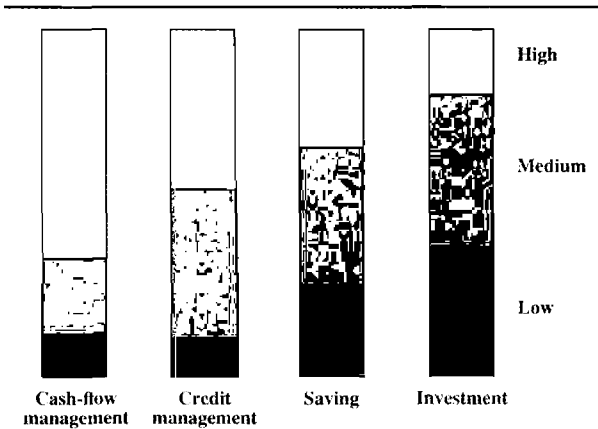
To characterize the extent of a household's participation in each type of financial-management activity, an

4. The SCFs are triennial surveys sponsored by the Federal Reserve and provide detailed information on the financial characteristics of U.S. households, particularly families' assets and liabilities. For details on the SCF, see Ana M. Aizcorbe, Arthur B. Kennickell, and Kevin B. Moore, "Recent Changes in U.S. Family Finances: Evidence from the 2001 Survey of Consumer Finances," *Federal Reserve Bulletin*, vol. 89 (January 2003), pp. 1–32. The definitions of *household* in the SCF and in the Surveys of Consumers are consistent enough to allow for comparisons. In this article, we use the terms *family* and *household* interchangeably.

5. The decision to own a financial product can itself be considered a financial behavior.

6. To determine the proportion of respondents contributing to retirement accounts, we included only individuals less than 65 years old because we assume that individuals 65 or older no longer contribute to a retirement account. Although we would also like to have made this calculation conditional on employment status, this variable was not available in the data set.

I. Distribution of levels of index scores,
by type of financial practice



NOTE: If households reported fewer than 25 percent of the practices, they were classified as "low"; households reporting between 25 percent and 70 percent of the practices were classified as "medium"; and those reporting more than 70 percent of the practices were classified as "high."

SOURCE: Surveys of Consumers, November and December 2001.

index was constructed in which levels of cash-flow management, credit management, saving, and investment practices were classified as "high," "medium," or "low." If households reported fewer than 25 percent of the practices, they were classified as "low"; households reporting between 25 percent and 70 percent of the practices were classified as "medium"; and those reporting more than 70 percent of the practices, were classified as "high."⁷ (For detailed information on how the indexes were constructed, see Appendix B: Indexes of Financial Practices.)

Chart 1 shows the proportion of respondents scoring in the high, medium or low groups for each index. The cash-flow management index had the largest percentage of respondents in the high group (66 percent), followed by the credit management index (45 percent), the saving index (33 percent), and the investment index (19 percent). These initial findings suggest that financial behaviors may be hierarchical, that is, that one may precede another. For example, individuals who are cash-constrained may engage in cash-flow management practices and obtain credit but may not save and invest.

Household Financial Knowledge

Lack of knowledge about principles of financial management and financial matters could explain why

7. Households that did not pay their bills on time were classified as low for cash-flow management regardless of any other practices they reported for that category.

some families do not follow recommended financial practices. In fact, surveys of youth and adults in the United States reveal low scores for economic, financial, and consumer literacy.⁸ Results from the JumpStart Coalition's biennial financial literacy tests of high school seniors show that students correctly answered 58 percent, 52 percent, and 50 percent of the questions in 1997, 2000, and 2002 respectively.⁹ Adults taking the same test scored somewhat better but missed some basic insurance and credit questions. Other studies find that low-income consumers, those with less education, and African Americans and Hispanics tend to have below-average financial literacy scores.¹⁰ Some have argued that some of the survey questions may be ambiguous or irrelevant, and it has been suggested that respondents' knowledge may be greater than the scores indicate.

Research also finds a correlation between financial knowledge and behavior, although the direction of the causality is unclear. Those who score higher on financial literacy tests are more likely to follow recommended financial practices.¹¹ Compared with those who have less financial knowledge, those with more financial knowledge are also more likely to engage in recommended financial behaviors—such as paying all bills on time, reconciling the checkbook every month, and having an emergency fund. This correlation does not necessarily mean, however, that an increase in knowledge improves behavior. Instead, the causality may be reversed in that people may gain knowledge as they save and accumulate wealth, or there may be a third variable, for example, family experiences and economic socialization, that affects both knowledge and behavior. Although most studies

8. For a sampling of surveys, see Consumer Federation of America, "U.S. Consumer Knowledge: The Results of a Nationwide Test" (Washington, D.C.: Consumer Federation of America, 1990); CFA, "High School Student Consumer Knowledge: A Nationwide Test," (Washington, D.C.: Consumer Federation of America, 1991); CFA, "College Student Consumer Knowledge: The Results of a Nationwide Test" (Washington, D.C.: Consumer Federation of America, 1993); and CFA, "American Consumers Get Mixed Grades on Consumer Literacy Quiz" (Washington, D.C.: Consumer Federation of America, 1998).

9. JumpStart Coalition for Personal Financial Literacy, "From Bad to Worse: Financial Literacy Drops Further among 12th Graders," press release, April 23, 2002.

10. Lawrence J. Kotlikoff and B. Douglas Bernheim, "Household Financial Planning and Financial Literacy," in *Essays on Saving, Bequests, Altruism, and Life-cycle Planning* (Cambridge, Mass.: MIT Press, 2001).

11. Jeanne M. Hogarth and Marianne A. Hilgert, "Financial Knowledge, Experience and Learning Preferences: Preliminary Results from a New Survey on Financial Literacy," *Consumer Interests Annual*, vol. 48 (2002) (www.consumerinterests.org/public/articles/FinancialLiteracy-02.pdf).

2. Average financial knowledge score, by financial practice index and index level

Percent

Financial practice index and index level	Overall score ¹	Financial knowledge score, by subsection ¹				
		Credit management	Saving	Investment	Mortgages	Other
<i>Cash-flow management index</i>						
Low	55	51	63	53	63	50
Medium	66	62	76	62	81	57
High	69	63	80	66	84	59
<i>Credit management index</i>						
Low	52	47	58	48	66	48
Medium	66	61	77	61	80	57
High	71	66	83	69	86	60
<i>Saving index</i>						
Low	56	56	67	54	74	54
Medium	63	62	77	61	81	57
High	72	66	86	73	86	61
<i>Investment index</i>						
Low	59	57	66	50	74	53
Medium	70	63	81	67	83	60
High	77	68	90	80	90	62
Memo:						
Average financial knowledge score, all households	67	62	77	63	81	57

NOTE: For definitions of index levels, see note to chart 1.

1. Score on quiz administered as part of the November and December Surveys of Consumers (see box, "What's Your Financial IQ?").

do not analyze causality, one study suggests that increases in knowledge do indeed increase retirement saving.¹² In addition to knowledge and experience, public policies that increase incomes, tax incentives for "good" financial management (for example, saving for retirement), positive childhood experiences, social norms, and attitudes toward spending all may play a role in households' financial-management behaviors.

While most studies have looked at financial knowledge at the aggregate level, this article explores the linkage between specific financial behaviors and knowledge about specific financial topics. The measure of knowledge reported here is based on a quiz containing twenty-eight true-false questions that was part of the Surveys of Consumers (see box, "What's Your Financial IQ," and table 2). The quiz covered cash-flow management, general credit management, saving, investment, mortgages, and a broad category of other financial-management topics. Overall, households correctly answered two-thirds (67 percent) of the questions. Consumers were most knowledgeable about mortgages (scoring about 80 percent) and least knowledgeable about the "other" topics (scoring 57 percent). Most of these scores are in line with similar financial knowledge quizzes.

CASH-FLOW MANAGEMENT

Survey Results

Perhaps the most basic financial practice is to pay bills on time, and 88 percent of households reported following this practice. Consistent with the notion of a behavioral hierarchy, however, those with low scores on the credit management, saving, and investment indexes were less likely to report paying bills on time (table 3) than those with medium or high scores on those indexes.

Data from the 2001 SCF provide some additional insight with respect to the timely payment of bills. In the SCF, an estimated 93 percent of all households in the United States reported having no payments in the past year that were late sixty days or more. The proportion of households in the SCF that did not have payments sixty days late was related to income: 87 percent of those in the bottom fifth of the income distribution reported no late payments compared with 99 percent of those in the top fifth.

Besides encouraging consumers to pay bills on time, financial educators typically encourage them to make written budgets and to regularly compare actual expenditures with planned expenditures.¹³ There is

12. See Kotlikoff and Bernheim, "Household Financial Planning and Financial Literacy."

13. Barbara O'Neill, "Twelve Key Components of Financial Wellness," *Journal of Family and Consumer Sciences*, vol. 94, no. 4 (2002), pp. 53-58.

What's Your Financial IQ?

Quiz administered as part of the Surveys of Consumers

Question	Correct answer	Percentage of respondents answering correctly
<i>Credit</i>		
Creditors are required to tell you the APR that you will pay when you get a loan.	True	92
If you expect to carry a balance on your credit card, the APR is the most important thing to look at when comparing credit card offers.	True	84
Your credit report includes employment data, your payment history, any inquiries made by creditors, and any public record information.	True	81
The finance charge on your credit card statement is what you pay to use credit.	True	69
Using extra money in a bank savings account to pay off high interest rate credit card debt is a good idea.	True	68
Your credit rating is not affected by how much you charge on your credit cards.	False	60
If your credit card is stolen and someone uses it before you report it missing, you are only responsible for \$50, no matter how much they charge on it.	True	50
If you have any negative information on your credit report, a credit repair agency can help you remove that information.	False	30
If you are behind on debt payments and go to a credit counseling service, they can get the federal government to apply your income tax refund to pay off your debts.	False	22
<i>Saving</i>		
You should have an emergency fund that covers two to six months of your expenses.	True	94
If you have a savings account at a bank, you may have to pay taxes on the interest you earn.	True	86
If you buy certificates of deposit, savings bonds, or Treasury bills, you can earn higher returns than on a savings account, with little or no added risk.	True	74
With compound interest, you earn interest on your interest, as well as on your principal.	True	72
Whole life insurance has a savings feature while term life insurance does not.	True	60
<i>Investment</i>		
The earlier you start saving for retirement, the more money you will have because the effects of compounding interest increase over time.	True	92
A stock mutual fund combines the money of many investors to buy a variety of stocks.	True	75
Employers are responsible for providing the majority of funds that you will need for retirement.	False	72
Over the long term, stocks have the highest rate of return on money invested.	True	56
Mutual funds pay a guaranteed rate of return.	False	52
All investment products bought at your bank are covered by FDIC insurance.	False	33
<i>Mortgages</i>		
When you use your home as collateral for a loan, there is no chance of losing your home.	False	91
You could save thousands of dollars in interest costs by choosing a 15-year rather than a 30-year mortgage.	True	84
If the interest rate on an adjustable-rate mortgage loan goes up, your monthly mortgage payments will also go up.	True	77
Repeatedly refinancing your home mortgage over a short period of time results in added fees and points that further increase your debt.	True	72
<i>Other</i>		
Making payments late on your bills can make it more difficult to take out a loan.	True	94
Your bank will usually call to warn you if you write a check that would overdraw your account.	False	62
The cash value of a life insurance policy is the amount available if you surrender your life insurance policy while you're still alive.	True	56
After signing a contract to buy a new car, you have three days to change your mind.	False	18

3. Percentage of households reporting various financial practices, by financial practice index and index level

Financial practice	Cash-flow management index			Credit management index			Saving index			Investment index		
	Low	Medium	High	Low	Medium	High	Low	Medium	High	Low	Medium	High
<i>Cash-flow management</i>												
Have checking account	59	82	97	50	92	96	72	93	97	74	96	100
Pay all bills on time	0	100	100	61	88	95	72	91	98	78	92	98
Have financial recordkeeping system or track expenses	46	43	97	45	80	86	59	80	93	68	81	94
Reconcile checkbook every month	31	25	88	30	71	73	50	72	75	57	71	78
Use a spending plan or budget	29	9	62	30	41	55	37	45	55	46	46	47
<i>Credit management</i>												
Have credit card	48	74	86	0	83	95	58	82	92	58	88	98
Pay credit card balances in full each month	13	43	57	0	34	74	20	49	71	22	56	82
Review credit reports	44	54	61	0	39	91	44	58	68	48	62	67
Compare offers before applying for a credit card	20	33	39	0	14	64	28	36	39	29	39	38
<i>Saving</i>												
Have savings account	63	76	84	51	79	88	42	91	97	63	90	88
Have emergency fund	25	52	74	23	59	78	8	71	97	35	74	93
Save or invest money out of each paycheck ¹	16	42	57	24	44	60	17	46	77	27	58	69
Save for long-term goals ²	13	27	47	16	31	51	4	23	84	25	40	63
Have certificates of deposit	16	29	33	18	27	36	2	22	62	10	35	58
<i>Investment</i>												
Have money spread over different types of investments	21	47	61	14	49	67	17	53	83	5	74	99
Have any investment account	22	48	59	12	46	69	22	52	77	5	71	99
Have mutual funds	24	42	51	18	38	61	18	45	69	5	59	96
Have 401(k) plan or company pension plan ³	30	42	48	27	38	56	28	44	59	24	57	57
Have IRA/Keogh	24	42	47	22	37	54	19	41	63	5	52	93
Calculated net worth in past two years	14	34	46	9	34	53	17	36	61	14	42	85
Participate in employer's 401(k) retirement plan ³	18	34	42	15	32	48	19	36	53	17	47	54
Have public stock	15	25	25	10	21	30	13	21	36	0	26	64
Put money into other retirement plans such as an IRA ⁴	8	17	26	4	16	32	4	18	41	1	21	66
Have bonds	3	6	6	2	5	7	2	7	7	0	4	21
<i>Other financial experience</i>												
Own home	53	73	79	53	77	78	60	75	86	59	82	89
Bought a house	45	68	79	33	75	80	55	75	82	54	78	94
Do own taxes each year	32	38	43	25	40	44	33	45	41	37	41	44
Often or always plan and set goals for financial future	26	24	42	18	32	45	23	30	54	30	34	52
Refinanced mortgage or loan for home improvements	16	33	39	7	35	41	22	37	42	18	39	56
Read about money management	12	16	23	4	17	26	9	17	32	8	19	44
MEMO:												
Number of households	119	224	661	114	436	454	264	404	336	370	445	189
Percentage of households ⁵	12	22	66	11	43	45	26	40	33	37	44	19

NOTE. The table reads: "Of all households with a low score on the cash-flow management index, 59 percent have a checking account." For definitions of index levels, see note to chart 1.

1. Not able to control for employment status because these data are not available in the data set.

2. Such as for education, for a car, or for a home.

3. Could be either defined contribution or defined benefit plan.

4. Only for respondents younger than 65.

5. Components may not sum to 100 because of rounding.

SOURCE. Surveys of Consumers, November and December 2001

evidence that many families instead use informal mental budgets rather than written budgets; use short-term budgets (that is, budgets covering one month or less); and prefer simpler techniques (for example, automatic bill-paying or envelope accounting).¹⁴

14. Elizabeth P. Davis and Ruth Ann Carr, "Budgeting Practices over the Life Cycle," *Journal of Consumer Education*, vol. 10 (1992), pp. 27-31; Glenn Muske and Mary Winter, "An In-Depth Look at Family Cash-Flow Management Practices," *Journal of Family and Economic Issues*, vol. 22 (Winter 2001), pp. 353-72; Glenn Muske

There is also evidence that families—at all income levels—have trouble resisting spending temptations.¹⁵ But existing research has used small samples,

and Mary Winter, "Cash Flow Management: A Framework of Daily Family Activities," *Financial Counseling and Planning*, vol. 10, no. 1 (1999), pp. 1-12.

15. Sondra G. Beverly, Jennifer L. Romich, and Jennifer Tescher, "Linking Tax Refunds and Low-Cost Bank Accounts: A Social Development Strategy for Low-Income Families?" *Social Development Issues* (forthcoming); Arthur B. Kennickell, Martha Starr-McCluer, and Annika E. Sundén, "Saving and Financial Planning: Some

and more research on budgeting and cash-flow management is needed.

Data from the Surveys of Consumers reveal that, overall, fewer than one-half (46 percent) of all households used a spending plan or budget. Results for the cash-flow management index show that fewer than one-third of the households that scored low on the index reported using a spending plan or budget, although as shown in table 3, proportions were larger for households with low scores on other indexes, especially saving and investment.

A low-cost checking or savings account is recommended as a budgeting and financial-management tool for several reasons. It reduces the cost of routine financial transactions, helps individuals develop positive credit histories, and may facilitate asset accumulation by providing a secure and somewhat “out-of-reach” place for storing money.¹⁶ Despite the advantages of owning a bank account, however, data from the SCF indicate that about 9 percent of all U.S. families were “unbanked” in 2001. The percentages were much higher for low-income, younger, non-white, and Hispanic families. The overall percentage of unbanked families has remained fairly stable in recent years after a marked increase in account ownership between 1992 and 1995.¹⁷

According to the Surveys of Consumers, 89 percent of all U.S. households have a checking account. About three-fifths of households scoring low on the cash-flow management index had a checking account, compared with higher proportions for those with medium or high scores. Again, households with low credit management, saving, and investment index scores were also less likely to have checking accounts than households with medium and high scores for those indexes.

Knowledge and Cash-Flow Management Behaviors

Households classified as low on the cash-flow management index had lower average financial knowledge scores than households classified as medium or high. Those in the low group had an average overall knowledge score of 55 percent, compared with 66 percent and 69 percent for those in the medium and high groups respectively (see table 2). The low-index group also had lower scores on the credit management, saving, investment, mortgage, and “other” subsections of the quiz. In general, those classified as high on the cash-flow management index had higher financial knowledge scores than those classified as low and medium, both overall and for each of the subsections.

CREDIT MANAGEMENT

Survey Results

Three common indicators of credit management are a household’s debt-payment-to-income ratio, the timeliness of credit card payments, and payment in full of credit card balances. In 2001, according to the SCF, 11 percent of all families in the United States had debt-payment-to-income ratios greater than 40 percent. The percentage was even higher for lower-income families.¹⁸ In the SCF, 7 percent of all families had a payment 60 days past due.¹⁹ Among the 76 percent of households in the SCF with credit cards, 45 percent reported not carrying over a balance on their credit card accounts.

Of the households in the Surveys of Consumers that reported having a credit card, three out of five reported paying their credit card balances in full each month. More than half (58 percent) reviewed their credit reports, and one-third compared offers before applying for a credit card. The relatively low numbers for evaluating credit card offers may be associated with individual characteristics. For example, consumers who use their credit cards as a convenient payment mechanism may not need to compare the

Findings From a Focus Group,” *Financial Counseling and Planning*, vol. 8, no. 1 (1997), pp 1–8; Amanda Moore, Sondra G. Beverly, Mark Schreiner, Michael Sherraden, Margaret Lombe, Esther Y.N. Cho, Lissa Johnson, and Rebecca M. Vonderlack, *Saving, IDA Programs, and Effects of IDAs: A Survey of Participants* (Washington University in St. Louis, Center for Social Development, 2001).

16. Joseph J. Doyle, Jose A. Lopez, and Marc R. Saldenberg, “How Effective Is Lifeline Banking in Assisting the ‘Unbanked?’” *Current Issues in Economics and Finance*, vol. 4 (June 1998), pp. 1–6; John P. Caskey, *Beyond Cash-and-Carry: Financial Savings, Financial Services, and Low-Income Households in Two Communities* (report written for the Consumer Federation of America and the Ford Foundation, Swarthmore, Pa.: Swarthmore College, 1997); Sondra G. Beverly, Amanda Moore, and Mark Schreiner, “A Framework of Asset-Accumulation Stages and Strategies,” *Journal of Family and Economic Issues*, vol. 24 (Summer 2003), pp. 143–56.

17. Jeanne M. Hogarth, Chris E. Anguelov, and Jinkook Lee, “Who Has a Bank Account? Changes Over Time in Account Ownership,” *Consumer Interests Annual*, vol. 47 (2001) (www.consumerinterests.org/public/articles/Hogarth_Anguelov_Lee.pdf).

18. Aizcorbe et al., “Recent Changes in U.S. Family Finances.”

19. Another study found that 3 percent of credit card accounts held by college students showed at least one payment that was late 90 days or more, compared with 2 percent of other nonstudent young adults and 1 percent of nonstudent older adults. See Michael E. Staten and John M. Barron, “College Student Credit Card Usage,” Working Paper no. 65 (Georgetown University: Credit Research Center, June 2002) (www.msb.georgetown.edu/prog/crc/pdf/WP65.pdf).

annual percentage rate because they pay off their balances in full each month, but they may want to compare other fees, terms, and features.

Credit Knowledge and Credit Management Behaviors

Households with low credit management indexes had lower overall financial knowledge scores as well as lower scores related to credit management knowledge than households in the medium or high groups (table 2). Households with low, medium, and high credit management indexes had credit knowledge scores of 47 percent, 61 percent, and 66 percent respectively. To examine the relationship between knowledge and behavior while holding other variables constant, logistic regression analysis was performed. The results were used to predict a household's propensity to score in the low, medium, or high groups on the credit management index, given a specific credit management knowledge score.²⁰ In this analysis, the correlation between credit management knowledge and credit management behavior was statistically significant. For example, a household with a credit management knowledge score of 70 had a 48 percent chance of being classified in the high credit management index group. But if the same household had received a credit management knowledge score of 90 instead of 70, its chances of being in the high credit management index group increased to 54 percent.

SAVING

Survey Results

One of the most widely recognized financial-management principles is to save regularly, generally by setting aside some amount for savings before paying for expenses. Although four-fifths of the households in the Surveys of Consumers reported having a savings account, overall, fewer than half of households said that they saved regularly out of each

4. Percentage of respondents reporting saving practices in the 2001 Survey of Consumer Finances and November and December 2001 Surveys of Consumers

Saving practice	Survey of Consumer Finances	Surveys of Consumers
Save regularly by putting money aside each month	41	50
Have no regular savings plan; save what is left over	32	25
Spend work income, but save other income	8	8
Do not save because all income is spent	21	11
No answer		5
Total	102 ¹	100

1. Components sum to more than 100 because of multiple responses.

paycheck. The proportion of households that were regular savers varied by how they scored on the saving index and ranged from about one out of six in the low group to three out of four in the high group. To compare the consistency of these estimates with those of the SCF, the Surveys of Consumers also included a question regarding "saving habits" that was identical to the one asked in the SCF. Compared with the SCF results, a slightly higher proportion of respondents in the Surveys of Consumers said that they saved regularly, and a lower proportion said that they did not save (table 4). The differences in the results are not surprising given that the Surveys of Consumers are phone surveys, whereas the SCF has a personal-interview format.²¹

Another saving practice that financial planners recommend is having an emergency fund to cushion against economic shocks, ranging from paying for car or appliance repairs to covering expenses during a period of unemployment. Numerous studies show that more than half of U.S. households do not have adequate emergency funds, which are typically defined as liquid assets to cover two to six months of living expenses.²² In the Surveys of Consumers, however, about three-fifths of households responded that they had an emergency fund, although the actual number of months of living expenses that would be covered by the fund was not specified.

20. Regression analysis was performed for all four financial practices. Details can be found in Jeannette M. Hogarth, Sondra G. Beverly, and Marianne A. Hilgert, "Patterns of Financial Behaviors: Implications for Community Educators and Policy Makers" (paper presented at the Third Community Affairs Research Conference of the Federal Reserve System, March 2003) (www.federalreserve.gov/communityaffairs/national/CA_Conf_SusCommDev/pdf/hogarthjeanne.pdf).

21. Personal interviews, which are conducted face-to-face, may elicit a slightly different response than a phone survey.

22. See Y. Regina Chang, Sherman Hanna, and Jessie X. Fan, "Emergency Fund Levels: Is Household Behavior Rational?" *Financial Counseling and Planning*, vol. 8, no. 1 (1997), pp. 47-55. See also Edward N. Wolff, "Recent Trends in Wealth Ownership 1983-1998," Working paper no. 300 (New York: Jerome Levy Economics Institute, April 2000) (www.levy.org/docs/wrkpap/papers/300.html); Robert Haverman and Edward Wolff, "Who Are the Asset-Poor? Levels, Trends, and Composition, 1983-1998" (paper prepared for "Inclusion in Asset Building: Research and Policy Symposium," Washington University in St. Louis, Center for Social Development, 2000).

Knowledge of Saving and Saving Behaviors

Households with low scores on the saving index had lower overall financial knowledge scores and lower scores on the saving subsection of the quiz (table 2). Those with low index scores had an average saving knowledge score of 67 percent, compared with 77 percent for those in the medium group and 86 percent for those in the high group. This correlation between knowledge of saving and saving behaviors was statistically significant: A household with a saving score of 70 out of 100 had a 27 percent chance of being in the high saving index group. In contrast, the same household with a saving score of 90 had a 31 percent chance of being in the high saving index group.

INVESTMENT

Survey Results

After households have established an emergency fund, many personal finance texts and financial planners recommend that the next step be investing for short- to mid-term goals (such as a vacation) as well as for longer-term goals (homes, children's college education, and retirement). More than half (52 percent) of the households in the Surveys of Consumers reported having an investment account; 46 percent had mutual funds, 24 percent had stock, and 6 percent had bonds. Furthermore, 75 percent owned their own home. Nearly three-fourths of the respondents said that they diversified their portfolios by having money spread over different types of investments.

Financial assets held in investments are one way for people to accumulate their down payments for cars and homes, as well as to build college and retirement funds. Some studies have shown that for lower-income households, financial assets account for a larger proportion of net worth than for middle- and upper-income households; that is, lower-income families hold most of their assets in financial instruments rather than in homes, cars, businesses, or other real property.²³ According to the 2001 SCF, 75 percent of U.S. households in the lowest 20 percent of the income distribution held at least some financial

assets, and 68 percent held some nonfinancial asset (car, home, business, or other property). In comparison, 99 percent of U.S. households in the upper 20 percent of the income distribution had financial assets, and 99 percent had nonfinancial assets.

There are numerous policy initiatives targeted at ways of assisting low-income families in accumulating assets through homeownership programs and individual development accounts (IDAs). IDAs are meant to improve saving and asset accumulation by the poor by providing matching funds for savings toward home ownership, higher education, and microenterprise.²⁴

Other studies suggest that Americans are saving too little for retirement.²⁵ In one survey, 35 percent of respondents did not even guess at how much they needed for retirement. The estimate for those who did respond was, on average, 44 percent below their expected needs.²⁶ More than half (52 percent) of the households in the Surveys of Consumers reported having an investment account and three-fifths (63 percent) reported having any type of retirement fund—pension, 401(k), IRA, Keogh, or other type of retirement account. Fewer than half of all respondents reported having a 401(k) or company pension plan, IRA, or Keogh; nearly two-fifths (37 percent) indicated that they participated in an employer's 401(k) plan, and about one-fifth (22 percent) reported putting money into another type of retirement account (table 3). Of those scoring low on the investment index, one out of four had a pension or 401(k), and one out of six participated in an employer's 401(k) plan.

Knowledge of Investment and Investment Behaviors

Households in the low investment index group had lower overall financial knowledge scores and lower

24. Mark Schreiner, Margaret Clancy, and Michael Sherraden, *Saving Performance in the American Dream Demonstration* (Washington University in St. Louis: Center for Social Development, 2002); Melvin L. Oliver and Thomas M. Shapiro, *Black Wealth/White Wealth: A New Perspective on Racial Inequality* (New York: Routledge, 1995).

25. See B. Douglas Bernheim, "Financial Illiteracy, Education, and Retirement Saving," in O.S. Mitchell and S.J. Schieber, eds., *Living with Defined Contribution Plans* (University of Pennsylvania, Wharton School, Pension Research Council, 1998) pp. 38–68, for a review of other studies on retirement saving.

26. Mark Dolliver, "Just Blame It on Ignorance, If Not on Improvidence," *Adweek*, vol. 42 (March 2001), p. 45; Employee Benefit Research Institute, "The 2001 Retirement Confidence Survey: Summary of Findings" (www.ebri.org/rcs/2001/01rcses.pdf).

23. Stacie Carney and William G. Gale, "Asset Accumulation among Low-income Households" (paper prepared for Ford Foundation conference, "Benefits and Mechanisms for Spreading Asset Ownership in the United States," December 10–12, 1998, New York, New York), February 2000 (www.brook.edu/views/papers/gale/19991130.pdf).

investment knowledge scores (50 percent) than those who were classified as medium or high on the investment index (67 percent and 80 percent respectively, table 2). These differences were statistically significant. A household scoring 70 on the investment knowledge subsection of the quiz had a 9 percent chance of being in the high index group. The same household with a score of 90 on the investment subsection of the quiz had a 13 percent chance of being in the high group.

SOURCES OF FINANCIAL KNOWLEDGE

Ways Households Gain Knowledge about Personal Finances

If knowledge is linked to behavior, then it is important to know where households obtain their financial knowledge. Households in the Surveys of Consumers reported learning from a variety of sources, but experience, friends and family, and the media were among the top sources for all households (table 5). For each practice—cash-flow management, credit management, saving, and investment—households with low index scores were less likely to report learning from

any of these sources. For example, 46 percent of those with low index scores for cash-flow management reported learning from personal experience, compared with 63 percent of those with medium index scores and 73 percent of those with high index scores.

The largest variation among the index scores within each behavior related to personal experience—respondents with high scores were more likely to report learning from personal experience. This large variation may reflect, in part, the motivation of those with high index scores to seek out information and apply it to personal circumstances. For example, one could argue that there is a difference between reading about money management and actually engaging in financial behaviors that provide more concrete learning experiences.

In this study, the correlation between sources of financial knowledge and financial practices was found to be significant. Generally, households that reported learning a lot from personal experience and from friends and family were more likely to have higher index scores. For example, within the cash-flow management index, households that reported learning from these sources had a 71 percent chance of scoring high, while those that did *not* report learn-

5. Learning experiences and preferences, by financial practice index and index level

Percent

Learning experience or preference	Cash-flow management index			Credit management index			Saving index			Investment index		
	Low	Medium	High	Low	Medium	High	Low	Medium	High	Low	Medium	High
<i>Learned "a lot" or a "fair amount" about financial topics from:¹</i>												
Personal financial experience	46	63	73	38	67	76	50	69	81	52	73	86
Friends and family	33	40	44	31	42	45	32	45	46	36	46	44
Media ²	26	36	38	24	33	42	27	37	41	29	39	42
High school or college course	22	13	20	14	14	24	14	19	23	15	19	25
Course outside school	13	14	18	11	13	22	11	15	23	11	18	25
Employer	14	21	22	17	19	23	16	22	23	17	24	19
Internet	8	10	13	4	9	16	5	11	18	6	13	19
<i>Most important way learned about personal finances:</i>												
Personal financial experience	38	42	53	34	51	49	47	51	47	49	47	51
Friends and family	18	25	20	25	21	20	21	22	20	22	22	17
Media ²	8	13	11	8	11	12	10	10	13	8	11	16
High school or college course	8	6	5	6	6	5	7	5	5	6	4	6
Course outside school	3	5	5	2	3	6	2	4	6	2	6	5
Employer	3	6	5	3	5	5	3	5	6	4	6	3
Internet	1	1	2	4	2	2	1	2	1	1	2	2
Nothing	2	2	0	...	1	0	2	0	0	2	0	...
No response	18	...	0	18	0	...	7	1	1	4	2	...
<i>Effective ways to learn to manage money:¹</i>												
Media ²	65	69	73	54	73	74	65	73	75	65	74	78
Video presentation	64	66	63	58	62	67	62	66	63	62	65	66
Informational brochures	62	63	68	56	67	68	61	68	69	65	67	69
Internet	48	53	58	41	48	66	44	57	62	47	58	64
Informational seminars	46	47	55	44	52	55	48	53	55	47	54	59
Formal courses at a school	56	51	54	45	53	55	52	55	52	54	53	52

NOTE. For definitions of index levels, see note to chart 1.

... Not applicable.

1. Components sum to more than 100 because of multiple responses.

2. Television, radio, magazines, and newspapers.

SOURCE. Surveys of Consumers, November and December 2001.

ing a lot from personal experience, friends, and family had a 63 percent chance of scoring high.

Using the media and the Internet to learn about financial-management topics was important for credit practices. Households that reported learning a lot from the media and the Internet had a 50 percent chance of being in the high index group for credit management practices while households that did not report learning a lot from these sources had a 42 percent chance of being in the high group. High school or college courses were also found to be a statistically significant way to learn about financial topics for those scoring high on the credit management index.

The Surveys of Consumers also asked consumers what was the *most* important way that they had learned about personal finances. Not surprisingly, personal experience was reported as the most important way for each of the financial practices indexes. However, it is worth noting the variation from low to high index scores within each category. While the difference in the percentage of households that said that personal experience was the most important way to learn was narrow for saving and investment practices (ranging only from 47 percent to 51 percent), there was a larger difference for cash-flow management and credit management practices (ranging from 34 percent to 53 percent). Perhaps consumers are able to learn more through personal experience for some types of behaviors than for others. For example, households can learn to avoid bad cash-flow and credit-management practices because the cost of these can often be felt immediately. Changes in saving and investment practices, on the other hand, have payoffs that are noticed only in the long run, and so relying primarily on personal experience may be less useful.

Preferred Sources of Financial Knowledge

The Surveys of Consumers included six questions regarding how individuals prefer to learn about financial management. Specifically, respondents were asked, "Given your time and the way you like to learn, which of the following ways would be effective for you to learn about managing your money?"

Overall, households preferred to learn about money management through media sources (television, radio, magazines, and newspapers), informational videos, and brochures (table 5). Households that scored high on the financial practices indexes were more likely than those scoring in the low or medium group to prefer the Internet as an information source. In general, these sources have "just in time" avail-

ability for people who want to learn on their own—those households that want to access education and information resources when they are preparing to make a decision and at times and places that are convenient for their lifestyle. Media sources, brochures, and Internet materials on new products and services may be all that are necessary for these households. The high ratings for videos may reflect the preference of visual learners to "see" applications of financial-management tools (how to balance a checkbook, how to set up different recordkeeping systems, or where to look for information on credit card offers). Videos may also be a practical mechanism for time-constrained individuals who can view the videos in their home. Formal methods, such as learning through courses at a school or informational seminars, were not as popular, particularly among those who scored lower, although some may benefit from group-learning situations. Many households also appreciate the convenience of learning through employer-based programs.²⁷

Others also have found that low-income consumers prefer to learn through media sources, primarily radio and television, although there are some variations from this pattern of learning preferences.²⁸ Some studies show that low-income families have a strong preference for learning from peers—from "someone who has been through this."²⁹ Also, anecdotal evidence indicates that some ethnic audiences prefer to learn from trusted key community leaders.³⁰

Effectiveness of Learning Strategies

It is important to ask how effective various learning strategies are likely to be. For example, media sources were cited by respondents in the Surveys of

27. E. Thomas Garman, "Consumer Educators, Now Is the Time for a Paradigm Shift Toward Employee Financial Education," *Consumer Interests Annual*, vol. 44 (1998), pp. 48–53.

28. Sherrie L.W. Rhine and Maude Toussaint-Commeau, "Consumer Preferences in the Delivery of Financial Information: A Summary," *Consumer Interests Annual*, vol. 48 (2002) (www.consumerinterests.org/public/articles/FinancialInformation-02.pdf).

29. Jeanne M. Hogarth, Josephine A. Swanson, and Jane Segelken, "Using Contemporary Adult Education Principles in Financial Education with Low Income Audiences," *Family Economics & Resource Management Biennial*, vol. 1 (1995), pp. 139–46; Jeanne M. Hogarth and Josephine A. Swanson, "Voices of Experience: Limited Resource Families and Financial Management" (paper presented at the Family Economics & Management Conference, American Home Economics Association Meetings, June 1993).

30. Andrew I. Schoenholtz and Kristin Stanton, "Reaching the Immigrant Market: Creating Homeownership Opportunities for New Americans" (Washington, D.C.: Fannie Mae Foundation, 2001).

Consumers as effective ways to learn about managing money. From the educator's viewpoint, media outlets could be important ways of creating awareness about financial education opportunities. Public service announcements could serve to stimulate thinking and provide motivation, in addition to helping people connect with financial education resources. Community educators could work with local newspapers to prepare financial education columns to supplement those available at the national level. (See box, "The Federal Reserve System's Financial Education Initiative.")

In recent studies on mortgage lending and credit management, households that had been through a one-on-one counseling session were less likely to be delinquent with mortgage payments and had higher credit scores and better credit-management practices than those that had been exposed to other education strategies.³¹ An evaluation of the Money 2000 program also revealed the benefits of repeat contacts with participants and access to a money management "coach."³² Unlike a professional counselor working in a one-on-one setting, a coach could be a peer volunteer or key community leader who serves as a mentor to a small group of individuals and families.

Timing the delivery of financial education may also be important. Not only is it necessary to educate consumers about financial-management topics through methods that fit their learning preferences, but it is also necessary to present the material at a "teachable moment."³³ Consumers who are provided information when it is immediately relevant and applicable, such as first-time homebuyers receiving pre-purchase counseling, may have a greater chance of recognizing the value of the information and of making a behavioral change. However, consumers may not always recognize these teachable moments, and some may not be aware that information on topics relevant to their needs is available. Thus, one of the

The Federal Reserve System's Financial Education Initiative

In spring 2003, the Federal Reserve System launched a financial education initiative designed to stimulate U.S. households to learn more about financial management. In a public service announcement, Chairman Greenspan stated, "No matter who you are, making informed decisions about what to do with your money will help build a more stable financial future for you and your family."

The public service announcement refers consumers to the Federal Reserve's personal financial education web site (www.FederalReserveEducation.org), which has links to additional resources, including "There's a Lot to Learn About Money." This guide features tips on setting financial goals, budgeting, and using credit wisely. It is available in English and Spanish. Consumers can obtain copies online or through a toll-free number (800-411-4535). Another consumer resource, "Building Wealth: A Beginner's Guide to Securing Your Financial Future," is available in both English and Spanish at www.dallasfed.org/html/ca/pubs.html.

The Federal Reserve System also has created an online repository for financial education research on the web site of the Chicago Federal Reserve's Consumer and Economic Development Research and Information Center (CEDRIC) (www.chicagofed.org/cedric/financial_education_research_center.cfm). CEDRIC provides researchers, community organizations, financial institutions, government agencies, and the public with a comprehensive source for abstracts and full texts of articles, reports, working papers, and other studies related to effective financial education initiatives and community development issues.

greatest challenges for policymakers, consumer educators, and practitioners in providing financial education is motivating individuals to pursue it.

31. Abdighani Hiram and Peter M. Zorn. "A Little Knowledge Is a Good Thing: Empirical Evidence of the Effectiveness of Pre-Purchase Homeownership Counseling" (paper presented at the Third Community Affairs Research Conference of the Federal Reserve System, March 2003) (www.federalreserve.gov/communityaffairs/national/CA_Conf_SusCommDev/pdf/zornpeter.pdf); Michael E. Staten, Gregory Elliehausen, and E. Christopher Lundquist. "The Impact of Credit Counseling on Subsequent Borrower Credit Usage and Payment Behavior," Monograph no. 36 (Georgetown University: Credit Research Center, March 2002) (www.msh.georgetown.edu/program/crc/pdf/M36.pdf).

32. The Money 2000 program encourages participants to reduce debt by \$2,000 or increase savings by \$2,000, or some combination of both. See O'Neill, "Twelve Key Components of Financial Wellness."

33. National Endowment for Financial Education, "Financial Literacy in America: Individual Choices, National Consequences" (2002) (www.nefe.org/pages/whitepaper2002symposium.html).

KNOWLEDGE AND BEHAVIOR: WHAT IS THE LINK?

Financial knowledge can be statistically linked to financial practices related to cash-flow management, credit management, saving, and investment—those who knew more had higher index scores, and those who learned from family, friends, and personal experiences had higher index scores. It is worth noting that certain types of financial knowledge were found to be statistically significant for particular financial practices. With the exception of the cash-flow management practices, which did not have a correspond-

ing subsection on the quiz, the relationships between specific financial knowledge scores and the corresponding financial practices indexes were statistically significant. Thus, knowing about credit, saving, and investment was correlated with having higher index scores for credit management, saving, and investment practices respectively. This pattern may indicate that increases in knowledge and experience can lead to improvements in financial practices, although the causality could flow in the other direction—or even both ways. One way to increase knowledge is to gain experience. And one way to gain additional education is to learn from the experiences of others, as can happen in classes and seminars and through conversations with family and friends.

There is a difference between providing information and providing education. Education may require a combination of information, skill-building, and motivation to make the desired changes in behavior. The distinction between information and education is an especially important point for policymakers and program leaders making decisions about the allocation of resources. Financial education awareness campaigns and learning tools (for example, web sites or brochures), all important in their own right, may need to be coupled with audience-targeted motivational and educational strategies to elicit the desired behavioral changes in financial-management practices.

APPENDIX A: SURVEY DATA

The monthly Surveys of Consumers, which were initiated in the late 1940s by the Survey Research Center at the University of Michigan, measure changes in consumer attitudes and expectations with regard to consumer finance decisions. Each monthly survey of about 500 households includes a set of core questions covering consumer attitudes and expectations and the respondents' socioeconomic and demographic characteristics.³⁴ In the November and December 2001 surveys, the Federal Reserve Board commissioned additional questions regarding household financial knowledge, behaviors, learning experiences, and learning preferences. The sample included 1,004 respondents.

Interviews were conducted by telephone, with telephone numbers drawn from a cluster sample of residential numbers. The sample was chosen to be broadly representative of the four main regions of

the country—Northeast, North Central, South, and West—in proportion to their populations. Alaska and Hawaii were not included. For each telephone number drawn, an adult in the family was randomly selected as the respondent. The survey defines a family as any group of persons living together who are related by marriage, blood, or adoption or any individual living alone or with a person or persons to whom the individual is not related. The survey data have been weighted to be representative of the population as a whole, thereby correcting for differences among families in the probability of their being selected as survey respondents. All survey data in the tables are based on weighted observations.

Federal Reserve staff members worked with colleagues in the U.S. Department of Agriculture's Cooperative State Research, Education, and Extension Service to craft the additional questions. Questions were based, in part, on experiences from other surveys (for example, the Jump\$tart Coalition's biannual survey of high school seniors, Money 2000 surveys, previous Consumer Federation of America–American Express surveys, and the American Savings Education Council youth survey). The questions were divided into five parts: a twenty-eight question quiz on household financial knowledge; an assessment of experiences with thirteen financial products and services; an assessment of eighteen financial behaviors; questions on ways respondents learned about managing household finances; and questions on ways respondents would prefer to learn about managing their finances. Because the Survey of Consumers is a phone survey, a true–false–uncertain format was adopted for the knowledge quiz rather than the multiple-choice format used in many of the other surveys. Once questions were drafted, they were shared with a set of researchers who work in the area of financial education. The researchers helped review the questions and provided additional guidance. Further revisions were made in consultation with the staff at the Survey Research Center.

APPENDIX B: INDICES OF FINANCIAL PRACTICES

To explore patterns of household financial practices, four of the five types of practices listed in table 1 were examined: cash-flow management, credit management, saving, and investment. As discussed in the text, ownership of various financial products as well as reported behaviors were examined simultaneously and used to create an index for each of the four types of practices. Table 1 shows the individual financial

34. See University of Michigan Survey Research Center. *Surveys of Consumers* (Ann Arbor, Mich.: University of Michigan Survey Research Center, 2001).

product and financial behavior variables used to construct the four indexes. The cash-flow management, credit management, and saving indexes include all of the individual financial product and financial behavior variables listed. The investment index does not include the two items related to employer-provided retirement plans because information on whether individuals had access to these plans (or even whether they were employed) was not available.

Levels of cash-flow management, credit management, saving, and investment practices were classified as “high,” “medium,” or “low.” For each type of financial behavior, a determination was made about whether there was an essential element associated with that behavior. For example, in cash-flow management, paying bills on time was considered an essential element.³⁵ Respondents who did not pay their bills on time were automatically categorized in the low group.

Next, controls were established for “conditional” variables. Specifically, (1) for the cash-flow management index, households without checking accounts were not expected to report balancing their checkbooks; (2) for credit management, respondents without credit cards were not expected to report paying their credit card balances in full each month; (3) for investment, respondents without an individual retirement account (IRA) were not expected to report contributing to an IRA; and (4) for investment, retirees (proxied by being age 65 or older) were not expected to report contributing to IRAs or other retirement plans.

The items reported for each financial practice category were summed and percentages were calculated. If households reported fewer than 25 percent of the items, they were classified as low; households reporting between 25 percent and 70 percent of the items were classified as medium; and households reporting more than 70 percent of the items were classified as high. Integers were rounded to account for the discrete nature of the items; for example, 25 percent of five items (1.25) was rounded to 1.

35. See E. Thomas Garman and Raymond Fogue, *Personal Finance* (Boston: Houghton Mifflin, 2003).

Announcements

NOMINATIONS SOUGHT FOR CONSUMER ADVISORY COUNCIL

The Federal Reserve Board announced on June 4, 2003, that it is seeking nominations for appointments to its Consumer Advisory Council. The Council advises the Board on the exercise of its responsibilities under various consumer financial services laws and on other matters on which the Board seeks its advice. The group meets in Washington, D.C., three times a year.

Nine new members will be appointed to serve three-year terms beginning in January 2004. Nominations should include a résumé and the following information about nominees:

- complete name, title, address, telephone, e-mail address, and fax numbers;
- organization's name, brief description of organization, address, telephone and fax numbers, past and present positions;
- knowledge, interests, or experience related to community reinvestment, consumer protection regulations, consumer credit, or other consumer financial services; and
- positions held in community and banking associations, councils, and boards.

Nominations should also include the complete name, organization name, title, address, telephone, e-mail address, and fax numbers for the nominator.

Letters of nomination with complete information, including a résumé for each nominee, must be received by August 15, 2003. Nominations not received by August 15 may not be considered.

Electronic nominations are preferred. The appropriate form can be accessed at: www.federalreserve.gov/forms/cacnominationform.cfm

If electronic submission is not feasible, the nominations can be mailed (not sent by facsimile) to Sandra F. Braunstein, Senior Associate Director, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System, Washington, DC 20551.

AMENDMENT TO REGULATION CC

The Federal Reserve Board on May 20, 2003, announced a series of amendments to Appendix A of Regulation CC (Availability of Funds and Collection of Checks) that the Board will make later in 2003 through the end of 2004 to reflect the restructuring of the Federal Reserve's check processing operations. Appendix A provides a routing number guide that helps depository institutions determine the maximum permissible hold periods for most deposited checks.

Collectively, the amendments will reduce the number of check processing regions listed in Appendix A from 44 to 32, resulting in some nonlocal checks in the affected regions becoming local checks that are subject to faster availability schedules. The Board will publish each amendment in the *Federal Register* at least sixty days before the effective date to allow ample time for depository institutions to make necessary changes.

The Board on May 20, 2003, also approved a final rule that deletes obsolete numbers from and adds new numbers to the list of routing numbers in Appendix A for checks drawn on Federal Reserve Banks and Federal Home Loan Banks.

PUBLICATION OF TRANSITION RULES FOR COLLECTING AND REPORTING INFORMATION

The Federal Reserve Board on May 23, 2003, announced the publication of transition rules to provide lenders with guidance on collecting and reporting information when an application for a home mortgage loan is received before—and final action is taken after—January 1, 2004. The rules were published as an amendment to the official staff commentary that applies and interprets the requirements of Regulation C (Home Mortgage Disclosure Act).

In 2002, the Board substantially revised Regulation C, effective January 1, 2004. The revisions require lenders to report new data items, including information about loan pricing. To minimize the reporting burden, the transition rules generally will not require lenders to collect—pre-January 1, 2004—

information that typically is obtained when an application is submitted. More specifically, the transition rules provide the following.

- Lenders will not have to indicate whether an application or loan involved a request for preapproval or were related to a manufactured home.
- Lenders may at their option continue to apply the current—instead of the revised—definitions for a home improvement loan and for refinancings.
- Lenders need not report the rate spread for loans in which the rate lock occurs before January 1, 2004, given that their data collection systems may not be fully operational until the revisions take effect in January 2004.

The transition rules require lenders to report information available at the time of final action: purchaser type; whether a loan is subject to the Home Ownership and Equity Protection Act; and the lien status of applications and originated loans. The Board has also provided rules to convert information about applicants' race and ethnicity (collected under the current categories in 2003 and reported under the new categories in 2004).

PROPOSAL TO AMEND REGULATION K

The Federal Reserve Board on May 29, 2003, announced that it is seeking public comment on a proposal to amend Regulation K (International Banking Operations) to require Edge Act and agreement corporations and U.S. branches, agencies, and other offices of foreign banks supervised by the Board to establish and maintain procedures reasonably designed to ensure and monitor compliance with the Bank Secrecy Act and related regulations.

The Bank Secrecy Act generally requires a financial institution doing business in the United States to keep records and make reports that have a high degree of usefulness in criminal, tax, or regulatory proceedings. Domestic financial institutions, such as state member banks subject to the Board's Regulation H (Membership of State Banking Institutions in the Federal Reserve System), already have been required to establish and maintain such procedures. The Board's proposal to amend Regulation K is designed to require Edge Act and agreement corporations and U.S. branches, agencies, and other offices of foreign banks to implement and maintain similar compliance programs.

The Board's proposal is designed to be consistent with regulations recently issued by the U.S. Depart-

ment of the Treasury under section 352 of the USA PATRIOT Act, which requires all financial institutions to maintain effective anti-money-laundering programs. The Board believes that the proposed regulation will not impose any material administrative burden for affected institutions because, in supervising these institutions to ensure safety and soundness, the Board has consistently expected such entities to maintain programs to ensure compliance with all applicable provisions of the Bank Secrecy Act.

PROPOSAL TO MODIFY METHOD FOR IMPUTING PRICED-SERVICE INCOME

The Federal Reserve Board on May 23, 2003, requested comment on a proposal to modify the method for imputing priced-service income from clearing balance investments. Federal Reserve Banks impute this income when setting fees and measuring actual cost recovery each year.

Clearing balances held at Reserve Banks are similar to compensating balances held by respondent banks at correspondent banks. Reserve Banks currently assume that all available clearing balances are invested in three-month Treasury bills. The Board proposes to impute the income from its clearing balance investments on the basis of a broader portfolio of investment instruments than used today. Imputed investments would be selected from instruments available to bank holding companies and would be subject to a risk-management framework that includes criteria consistent with those used by bank holding companies and regulators in evaluating investment risk.

The Monetary Control Act requires Federal Reserve Banks to establish fees for priced services provided to depository institutions at a level necessary to recover, over the long run, all direct and indirect costs actually incurred and imputed costs. The Reserve Banks also impute income that would have been earned on the investment of clearing balances that customers hold with the Reserve Banks had those balances been held by a private business firm.

LAUNCH OF SYSTEMWIDE FINANCIAL EDUCATION INITIATIVE

Federal Reserve Board Chairman Alan Greenspan stressed the benefits of economic and financial education in a public service announcement and during

a visit to a Washington, D.C., school. The events are part of a broad initiative throughout the Federal Reserve System to provide consumers with more resources for making smart financial decisions.

An increasingly complex global financial system underscores the need for consumers to have a strong working knowledge of financial concepts. At a news conference today to launch the initiative, Federal Reserve Board Governor Edward M. Gramlich said, "Americans of every income and educational background want additional tools and training to address the complexities of personal finance. Educated consumers are one key to keeping our economy functioning well."

The Federal Reserve Board and the twelve Federal Reserve Banks have a long history as promoters and providers of financial education. The initiative builds upon existing efforts with the introduction of public service messages, a new brochure, enhancements to the System's financial education web site, and the announcement of upcoming System-sponsored programs and events.

Beginning in May, Chairman Greenspan has been featured in a public service announcement aired by major television and radio networks. His message: "No matter who you are, making informed decisions about what to do with your money will help build a more stable financial future for you and your family." An English and a Spanish version of the announcement were distributed.

On June 5, 2003, Chairman Greenspan and Richmond Federal Reserve Bank President J. Alfred Broadus, Jr., spoke with students of John Philip Sousa Middle School in Washington, D.C., about how sound mathematical and problem-solving skills can promote good money management. The visit was intended to complement Operation HOPE's efforts to support the financial education of urban youth.

"We believe that this is a particularly good time to promote financial education because of the widespread availability of high-quality curricula programs, and training opportunities for consumers of all ages and backgrounds," Gramlich said. "Our hope is to encourage consumers to take advantage of the programs available in their communities, schools, and on the web."

The Federal Reserve education web site (www.FederalReserveEducation.org) is also being enhanced with links to additional educational resources including a brochure filled with tips for taking charge of personal finances. The brochure, "There's a Lot to Learn About Money," contains information on setting financial goals, budgeting, and

using credit wisely. It is available online in English and Spanish.

In addition, an online repository for financial education and literacy research has been created on the Chicago Federal Reserve's Consumer and Economic Development Research and Information Center (CEDRIC) web site (www.chicagofed.org/cedric/listing.cfm). CEDRIC provides researchers, community organizations, financial institutions, government agencies, and the public with a comprehensive source for abstracts and full texts of articles, reports, working papers, and other studies related to community development issues.

Expanding the availability of quality financial education opportunities to the public and to System employees is a high priority for the Federal Reserve Banks. Throughout 2003, the Banks will update existing programs and launch new ones. Some of these initiatives will involve partnerships with area financial institutions and private-sector organizations. A list of planned activities will be available on the Federal Reserve Education web site listed above.

EXPANSION OF OPERATING HOURS FOR ONLINE FEDWIRE® FUNDS SERVICE

The Federal Reserve Board on May 21, 2003, announced it will expand the operating hours for the online Fedwire Funds Service.

The Fedwire Funds Service will open three and one-half hours earlier (9:00 p.m. Eastern Time the prior calendar day) than the current opening time of 12:30 a.m. ET. The closing time for the service will remain 6:30 p.m. ET. The scheduled timeframe for full implementation of the expanded operating hours is the second quarter of 2004. Fedwire participants will be notified at least sixty days before the specific effective date of the new hours.

The impetus for the expansion of the Fedwire operating hours was industry requests to achieve greater overlap of U.S. wholesale payments system operating hours with those of the Asia-Pacific markets, including Australia, Hong Kong, Japan, and New Zealand.

The Fedwire Funds Service is a real-time, large-value electronic funds transfer service, which is provided by the Federal Reserve Banks. Depository institutions and other authorized participants use this service to send and receive large-value, time-critical payments. Each payment transaction is settled individually in central bank money and is final and irrevocable once processed.

FOMC ANNOUNCES MEETING SCHEDULE FOR 2004

The Federal Open Market Committee announced on June 10, 2003, its tentative meeting schedule for 2004.

- January 27–28 (Tuesday–Wednesday)
- March 16 (Tuesday)
- May 4 (Tuesday)
- June 29–30 (Tuesday–Wednesday)
- August 10 (Tuesday)
- September 21 (Tuesday)
- November 10 (Wednesday)
- December 14 (Tuesday)

UNVEILING OF NEW \$20 NOTE

U.S. government officials on May 13, 2003, unveiled a new \$20 note design with enhanced security features and subtle background colors. The new design is part of an ongoing effort to stay ahead of the counterfeiting of U.S. currency.

“The soundness of a nation’s currency is essential to the soundness of its economy. And to uphold our currency’s soundness, it must be recognized and honored as legal tender, and counterfeiting must be effectively thwarted,” said Alan Greenspan, Chairman of the Board of Governors of the Federal Reserve System.

At the unveiling, U.S. Treasury Secretary John W. Snow and Chairman Greenspan were joined by U.S. Treasurer Rosario Marin; Tom Ferguson, Director of the Treasury’s Bureau of Engraving and Printing, which produces U.S. currency; and W. Ralph Basham, Director of the United States Secret Service, the law enforcement agency responsible for combating counterfeiting.

The new \$20 note will be issued in the fall, with new designs for the \$50 and \$100 notes following in 2004 and 2005. Redesign of the \$5 and \$10 notes is under consideration, but the \$1 and \$2 notes will not be redesigned. Even after the new money is issued, older-design notes will remain legal tender.

“U.S. currency is a worldwide symbol of security and integrity. This new design will help us keep it that way, by protecting against counterfeiting and making it easier for people to confirm the authenticity of their hard-earned money,” Snow said. “In addition to keeping our currency safe from counterfeiters, we are working to ensure that more of those dollars stay

in the pockets of American families. The swift enactment of the President’s Jobs and Growth package should do just that.”

“This is The New Color of Money; it is safer because it is harder to fake and easier to check, smarter to stay ahead of tech-savvy counterfeiters, and more secure than ever,” said the Bureau of Engraving and Printing’s Ferguson. “The security features are easier than ever to use, and we want the public to learn how to use them, to protect its hard-earned money.”

The New Color of Money

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

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

The new bills will remain the same size and use the same, but enhanced, portraits and historical images of Andrew Jackson on the face of the note and the White House on the back. The redesign also features symbols of freedom—a blue eagle in the background, and a metallic green eagle and shield to the right of the portrait in the \$20 note.

Security Features

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

- *The watermark*—the faint image similar to the large portrait, which is part of the paper itself and is visible from both sides when held up to the light.

- *The security thread*—also visible from both sides when held up to the light, this vertical strip of plastic is embedded in the paper. “USA TWENTY” and a small flag are visible along the thread.

- *The color-shifting ink*—the numeral “20” in the lower-right corner on the face of the note changes from copper to green when the note is tilted. The

color shift is more dramatic and easier to see on the new-design notes.

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

Counterfeiting: Increasingly Digital

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

Yet despite the efforts of counterfeiters, U.S. currency counterfeiting has been kept at low levels, with current estimates putting the level of counterfeit notes in circulation worldwide at between 0.01 and 0.02 percent, or about 1–2 notes in every 10,000 genuine notes.

Secret Service Director Basham credits a combination of factors in keeping counterfeiting low: “Improved worldwide cooperation in law enforcement; improvements in currency design, like those in the new \$20 notes unveiled today; and a better-informed public all contribute to our success in the fight against counterfeiting.”

Public Education

Because the improved security features are more effective if the public knows about them, the U.S. government is undertaking a broad public education program. This program will ensure that people all over the world know the new currency is coming and help them recognize and use the security features. The outreach will include cash-handlers, merchants, business and industry associations, and the media. With roughly two-thirds of all U.S. currency held outside the United States, the public education program will extend worldwide.

“From Wall Street to Fleet Street, from St. Petersburg, Florida, to St. Petersburg, Russia, our goal is the seamless, smooth introduction of The New Color of Money,” Treasurer Marin said.

To learn more about the new currency and to download an image of the new \$20 design, visit www.moneyfactory.com/newmoney.

BANKING AGENCIES ISSUE HOST STATE LOAN-TO-DEPOSIT RATIOS

The Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency issued on May 22, 2003, the host state loan-to-deposit ratios that the banking agencies will use to determine compliance with section 109 of the Riegle–Neal Interstate Banking and Branching Efficiency Act of 1994. These ratios update data released on June 24, 2002.

In general, section 109 prohibits a bank from establishing or acquiring a branch or branches outside its home state primarily for the purpose of deposit production. Section 109 also prohibits branches of banks controlled by out-of-state bank holding companies from operating primarily for the purpose of deposit production.

Section 109 provides a process to test compliance with the statutory requirements. The first step in the process involves a loan-to-deposit ratio screen that compares a bank’s statewide loan-to-deposit ratio to the host state loan-to-deposit ratio for banks in a particular state.

A second step is conducted if a bank’s statewide loan-to-deposit ratio is less than one-half of the published ratio for that state or if data are not available at the bank to conduct the first step. The second step requires the appropriate banking agency to determine whether the bank is reasonably helping to meet the credit needs of the communities served by the bank’s interstate branches.

A bank that fails both steps is in violation of section 109 and is subject to sanctions by the appropriate banking agency.

FEDERAL RESERVE AND TREASURY HOST MEETING TO DISCUSS CREDIT MANAGEMENT

Federal Reserve Board Governor Edward M. Gramlich and Treasury Assistant Secretary for Financial Institutions Wayne A. Abernathy on May 22, 2003, convened a panel discussion on credit management with representatives of financial services organizations and companies. Judy Chapa, Treasury Deputy Assistant Secretary for Financial Education, moderated the discussion.

“We must take steps to educate all Americans about the importance of responsible credit management,” said Assistant Secretary Abernathy. “A good credit rating is critical to the American family—opening the door to homeownership, entrepreneurial

business loans, assistance with higher education costs, and many other goals. We welcome this exchange of ideas on how to best focus our efforts.”

“Credit must be managed wisely,” said Governor Gramlich. “People who understand the fundamentals of money management are more likely to make decisions that promote their own well-being and, on a broader scale, foster a more efficient economy. I hope that today’s initiative will inspire additional research into the most effective credit management techniques and educational tools.”

During the meeting, the participants planned to reach consensus on core principles that they would use as they work to strengthen American’s understanding of credit management.

Participants in the panel discussion included representatives from the National Foundation for Credit Counseling, the Association for Financial Counseling and Planning Education, the In-Charge Institute, the American Bankers Association, America’s Community Bankers, the Credit Union National Foundation, the Fannie Mae Foundation, Freddie Mac, American Express, MasterCard, Visa, the Community Financial Services Association of America, the Consumer Federation of America, the National Council of La Raza, the American Association of Retired Persons, and College Parents of America.

The issue of credit management is one of four areas of focus by the Treasury Department’s Office of Financial Education (OFE), established in 2002 and headed by Deputy Assistant Secretary Chapa. The OFE works to ensure that Americans have access to financial education programs and that they obtain the practical knowledge and skills that will enable them to make informed financial choices through various life stages. The OFE chairs the Federal Government Financial Education Coordinating Group.

As the agency with responsibility for the Truth in Lending Act regulations, the Federal Reserve has worked to promote access to credit and fair lending for under-served consumers and communities. In 2000, the Federal Reserve hosted a discussion on best practices in consumer credit education; and through its web site (www.FederalReserveEducation.org) and consumer education materials, it is working to make sure consumers know their rights and responsibilities in credit transactions.

FEDERAL FINANCIAL REGULATORY AGENCIES SEEK COMMENT ON INTERAGENCY EFFORT TO REDUCE REGULATORY BURDEN

The federal financial regulatory agencies announced on June 3, 2003, that they will publish a joint notice

and request for comments on a plan to identify and eliminate outdated, unnecessary, or unduly burdensome regulations imposed on insured depository institutions.

The request from the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency and the Office of Thrift Supervision is being made pursuant to section 2222 of the Economic Growth and Regulatory Paperwork Reduction Act of 1996 (EGRPRA). The National Credit Union Administration will be issuing a separate notice and request for comments pursuant to EGRPRA.

Under the 1996 law, the agencies are required to review their regulations at least once every ten years. The publication of the notice and request for comments in a forthcoming issue of the *Federal Register* will mark the beginning of a three-year joint effort by the agencies to obtain suggestions from the industry and public on more-streamlined and less-burdensome ways to regulate. EGRPRA requires the agencies to categorize the regulations, publish the categories for comment, report to the Congress on any significant issues raised by the comments, and eliminate unnecessary regulations.

The agencies will publish the categories for which they are seeking comments twice a year. For this first publication, comments are requested for the following three categories of regulations: Applications and Reporting, Powers and Activities, and International Operations.

To encourage full participation in the EGRPRA review, the agencies have scheduled five roundtable discussions with bankers and other interested parties. The sessions will be held as follows.

- June 11, Orlando, Florida
- June 26, St. Louis, Missouri
- July 15, Denver, Colorado
- September 18, San Francisco, California
- October 15, New York, New York

MINUTES OF BOARD DISCOUNT RATE MEETINGS

The Federal Reserve Board on May 16, 2003, released the minutes of its discount rate meetings from February 10 to March 17, 2003.

MEETING OF THE CONSUMER ADVISORY COUNCIL

The Federal Reserve Board announced on June 4, 2003, that the Consumer Advisory Council would

hold its next meeting on Thursday, June 26. The Council's function is to advise the Board on the exercise of its responsibilities under various consumer financial services laws and on other matters on which the Board seeks its advice.

ENFORCEMENT ACTIONS

The Federal Reserve Board on May 29, 2003, announced the execution of a written agreement by and among the NAB Bank, Chicago, Illinois, the Federal Reserve Bank of Chicago, and the State of Illinois Office of Banks and Real Estate.

The Federal Reserve Board also announced the execution of a written agreement by and between Brickyard Bancorp, Inc., Lincolnwood, Illinois, and the Federal Reserve Bank of Chicago.

The Federal Reserve Board on June 4, 2003, announced the issuance of a consent Order of Assessment of a Civil Money Penalty against the Citizens Bank and Trust Company, Van Buren, Arkansas, a state member bank. Citizens Bank and Trust Company, without admitting to any allegations, consented to the issuance of the order in connection with its alleged violations of the Board's Regulations implementing the National Flood Insurance Act.

The order requires Citizens Bank and Trust Company to pay a civil money penalty of \$7,000, which will be remitted to the Federal Emergency Management Agency for deposit into the National Flood Mitigation Fund.

The Federal Reserve Board on June 13, 2003, announced the execution of a written agreement by and between The Marathon Bank, Winchester, Virginia, and the Federal Reserve Bank of Richmond.

The Federal Reserve Board also announced the issuance of a Cease and Desist Order against Lori H. Staples, a former vice president and an institution-affiliated party of The Marathon Bank, Winchester, Virginia.

TERMINATION OF ENFORCEMENT ACTIONS

The Federal Reserve Board on May 13, 2003, announced the termination of the following enforcement action.

- U.S. Trust Corporation and the United States Trust Company of New York, New York. Cease and Desist Order dated July 11, 2001.

STAFF CHANGES

Robert F. Taylor, Assistant Director in the Division of Information Technology, retired on Thursday, July 3, 2003, after more than thirty-two years at the Board and more than thirty-six years of government service.

David L. Williams, Associate Director in the Management Division, retired in July after more than thirty years of service to the Board. □

Legal Developments

FINAL RULE—AMENDMENT TO RULES OF ORGANIZATION

The Board of Governors of the Federal Reserve System (the Board) has revised its definition of a quorum of the Board and incorporated the new quorum provision into the Board's Rules of Organization. The amendment is designed to enhance the Board's ability to perform its functions in the event of a national emergency, and would not alter the number of Board members required to constitute a quorum in normal operating environments.

Effective April 29, 2003, section 2 of the Board's Rules of Organization is amended as follows:

Section 2—Composition, Location, and Public Information

* * * * *

(b) *Quorum.* A majority of the members in office constitutes a quorum of the Board for purposes of transacting business *except* that, if there are five members in office, then four members constitute a quorum.

FINAL RULE—AMENDMENT TO REGULATION C

The Board of Governors is amending 12 C.F.R. Part 203, its Regulation C (Home Mortgage Disclosure). The Board is publishing final amendments to the official staff commentary to Regulation C (Home Mortgage Disclosure). The amendments provide transition rules for applications received before January 1, 2004, on which final action is taken on or after January 1, 2004.

Effective June 27, 2003, 12 C.F.R. Part 203 is amended as follows:

Part 203—Home Mortgage Disclosure (Regulation C)

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

Authority: 12 U.S.C. 2801–2810.

2. In Supplement I to part 203, under Section 203.4—Compilation of Loan Data, under 4(a) *Data Format and Itemization*, a new paragraph 4 is added:

Supplement I to Part 203—Staff Commentary

* * * * *

Section 203.4—Compilation of Loan Data

4(a) Data Format and Itemization.

* * * * *

4. *Transition rules for applications received before January 1, 2004, when final action is taken on or after January 1, 2004.* For applications received before January 1, 2004, on which final action is taken on or after January 1, 2004, data must be collected and reported on the HMDA/LAR under the revisions to Regulation C that take effect on January 1, 2004, subject to the exceptions for property type, loan purpose, requests for preapproval, applicant information, and rate spread set forth in this comment.

i. *Property type.* Lenders need not determine whether an application received before January 1, 2004, involves a manufactured home, and may report the property type as 1- to 4-family.

ii. *Loan purpose.* For applications received before January 1, 2004, lenders may use the definitions of a home improvement loan and a refinancing that were in effect in 2003. For example, a lender need not report data on an application received before January 1, 2004, for a dwelling-secured loan made for the purpose of home improvement, if the lender did not classify the loan as a home improvement loan. Similarly, a lender may report data on an application for a refinancing received in 2003, where the new obligation will be, but the existing obligation was not, secured by a lien on a dwelling.

iii. *Requests for preapproval.* For requests received before January 1, 2004, lenders need not report requests for preapproval (as that term is defined in section 203.2(b)(2) of the revised Regulation C) that do not result in a traditional loan application. Lenders may, at their option, report requests for preapproval that are denied or that are approved but not accepted. In addition, lenders need not specify whether an application for a home purchase loan involved a request for preapproval, and should use code 3 (Not Applicable) in the preapproval field on the HMDA/LAR.

iv. *Application information.* For applications received before January 1, 2004, lenders must collect data on race or national origin using the categories in effect in 2003, and must convert the data to the codes in effect in 2004 for reporting, using the following conversion guide:

(A) Ethnicity. The revised Regulation C requires

lenders to request an applicant's ethnicity first (Hispanic or Latino, Not Hispanic or Latino), and then to request the applicant's race. The HMDA/LAR has been revised accordingly, so that ethnicity and race are distinct fields.

- (1) If the applicant's race was identified as Hispanic (code 4) in 2003, use code 1 (Hispanic or Latino) for reporting ethnicity.
- (2) If the applicant's race was identified as American Indian or Alaskan Native, Asian or Pacific Islander, Black, White, Other, or Not Applicable (codes 1, 2, 3, 5, 6, or 8) in 2003, use code 4 (Not Applicable) for reporting ethnicity.
- (3) If the applicant did not provide information on race in a mail, Internet, or telephone application (code 7) in 2003, use code 3 (information not provided by applicant in mail, Internet, or telephone application) for reporting ethnicity.

(B) Race.

- (1) If the applicant's race was identified as American Indian or Alaskan Native, Black, or White in 2003, use the corresponding code for 2004. For example, if the applicant's race was identified as Black (code 3) in 2003, use code 3 (Black or African-American) for reporting race in 2004.
- (2) If the applicant's race was identified as Asian or Pacific Islander in 2003, use code 2 (Asian).
- (3) If the applicant's race was identified as Hispanic in 2003, use code 7 (Not Applicable).
- (4) If the applicant's race was identified as Other in 2003, use code 7 (Not Applicable).
- (5) If the applicant did not provide information on race in a mail, Internet, or telephone application (code 7) in 2003, use code 6 (Information not provided by applicant in mail, Internet, or telephone application).
- (6) If the applicant's race was identified as Not Applicable (code 8) in 2003, use code 7 (Not Applicable).

(C) Sex. For applications received before January 1, 2004, in which there is no co-applicant, the lender may use code 4 (Not Applicable) in the field provided for the co-applicant's sex.

v. *Rate Spread*. For applications received before January 1, 2004, in which the rate lock occurred before January 1, 2004, lenders may report NA (Not Applicable) for rate spread. For applications received before January 1, 2004, for which the rate lock occurred after January 1, 2004, lenders must calculate and report the rate spread in accordance with the rules set forth in new section 202.4(a)(12) (see 67 *Federal Register* 7222 (February 15, 2002); 67 *Federal Register* 43223 (June 27, 2002)).

(A) Example: Assume an application is received on December 1, 2003; the rate lock occurs on December 26, 2003, and the loan is originated on January 15, 2004. The lender may report NA (Not Applicable) for rate spread.

(B) Example: Assume an application is received on December 15, 2003; the rate lock occurs on January 3, 2004, and the loan is originated on January 15, 2004. The lender must calculate and report the rate spread in accordance with the rules in new section 202.4(a)(12) (see 67 *Federal Register* 7222 (February 15, 2002); 67 *Federal Register* 43223 (June 27, 2002)).

JOINT FINAL RULE—AMENDMENT TO CUSTOMER IDENTIFICATION PROGRAMS FOR BANKS, SAVINGS ASSOCIATIONS, CREDIT UNIONS AND CERTAIN NON-FEDERALLY REGULATED BANKS

The Department of the Treasury, through the Financial Crimes Enforcement Network (FinCEN), together with the Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System (Board), the Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the National Credit Union Administration (NCUA) (collectively, the Agencies), have jointly adopted a final rule to implement section 326 of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act of 2001 (the Act). Section 326 requires the Secretary of the Treasury (Secretary) to jointly prescribe with each of the Agencies, the Securities and Exchange Commission (SEC), and the Commodity Futures Trading Commission (CFTC), a regulation that, at a minimum, requires financial institutions to implement reasonable procedures to verify the identity of any person seeking to open an account, to the extent reasonable and practicable; maintain records of the information used to verify the person's identity; and determine whether the person appears on any lists of known or suspected terrorists or terrorist organizations provided to the financial institution by any government agency. This final regulation applies to banks, savings associations, credit unions, private banks, and trust companies.

The text of the other Agencies' final rules can be found in 12 C.F.R. Parts 21, 326, 563, 748, and 31 C.F.R. Part 103, and was published in the *Federal Register* on May 9, 2003 (68 *Federal Register* 25089 (2003)). The Board adopted the amendment to Regulation H, Membership of State Banking Institutions in the Federal Reserve System, and Regulation K, International Banking Operations, 12 C.F.R. Parts 208 and 211, on April 21, 2003.

Effective June 9, 2003, 12 C.F.R. Parts 208 and 211 are amended as follows. Any transactions settled on or after October 1, 2003, are subject to this final rule.

Part 208—Membership of State Banking Institutions in the Federal Reserve System (Regulation H)

Subpart F—Miscellaneous Requirements

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

Authority: 12 U.S.C. 24, 24a, 36, 92a, 93a, 248(a), 248(c), 321–338a, 371d, 461, 481–486, 601, 611, 1814, 1816, 1818, 1820(d)(9), 1823(j), 1828(o), 1831, 1831o, 1831p-1, 1831r-1, 1831w, 1831x, 1835a, 1843(l), 1882, 2901–2907, 3105, 3310, 3331–3351, and 3906–3909; 15 U.S.C. 78b, 78l(b), 78l(g), 78l(i), 78o-4(c)(5), 78q, 78q-1, and 78w; 31 U.S.C. 5318; 42 U.S.C. 4012a, 4104a, 4104b, 4106, and 4128.

2. Revise section 208.63(b) to read as follows:

Section 208.63—Procedures for monitoring Bank Secrecy Act compliance.

* * * * *

(b) *Establishment of BSA compliance program.*

(1) *Program requirement.* Each bank shall develop and provide for the continued administration of a program reasonably designed to ensure and monitor compliance with the recordkeeping and reporting requirements set forth in subchapter II of chapter 53 of title 31, United States Code, the Bank Secrecy Act, and the implementing regulations promulgated thereunder by the Department of the Treasury at 31 C.F.R. Part 103. The compliance program shall be reduced to writing, approved by the board of directors, and noted in the minutes.

(2) *Customer identification program.* Each bank is subject to the requirements of 31 U.S.C. § 5318(l) and the implementing regulation jointly promulgated by the Board and the Department of the Treasury at 31 C.F.R. 103.121, which require a customer identification program to be implemented as part of the BSA compliance program required under this section.

* * * * *

Part 211—International Banking Operations (Regulation K)

1. The authority citation for Part 211 is revised to read as follows:

Authority: 12 U.S.C. 221 *et seq.*, 1818, 1835a, 1841 *et seq.*, 3101 *et seq.*, and 3901 *et seq.*; 15 U.S.C. 6801 and 6805; 31 U.S.C. 5318.

2. In section 211.5, add new paragraph (m) to read as follows:

Section 211.5—Edge and agreement corporations.

* * * * *

(m) *Procedures for monitoring Bank Secrecy Act.*

(1) [Reserved]

(2) *Customer identification program.* Each Edge or agreement corporation is subject to the requirements of 31 U.S.C. § 5318(l) and the implementing regulation jointly promulgated by the Board and the Department of the Treasury at 31 C.F.R. 103.121, which require a customer identification program.

3. In section 211.24, add new paragraph (j) to read as follows:

Section 211.24—Approval of offices of foreign banks; procedures for applications; standards for approval; representative office activities and standards for approval; preservation of existing authority.

* * * * *

(j) *Procedures for monitoring Bank Secrecy Act compliance.*

(1) [Reserved]

(2) *Customer identification program.* Except for a federal branch or a federal agency or a state branch that is insured by the FDIC, a branch, agency, or representative office of a foreign bank operating in the United States is subject to the requirements of 31 U.S.C. § 5318(l) and the implementing regulation jointly promulgated by the Board and the Department of the Treasury at 31 C.F.R. 103.121, which require a customer identification program.

FINAL RULE—AMENDMENT TO REGULATION CC

The Board of Governors is amending 12 C.F.R. Part 229, its Regulation CC (Availability of Funds and Collection of Checks). The Board is publishing a final amendment to appendix A of Regulation CC that updates the routing numbers for Federal Reserve Banks and Federal Home Loan Banks. Banks generally must provide next-day or second-day availability for checks drawn on these routing numbers. This amendment also reorganizes and clarifies existing information in the introductory material preceding the routing number list.

The Board also is providing information about a series of future amendments that the Board will make to appendix A to reflect the restructuring of check processing functions within the Federal Reserve System. These

amendments collectively will reduce the number of check processing regions listed in appendix A from 44 to 32, thereby resulting in more checks in the affected regions being local to one another. These amendments will take effect on a staggered basis beginning in the second half of 2003 and ending in late 2004. The Board will publish each amendment in the *Federal Register* at least 60 days before the effective date.

Effective June 27, 2003, 12 C.F.R. Part 229 is amended as follows:

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

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

Authority: 12 U.S.C. §4001 *et seq.*

2. Appendix A to Part 229 is amended as follows:

- a. Introductory paragraphs A and B are revised and a new paragraph C is added.
- b. The heading and text of the Federal Reserve Offices routing list are revised.
- c. The Federal Home Loan Bank routing number list is revised.

The additions and revisions read as follows:

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

- A. Each bank is assigned a routing number by Thomson Financial Publishing Inc., as agent for the American Bankers Association. The routing number takes two forms: a fractional form and a nine-digit form. A paying bank generally is identified on the face of a check by its routing number in both the fractional form (which generally appears in the upper right-hand corner of the check) and the nine-digit form (which is printed in magnetic ink along the bottom of the check). Where a check is payable by one bank but payable through another bank, the routing number appearing on the check is that of the payable-through bank, not the payor bank.
- B. The first four digits of the nine-digit routing number (and the denominator of the fractional routing number) form the “Federal Reserve routing symbol,” and the first two digits of the routing number identify the Federal Reserve District in which the bank is located. Thus, 01 will be the first two digits of the routing number of a bank in the First Federal Reserve District (Boston), and 12 will be the first two digits of the routing number of a bank in the Twelfth District (San Francisco). Adding 2 to the first digit denotes a thrift institution. Thus, 21 identifies a thrift in the First District, and 32 denotes a thrift in the Twelfth District.

C. Each Federal Reserve check processing office is listed below, followed by the Federal Reserve routing symbols of the banks that are located within the check-processing region served by that office. Because some check processing regions cross Federal Reserve District lines, there are some cases in which banks in different Federal Reserve Districts are located in the same check-processing region and therefore considered local to each other. For example, banks in Fairfield County, Connecticut are located in Second District and have Second District routing numbers (0211 or 2211), but the Windsor Locks office of the First District processes the checks of these banks. Thus, as indicated below, checks drawn on banks with 0211 or 2211 routing numbers would be local for First District banks served by the Windsor Locks office but would be nonlocal for other Second District depository banks.

* * * * *

Federal Reserve Banks

0110 0001 5	0720 0029 0
0111 0048 1	0730 0033 8
0210 0120 8	0740 0020 1
0212 0400 5	0750 0012 9
0213 0500 1	0810 0004 5
0220 0026 6	0820 0013 8
0310 0004 0	0830 0059 3
0410 0001 4	0840 0003 9
0420 0043 7	0910 0008 0
0430 0030 0	0920 0026 7
0440 0050 3	1010 0004 8
0510 0003 3	1020 0019 9
0519 0002 3	1030 0024 0
0520 0027 8	1040 0012 6
0530 0020 6	1110 0003 8
0539 0008 9	1120 0001 1
0610 0014 6	1130 0004 9
0620 0019 0	1140 0072 1
0630 0019 9	1210 0037 4
0640 0010 1	1220 0016 6
0650 0021 0	1230 0001 3
0660 0010 9	1240 0031 3
0710 0030 1	1250 0001 1
0711 0711 0	

Federal Home Loan Banks

0110 0053 6	0740 0101 9
0212 0639 1	0810 0091 9
0260 0973 9	0910 0091 2
0410 0291 5	1010 0091 2
0420 0091 6	1011 0194 7
0430 0143 5	1110 1083 7
0430 1862 2	1119 1083 0
0610 0876 6	1210 0070 1
0710 0450 1	1240 0287 4
0730 0091 4	1250 0050 3

ORDERS ISSUED UNDER BANK HOLDING COMPANY ACT

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

BB&T Corporation
Winston-Salem, North Carolina

Order Approving the Merger of Bank Holding Companies

BB&T Corporation ("BB&T"), a financial holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has requested the Board's approval under section 3 of the BHC Act (12 U.S.C. § 1842) to merge with First Virginia Banks, Inc. ("First Virginia"), a bank holding company, and thereby acquire First Virginia's subsidiary banks, including its lead subsidiary bank, First Virginia Bank, both in Falls Church, Virginia.¹ BB&T, as permitted by section 4 of the BHC Act, also has elected to request the Board's approval under section 4(c)(8) and (j) of the BHC Act (12 U.S.C. § 1843(c)(8) and (j)) and sections 225.28(b)(3), (11)(i), and (12) of the Board's Regulation Y (12 C.F.R. 225.28(b)(3), (11)(i), and (12)) to acquire certain nonbanking subsidiaries of First Virginia, and thereby engage in permissible leasing, credit-related insurance, and community development activities.²

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (68 *Federal Register* 13,709 (2003)). The time for filing comments has expired, and the Board has considered the proposal in light of the factors set forth in sections 3 and 4 of the BHC Act.

BB&T, with total consolidated assets of approximately \$80.2 billion, is the eighteenth largest commercial banking organization in the United States.³ BB&T operates subsidiary depository institutions in North and South Carolina, Virginia, West Virginia, Kentucky, Georgia, Maryland, Tennessee, Alabama, Indiana, and Florida. In Virginia, BB&T is the fourth largest commercial banking organization with deposits of \$9 billion, representing approximately 8.6 percent of total deposits in insured depository insti-

tutions in the state ("state deposits").⁴ BB&T is the sixth largest commercial banking organization in Maryland with deposits of \$3.3 billion, representing 5.1 percent of state deposits; and the eleventh largest commercial banking organization in Tennessee with deposits of \$873.5 million, representing 1.2 percent of state deposits.

First Virginia, with total consolidated assets of \$11.2 billion, is the sixty-fourth largest commercial banking organization in the United States. First Virginia operates subsidiary depository institutions in Virginia, Maryland, and Tennessee. First Virginia is the sixth largest commercial banking organization in Virginia with deposits of \$7.4 billion, representing approximately 7.2 percent of total state deposits; the tenth largest commercial banking organization in Maryland with deposits of \$1.3 billion, representing 2 percent of state deposits; and the forty-third largest commercial banking organization in Tennessee with deposits of \$251.8 million, representing less than 1 percent of state deposits.

On consummation of the proposal and after accounting for the proposed divestitures noted in this order, BB&T would become the fifteenth largest commercial banking organization in the United States with total consolidated assets of \$93.4 billion, representing approximately 1.1 percent of total U.S. banking assets. Also, BB&T would become the second largest commercial banking organization in Virginia with deposits of \$16.1 billion, representing approximately 15.6 percent of state deposits; would remain the sixth largest commercial banking organization in Maryland with deposits of \$4.5 billion, representing 7 percent of state deposits; and would become the ninth largest commercial banking organization in Tennessee with deposits of \$1.1 billion, representing 1.5 percent of state deposits.

Interstate Analysis

Section 3(d) of the BHC Act allows the Board to approve an application by a bank holding company to acquire control of a bank located in a state other than the home state of the bank holding company if certain conditions are met.⁵ For purposes of the BHC Act, the home state of BB&T is North Carolina, and First Virginia's subsidiary banks are located in Maryland, Virginia, and Tennessee.⁶ Based on a review of all the facts of record, including a review of relevant state statutes, the Board finds that all conditions for an interstate acquisition enumerated in sec-

1. BB&T also would acquire the following subsidiary state member banks of First Virginia: Atlantic Bank, Ocean City, and Farmers Bank of Maryland, Annapolis, both in Maryland; and First Virginia Bank-Blue Ridge, Staunton; First Virginia Bank/Tri-Cities, Bristol; First Virginia Bank-Colonial, Richmond; First Virginia Bank-Hampton Roads, Norfolk; and First Virginia Bank-Southwest, Roanoke, all in Virginia. BB&T initially would own First Virginia's subsidiary banks as direct subsidiaries. BB&T subsequently would reorganize the branch structure of the acquired subsidiary banks through consolidations, mergers, and purchase-and-assumption transactions, subject to obtaining all appropriate regulatory approvals.

2. In addition, BB&T would acquire First Virginia Insurance Services, Inc., also in Falls Church, an insurance agency that is a direct subsidiary of First Virginia, pursuant to section 4(k) of the BHC Act (12 U.S.C. § 1843(k)) and the post-transaction notice procedures of section 225.87 of Regulation Y (12 C.F.R. 225.87).

3. Asset and ranking data are as of December 31, 2002.

4. Deposit and ranking data are as of June 30, 2002, and reflect mergers and acquisitions as of February 25, 2003. In this context, depository institutions include commercial banks, savings banks, and savings associations.

5. See 12 U.S.C. § 1842(d). A bank holding company's home state is the state in which the total deposits of all banking subsidiaries of such company were the largest on the later of July 1, 1966, or the date on which the company became a bank holding company. 12 U.S.C. § 1841(o)(4)(C).

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

tion 3(d) are met in this case.⁷ In light of all the facts of record, the Board is permitted to approve the proposal under section 3(d) of the BHC Act.

Competitive Consideration

Section 3 of the BHC Act prohibits the Board from approving a proposal that would result in a monopoly or would be in furtherance of any attempt to monopolize the business of banking in any relevant market. The BHC Act also prohibits the Board from approving a proposed bank acquisition that would substantially lessen competition in any relevant banking market, unless the Board finds that the anticompetitive effects of the proposal are clearly outweighed in the public interest by the probable effect of the proposal in meeting the convenience and needs of the community to be served.⁸

BB&T and First Virginia compete directly in twenty-nine local banking markets located primarily in Maryland and Virginia.⁹ The Board has reviewed carefully the competitive effects of the proposal in each of these banking markets in light of all the facts of record. In particular, the Board has considered the number of competitors that would remain in the markets, the relative shares of total deposits in depository institutions in the markets (“market deposits”) controlled by BB&T and First Virginia,¹⁰ the concentration level of market deposits and the increase in this level as measured by the Herfindahl–Hirschman Index (“HHI”) under the Department of Justice Merger Guide-

lines (“DOJ Guidelines”),¹¹ other characteristics of the markets, and commitments made by BB&T to divest certain branches.¹²

A. Certain Banking Markets without Divestitures

Consummation of the proposal without divestitures would be consistent with Board precedent and within the thresholds in the DOJ Guidelines in eighteen banking markets.¹³ After consummation of the proposal, one banking market would remain unconcentrated, as measured by the HHI, ten markets would remain moderately concentrated, and seven markets would remain highly concentrated, but with only modest increases in concentration.

B. Certain Banking Markets with Divestitures

To mitigate the potential for adverse effects on competition in five banking markets, BB&T has committed to divest to an out-of-market commercial banking organization branches that control sufficient deposits to make the proposal consistent with Board precedent and within the thresholds in the DOJ Guidelines.¹⁴ After consummation, and accounting for the proposed divestitures, concentration in the Sussex and Surry banking markets would not increase, and the increases in concentration in the Farmville, Tazewell, and Roanoke (as redefined) banking mar-

7. BB&T is adequately capitalized and adequately managed, as defined by applicable law. In addition, BB&T would control less than 10 percent of the total amount of deposits of insured depository institutions in the United States on consummation of the proposal. See 12 U.S.C. § 1842(d)(1)(A) & (B), 1842(d)(2)(A) & (B). BB&T would control less than 30 percent of the total deposits of insured depository institutions in each of Maryland, Tennessee, and Virginia. Each of First Virginia’s subsidiary depository institutions located in a state with a minimum age requirement has been in existence and operated continuously for at least the period of time required by applicable state law. In addition, North Carolina law permits the acquisition by an out-of-state bank holding company of a bank holding company or bank located in North Carolina on a reciprocal basis. All the conditions for interstate acquisitions enumerated in Maryland, Virginia, and Tennessee law are met in this case. See Md. Financial Institutions Code Ann. § 5-905 (2002); N.C. Gen. Stat. § 53-211 (2003); Va. Code Ann. § 6.1-399 (2003); and Tenn. Code Ann. § 45-2-1403 & 1404 (2002).

8. 12 U.S.C. § 1842(c)(1).

9. These banking markets are described in Appendix A.

10. Market share data are as of June 30, 2002, and are based on calculations in which the deposits of thrift institutions are included at 50 percent, except as discussed in the order. The Board previously has indicated that thrift institutions have become, or have the potential to become, significant competitors of commercial banks. See, e.g., *Midwest Financial Group*, 75 *Federal Reserve Bulletin* 386 (1989); *National City Corporation*, 70 *Federal Reserve Board* 743 (1984). Thus, the Board regularly has included thrift deposits in the market share calculation on a 50 percent weighted basis. See, e.g., *First Hawaiian, Inc.*, 77 *Federal Reserve Bulletin* 52 (1991).

11. Under the DOJ Guidelines, 49 *Federal Register* 26,823 (1984), a market is considered unconcentrated if the post-merger HHI is less than 1000, moderately concentrated if the post-merger HHI is between 1000 and 1800, and highly concentrated if the post-merger HHI is more than 1800. The Department of Justice has informed the Board that a bank merger or acquisition generally will not be challenged (in the absence of other factors indicating anticompetitive effects) unless the post-merger HHI is at least 1800 and the merger increases the HHI by more than 200 points. The Department of Justice has stated that the higher than normal HHI thresholds for screening bank mergers for anticompetitive effects implicitly recognize the competitive effects of limited-purpose lenders and other nondepository financial institutions.

12. With respect to each market in which BB&T has committed to divest offices to mitigate the anticompetitive effects of the proposal, BB&T will execute, before consummation of the proposal, a sales agreement for the proposed divestiture with a purchaser determined by the Board to be competitively suitable and to complete the divestiture within 180 days after consummation of the proposal. BB&T also has committed that, if it is unsuccessful in completing any divestiture within 180 days after consummation, it will transfer the unsold branch(es) to an independent trustee that is acceptable to the Board and will instruct the trustee to sell the branch(es) promptly to one or more alternative purchasers acceptable to the Board. See *BankAmerica Corporation*, 78 *Federal Reserve Bulletin* 338 (1992); *United New Mexico Financial Corporation*, 77 *Federal Reserve Bulletin* 484 (1991). In addition, BB&T has committed to submit to the Board, before consummation of the proposal, an executed trust agreement acceptable to the Board stating the terms of the divestitures.

13. Market data for these banking markets are provided in Appendix B.

14. The Board has redefined one of these banking markets, the Roanoke banking market to include Franklin County. In taking this action, the Board considered worker patterns as indicated by commuting data; newspaper circulation; information provided by the Franklin County Chamber of Commerce, the County Administration Office, and the Economic Development Board; and other relevant data.

kets would not exceed the threshold levels in the DOJ Guidelines.¹⁵

C. Remaining Banking Markets

Consummation of the proposal would exceed the threshold levels in the DOJ Guidelines in the following markets: Alleghany,¹⁶ Franklin City, and Shenandoah, all with proposed divestitures; and Warren, Fredericksburg, and Bluefield,¹⁷ all without proposed divestitures. In each of these markets, the Board has carefully considered whether other factors either mitigate the competitive effects of the proposal or indicate that the proposal would have a significantly adverse effect on competition in the market.¹⁸

Alleghany. BB&T operates the largest depository institution in the market, controlling deposits of \$144.9 million, representing approximately 34 percent of market deposits. First Virginia operates the second largest depository institution in the market, controlling deposits of \$126 million, representing approximately 29.5 percent of market deposits. To reduce the potential for adverse competitive effects in this banking market, BB&T has committed to divest two branches in the market, with deposits totaling \$90.9 million, and representing approximately 21.3 percent of market deposits, to an out-of-market commercial banking organization. After the proposed merger and divestiture, BB&T would remain the largest depository institution in the market, controlling deposits of approximately \$179.9 million, representing 42.2 percent of market deposits. The HHI would increase by 208 points to 2636.

Certain factors indicate that the increase in market concentration in the Alleghany banking market, as measured by the HHI, does not reflect a significantly adverse effect on competition. On consummation of the proposed merger and divestiture, four of the seven commercial banking organizations that would compete with BB&T each would control more than 10 percent of market deposits, including a competitor that would control more than 21 percent of market deposits and a large multistate bank holding com-

pany that would control more than 11 percent of market deposits.

The attractiveness of the Alleghany banking market for entry has been demonstrated by the *de novo* entry of two competitors to the market since 2002.¹⁹ In addition, the Alleghany banking market exceeds the average for non-Metropolitan Statistical Area ("MSA") counties in Virginia with respect to deposits per banking office and per capita income.²⁰

Franklin City. BB&T operates the largest depository institution in the market, controlling deposits of \$94.2 million, representing approximately 37.5 percent of market deposits. First Virginia operates the fifth largest depository institution in the market, controlling deposits of \$33.3 million, representing approximately 13.2 percent of market deposits. To reduce the potential for adverse competitive effects in this banking market, BB&T has committed to divest one branch, with \$20.1 million in deposits, representing approximately 8 percent of market deposits, to an out-of-market commercial banking organization. After the proposed merger and divestiture, BB&T would remain the largest depository institution in the market, controlling deposits of approximately \$107.3 million, representing 42.7 percent of market deposits. The HHI would increase by 308 points to 2712.

In reviewing the competitive effects of the proposal in the Franklin City banking market and the adequacy of the proposed divestiture, the Board also has taken into account the structure of the market. After consummation of the proposal, four of BB&T's bank competitors would operate in the market. Three of these competitors each would control 13 percent or more of market deposits, including two large multistate banking organizations that would control 18.7 percent and 13.3 percent of market deposits.

The Board also has considered that the market has a large and active credit union that offers a full range of retail banking products. This credit union has street-level branches accessible to the public and its membership is open to a substantial majority of the population of the market.²¹ The Board concludes that this credit union exerts a competitive influence that mitigates, in part, the potential anticompetitive effects of the proposal.

Shenandoah. BB&T operates the third largest depository institution in the market, controlling deposits of \$48.2 million, representing approximately 12.8 percent of market deposits. First Virginia operates the largest depository institution in the market, controlling deposits of

15. Market data for these banking markets are provided in Appendix C.

16. The Board also has redefined the Alleghany banking market to include Bath County, which formerly was designated as a separate banking market. In taking this action, the Board considered worker commuting patterns (as indicated by census data), shopping patterns, and other indicia of economic integration, including relevant banking data from local chambers of commerce and banks.

17. The Board divided the former Bluefield banking market into the Bluefield and the Tazewell banking markets as redefined in Appendix A. In taking this action, the Board reviewed worker data, including commuting data for Bluefield, Virginia, and the remainder of Tazewell County; shopping patterns; newspaper circulation; and data from local institutions and other information related to the availability of banking services.

18. The Board previously has indicated that the number and strength of factors necessary to mitigate the competitive effects of a proposal depend on the level of concentration and size of the increase in market concentration. See *NationsBank Corporation*, 84 *Federal Reserve Bulletin* 129 (1998).

19. As of June 30, 2002, a branch that opened in the market in February 2002 already controlled \$8.9 million in deposits, representing 2.1 percent of market deposits. A third competitor is expected to enter the market through a *de novo* branch in the fourth quarter of 2003.

20. The average amount of deposits per banking office for non-MSA counties in Virginia is \$23 million, compared with \$35.6 million for the Alleghany banking market. Per capita income in the Alleghany market exceeds that of non-MSA counties in Virginia by \$2,916.

21. This credit union accounts for 15.4 percent of total deposits in the market.

\$102.1 million, representing approximately 27.1 percent of market deposits. To reduce the potential for adverse competitive effects in this banking market, BB&T has committed to divest one branch with \$12.1 million in deposits, representing approximately 3.2 percent of market deposits, to an out-of-market commercial banking organization. After the proposed merger and divestiture, BB&T would operate the largest depository institution in the market, controlling deposits of \$138.2 million, representing 36.7 percent of market deposits. The HHI would increase by 458 points to 1970.

The Board believes that certain factors mitigate the potential anticompetitive effects of the proposal in the Shenandoah banking market. Two thrift institutions operating in the market offer a full range of banking products and services, including commercial loans. Based on a review of their activities, the Board has concluded that deposits controlled by these institutions should be weighted at 100 percent in considering the proposal's competitive effects.²² In this light, BB&T would control 34 percent of market deposits and the HHI would increase 394 points to 1782, which is within the threshold levels in the DOJ Guidelines.²³

Warren. BB&T operates the largest depository institution in the market, controlling deposits of \$75.2 million, representing approximately 24.8 percent of market deposits. First Virginia operates the sixth largest depository institution in the market, controlling deposits of \$22.5 million, representing approximately 7.4 percent of market deposits. After the proposed merger, BB&T would remain the largest depository institution in the market, controlling deposits of \$97.8 million, representing 32.2 percent of market deposits. The HHI would increase by 368 points to 1900.

A number of factors indicate that the increase in market concentration in the Warren banking market, as measured by the HHI, does not reflect a significantly adverse effect on competition. In particular, the two thrifts discussed above also compete in the Warren market, and their deposits likewise been weighted at 100 percent. In this light, BB&T would control 29.4 percent of market deposits and the HHI would increase 306 points to 1701, which is within the threshold levels in the DOJ Guidelines. In

22. The Board previously has indicated that it may consider the competitiveness of a thrift institution at a level greater than 50 percent of the savings association's deposits, if appropriate. *See, e.g., Banknorth Group, Inc., 84 Federal Reserve Bulletin* 489 (1998). One thrift is the largest thrift in the market, has a 10.7 percent ratio of commercial and industrial loans to assets, and is actively expanding its commercial lending activities. *See Wells Fargo & Company, 88 Federal Reserve Bulletin* 103, 107 n.34 (2002). The other thrift also is aggressively increasing its commercial lending activities. Since June 2000, this thrift has more than quadrupled the size of its commercial loan portfolio and has more than doubled its ratio of commercial and industrial loans to assets to 5.9 percent. *Id.*

23. In addition, the characteristics of the Shenandoah banking market indicate that it is attractive for entry. Per capita income, deposits per banking office, and increases in population in the market exceed the average increases in these statistical categories for non-MSA counties in Virginia.

addition, four of the seven depository institution competitors of BB&T each would control more than 10 percent of market deposits, including a large multistate commercial banking organization that would control more than 20 percent.

Fredericksburg. BB&T operates the second largest depository institution in the market, controlling deposits of \$375.6 million, representing approximately 19.3 percent of market deposits. First Virginia operates the third largest depository institution in the market, controlling deposits of \$252.6 million, representing approximately 13 percent of market deposits. After the proposed merger, BB&T would operate the largest depository institution in the market, controlling deposits of \$628.2 million, representing 32.3 percent of market deposits. The HHI would increase by 501 points to 1841.

Although the increase in concentration, as measured by the HHI, would be sizeable, the Board believes that several factors mitigate the potential anticompetitive effects of the transaction. After consummation of this proposal, fourteen competitors besides BB&T would compete in the market, including three large multistate commercial banking organizations. Moreover, BB&T's largest competitor in the market would control more than 20 percent of market deposits, and another competitor would control approximately 13 percent.

In addition, the attractiveness of the Fredericksburg banking market has been indicated by the entry since 1998 of three commercial banks and one savings bank through *de novo* branching. Other factors also confirm that the market is attractive for entry. For example, from 1998 to 2001, the population growth rate in the Fredericksburg banking market was 4.1 percent, which is more than twice the average for MSAs in Virginia. In addition, population per banking office in Fredericksburg exceeds the Virginia MSA average.

Bluefield. BB&T operates the second largest depository institution in the market, controlling deposits of \$262.6 million, representing approximately 25.7 percent of market deposits. First Virginia operates the fifth largest depository institution in the market, controlling deposits of \$40.6 million, representing approximately 4 percent of market deposits. After the proposed merger, BB&T would remain the second largest depository institution in the market, controlling deposits of \$303.2 million, representing 29.7 percent of market deposits. The HHI would increase by 204 points to 2705.

Certain factors suggest that the increase in market concentration, as measured by the HHI, in the Bluefield banking market does not reflect a significantly adverse effect on competition. After consummation of this proposal, five commercial banking organizations besides BB&T would compete in the market. The largest competitor in the market would control more than 37 percent of market deposits, and two other competitors each would control more than 11 percent. Moreover, the only two competitors in the market with market shares below 11 percent are commer-

cial banking organizations that entered the market in the second half of 2001 through *de novo* branching.

D. Views of Other Agencies and Conclusion

The Department of Justice also has conducted a detailed review of the competitive effects of the proposal. The Department has advised the Board that in light of the proposed divestitures, consummation of the proposal would not have a significantly adverse effect on competition in any relevant banking market. The Federal Deposit Insurance Corporation ("FDIC") has been afforded an opportunity to comment and has not objected to consummation of the proposal.

After carefully reviewing all the facts of record and for the reasons discussed in the order and appendices, the Board has concluded that consummation of the proposal would not result in a significantly adverse effect on competition or on the concentration of banking resources in any of the twenty-nine markets in which BB&T and First Virginia both compete or in any other relevant banking market. Accordingly, based on all the facts of record and subject to completion of the proposed divestitures, the Board has determined that competitive factors are consistent with approval of the proposal.

Other Factors

Section 3 of the BHC Act requires the Board to consider the financial and managerial resources and future prospects of the companies and banks involved in the proposal and other supervisory factors. The Board has carefully considered these factors in light of all the facts of record, including public comments, reports of examination and other confidential supervisory information assessing the financial and managerial resources of the two organizations, and other information provided by BB&T.

The Board notes that BB&T would remain well capitalized on consummation of the proposal. The Board also has carefully reviewed reports of examination and other material related to the management record and resources of BB&T.

In light of all the facts of record, the Board concludes that the financial and managerial resources and future prospects of the organizations involved in this proposal are consistent with approval, as are the other supervisory factors that the Board must consider under section 3 of the BHC Act. In addition, considerations related to the convenience and needs of the communities to be served, including the records of performance of the institutions involved under the Community Reinvestment Act ("CRA"), are consistent with approval.²⁴

24. 12 U.S.C. § 2901 *et seq.* BB&T's subsidiary depository institutions received the following CRA performance evaluation ratings from the FDIC as of the dates indicated: Branch Banking and Trust Company, Winston-Salem, North Carolina (outstanding) (March 1, 2002); Branch Banking and Trust Company of South Carolina, Green-

Nonbanking Activities

BB&T also has filed a notice under section 4(c)(8) and (j) of the BHC Act (12 U.S.C. § 1843(c)(8) and (j)) to acquire certain nonbanking subsidiaries of First Virginia.²⁵ The leasing, credit-related insurance, and community development activities that BB&T proposes to engage in are permissible for bank holding companies under Regulation Y.²⁶ BB&T has committed to conduct these nonbanking activities in accordance with the limitations set forth in Regulation Y and the Board's orders and interpretations.

In order to approve this notice, the Board is required by section 4(j)(2)(A) of the BHC Act to determine that the performance of the proposed nonbanking activities by BB&T "can reasonably be expected to produce benefits to the public . . . that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices."²⁷

As part of its evaluation of these factors, the Board considers the financial and managerial resources of BB&T, its subsidiaries, and the companies to be acquired, and the effect of the proposed transaction on those resources. For the reasons noted above, and based on all the facts of record, the Board has concluded that financial and managerial considerations are consistent with approval of the notice.

The Board also has considered the competitive effects of BB&T's proposed acquisition of the nonbanking subsidiaries of First Virginia in light of all the facts of record. The markets for the credit-related insurance activities vary from local to national in scope. The record in this case indicates that in each relevant market there are numerous providers of insurance services and that the markets for this nonbanking service are unconcentrated. For these reasons, and based on all the facts of record, the Board expects that consummation of the proposal would have a *de minimis* effect on competition in the markets for the proposed services.²⁸ Based on all the facts of record, the Board

ville, South Carolina (satisfactory) (February 1, 2002); Branch Banking and Trust Company of Virginia, Richmond, Virginia (satisfactory) (February 1, 2002); and BB&T Bankcard Corporation, Columbus, Georgia (satisfactory) (September 1, 2000). In addition, each of First Virginia's subsidiary banks received satisfactory ratings at their most recent CRA performance evaluations from the Federal Reserve System.

25. BB&T proposes to acquire First Virginia Life Insurance Company and First General Leasing Company, both in Falls Church, and the following community-welfare limited partnership interests: 28.3 percent in Northampton Partners L.P.; 23.8 percent in Monticello Vista Associates L.P.; 33.6 percent in Linweaver L.P.; 9.7 percent in Housing Equity Fund of Virginia II L.P.; and 11.7 percent in Housing Equity Fund of Virginia III L.P.

26. See 12 C.F.R. 225.28(b)(3), (11)(i), and (12).

27. 12 U.S.C. § 1843(j)(2)(A).

28. First Virginia's leasing subsidiary, First General Leasing Company, also in Falls Church, has been inactive since 1999. As a result, the acquisition of First General Leasing Company by BB&T would not have any impact on the competition for leasing services in any relevant market. Also, BB&T's acquisition of First Virginia's interests in community-welfare limited partnerships would not have anti-competitive effects in any relevant market.

concludes that it is unlikely that significantly adverse competitive effects would result from the nonbanking acquisitions proposed in this transaction.

BB&T has indicated that consummation of this proposal would give it an opportunity to offer an expanded array of insurance products and services to individuals in seven banking markets in Virginia and Maryland in which BB&T did not previously compete for insurance business. BB&T states that current customers of First Virginia's insurance services would benefit from the enhanced selection of insurance products and services that they would receive from BB&T's extensive insurance operations.²⁹

The Board also concludes that the conduct of the proposed nonbanking activities within the framework of Regulation Y and Board precedent is not likely to result in adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices, that would outweigh the public benefits of the proposal, such as increased customer convenience and gains in efficiency. Accordingly, based on all the facts of record, the Board has determined that the balance of public interests factors that the Board must consider under section 4(j)(2)(A) of the BHC Act is favorable and consistent with approval of this proposal.

Conclusion

Based on the foregoing and all the facts of record, the Board has determined that the application and notices should be, and hereby are, approved. The Board's approval is specifically conditioned on compliance by BB&T with all commitments made in connection with the proposal, including the divestiture commitments discussed in the order. For purposes of this action, the commitments and conditions referred to in this order are deemed to be conditions imposed in writing by the Board in connection with its findings and decision and, as such, may be enforced in proceedings under applicable law.

The proposed banking acquisitions may not be consummated before the fifteenth calendar day after the effective date of this order, and the proposal may not be consummated later than three months after the effective date of this order, unless such period is extended for good cause by the Board or the Federal Reserve Bank of Richmond, acting pursuant to delegated authority.

By order of the Board of Governors, effective May 13, 2003.

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

ROBERT DE V. FRIERSON
Deputy Secretary of the Board

Appendix A

Banking Markets in which BB&T and First Virginia Compete Directly

Virginia Banking Markets

Abingdon

Washington County, excluding the Johnson City/Kingsport/Bristol, Tennessee/Virginia, Rannally Metropolitan Area ("RMA") portion.

Alleghany

Alleghany and Bath Counties.

Bluefield

Mercer County, West Virginia, and the area north of and including Bluefield, Virginia.

Charlottesville

The Charlottesville RMA; the City of Charlottesville; the non-RMA portion of Albemarle County; the Town of Louisa in Louisa County; and Fluvanna, Greene, and Nelson Counties.

Culpeper

Culpeper County.

Danville

The Danville RMA, the City of Danville, and the non-RMA portion of Pittsylvania County, excluding the small area around Hurt.

Farmville

Cumberland and Prince Edward Counties.

Franklin City

The City of Franklin and Southampton County.

Fredericksburg

The City of Fredericksburg; Caroline, King George, Spotsylvania, and Stafford Counties, excluding the Washington, D.C., RMA portion; and the Towns of Lake Anna, Colonial Beach, Leedstown, Oak Grove, and Potomac Beach.

Galax

City of Galax and Grayson and Carroll Counties, excluding the Mount Airy, North Carolina/Virginia, banking market portion.

Harrisonburg

The City of Harrisonburg and Rockingham County.

29. For example, BB&T reports that BB&T Insurance Services, Inc., Raleigh, North Carolina, is the nation's tenth largest insurance agency.

Lynchburg

The Lynchburg RMA, the City of Lynchburg, and the non-RMA portions of Amherst and Campbell Counties.

Mecklenburg

Mecklenburg County.

Newport News–Hampton

The Newport News–Hampton RMA; the Cities of Newport News, Hampton, Poquoson, and Williamsburg; the non-RMA portion of James City County; and Mathews County.

Norfolk–Portsmouth

The Norfolk–Portsmouth RMA; the Cities of Norfolk, Portsmouth, Chesapeake, Suffolk, and Virginia Beach; and Currituck County, North Carolina.

Orange

Orange County.

Richmond

The Richmond RMA; the Cities of Richmond, Colonial Heights, Hopewell, and Petersburg; Amelia, Charles City, King and Queen, King William, and New Kent Counties; the non-RMA portions of Chesterfield, Dinwiddie, Goochland, Hanover, Henrico, Powhatan, and Prince George Counties; and the Town of Mineral in Louisa County.

Roanoke

The Roanoke RMA, the Cities of Roanoke and Salem, and the non-RMA portions of Botetourt, Franklin, and Roanoke Counties.

Russell

Russell County.

Shenandoah

Shenandoah County, excluding the Town of Strasburg.

Staunton

The Cities of Staunton and Waynesboro and August County.

Surry

Surry County.

Sussex

Sussex County.

Tazewell

Tazewell County, excluding Bluefield, Virginia, and the area north of it.

Warren

Warren County.

Winchester

The City of Winchester; Clarke and Frederick Counties, Virginia, and Hampshire County, West Virginia; and the Town of Strasburg.

*Maryland Banking Markets**Annapolis*

The Annapolis RMA, including the City of Annapolis.

Baltimore

The Baltimore RMA; the City of Baltimore; the non-RMA portion of Harford County; and Carroll County, excluding the Washington, D.C., RMA portion.

Washington, D.C. Banking Market

The Washington, D.C., RMA; the Cities of Alexandria, Fairfax, Falls Church, and Manassas, all in Virginia; the non-RMA portions of Calvert, Charles, Frederick, and St. Mary's Counties, all in Maryland, and Fauquier and Loudoun Counties, both in Virginia; and Jefferson County, West Virginia.

Appendix B

Certain Banking Markets without Divestitures

Abingdon, Virginia

BB&T operates the seventh largest depository institution in the market, controlling deposits of \$17.8 million, representing approximately 2.7 percent of market deposits. First Virginia operates the fifth largest depository institution in the market, controlling deposits of \$45.6 million, representing approximately 7 percent of market deposits. After the proposed merger, BB&T would operate the fifth largest depository institution in the market, controlling deposits of \$63.4 million, representing approximately 9.8 percent of market deposits. The HHI would increase by 38 points to 2111.

Annapolis, Maryland

BB&T operates the ninth largest depository institution in the market, controlling deposits of \$116.4 million, representing approximately 5.6 percent of market deposits. First Virginia operates the second largest depository institution in the market, controlling deposits of \$310 million, representing approximately 14.8 percent of market deposits. After the proposed merger, BB&T would operate the largest depository institution in the market, controlling deposits of approximately \$426.5 million, representing 20.4 per-

cent of market deposits. The HHI would increase by 165 points to 1172.

Baltimore, Maryland/Pennsylvania

BB&T operates the seventh largest depository institution in the market, controlling deposits of \$949.4 million, representing approximately 3.2 percent of market deposits. First Virginia operates the twelfth largest depository institution in the market, controlling deposits of \$390.9 million, representing approximately 1.3 percent of market deposits. After the proposed merger, BB&T would operate the sixth largest depository institution in the market, controlling deposits of \$1.3 billion, representing 4.5 percent of market deposits. The HHI would increase by 8 points to 1155.

Charlottesville, Virginia

BB&T operates the third largest depository institution in the market, controlling deposits of \$302.8 million, representing approximately 13.3 percent of market deposits. First Virginia operates the seventh largest depository institution in the market, controlling deposits of \$95.7 million, representing approximately 4.2 percent of market deposits. After the proposed merger, BB&T would remain the third largest depository institution in the market, controlling deposits of \$398.5 million, representing 17.5 percent of market deposits. The HHI would increase by 111 points to 1791.

Culpeper, Virginia

BB&T operates the sixth largest depository institution in the market, controlling deposits of \$8.9 million, representing approximately 1.9 percent of market deposits. First Virginia operates the fifth largest depository institution in the market, controlling deposits of \$11.2 million, representing approximately 2.4 percent of market deposits. After the proposed merger, BB&T would operate the fourth largest depository institution in the market, controlling deposits of \$20.1 million, representing 4.3 percent of market deposits. The HHI would increase by 9 points to 3479.

Danville, Virginia/North Carolina

BB&T operates the seventh largest depository institution in the market, controlling deposits of \$67.3 million, representing approximately 4.9 percent of market deposits. First Virginia operates the sixth largest depository institution in the market, controlling deposits of \$97.3 million, representing approximately 7 percent of market deposits. After the proposed merger, BB&T would operate the fourth largest depository institution in the market, controlling deposits of approximately \$164.7 million, representing 11.9 percent of market deposits. The HHI would increase by 68 points to 1762.

Galax, Virginia

BB&T operates the fifth largest depository institution in the market, controlling deposits of \$53.2 million, represent-

ing approximately 8.2 percent of market deposits. First Virginia operates the sixth largest depository institution in the market, controlling deposits of \$38.7 million, representing approximately 6 percent of market deposits. After the proposed merger, BB&T would operate the third largest depository institution in the market, controlling deposits of \$91.9 million, representing 14.2 percent of market deposits. The HHI would increase by 99 points to 2068.

Harrisonburg, Virginia

BB&T operates the second largest depository institution in the market, controlling deposits of \$204.8 million, representing approximately 15.9 percent of market deposits. First Virginia operates the seventh largest depository institution in the market, controlling deposits of \$104.4 million, representing approximately 8.1 percent of market deposits. After the proposed merger, BB&T would operate the largest depository institution in the market, controlling deposits of \$309.2 million, representing 24 percent of market deposits. The HHI would increase by 257 points to 1498.

Lynchburg, Virginia

BB&T operates the second largest depository institution in the market, controlling deposits of \$507.2 million, representing approximately 20.3 percent of market deposits. First Virginia operates the sixth largest depository institution in the market, controlling deposits of \$108.5 million, representing approximately 4.4 percent of market deposits. After the proposed merger, BB&T would remain the second largest depository institution in the market, controlling deposits of \$615.7 million, representing 24.7 percent of market deposits. The HHI would increase by 177 points to 2181.

Mecklenburg, Virginia

BB&T operates the seventh largest depository institution in the market, controlling deposits of \$46.3 million, representing approximately 8.1 percent of market deposits. First Virginia operates the fourth largest depository institution in the market, controlling deposits of \$54 million, representing approximately 9.5 percent of market deposits. After the proposed merger, BB&T would operate the third largest depository institution in the market, controlling deposits of \$100.3 million, representing 17.6 percent of market deposits. The HHI would increase by 155 points to 1796.

Newport News–Hampton, Virginia

BB&T operates the fifth largest depository institution in the market, controlling deposits of \$296.9 million, representing approximately 8.4 percent of market deposits. First Virginia operates the sixth largest depository institution in the market, controlling deposits of \$200.1 million, representing approximately 5.7 percent of market deposits. After the proposed merger, BB&T would operate the fourth largest depository institution in the market, controlling deposits of \$497 million, representing 14.1 percent of

market deposits. The HHI would increase by 95 points to 1425.

Norfolk–Portsmouth, Virginia

BB&T operates the second largest depository institution in the market, controlling deposits of \$1.5 billion, representing approximately 16.6 percent of market deposits. First Virginia operates the seventh largest depository institution in the market, controlling deposits of \$513.9 million, representing approximately 5.8 percent of market deposits. After the proposed merger, BB&T would operate the largest depository institution in the market, controlling deposits of \$2 billion, representing 22.4 percent of market deposits. The HHI would increase by 193 points to 1437.

Orange, Virginia

BB&T operates the seventh largest depository institution in the market, controlling deposits of \$11.3 million, representing approximately 4 percent of market deposits. First Virginia operates the sixth largest depository institution in the market, controlling deposits of \$21.5 million, representing approximately 7.6 percent of market deposits. After the proposed merger, BB&T would operate the fifth largest depository institution in the market, controlling deposits of \$32.8 million, representing approximately 11.5 percent of market deposits. The HHI would increase by 60 points to 1901.

Richmond, Virginia

BB&T operates the fifth largest depository institution in the market, controlling deposits of \$1.6 billion, representing approximately 8.3 percent of market deposits. First Virginia operates the seventh largest depository institution in the market, controlling deposits of \$650.5 million, representing approximately 3.3 percent of market deposits. After the proposed merger, BB&T would remain the fifth largest depository institution in the market, controlling deposits of \$2.3 billion, representing 11.6 percent of market deposits. The HHI would increase by 55 points to 1516.

Russell, Virginia

BB&T operates the seventh largest depository institution in the market, controlling deposits of \$6 million, representing approximately 1.9 percent of market deposits. First Virginia operates the fourth largest depository institution in the market, controlling deposits of \$42.5 million, representing approximately 13.2 percent of market deposits. After the proposed merger, BB&T would operate the fourth largest depository institution in the market, controlling deposits of approximately \$48.6 million, representing approximately 15 percent of market deposits. The HHI would increase by 49 points to 2289.

Staunton, Virginia

BB&T operates the eighth largest depository institution in the market, controlling deposits of \$37 million, represent-

ing approximately 3.8 percent of market deposits. First Virginia operates the fifth largest depository institution in the market, controlling deposits of \$81 million, representing approximately 8.3 percent of market deposits. After the proposed merger, BB&T would operate the second largest depository institution in the market, controlling deposits of approximately \$117.9 million, representing 12.1 percent of market deposits. The HHI would increase by 63 points to 2107.

Washington, D.C./Maryland/Virginia/West Virginia

BB&T operates the fifth largest depository institution in the market, controlling deposits of \$4.5 billion, representing approximately 5.6 percent of market deposits. First Virginia operates the eighth largest depository institution in the market, controlling deposits of \$3.7 billion, representing approximately 4.7 percent of market deposits. After the proposed merger, BB&T would operate the fourth largest depository institution in the market, controlling deposits of approximately \$8.1 billion, representing 10.3 percent of market deposits. The HHI would increase by 52 points to 813.

Winchester, Virginia

BB&T operates the largest depository institution in the market, controlling deposits of \$441 million, representing approximately 26.5 percent of market deposits. First Virginia operates the ninth largest depository institution in the market, controlling deposits of \$75.3 million, representing approximately 4.5 percent of market deposits. After the proposed merger, BB&T would remain the largest depository institution in the market, controlling deposits of \$516.3 million, representing approximately 31.1 percent of market deposits. The HHI would increase by 240 points to 1645.

Appendix C

Certain Banking Markets with Divestitures

Farmville, Virginia

BB&T operates the fourth largest depository institution in the market, controlling deposits of \$41.3 million, representing approximately 12.6 percent of market deposits. First Virginia operates the third largest depository institution in the market, controlling deposits of \$55.4 million, representing approximately 16.9 percent of market deposits. BB&T has committed to divest one branch with \$13.3 million in deposits, representing approximately 4.1 percent of market deposits, to an out-of-market commercial banking organization. After the proposed merger and divestiture, BB&T would operate the largest depository institution in the market, controlling deposits of \$83.4 million, representing approximately 25.5 percent of market deposits. The HHI would increase by 221 points to 1781.

Roanoke, Virginia

BB&T operates the sixth largest depository institution in the market, controlling deposits of \$367.7 million, representing approximately 8.5 percent of market deposits. First Virginia operates the fifth largest depository institution in the market, controlling deposits of \$370.4 million, representing approximately 8.6 percent of market deposits. BB&T has committed to divest one branch with \$78.2 million in deposits, representing approximately 1.8 percent of market deposits, to an out-of-market commercial banking organization. After the proposed merger and divestiture, BB&T would operate the second largest depository institution in the market, controlling deposits of approximately \$659.8 million, representing 15.3 percent of market deposits. The HHI would increase by 90 points to 1241.

Sussex, Virginia

BB&T operates the third largest depository institution in the market, controlling deposits of \$33.3 million, representing approximately 26.8 percent of market deposits. First Virginia operates the second largest depository institution in the market, controlling deposits of \$41.1 million, representing approximately 33.1 percent of market deposits. BB&T has committed to divest one branch with \$33.7 million in deposits, representing approximately 27.1 percent of market deposits, to an out-of-market commercial banking organization. After the proposed merger and divestiture, BB&T would operate the second largest depository institution in the market, controlling deposits of \$40.7 million, representing 32.8 percent of market deposits. The HHI would decrease by 4 points to 3418.

Surry, Virginia

BB&T operates the second largest depository institution in the market, controlling deposits of \$7.7 million, representing approximately 30.3 percent of market deposits. First Virginia operates the largest depository institution in the market, controlling deposits of \$17.8 million, representing approximately 69.7 percent of market deposits. BB&T has committed to divest First Virginia's only branch in the market. After the proposed merger and divestiture, BB&T would remain the second largest depository institution in the market and the HHI would remain unchanged at 5779.

Tazewell, Virginia

BB&T operates the sixth largest depository institution in the market, controlling deposits of \$38.4 million, representing approximately 7.4 percent of market deposits. First Virginia operates the largest depository institution in the market, controlling deposits of \$158.2 million, representing approximately 30.3 percent of market deposits. BB&T has committed to divest two branches, with deposits totaling \$23.8 million, and representing approximately 4.6 percent of market deposits, to an out-of-market commercial banking organization. After the proposed merger and divestiture, BB&T would operate the largest depository

institution in the market, controlling deposits of \$172.8 million, representing 33.1 percent of market deposits. The HHI would increase by 144 points to 1841.

*ORDERS ISSUED UNDER INTERNATIONAL BANKING ACT**HSH Nordbank Aktiengesellschaft
Hamburg/Kiel, Germany*

Order Approving Establishment of a Branch

HSH Nordbank Aktiengesellschaft (in Formation) ("Bank"), in both Hamburg and Kiel, Germany, a foreign bank within the meaning of the International Banking Act ("IBA"), has applied under section 7(d) of the IBA (12 U.S.C. §3105(d)) to establish a branch in New York, New York. The Foreign Bank Supervision Enhancement Act of 1991, which amended the IBA, provides that a foreign bank must obtain the approval of the Board to establish a branch in the United States.

Notice of the application, affording interested persons an opportunity to submit comments, has been published in a newspaper of general circulation in New York, New York (*The New York Post*, March 28, 2003). The time for filing comments has expired, and all comments have been considered.

Bank will be established on the merger of Landesbank Schleswig-Holstein, Kiel, and Hamburgische Landesbank, Hamburg.¹ Bank would be a commercial bank organized as a private company and would succeed to the commercial business of Landesbank Schleswig-Holstein and Hamburgische Landesbank. Bank would have total consolidated assets of approximately \$191 billion.² It is expected that on its establishment, Bank would be a qualifying foreign banking organization.

Bank's largest shareholder will be the City of Hamburg, with approximately 35 percent of Bank. WestLB AG, in both Münster and Düsseldorf, Germany, will own approximately 27 percent of Bank.³ The State of Schleswig-

1. Landesbank Schleswig-Holstein operates a branch and Hamburgische Landesbank operates a representative office, both in New York, New York. Hamburgische Landesbank's representative office will be closed before the proposed merger.

2. Unless otherwise indicated, data are as of December 31, 2002.

3. WestLB AG, and its parent Landesbank Nordrhein-Westfalen, Düsseldorf, Germany, were established on the reorganization of the former Westdeutsche Landesbank Girozentrale ("WestLB") in August 2002. WestLB AG is a wholesale bank organized as a private company and continues the commercial banking operations of WestLB. Landesbank Nordrhein-Westfalen is a public law institution and conducts the public mission activities of the former WestLB. Landesbank Nordrhein-Westfalen is owned by the State of North Rhine-Westphalia, the Regional Associations of the Rhineland and Westphalia-Lippe, and the Savings and Giro Associations of the Rhineland and Westphalia-Lippe.

Holstein and the Savings Bank and Clearing Association of Schleswig-Holstein, Kiel, will own approximately 19 percent and 18 percent of Bank, respectively.

The proposed branch would assist Bank with its existing business activities in the United States and would be used to develop new business in areas in which the bank specializes such as shipping, real estate, credit investments, and international finance. The proposed branch would also participate in syndicated loans, issue commercial paper and other debt instruments, and provide trade and public financing.

In order to approve an application by a foreign bank to establish a branch in the United States, the IBA and Regulation K require the Board to determine that the foreign bank applicant engages directly in the business of banking outside of the United States and has furnished to the Board the information it needs to assess the application adequately. The Board also shall take into account whether the foreign bank and any foreign bank parent is subject to comprehensive supervision or regulation on a consolidated basis by its home country supervisor (12 U.S.C. § 3105(d)(2); 12 C.F.R. 211.24).⁴ The Board may also take into account additional standards as set forth in the IBA and Regulation K (12 U.S.C. § 3105(d)(3)–(4); 12 C.F.R. 211.24(c)(2)–(3)).

As noted above, Bank, West LB AG, and Landesbank Nordrhein-Westfalen engage directly in the business of banking outside the United States. Bank also has provided the Board with information necessary to assess the application through submissions that address the relevant issues. With respect to supervision by home country authorities, the Board previously has determined, in connection with applications involving other German banks, that those banks were subject to home country supervision on a consolidated basis.⁵ Bank, West LB AG, and Landesbank

Nordrhein-Westfalen are supervised by the German Federal Financial Supervisory Agency on substantially the same terms and conditions as the other banks. Based on all the facts of record, it has been determined that Bank, West LB AG, and Landesbank Nordrhein-Westfalen are subject to comprehensive supervision and regulation on a consolidated basis by their home country supervisor.

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

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

Germany is a member of the Financial Action Task Force and subscribes to its recommendations regarding measures to combat money laundering. In accordance with these recommendations, Germany has enacted laws and created legislative and regulatory standards to deter money laundering. Money laundering is a criminal offense in Germany and credit institutions are required to establish internal policies and procedures for the detection and prevention of money laundering.

With respect to access to information on Bank's operations, the restrictions on disclosure in relevant jurisdictions in which Bank operates have been reviewed and relevant government authorities have been communicated with regarding access to information. On the establishment of Bank, Bank and its parents will commit to make available to the Board such information on the operations of Bank and any of its affiliates that the Board deems necessary to determine and enforce compliance with the IBA, the Bank Holding Company Act of 1956, as amended, and other applicable federal law. To the extent that the provision of such information to the Board may be prohibited by law or otherwise, Bank and its parents will commit to cooperate with the Board to obtain any necessary consents or waivers that might be required from third parties for disclosure of such information. In addition, subject to certain conditions, the German Federal Financial Supervisory Agency may share information on Bank's operations with other supervisors, including the Board. In light of these commitments and other facts of record, and subject to the conditions described below, it has been determined that Bank has

4. In assessing this standard, the Board considers, among other factors, the extent to which the home country supervisors:

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

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

5. *See Hamburgische Landesbank Girozentrale*, 88 *Federal Reserve Bulletin* 397 (2002); *Landesbank Schleswig-Holstein Girozentrale*, 88 *Federal Reserve Bulletin* 399 (2002); *Allgemeine Hypothekenbank Rheinboden AG*, 88 *Federal Reserve Bulletin* 196 (2002); *DePfa Bank AG*, 87 *Federal Reserve Bulletin* 710 (2001); *RHEINHYP Rheinische Hypothekenbank AG*, 87 *Federal Reserve Bulletin* 558 (2001); *Deutsche Hyp Deutsche Hypothekenbank*, 86 *Federal Reserve Bulletin* 658 (2000); *Deutsche Bank AG*, 85 *Federal Reserve Bulletin*

509 (1999); *Westdeutsche ImmobilienBank*, 85 *Federal Reserve Bulletin* 346 (1999); *Commerzbank AG*, 85 *Federal Reserve Bulletin* 336 (1999).

provided adequate assurances of access to any necessary information that the Board may request.⁶

On the basis of all the facts of record, and subject to the commitments made by Bank and its parents, and the terms and conditions set forth in this order, Bank's application to establish the branch is hereby approved.⁷ Should any restrictions on access to information on the operations or activities of Bank or any of its affiliates subsequently interfere with the Board's ability to obtain information to determine and enforce compliance by Bank or its affiliates with applicable federal statutes, the Board may require or recommend termination of any of Bank's direct and indirect activities in the United States. Approval of this appli-

cation also is specifically conditioned on compliance by Bank and its parents with the commitments made in connection with this application and with the conditions in this order.⁸ The commitments and conditions referred to above are conditions imposed in writing by the Board in connection with its decision and may be enforced in proceedings against Bank and its affiliates under 12 U.S.C. § 1818.

By order, approved pursuant to authority delegated by the Board, effective May 30, 2003.

JENNIFER J. JOHNSON
Secretary of the Board

6. The Board's action on this proposal is conditioned on the Board's receipt of executed access to information commitments and consents to jurisdiction from Bank, West LB AG, and Landesbank Nordrhein-Westfalen.

7. Approved by the Director of the Division of Banking Supervision and Regulation, with the concurrence of the General Counsel, pursuant to authority delegated by the Board. *See* 12 C.F.R. 265.7(d)(12).

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

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BBVA Bancomer, S.A., Mexico City, Mexico	To establish an agency in Houston, Texas	January 29, 2003	89, 146
The Daiwa Bank, Limited, Osaka, Japan	To establish a representative office in New York, New York	February 28, 2003	89, 185
DEPFA BANK plc, Dublin, Ireland	To establish an agency in New York, New York	March 21, 2003	89, 236
Friedman, Billings, Ramsey Group, Inc., Arlington, Virginia	FBR Asset Investment Corporation, Arlington, Virginia	March 14, 2003	89, 219
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FBR TRS Holdings, Inc., Arlington, Virginia	FBR National Bank & Trust, Bethesda, Maryland		
M&T Bank Corporation, Buffalo, New York	Allfirst Financial Inc., Baltimore, Maryland Allfirst Bank, Baltimore, Maryland	March 11, 2003	89, 222
Mizuho Holdings, Inc., Tokyo, Japan	Mizuho Corporate Bank of California, Los Angeles, California	February 24, 2003	89, 181
Mizuho Financial Group, Inc., Tokyo, Japan Mizuho Asset Trust & Banking Co., Ltd., Tokyo, Japan	Mizuho Corporate Bank, New York, New York Mizuho Trust & Banking Co., New York, New York		
Royal Bank of Canada, Montreal, Canada	Admiralty Bancorp, Inc., Palm Beach Gardens, Florida	January 13, 2003	89, 139
RBC Centura Banks, Inc., Rocky Mount, North Carolina	Admiralty Bank, Palm Beach Gardens, Florida		
SouthTrust Corporation, Birmingham, Alabama		March 19, 2003	89, 211
SouthTrust of Alabama, Inc., Birmingham, Alabama	Founders Bancshares, Dallas, Texas		
SouthTrust Bank, Birmingham, Alabama	Skillman Bancshares, Dallas, Texas Founders National Bank, Dallas, Texas		
The Wakashio Bank, Limited, Tokyo, Japan	Sumitomo Mitsui Banking Corporation, Tokyo, Japan Manufacturers Bank, Los Angeles, California	March 14, 2003	89, 217
The Wakashio Bank, Limited, Tokyo, Japan	Sumitomo Mitsui Banking Corporation, Tokyo, Japan Manufacturers Bank, Los Angeles, California	March 14, 2003	89, 217
The Wakashio Bank, Limited, Tokyo, Japan	To establish branches in Los Angeles and San Francisco, California, and New York, New York	March 14, 2003	89, 237

*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
American Heartland Bancshares, Inc., Sugar Grove, Illinois	American Heartland Bank and Trust, Sugar Grove, Illinois	Chicago	May 7, 2003
American Trust Bancorp, Roswell, Georgia	American Trust Bank, Roswell, Georgia	Atlanta	May 6, 2003
Bank of the San Juans Bancorporation, Durango, Colorado	Bank of the San Juans, Durango, Colorado	Kansas City	May 21, 2003
Citizens Bancshares Employee Stock Ownership Plan, Edmond, Oklahoma	Citizens Bancshares, Inc., Edmond, Oklahoma	Kansas City	May 19, 2003
The Farmers State Bank of Fort Morgan, Colorado Employee Stock Ownership Plan, Fort Morgan, Colorado	F.S.B. Bancorporation of Fort Morgan, Fort Morgan, Colorado	Kansas City	May 20, 2003
Five Star Bancorp, Rocklin, California	Five Star Bank, Rocklin, California	San Francisco	May 16, 2003
Liberty Bancshares, Inc., Jonesboro, Arkansas	MSB Shares, Inc., Jonesboro, Arkansas Midsouth Bank, Jonesboro, Arkansas	St. Louis	May 16, 2003
MainSource Financial Group, Inc., Greensburg, Indiana	First Community Bancshares, Inc., Bargersville, Indiana First Community Bank and Trust, Bargersville, Indiana	Chicago	May 16, 2003
Main Street Banks, Inc., Kennesaw, Georgia	First Colony Bancshares, Inc., Alpharetta, Georgia First Colony Bank, Alpharetta, Georgia	Atlanta	May 7, 2003
Peotone Bancorp, Inc., Peotone, Illinois	The San Juans Bancorporation, Durango, Colorado	Chicago	May 23, 2003
Founders Group, Inc, Worth, Illinois	The San Juans, Durango, Colorado		
PNB Bancshares, Inc., Pekin, Illinois	Pekin National Bank, Pekin, Illinois	Chicago	May 20, 2003
Premier Bancshares, Inc., Dallas, Texas	Synergy Financial Group, Inc., Waco, Texas	Dallas	May 29, 2003
Premier Delaware Bancshares, Dover, Delaware	Synergy Bank, S.S.B., Waco, Texas		
Pulaski Investment Corporation, Little Rock, Arkansas	The Munford Union Bank, Munford, Tennessee	St. Louis	May 20, 2003
RAM Security Holdings, Ltd., Waco, Texas	Security Bancshares, Inc., Waco, Texas	Dallas	May 7, 2003
RAM Security Holdings GP, Inc., Waco Texas			
Royal Palm Bancorp, Inc., Naples, Florida	The Royal Palm Bank of Florida, Naples, Florida	Atlanta	May 22, 2003
Jere J. Ruff Family Limited Partnership II, Longview, Texas	The First State Bank, Hallsville, Texas	Dallas	May 15, 2003

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Ruff Management, LLC, Longview, Texas Ruff Partners, Ltd., Longview, Texas	The First State Bank, Hallsville, Texas	Dallas	May 15, 2003
Service 1 st Bancorp, Stockton, California	Service 1 st Bank, Stockton, California	San Francisco	May 8, 2003
Sleepy Hollow Bancorp, Inc., New York, New York	Sleepy Hollow Bank, Sleepy Hollow, New York	New York	May 19, 2003
Southwest Bancorporation of Texas, Inc., Houston, Texas	Maxim Financial Holdings, Inc., Dickinson, Texas Maxim Financial Holdings of Delaware, Inc., Wilmington, Delaware MaximBank, Dickinson, Texas	Dallas	April 10, 2003
Triangle Financial Group, Inc., Loganville, Georgia	The Community Bank, Loganville, Georgia	Atlanta	May 21, 2003
UCB Financial Group, Inc., Atlanta, Georgia	United Commercial Bank, Atlanta, Georgia	Atlanta	May 20, 2003

Section 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
Cass Information Systems, Inc., Bridgeton, Missouri	Imaging Acceptance Corporation, Warrenton, Virginia	St. Louis	May 5, 2003
Independent Bank Corporation, Ionia, Michigan	Mepco Insurance Premium Financing, Chicago, Illinois	Chicago	May 12, 2003

*APPLICATIONS APPROVED UNDER BANK MERGER ACT
By Federal Reserve Banks*

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

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Central California Bank, Sonora, California	Central Sierra Bank, San Andreas, California	San Francisco	May 16, 2003
Comerica Bank, Detroit, Michigan	Comerica Bank-Texas, Dallas, Texas Comerica Bank-California, San Jose, California	Chicago	May 9, 2003

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.

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

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

Community Bank & Trust v. United States, No. 01-571C (Ct. Fed. Cl., filed October 3, 2001). Action challenging on constitutional grounds the failure to pay interest on reserve accounts held at Federal Reserve Banks.

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

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

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SYMBOLS AND ABBREVIATIONS

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

GENERAL INFORMATION

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

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

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

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

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

1.10 RESERVES AND MONEY STOCK MEASURES

Percent annual rate of change, seasonally adjusted¹

Monetary or credit aggregate	2002			2003	2002	2003			
	Q2	Q3	Q4	Q1	Dec.	Jan.	Feb.	Mar. ^f	Apr.
<i>Reserves of depository institutions²</i>									
1 Total	-13.5	-2.0	.3	11.2	13.0	14.7	4.4	5.5	-4.5
2 Required	-12.4	-4.8	-2.1	11.6	1.6	26.0	-3.1	15.0	-1.8
3 Nonborrowed	-14.0	-3.5	1.2	12.6	19.0	16.3	4.4	5.6	-4.7
4 Monetary base ³	7.5	6.9	5.0	7.6	7.5	6.7	10.0	6.6	5.4
<i>Concepts of money⁴</i>									
5 M1	-6	3.1	4.6 ^e	7.1	7.7 ^e	2.1	19.8	3.2	.1
6 M2	4.1	9.1	7.1	6.7	3.2	6.4	11.6	3.1	4.6
7 M3	4.1	7.7	7.6	5.7 ^e	8.1 ^e	-3 ^e	7.8 ^e	3.1	.7
<i>Nontransaction components</i>									
8 In M2 ⁵	5.4	10.8	7.8	6.6	2.0	7.5	9.4	3.1	5.7
9 In M3 only ⁶	4.3	4.5	8.7 ^e	3.6 ^e	18.8 ^e	-14.4 ^e	-4 ^e	3.2	-7.8
<i>Time and savings deposits</i>									
<i>Commercial banks</i>									
10 Savings, including MMDAs	15.1	20.1	16.9	13.5	3.6	18.7	16.0	4.4	17.6
11 Small time ⁷	-6.3	-6.3	-9.1	-7.5	-9.0	-7.0	-7.2	-7.1	-8.8
12 Large time ^{8,9}	12.4	3.7	-4.0	.0 ^e	-32.5	14.8	14.4	7.0	-11.4
<i>Thrift institutions</i>									
13 Savings, including MMDAs	24.0	20.5	20.5	22.2	21.7	21.6	27.4	19.3	18.0
14 Small time ⁷	-16.6	-12.3	-6.4	-4.3	-2.4	-4.8	-6.4	-2.0	-2.8
15 Large time ⁸	-8.1	-3.2	11.1	9.3	15.6	13.4	1.0	-7.1	3.1
<i>Money market mutual funds</i>									
16 Retail	-9.2	4.7	-4.4	-7.8	-8.0	-14.6	-3.7	-5.2	-19.6
17 Institution-only	3.9	-8	1.9	-5.1	25.0	-35.3	-20.1	-12.7	-21.1
<i>Repurchase agreements and eurodollars</i>									
18 Repurchase agreements ¹⁰	-7	27.5	45.7 ^e	29.8 ^e	83.4 ^e	-22.9 ^e	36.4 ^e	44.6	18.5
19 Eurodollars ¹⁰	-4.4	.3	19.3	6.7 ^e	20.6	15.9 ^e	-16.7 ^e	-8.8	9.4

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

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

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

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

M1: (1) currency outside the U.S. Treasury, Federal Reserve Banks, and the vaults of depository institutions, (2) travelers checks of nonbank issuers, (3) demand deposits at all commercial banks other than those owed to depository institutions, the U.S. government, and foreign banks and official institutions, less cash items in the process of collection and Federal Reserve float, and (4) other checkable deposits (OCDs), consisting of negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at depository institutions, credit union share draft accounts, and demand deposits at thrift institutions. Seasonally adjusted M1 is computed by summing currency, travelers checks, demand deposits, and OCDs, each seasonally adjusted separately.

M2: M1 plus (1) savings (including MMDAs), (2) small-denomination time deposits (time deposits—including retail RPs—in amounts of less than \$100,000), and (3) balances in retail money market mutual funds. Excludes individual retirement accounts (IRAs) and Keogh balances at depository institutions and money market funds.

Seasonally adjusted M2 is calculated by summing savings deposits, small-denomination

time deposits, and retail money fund balances, each seasonally adjusted separately, and adding this result to seasonally adjusted M1.

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

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

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

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

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

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

10. Includes both overnight and term.

1.11 RESERVE BALANCES OF DEPOSITORY INSTITUTIONS¹

Millions of dollars

Factor	Average of daily figures			Average of daily figures for week ending on date indicated						
	2003			2003						
	Feb. ¹	Mar. ¹	Apr.	Mar. 19 ²	Mar. 26 ²	Apr. 2	Apr. 9	Apr. 16	Apr. 23	Apr. 30
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	696,613	701,365	710,451	704,865	698,981	707,833	704,407	711,288	709,715	715,874
2 Securities held outright	631,830	639,323	645,586	639,517	640,129	641,311	643,940	645,669	646,852	647,057
3 U.S. Treasury ²	631,820	639,313	645,576	639,507	640,119	641,301	643,930	645,659	646,842	647,047
4 Bills ³	228,026	231,580	235,465	231,481	231,892	232,544	235,045	235,713	235,855	236,035
5 Notes and bonds, nominal ³	390,305	394,110	395,917	394,519	394,621	394,621	394,725	395,760	396,776	396,776
6 Notes and bonds, inflation-indexed ³	12,242	12,353	12,814	12,242	12,324	12,814	12,814	12,814	12,814	12,814
7 Inflation compensation ⁴	1,247	1,270	1,380	1,264	1,282	1,322	1,345	1,371	1,396	1,422
8 Federal agency ³	10	10	10	10	10	10	10	10	10	10
9 Repurchase agreements ⁵	24,558	23,356	25,792	26,500	19,286	28,464	21,893	26,821	23,893	28,751
10 Loans to depository institutions	19	24	30	18	10	11	29	36	28	30
11 Primary credit	15	17	8	9	2	4	13	16	4	0
12 Secondary credit	0	0	0	0	0	0	0	0	0	0
13 Seasonal credit	4	7	22	8	8	7	16	20	24	29
14 Float	977	595	-115	805	1,409	-595	-58	-285	-405	225
15 Other Federal Reserve assets	39,229	38,066	39,158	38,025	38,147	38,642	38,603	39,046	39,347	39,811
16 Gold stock	11,043	11,043	11,043	11,043	11,043	11,043	11,043	11,043	11,043	11,043
17 Special drawing rights certificate account	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
18 Treasury currency outstanding	34,650	34,754	34,830	34,754	34,776	34,798	34,812	34,826	34,840	34,854
ABSORBING RESERVE FUNDS										
19 Currency in circulation	680,336	683,798	687,334	683,717	684,519	685,884	686,965	687,616	687,514	687,208
20 Reverse repurchase agreements ⁶	18,222	18,755	20,639	19,802	18,320	19,291	20,653	20,745	20,552	20,949
21 Foreign official and international accounts	17,954	18,715	20,564	19,623	18,320	19,291	20,331	20,745	20,552	20,949
22 Dealers	268	40	75	179	0	0	321	0	0	0
23 Treasury cash holdings	354	369	356	372	394	370	353	357	360	350
24 Deposits with Federal Reserve Banks, other than reserve balances	16,236	16,842	19,183	16,130	17,783	17,265	18,670	17,811	20,679	20,129
25 U.S. Treasury, general account	5,053	5,339	7,533	4,979	5,916	5,654	6,528	6,470	8,927	8,763
26 Foreign official	125	163	118	159	240	123	118	120	106	132
27 Service-related	10,819	11,118	11,261	10,760	11,412	11,263	11,744	10,980	11,313	11,008
28 Required clearing balances	10,330	10,601	10,835	10,373	10,977	10,978	10,820	10,820	10,829	10,829
29 Adjustments to compensate for float	489	517	426	387	435	285	923	160	484	179
30 Other	239	221	270	231	215	225	281	241	333	225
31 Other liabilities and capital	19,664	19,732	20,024	19,538	19,412	19,963	19,860	19,941	20,145	20,165
32 Reserve balances with Federal Reserve Banks ⁷	9,693	9,865	10,989	13,304	6,571	13,100	5,960	12,885	8,548	15,170
			End-of-month figures			Wednesday figures				
	Feb. ¹	Mar. ¹	Apr.	Mar. 19 ²	Mar. 26 ²	Apr. 2	Apr. 9	Apr. 16	Apr. 23	Apr. 30
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	701,055	710,555	724,444	708,944	704,126	709,677	705,756	723,322	710,247	724,444
2 Securities held outright	636,921	641,474	647,281	639,899	640,901	641,482	645,084	646,795	646,901	647,281
3 U.S. Treasury ²	636,911	641,466	647,271	639,889	640,891	641,472	645,074	646,785	646,891	647,271
4 Bills ³	230,843	232,706	236,249	231,756	232,143	232,708	235,550	235,814	235,895	236,249
5 Notes and bonds, nominal ³	392,593	394,621	396,776	394,621	394,621	394,621	395,354	396,776	396,776	396,776
6 Notes and bonds, inflation-indexed ³	12,242	12,814	12,814	12,242	12,814	12,814	12,814	12,814	12,814	12,814
7 Inflation compensation ⁴	1,233	1,322	1,431	1,269	1,312	1,329	1,355	1,380	1,406	1,431
8 Federal agency ³	10	10	10	10	10	10	10	10	10	10
9 Repurchase agreements ⁵	26,900	31,750	37,501	27,000	25,500	30,500	21,250	38,000	24,500	37,501
10 Loans to depository institutions	5	30	35	17	7	15	33	46	30	35
11 Primary credit	1	25	0	11	1	2	15	23	3	0
12 Secondary credit	0	0	0	0	0	0	0	0	0	0
13 Seasonal credit	4	4	35	6	6	13	18	23	27	35
14 Float	4	-1,197	-101	4,065	-732	-799	610	-626	-685	-101
15 Other Federal Reserve assets	37,225	38,499	39,728	37,964	38,450	38,478	38,778	39,107	39,500	39,728
16 Gold stock	11,043	11,043	11,043	11,043	11,043	11,043	11,043	11,043	11,043	11,043
17 Special drawing rights certificate account	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
18 Treasury currency outstanding	34,710	34,798	34,854	34,754	34,776	34,798	34,812	34,826	34,840	34,854
ABSORBING RESERVE FUNDS										
19 Currency in circulation	681,634	685,791	688,723	685,238	686,257	687,717	688,485	688,924	688,475	688,723
20 Reverse repurchase agreements ⁶	18,018	19,418	20,814	18,430	18,231	19,729	20,291	19,801	19,991	20,814
21 Foreign official and international accounts	18,018	19,418	20,814	17,180	18,231	19,729	20,291	19,801	19,991	20,814
22 Dealers	0	0	0	1,250	0	0	0	0	0	0
23 Treasury cash holdings	343	373	340	398	373	353	357	361	352	340
24 Deposits with Federal Reserve Banks, other than reserve balances	15,406	18,474	22,135	14,778	17,676	17,842	18,994	20,138	20,937	22,135
25 U.S. Treasury, general account	4,268	6,746	10,583	3,607	5,927	6,199	6,872	8,821	9,285	10,583
26 Foreign official	224	254	313	150	162	103	102	101	105	313
27 Service-related	10,721	11,263	11,008	10,760	11,412	11,263	11,744	10,980	11,313	11,008
28 Required clearing balances	10,336	10,978	10,829	10,373	10,977	10,978	10,820	10,820	10,829	10,829
29 Adjustments to compensate for float	385	285	179	387	435	285	923	160	484	179
30 Other	193	211	231	261	175	277	277	236	234	231
31 Other liabilities and capital	19,739	20,230	20,049	19,147	19,601	19,721	19,616	19,871	19,804	20,049
32 Reserve balances with Federal Reserve Banks ⁷	13,868	14,312	20,479	18,951	10,008	12,356	6,067	22,296	8,770	20,479

1. Amounts of vault cash held as reserves are shown in table 1.12, line 2.
 2. Includes securities lent to dealers, which are fully collateralized by other U.S. Treasury securities.
 3. Face value of the securities.
 4. Compensation that adjusts for the effect of inflation on the original face value of inflation-indexed securities.
 5. Cash value of agreements, which are fully collateralized by U.S. Treasury and federal agency securities.
 6. Cash value of agreements, which are fully collateralized by U.S. Treasury securities.
 7. Excludes required clearing balances and adjustments to compensate for float.

A6 Domestic Financial Statistics □ July 2003

1.12 RESERVES AND BORROWINGS Depository Institutions¹

Millions of dollars

Reserve classification	Prorated monthly averages of biweekly averages									
	2000	2001	2002	2002			2003			
	Dec.	Dec.	Dec.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar. [†]	Apr.
1 Reserve balances with Reserve Banks ²	7,022	9,053	9,873	8,836	9,695	9,873	10,004	9,807	9,818	10,583
2 Total vault cash ³	45,245	43,919	43,334	42,933	42,144	43,334	46,210	45,939	43,086	41,990
3 Applied vault cash ⁴	31,451	32,024	30,300	29,849	29,446	30,300	32,738	32,067	30,748	30,573
4 Surplus vault cash ⁵	13,794	11,895	13,033	13,084	12,698	13,033	13,471	13,872	12,337	11,417
5 Total reserves ⁶	38,473	41,077	40,173	38,685	39,141	40,173	42,743	41,874	40,567	41,157
6 Required reserves	37,046	39,428	38,176	37,134	37,525	38,176	41,082	39,966	38,957	39,639
7 Excess reserve balances at Reserve Banks ⁷	1,427	1,649	1,997	1,550	1,616	1,997	1,660	1,908	1,610	1,517
8 Total borrowing at Reserve Banks	210	67	80	143	272	80	27	25	22	29
9 Primary	.	.	.	.	.	.	12	21	14	8
10 Secondary	.	.	.	.	.	.	0	0	0	0
11 Seasonal	111	33	45	120	60	45	13	5	8	21
12 Adjustment	99	34	35	23	211	35	2	.	.	.

Reserve classification	Biweekly averages of daily figures for two-week periods ending on dates indicated									
	2002	2003								
	Dec. 25	Jan. 8	Jan. 22	Feb. 5	Feb. 19	Mar. 5	Mar. 19	Apr. 2 [†]	Apr. 16	Apr. 30
1 Reserve balances with Reserve Banks ²	10,408	9,200	10,894	9,336	9,431	10,654	9,500	9,843	9,421	11,852
2 Total vault cash ³	43,740	45,148	44,363	50,026	46,005	43,567	42,203	43,916	41,680	42,026
3 Applied vault cash ⁴	30,292	31,935	31,500	35,378	30,911	32,027	29,372	31,822	29,833	31,136
4 Surplus vault cash ⁵	13,448	13,213	12,863	14,648	15,095	11,540	12,831	12,095	11,847	10,890
5 Total reserves ⁶	40,700	41,135	42,394	44,714	40,342	42,681	38,872	41,664	39,254	42,987
6 Required reserves	38,225	39,495	40,631	43,196	38,009	41,217	37,211	40,052	37,784	41,436
7 Excess reserve balances at Reserve Banks ⁷	2,475	1,640	1,763	1,518	2,332	1,464	1,660	1,612	1,470	1,551
8 Total borrowing at Reserve Banks	57	36	18	34	25	21	32	11	33	29
9 Primary	.	.	9	28	21	17	23	3	15	2
10 Secondary	.	.	0	0	0	0	0	0	0	0
11 Seasonal	48	29	9	6	4	5	9	8	18	27
12 Adjustment	10	8	.	.	.	.	.	.	.	.

1. Data in this table also appear in the Board's H.3 (502) weekly statistical release. For ordering address, see inside front cover. Data are not break-adjusted or seasonally adjusted.
 2. Excludes required clearing balances and adjustments to compensate for float and includes other off-balance-sheet "as-of" adjustments.
 3. Vault cash eligible to satisfy reserve requirements. It includes only vault cash held by those banks and thrift institutions that are not exempt from reserve requirements. Dates refer to the maintenance periods in which the vault cash can be used to satisfy reserve requirements.

4. All vault cash held during the lagged computation period by "bound" institutions (that is, those whose required reserves exceed their vault cash) plus the amount of vault cash applied during the maintenance period by "nonbound" institutions (that is, those whose vault cash exceeds their required reserves) to satisfy current reserve requirements.
 5. Total vault cash (line 2) less applied vault cash (line 3).
 6. Reserve balances with Federal Reserve Banks (line 1) plus applied vault cash (line 3).
 7. Total reserves (line 5) less required reserves (line 6).

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per year

Current and previous levels

Federal Reserve Bank	Primary credit ¹			Secondary credit ²			Seasonal credit ³		
	On 6/9/03	Effective date	Previous rate	On 6/9/03	Effective date	Previous rate	On 6/9/03	Effective date	Previous rate
Boston	2.25	1/9/03	n/a	2.75	1/9/03	n/a	1.25	4/3/03	1.20
New York	↑	↑	↑	↑	↑	↑	↑	↑	↑
Philadelphia									
Cleveland									
Richmond									
Atlanta									
Chicago									
St. Louis									
Minneapolis									
Kansas City									
Dallas									
San Francisco	2.25	1/9/03	n/a	2.75	1/9/03	n/a	1.25	4/3/03	1.20

Range of rates for primary credit

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
In effect Jan. 9, 2003 (beginning of program)	2.25	2.25						

Range of rates for adjustment credit in recent years⁴

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

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

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

3. Incorrect data were published in the June 2003 issue of the *Federal Reserve Bulletin*. The correct data are shown below. Seasonal credit is available to help relatively small depository institutions meet regular seasonal needs for funds that arise from a clear pattern of intrayearly movements in their deposits and loans and that cannot be met through special

industry lenders. The discount rate on seasonal credit takes into account rates charged by market sources of funds and ordinarily is reestablished on the first business day of each two-week reserve maintenance period.

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

1.15 RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS¹

Type of deposit	Requirement	
	Percentage of deposits	Effective date
<i>Net transaction accounts</i> ²		
1 \$0 million–\$6 million ³	0	12/26/02
2 More than \$6 million–\$42.1 million ⁴	3	12/26/02
3 More than \$42.1 million ⁵	10	12/26/02
4 Nonpersonal time deposits ⁶	0	12/27/90
5 Eurocurrency liabilities ⁷	0	12/27/90

1. Required reserves must be held in the form of deposits with Federal Reserve Banks or vault cash. Nonmember institutions may maintain reserve balances with a Federal Reserve Bank indirectly, on a pass-through basis, with certain approved institutions. For previous reserve requirements, see earlier editions of the *Annual Report* or the *Federal Reserve Bulletin*. Under the Monetary Control Act of 1980, depository institutions include commercial banks, savings banks, savings and loan associations, credit unions, agencies and branches of foreign banks, and Edge Act corporations.

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

3. Under the Garn–St Germain Depository Institutions Act of 1982, the Board adjusts the amount of reservable liabilities subject to a zero percent reserve requirement each year for the succeeding calendar year by 80 percent of the percentage increase in the total reservable liabilities of all depository institutions, measured on an annual basis as of June 30. No corresponding adjustment is made in the event of a decrease. The exemption applies only to accounts that would be subject to a 3 percent reserve requirement. Effective with the reserve maintenance period beginning December 26, 2002, for depository institutions that report weekly, and with the period beginning January 16, 2003, for institutions that report quarterly, the exemption was raised from \$5.7 million to \$6.0 million.

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

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

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

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

7. The reserve requirement on eurocurrency liabilities was reduced from 3 percent to zero in the same manner and on the same dates as the reserve requirement on nonpersonal time deposits with an original maturity of less than 1.5 years (see note 5).

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS¹

Millions of dollars

Type of transaction and maturity	2000	2001	2002	2002				2003		
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
U.S. TREASURY SECURITIES²										
<i>Outright transactions</i>										
Treasury bills										
1 Gross purchases	8,676	15,503	21,421	750	0	250	0	0	4,161	1,863
2 Gross sales	0	0	0	0	0	0	0	0	0	0
3 Exchanges	477,904	542,736	657,931	53,314	62,947	51,394	53,374	71,075	53,860	47,424
4 For new bills	477,904	542,736	657,931	53,314	62,947	51,394	53,374	71,075	53,860	47,424
5 Redemptions	24,522	10,095	0	0	0	0	0	0	0	0
Others within one year										
6 Gross purchases	8,809	15,663	12,720	1,286	0	0	0	0	478	1,318
7 Gross sales	0	0	0	0	0	0	0	0	0	0
8 Maturity shifts	62,025	70,336	89,108	11,174	6,143	3,688	13,448	6,216	3,214	8,334
9 Exchanges	-54,656	-72,004	-92,075	-15,189	-5,435	-1,419	-12,059	-6,834	-13,313	-8,211
10 Redemptions	3,779	16,802	0	0	0	0	0	0	0	0
One to five years										
11 Gross purchases	14,482	22,814	12,748	0	0	0	339	0	2,127	710
12 Gross sales	0	0	0	0	0	0	0	0	0	0
13 Maturity shifts	-52,068	-45,211	-73,093	-11,174	-6,143	-2,380	-13,448	-6,216	2,160	-8,334
14 Exchanges	46,177	64,519	88,276	15,189	5,435	1,308	12,059	6,834	11,817	8,211
Five to ten years										
15 Gross purchases	5,871	6,003	5,074	51	0	0	314	0	769	522
16 Gross sales	0	0	0	0	0	0	0	0	0	0
17 Maturity shifts	-6,801	-21,063	-11,588	0	0	722	0	0	-3,877	0
18 Exchanges	6,585	6,063	3,800	0	0	111	0	0	1,497	0
More than ten years										
19 Gross purchases	5,833	8,531	2,280	0	0	0	0	0	0	50
20 Gross sales	0	0	0	0	0	0	0	0	0	0
21 Maturity shifts	-3,155	-4,062	-4,427	0	0	-2,030	0	0	-1,497	0
22 Exchanges	1,894	1,423	0	0	0	0	0	0	0	0
All maturities										
23 Gross purchases	43,670	68,513	54,242	2,087	0	250	653	0	7,534	4,463
24 Gross sales	0	0	0	0	0	0	0	0	0	0
25 Redemptions	28,301	26,897	0	0	0	0	0	0	0	0
26 Net change in U.S. Treasury securities	15,369 ^e	41,616 ^e	54,242 ^e	2,087 ^e	0 ^e	250 ^e	653 ^e	0	7,534 ^e	4,463
FEDERAL AGENCY OBLIGATIONS										
<i>Outright transactions</i>										
27 Gross purchases	0 ^f	0 ^f	0 ^f	0 ^f	0 ^f	0 ^f	0 ^f	0	0	0
28 Gross sales	0	0	0	0	0	0	0	0	0	0
29 Redemptions	51 ^f	120 ^f	0	0	0	0	0	0	0	0
30 Net change in federal agency obligations	-51 ^f	-120 ^f	0 ^f	0	0	0	0 ^f	0 ^f	0 ^f	0
TEMPORARY TRANSACTIONS										
<i>Repurchase agreements³</i>										
31 Gross purchases	890,236 ^g	1,497,713 ^g	1,143,126 ^g	93,500 ^g	72,000 ^g	113,501 ^g	112,750 ^g	135,749 ^g	121,896 ^g	95,001
32 Gross sales	987,501 ^g	1,490,838 ^g	1,153,876 ^g	94,750 ^g	77,250 ^g	101,501 ^g	101,750 ^g	150,499 ^g	119,746 ^g	90,151
<i>Matched sale-purchase agreements</i>										
33 Gross purchases	4,415,905 ^h	4,722,667 ^h	4,981,624 ^h	449,250 ^h	429,029 ^h	378,381 ^h	195,565 ^h	0	0	0
34 Gross sales	4,397,835 ^h	4,724,743 ^h	4,958,437 ^h	449,986 ^h	425,399 ^h	377,535 ^h	175,820 ^h	0	0	0
<i>Reverse repurchase agreements⁴</i>										
35 Gross purchases	0 ⁱ	0 ⁱ	231,272 ⁱ	0	0	0	231,272 ⁱ	392,530 ⁱ	343,748 ⁱ	388,069
36 Gross sales	0	0	252,363 ⁱ	0	0	0	252,363 ⁱ	389,810 ⁱ	343,395 ⁱ	389,469
37 Net change in temporary transactions	-79,195 ^g	4,800 ^g	-8,653 ^g	-1,986 ^g	-1,620 ^g	12,847 ^g	9,654 ^g	-12,029 ^g	2 ^g	2,200
38 Total net change in System Open Market Account	-63,877 ^g	46,295 ^g	45,589 ^g	101 ^g	-1,620 ^g	13,096 ^g	10,307 ^g	-12,029 ^g	7,537 ^g	6,664

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

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

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

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

A10 Domestic Financial Statistics □ July 2003

1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements¹

Millions of dollars

Account	Wednesday					End of month		
	2003					2003		
	Apr. 2	Apr. 9	Apr. 16	Apr. 23	Apr. 30	Feb.	Mar.	Apr.
Consolidated condition statement								
ASSETS								
1 Gold certificate account	11,038	11,038	11,038	11,038	11,039	11,039	11,038	11,039
2 Special drawing rights certificate account	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
3 Coin	1,092	1,078	1,056	1,043	1,021	1,104	1,106	1,021
4 Securities, repurchase agreements, and loans	671,998	666,367	684,841	671,431	684,817	663,826	673,253	684,817
5 Securities held outright	641,482	645,084	646,795	646,901	647,281	636,921	641,474	647,281
6 U.S. Treasury ²	641,472	645,074	646,785	646,891	647,271	636,911	641,464	647,271
7 Bills ³	232,708	235,550	235,814	235,895	236,249	230,843	232,706	236,249
8 Notes and bonds, nominal ³	394,621	395,354	396,776	396,776	396,776	392,593	394,621	396,776
9 Notes and bonds, inflation-indexed ³	12,814	12,814	12,814	12,814	12,814	12,242	12,814	12,814
10 Inflation compensation ⁴	1,329	1,355	1,380	1,406	1,431	1,233	1,322	1,431
11 Federal agency ⁵	10	10	10	10	10	10	10	10
12 Repurchase agreements ⁵	30,500	21,250	38,000	24,500	37,501	26,900	31,750	37,501
13 Loans	15	33	46	30	35	5	30	35
14 Items in process of collection	8,376	9,043	8,284	7,589	8,173	6,051	2,129	8,173
15 Bank premises	1,557	1,558	1,559	1,560	1,577	1,554	1,557	1,577
16 Other assets	37,146	37,496	37,802	38,296	38,412	35,745	37,190	38,412
17 Denominated in foreign currencies ⁶	17,195	17,072	17,239	17,292	17,579	17,246	17,383	17,579
18 All other ⁷	19,951	20,424	20,562	21,004	20,832	18,499	19,807	20,832
19 Total assets	733,407	728,780	746,781	733,157	747,239	721,519	728,474	747,239
LIABILITIES								
20 Federal Reserve notes, net of F.R. Bank holdings	654,360	655,104	655,512	655,025	655,226	648,366	652,467	655,226
21 Reverse repurchase agreements ⁸	19,729	20,291	19,801	19,991	20,814	19,018	19,418	20,814
22 Deposits	30,583	25,309	42,795	30,369	43,007	29,446	33,998	43,007
23 Depository institutions	24,004	18,058	33,637	20,745	31,880	24,761	26,787	31,880
24 U.S. Treasury, general account	6,199	6,872	8,821	9,285	10,583	4,268	6,746	10,583
25 Foreign official	103	102	101	105	313	224	254	313
26 Other	277	277	236	234	231	193	211	231
27 Deferred availability cash items	9,014	8,460	8,803	7,968	8,142	5,950	2,362	8,142
28 Other liabilities and accrued dividends ⁹	2,218	2,264	2,239	2,275	2,270	2,277	2,232	2,270
29 Total liabilities	715,904	711,427	729,149	715,628	729,460	704,057	710,476	729,460
CAPITAL ACCOUNTS								
30 Capital paid in	8,514	8,521	8,522	8,526	8,545	8,456	8,505	8,545
31 Surplus	8,380	8,380	8,380	8,380	8,380	8,380	8,380	8,380
32 Other capital accounts	609	452	729	623	854	626	1,113	854
33 Total capital	17,503	17,352	17,632	17,529	17,779	17,462	17,998	17,779
MEMO								
34 Marketable securities held in custody for foreign official and international accounts ¹⁰	900,133	898,299	892,976	888,763	893,534	888,946	901,060	893,534
35 U.S. Treasury	721,059	719,571	717,312	713,171	713,499	710,187	720,666	713,499
36 Federal agency	179,074	178,728	175,665	175,591	180,035	178,759	180,393	180,035
Federal Reserve note and collateral statement								
37 Federal Reserve notes, net of F.R. Bank holdings	654,360	655,104	655,512	655,025	655,226	648,366	652,467	655,226
38 Collateral held against Federal Reserve notes	654,360	655,104	655,512	655,025	659,280	648,366	652,467	659,280
39 Gold certificate account	11,038	11,038	11,038	11,038	11,039	11,039	11,038	11,039
40 Special drawing rights certificate account	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
41 U.S. Treasury and agency securities pledged ¹¹	641,122	641,865	642,274	641,787	646,042	635,128	639,229	646,042
42 Other eligible assets	0	0	0	0	0	0	0	0
MEMO								
43 Total U.S. Treasury and agency securities ¹¹	671,982	666,334	684,795	671,401	684,782	663,821	673,224	684,782
44 Less: face value of securities under reverse repurchase agreements ¹²	19,736	20,299	19,807	19,997	20,821	18,028	19,425	20,821
45 U.S. Treasury and agency securities eligible to be pledged	652,247	646,035	664,988	651,404	663,961	645,794	653,798	663,961

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

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

3. Face value of the securities.

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

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

6. Valued daily at market exchange rates.

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

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

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

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

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

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

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holding

Millions of dollars

Type of holding and maturity	Wednesday					End of month		
	2003					2003		
	Apr. 2	Apr. 9	Apr. 16	Apr. 23	Apr. 30	Feb.	Mar.	Apr.
1 Total loans	15	33	46	30	35	5	30	35
2 Within fifteen days ¹	6	26	45	29	28	5	30	28
3 Sixteen days to ninety days	9	8	1	1	7	0	0	7
4 91 days to 1 year	0	0	0	0	0	0	0	0
5 Total U.S. Treasury securities²	641,472	645,074	646,785	646,891	647,271	636,911	641,464	647,271
6 Within fifteen days ¹	37,761	39,537	49,663	51,906	46,750	23,882	24,647	46,750
7 Sixteen days to ninety days	139,767	139,581	129,782	127,946	126,284	146,519	146,179	126,284
8 Ninety-one days to one year	150,962	152,215	153,573	154,035	153,916	147,029	149,328	153,916
9 One year to five years	180,779	181,519	181,526	181,533	188,832	187,927	189,111	188,832
10 Five years to ten years	52,293	52,301	52,309	51,529	51,538	51,727	52,290	51,538
11 More than ten years	79,911	79,921	79,932	79,942	79,952	79,827	79,908	79,952
12 Total federal agency obligations	10	10	10	10	10	10	10	10
13 Within fifteen days ¹	0	0	0	0	0	0	0	0
14 Sixteen days to ninety days	0	0	0	0	0	0	0	0
15 Ninety-one days to one year	10	10	10	10	10	10	10	10
16 One year to five years	0	0	0	0	0	0	0	0
17 Five years to ten years	0	0	0	0	0	0	0	0
18 More than ten years	0	0	0	0	0	0	0	0

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

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

1.20 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND MONETARY BASE¹

Billions of dollars, averages of daily figures

Item	1999 Dec.	2000 Dec.	2001 Dec.	2002 Dec.	2002				2003			
					Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
	Seasonally adjusted											
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ²												
1 Total reserves ³	41.81	38.54	41.24	40.12	39.25	39.18	39.69	40.12	40.61	40.76	40.94	40.79
2 Nonborrowed reserves ⁴	41.49	38.33	41.18	40.04	39.02	39.04	39.41	40.04	40.58	40.73	40.92	40.76
3 Required reserves	40.51	37.11	39.60	38.12	37.78	37.63	38.07	38.12	38.95	38.85	39.33	39.27
4 Monetary base ⁵	593.14	584.72	635.56	681.77	671.45	674.30	677.52	681.77	685.59	691.31	695.12 ⁶	698.25
	Not seasonally adjusted											
5 Total reserves ⁶	41.89	38.53	41.20	40.03	38.78	38.54	38.98	40.03	42.73	41.87	40.56	41.15
6 Nonborrowed reserves	41.57	38.32	41.13	39.95	38.55	38.40	38.71	39.95	42.70	41.85	40.54	41.12
7 Required reserves ⁷	40.59	37.10	39.55	38.03	37.31	36.99	37.37	38.03	41.07	39.97	38.95	39.63
8 Monetary base ⁸	600.72	590.06	639.91	686.17	669.71	671.48	676.66	686.17	688.27	690.20	693.87	697.76
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ⁹												
9 Total reserves ¹⁰	41.65	38.47	41.08	40.17	38.91	38.69	39.14	40.17	42.74	41.87	40.57	41.16
10 Nonborrowed reserves	41.33	38.26	41.01	40.09	38.68	38.54	38.87	40.09	42.72	41.85	40.55	41.13
11 Required reserves	40.36	37.05	39.43	38.18	37.43	37.13	37.53	38.18	41.08	39.97	38.96 ¹¹	39.64
12 Monetary base ¹¹	608.02	596.98	648.74	697.09	679.96	681.83	687.23	697.09	699.18	700.99	705.00	709.03
13 Excess reserves ¹²	1.30	1.43	1.65	2.00	1.48	1.55	1.62	2.00	1.66	1.91	1.61	1.52
14 Borrowings from the Federal Reserve .....	.32	.21	.07	.08	.23	.14	.27	.08	.03	.03	.02	.03

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

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

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

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

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

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

7. To adjust required reserves for discontinuities that are due to regulatory changes in reserve requirements, a multiplicative procedure is used to estimate what required reserves

would have been in past periods had current reserve requirements been in effect. Break-adjusted required reserves include required reserves against transactions deposits and nonpersonal time and savings deposits (but not reservable nondeposit liabilities).

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

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

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

11. The monetary base, not break-adjusted and not seasonally adjusted, consists of (1) total reserves (line 11), plus (2) required clearing balances and adjustments to compensate for float at Federal Reserve Banks, plus (3) the currency component of the money stock, plus (4) (for all quarterly reporters on the "Report of Transaction Accounts, Other Deposits and Vault Cash" and for all those weekly reporters whose vault cash exceeds their required reserves) the difference between current vault cash and the amount applied to satisfy current reserve requirements. Since February 1984, currency and vault cash figures have been measured over the computation periods ending on Mondays.

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

1.21 MONEY STOCK MEASURES¹

Billions of dollars, averages of daily figures

Item	1999 Dec.	2000 Dec.	2001 Dec.	2002 Dec.	2003			
					Jan.	Feb.	Mar. ⁷	Apr.
Seasonally adjusted								
<i>Measures²</i>								
1 M1	1,121.9	1,084.9	1,173.4	1,210.5	1,212.6	1,232.6	1,235.9	1,236.0
2 M2	4,648.0	4,926.9	5,440.6	5,796.6	5,827.3	5,883.5	5,898.7	5,921.1
3 M3	6,529.8	7,093.3	7,993.3	8,519.5 ⁹	8,517.6 ⁹	8,572.9 ⁹	8,595.4	8,600.1
<i>M1 components</i>								
4 Currency ³	517.5	531.0	581.4	626.7	630.1	635.3	639.2	642.1
5 Travelers checks ⁴	8.3	8.0	7.8	7.5	7.6	7.6	7.5	7.4
6 Demand deposits ⁵	332.2	306.7	325.6	296.4	295.5 ⁶	303.6	303.8	303.8
7 Other checkable deposits ⁶	244.0	239.2	258.8	280.0 ⁶	279.3	284.1	285.4	282.7
<i>Nontransaction components</i>								
8 In M2 ⁷	3,526.0	3,842.0	4,267.1	4,586.1	4,614.7	4,650.9	4,662.8	4,685.1
9 In M3 only ⁸	1,881.8	2,166.4	2,554.8	2,722.9 ⁹	2,690.3 ⁹	2,689.4 ⁹	2,696.6	2,679.0
<i>Commercial banks</i>								
10 Savings deposits, including MMDAs	1,288.8	1,422.3	1,734.5	2,047.5	2,079.4	2,107.1	2,114.9	2,146.0
11 Small time deposits ⁹	634.7	698.8	634.2	583.6	580.2	576.7	573.3	569.1
12 Large time deposits ^{10,11}	650.2	717.4	670.8	683.3	691.7	700.0	704.1	697.4
<i>Thrift institutions</i>								
13 Savings deposits, including MMDAs	449.6	451.7	569.0	710.3	723.1	739.6	751.5	762.8
14 Small time deposits ⁹	320.3	344.4	338.7	300.4	299.2	297.6	297.1	296.4
15 Large time deposits ¹⁰	91.0	102.9	114.9	116.7	118.0	118.1	117.4	117.7
<i>Money market mutual funds</i>								
16 Retail	832.7	924.8	990.7	944.3	932.8	929.9	925.9	910.8
17 Institution-only	634.4	788.2	1,189.7	1,233.0	1,196.7	1,176.7	1,164.2	1,143.7
<i>Repurchase agreements and eurodollars</i>								
18 Repurchase agreements ¹²	335.7	363.5	375.0	470.7 ⁷	461.7 ⁷	475.7 ⁷	493.4	501.0
19 Eurodollars ¹³	170.5	194.3	204.3	219.2	222.1 ⁷	219.0 ⁷	217.4	219.1
Not seasonally adjusted								
<i>Measures²</i>								
20 M1	1,148.3	1,112.3	1,203.5	1,240.4	1,219.7	1,218.4	1,237.4	1,252.1
21 M2	4,675.0	4,962.3	5,483.5	5,845.9	5,836.4	5,865.8	5,931.6	5,988.3
22 M3	6,572.4	7,147.8	8,067.0	8,597.0 ⁹	8,561.7 ⁹	8,602.8 ⁹	8,657.1	8,662.0
<i>M1 components</i>								
23 Currency ³	521.5	535.2	584.9	629.9	628.0	634.3	638.9	642.3
24 Travelers checks ⁴	8.4	8.1	7.9	7.7	7.7	7.7	7.7	7.5
25 Demand deposits ⁵	371.8	326.5	347.6	316.8	300.3	297.1	302.6	307.6
26 Other checkable deposits ⁶	246.6	242.5	263.2	286.0	283.7	279.3	288.2	294.8
<i>Nontransaction components</i>								
27 In M2 ⁷	3,526.7	3,849.9	4,280.0	4,605.5	4,616.7 ⁷	4,647.3	4,694.2	4,736.2
28 In M3 only ⁸	1,897.4	2,185.6	2,583.5	2,751.1 ⁹	2,725.3 ⁹	2,737.0 ⁹	2,725.6	2,673.7
<i>Commercial banks</i>								
29 Savings deposits, including MMDAs	1,288.8	1,426.9	1,742.3	2,060.0	2,074.8	2,096.2	2,126.1	2,170.6
30 Small time deposits ⁹	635.7	700.0	635.2	584.3	580.4	576.6	572.6	568.1
31 Large time deposits ^{10,11}	651.7	717.6	669.7	681.6	686.0	696.1	701.9	695.9
<i>Thrift institutions</i>								
32 Savings deposits, including MMDAs	449.6	453.1	571.5	714.7	721.5	735.7	755.5	771.6
33 Small time deposits ⁹	320.8	345.0	339.2	300.7	299.3	297.5	296.7	295.9
34 Large time deposits ¹⁰	91.2	103.0	114.7	116.4	117.0	117.5	117.1	117.4
<i>Money market mutual funds</i>								
35 Retail	832.0	925.0	991.8	945.8	940.8	941.3	943.4	930.0
36 Institution-only	648.2	805.6	1,217.7	1,260.8	1,234.0	1,214.1	1,185.9	1,140.9
<i>Repurchase agreements and eurodollars</i>								
37 Repurchase agreements ¹²	334.7	364.2	376.5	472.5 ⁷	465.3 ⁷	486.9 ⁷	499.5	497.2
38 Eurodollars ¹³	171.7	195.2	204.9	219.8	223.0 ⁷	222.4 ⁷	221.2	222.4

Footnotes appear on following page.

NOTES TO TABLE 1.21

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

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

M1: (1) currency outside the U.S. Treasury, Federal Reserve Banks, and the vaults of depository institutions, (2) travelers checks of nonbank issuers, (3) demand deposits at all commercial banks other than those owed to depository institutions, the U.S. government, and foreign banks and official institutions, less cash items in the process of collection and Federal Reserve float, and (4) other checkable deposits (OCDs), consisting of negotiable order of withdrawal (NOW) and automatic transfer service (ATS) accounts at depository institutions, credit union share draft accounts, and demand deposits at thrift institutions. Seasonally adjusted M1 is computed by summing currency, travelers checks, demand deposits, and OCDs, each seasonally adjusted separately.

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

M3: M2 plus (1) large-denomination time deposits (in amounts of \$100,000 or more) issued by all depository institutions, (2) balances in institutional money funds, (3) RP liabilities (overnight and term) issued by all depository institutions, and (4) eurodollars (overnight and term) held by U.S. residents at foreign branches of U.S. banks worldwide and at all banking offices in the United Kingdom and Canada. Excludes amounts held by deposit-

ory institutions, the U.S. government, money market funds, and foreign banks and official institutions. Seasonally adjusted M3 is calculated by summing large time deposits, institutional money fund balances, RP liabilities, and eurodollars, each seasonally adjusted separately, and adding this result to seasonally adjusted M2.

3. Currency outside the U.S. Treasury, Federal Reserve Banks, and vaults of depository institutions.

4. Outstanding amount of U.S. dollar-denominated travelers checks of nonbank issuers. Travelers checks issued by depository institutions are included in demand deposits.

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

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

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

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

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

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

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

12. Includes both overnight and term.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities¹

A. All commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2002		2002		2003				2003			
	Apr.	Oct.	Nov.	Dec. [†]	Jan. [†]	Feb. [†]	Mar. [†]	Apr.	Apr. 9	Apr. 16	Apr. 23	Apr. 30
	Seasonally adjusted											
<i>Assets</i>												
1 Bank credit	5,442.5	5,759.4	5,838.2	5,896.8	5,889.6	5,963.8	5,993.9	6,026.2	6,010.6	5,991.3	6,034.9	6,077.0
2 Securities in bank credit	1,498.2	1,637.3	1,679.4	1,708.9	1,702.0	1,743.8	1,754.6	1,765.6	1,742.0	1,727.8	1,780.9	1,815.4
3 U.S. government securities	867.0	973.8	1,004.3	1,020.1	1,021.0	1,046.7	1,056.7	1,087.4	1,059.5	1,050.9	1,107.9	1,137.1
4 Other securities	631.2	663.5	675.2	688.8	681.0	697.1	697.9	678.2	682.4	676.9	673.0	678.3
5 Loans and leases in bank credit ²	3,944.3	4,122.2	4,158.8	4,187.9	4,187.6	4,220.0	4,239.3	4,260.6	4,268.7	4,263.5	4,254.0	4,261.6
6 Commercial and industrial	1,006.4	969.1	968.2	966.2	961.0	953.2	946.3	943.7	944.2	946.5	943.2	940.8
7 Real estate	1,795.8	1,972.8	2,007.7	2,029.7	2,046.1	2,076.7	2,089.4	2,104.8	2,105.1	2,105.9	2,103.9	2,110.4
8 Revolving home equity	171.5	205.1	209.2	213.8	217.7	222.3	229.4	233.4	232.8	232.8	233.9	234.3
9 Other	1,624.3	1,767.7	1,798.6	1,815.9	1,828.4	1,854.4	1,859.9	1,871.5	1,872.4	1,873.1	1,870.0	1,876.1
10 Consumer	565.3	584.9	585.7	588.3	592.8	593.9	590.9	588.4	587.4	589.0	590.0	587.0
11 Security ³	168.2	183.0	185.8	189.5	176.5	185.9	202.0	202.6	217.7	199.2	195.9	196.9
12 Other loans and leases	408.6	412.3	411.3	414.2	411.3	410.3	410.8	421.1	414.2	423.0	420.9	426.4
13 Interbank loans	271.5	328.1	325.5	328.3	307.6	305.9	316.0	309.9	292.8	307.0	311.3	326.0
14 Cash assets ⁴	300.3	317.8	315.4	316.9	312.8	316.0	322.1	317.6	307.8	325.4	308.3	326.8
15 Other assets ⁵	474.3	507.5	509.9	505.2	506.7	533.2	526.4	534.0	535.9	527.0	530.0	546.5
16 Total assets⁶	6,413.1	6,836.5	6,912.2	6,970.7	6,939.5	7,041.3	7,080.5	7,110.7	7,070.3	7,073.8	7,107.3	7,199.4
<i>Liabilities</i>												
17 Deposits	4,313.9	4,486.7	4,509.3	4,488.2	4,510.5	4,537.4	4,586.4	4,613.4	4,566.9	4,608.4	4,608.4	4,669.0
18 Transaction	603.7	609.7	605.9	611.3	607.7	613.0	618.3	630.8	584.9	623.1	652.3	672.4
19 Nontransaction	3,710.2	3,876.9	3,903.4	3,877.0	3,902.8	3,924.4	3,968.1	3,982.6	3,982.1	3,985.3	3,956.1	3,996.6
20 Large time	1,033.2 [†]	1,024.6 [†]	1,005.7 [†]	979.4	983.2	998.7	1,004.7	988.4	984.9	978.3	990.1	997.3
21 Other	2,677.0 [†]	2,852.4 [†]	2,897.6 [†]	2,897.6	2,919.6	2,925.7	2,963.4	2,994.2	2,997.2	3,007.0	2,966.0	2,999.3
22 Borrowings	1,219.1	1,332.0	1,366.1	1,397.3	1,333.6	1,369.2	1,395.3	1,405.5	1,405.2	1,400.8	1,404.0	1,421.8
23 From banks in the U.S.	383.1	414.9	421.9	417.6	380.4	386.9	395.6	395.2	391.2	400.9	387.7	400.0
24 From others	836.0	917.1	944.2	979.7	953.2	982.4	999.7	1,011.3	1,014.0	999.9	1,016.3	1,021.8
25 Net due to related foreign offices	104.6	117.5	122.9	152.0	156.9	146.0	139.4	145.3	151.9	136.8	150.5	143.0
26 Other liabilities	326.5	427.8	431.4	441.5	442.7	452.3	443.7	446.6	444.9	455.2	440.9	447.3
27 Total liabilities	5,964.0	6,364.0	6,429.7	6,479.0	6,443.7	6,504.9	6,564.8	6,611.8	6,569.0	6,601.1	6,603.9	6,681.1
28 Residual (assets less liabilities) ⁷	449.1	472.5	482.5	491.6	495.8	536.4	515.7	498.9	501.4	472.6	503.4	518.3
	Not seasonally adjusted											
<i>Assets</i>												
29 Bank credit	5,437.6	5,761.3	5,853.6	5,930.8	5,906.9	5,967.3	5,982.3	6,020.7	5,988.8	5,997.4	6,032.0	6,076.8
30 Securities in bank credit	1,496.7	1,635.1	1,682.7	1,715.5	1,712.4	1,753.0	1,759.6	1,763.4	1,743.8	1,728.0	1,775.2	1,809.1
31 U.S. government securities	867.1	969.8	1,006.0	1,024.3	1,025.8	1,053.1	1,061.6	1,087.2	1,064.6	1,052.6	1,104.7	1,131.7
32 Other securities	629.5	665.3	676.7	691.2	686.6	699.9	697.9	676.2	672.6	675.4	670.5	677.4
33 Loans and leases in bank credit ²	3,941.0	4,126.1	4,170.8	4,215.3	4,194.5	4,214.4	4,222.7	4,257.3	4,245.0	4,269.4	4,256.8	4,267.7
34 Commercial and industrial	1,010.2	969.5	968.2	964.9	955.1	951.2	947.6	947.5	944.8	951.0	948.2	946.0
35 Real estate	1,792.7	1,974.4	2,012.3	2,034.3	2,046.5	2,072.4	2,080.4	2,101.2	2,099.5	2,102.1	2,100.7	2,110.0
36 Revolving home equity	171.3	205.6	209.0	213.4	217.1	222.6	227.4	233.1	230.8	232.1	234.7	235.6
37 Other	1,621.4	1,768.8	1,803.2	1,820.9	1,829.4	1,849.8	1,853.0	1,868.1	1,868.7	1,870.0	1,866.0	1,874.3
38 Consumer	562.1	585.3	588.1	597.1	600.5	597.1	588.6	585.6	582.3	585.3	588.4	586.4
39 Credit cards and related plans	223.3	232.0	231.6	238.6	234.8	228.0	223.7	219.9	217.7	219.7	221.9	220.4
40 Other	338.8	353.2	356.5	358.6	365.6	369.1	364.9	365.7	364.6	365.6	366.5	365.9
41 Security ³	167.2	185.2	190.2	200.1	182.8	187.6	197.3	201.8	203.8	206.6	199.9	199.5
42 Other loans and leases	408.9	411.7	412.1	418.8	409.6	405.9	408.9	421.2	414.7	424.4	419.6	425.9
43 Interbank loans	280.8	320.9	330.6	335.4	304.4	303.2	322.5	321.0	314.6	328.7	311.4	324.6
44 Cash assets ⁴	299.1	320.9	325.2	339.1	328.8	316.5	311.3	316.4	297.9	331.9	301.7	331.4
45 Other assets ⁵	473.8	507.4	513.4	510.0	510.5	530.8	525.7	533.3	537.9	526.7	526.0	544.9
46 Total assets⁶	6,415.8	6,834.7	6,946.1	7,038.7	6,973.4	7,039.8	7,063.7	7,114.4	7,062.4	7,107.8	7,094.0	7,200.7
<i>Liabilities</i>												
47 Deposits	4,339.0	4,470.1	4,524.3	4,539.0	4,533.8	4,558.3	4,593.6	4,638.6	4,614.2	4,660.2	4,606.5	4,669.6
48 Transaction	609.4	606.8	613.5	644.1	621.8	605.3	609.9	636.8	588.2	644.9	646.9	674.8
49 Nontransaction	3,729.5	3,863.3	3,910.8	3,894.9	3,912.0	3,953.0	3,983.6	4,001.8	4,026.0	4,015.2	3,959.6	3,994.8
50 Large time	1,039.1 [†]	1,013.8 [†]	1,009.6 [†]	992.1	999.8	1,009.3	1,007.4	992.8	987.3	982.4	995.3	1,003.4
51 Other	2,690.4 [†]	2,849.6 [†]	2,901.2 [†]	2,902.8	2,912.3	2,943.7	2,976.2	3,009.1	3,038.7	3,032.8	2,964.3	2,991.3
52 Borrowings	1,222.9	1,334.6	1,367.4	1,396.5	1,346.7	1,371.4	1,391.6	1,410.6	1,394.8	1,400.0	1,417.7	1,439.6
53 From banks in the U.S.	386.8	413.4	418.6	419.3	385.0	390.4	399.0	399.3	392.9	404.3	393.3	406.1
54 From others	836.0	921.1	948.8	977.1	961.7	981.1	992.7	1,011.3	1,001.9	995.7	1,024.4	1,033.5
55 Net due to related foreign offices	96.2	119.5	126.8	158.2	160.9	151.4	137.4	135.7	128.3	121.3	142.9	142.1
56 Other liabilities	318.4	431.5	437.5	448.4	446.4	458.6	439.9	434.1	426.1	435.2	431.1	444.8
57 Total liabilities	5,976.4	6,355.6	6,456.0	6,542.0	6,487.9	6,539.8	6,562.6	6,619.0	6,571.5	6,616.6	6,598.2	6,696.1
58 Residual (assets less liabilities) ⁷	439.4	479.1	490.2 [†]	496.7	485.5	500.0	501.1	495.4	490.9	491.2	495.7	504.6

Footnotes appear on p. A21.

A16 Domestic Financial Statistics □ July 2003

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

B. Domestically chartered commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2002		2002		2003				2003			
	Apr.	Oct.	Nov.	Dec. ¹	Jan. ¹	Feb. ¹	Mar. ¹	Apr.	Apr. 9	Apr. 16	Apr. 23	Apr. 30
	Seasonally adjusted											
<i>Assets</i>												
1 Bank credit	4,841.5	5,144.9	5,218.0	5,260.6	5,262.0	5,323.3	5,335.3	5,375.2	5,341.4	5,348.2	5,391.9	5,431.0
2 Securities in bank credit	1,269.3	1,392.4	1,431.5	1,447.1	1,439.1	1,470.9	1,477.5	1,495.3	1,467.7	1,457.9	1,514.4	1,546.6
3 U.S. government securities	794.9	884.8	910.8	918.2	918.3	939.2	945.1	974.2	944.7	938.2	995.6	1,025.0
4 Other securities	474.4	507.6	520.7	528.9	520.8	531.7	532.3	521.1	523.1	519.7	518.8	521.7
5 Loans and leases in bank credit ²	3,572.2	3,752.5	3,786.5	3,813.5	3,822.8	3,852.4	3,857.8	3,879.9	3,873.7	3,890.4	3,877.5	3,884.3
6 Commercial and industrial	809.3	788.0	789.2	787.8	784.6	780.9	777.3	774.7	775.0	777.0	773.9	772.3
7 Real estate	1,777.5	1,953.2	1,987.8	2,010.2	2,027.2	2,058.6	2,071.5	2,088.0	2,088.3	2,089.2	2,087.1	2,093.5
8 Revolving home equity	171.5	205.1	209.2	213.8	217.7	222.3	229.4	233.4	232.8	232.8	233.9	234.3
9 Other	1,606.0	1,748.1	1,778.6	1,796.4	1,809.5	1,836.3	1,842.1	1,854.6	1,855.5	1,856.4	1,853.2	1,859.2
10 Consumer	565.3	584.9	585.7	588.3	592.8	593.9	590.9	588.4	587.4	589.0	590.0	587.0
11 Security ³	82.7	85.6	81.1	79.4	71.4	73.0	71.9	72.1	73.4	76.2	70.0	69.9
12 Other loans and leases	337.3	340.8	342.7	347.8	346.9	345.9	346.2	356.6	349.6	359.1	356.5	361.7
13 Interbank loans	249.4	303.6	300.0	298.3	278.8	277.1	285.6	282.2	263.9	282.3	283.5	296.4
14 Cash assets ⁴	253.0	272.2	273.0	272.3	272.8	277.7	279.6	273.1	266.3	278.7	265.0	279.9
15 Other assets ⁵	450.3	473.7	475.3	469.4	466.8	491.5	488.3	492.2	494.5	486.3	487.9	502.8
16 Total assets⁶	5,719.0	6,118.5	6,190.0	6,224.4	6,203.4	6,292.4	6,311.3	6,346.2	6,289.8	6,318.9	6,351.6	6,433.7
<i>Liabilities</i>												
17 Deposits	3,815.6	4,015.2	4,056.7	4,062.7	4,083.7	4,094.1	4,137.2	4,176.5	4,128.2	4,167.2	4,171.8	4,237.7
18 Transaction	593.2	600.1	596.7	602.1	598.1	603.3	607.7	620.6	574.9	613.0	642.3	661.7
19 Nontransaction	3,222.4	3,415.1	3,460.0	3,460.6	3,485.6	3,490.8	3,529.5	3,555.8	3,553.3	3,554.2	3,529.5	3,575.9
20 Large time	547.5 ⁷	571.0 ⁷	571.4 ⁷	570.6	581.4	586.9	586.7	585.2	578.0	571.3	587.9	602.1
21 Other	2,675.0 ⁷	2,844.2 ⁷	2,888.6 ⁷	2,890.0	2,904.2	2,903.9	2,942.8	2,970.7	2,975.4	2,982.9	2,941.7	2,973.8
22 Borrowings	1,030.4	1,099.4	1,114.9	1,119.4	1,062.0	1,092.4	1,095.8	1,098.9	1,098.9	1,098.6	1,101.5	1,106.0
23 From banks in the U.S.	361.1	391.9	396.7	387.5	349.3	355.5	361.4	367.0	366.3	375.2	362.7	364.3
24 From others	669.3	707.4	718.1	731.8	712.6	737.0	734.5	731.9	727.4	723.4	738.8	741.7
25 Net due to related foreign offices	178.6	189.1	196.3	211.2	226.8	224.6	225.1	224.0	225.6	218.2	226.6	227.9
26 Other liabilities	254.3	328.1	332.1	339.3	343.8	351.1	348.4	356.6	355.1	361.2	354.1	357.3
27 Total liabilities	5,278.9	5,631.8	5,700.0	5,732.6	5,716.3	5,762.2	5,806.5	5,855.9	5,802.7	5,845.3	5,854.0	5,928.8
28 Residual (assets less liabilities) ⁷	440.0	486.7	490.0	491.8	487.2	530.2	504.8	490.2	487.1	473.7	497.6	504.9
	Not seasonally adjusted											
<i>Assets</i>												
29 Bank credit	4,836.8	5,147.2	5,229.8	5,284.6	5,271.3	5,322.3	5,325.9	5,369.8	5,331.6	5,348.1	5,384.0	5,428.5
30 Securities in bank credit	1,267.8	1,390.2	1,434.8	1,453.7	1,449.5	1,480.0	1,482.5	1,493.2	1,469.5	1,458.1	1,508.7	1,540.3
31 U.S. government securities	795.0	880.8	912.5	922.4	923.1	945.5	950.1	974.1	949.7	939.8	992.4	1,019.6
32 Other securities	472.8	509.4	522.3	531.3	526.4	534.6	532.4	519.1	519.8	518.3	516.3	520.7
33 Loans and leases in bank credit ²	3,569.0	3,757.0	3,795.0	3,830.9	3,821.8	3,842.3	3,843.4	3,876.7	3,862.1	3,890.0	3,875.3	3,888.2
34 Commercial and industrial	814.2	788.3	787.9	785.1	778.6	777.5	779.4	776.6	776.6	782.0	780.0	779.3
35 Real estate	1,774.4	1,954.9	1,992.3	2,014.8	2,027.6	2,054.4	2,062.6	2,084.3	2,082.6	2,085.4	2,083.9	2,093.1
36 Revolving home equity	171.3	205.6	209.0	213.4	217.1	222.6	227.4	233.1	230.8	232.1	234.7	235.6
37 Other	1,603.1	1,749.3	1,783.3	1,801.4	1,810.5	1,831.8	1,835.2	1,851.3	1,851.8	1,853.3	1,849.2	1,857.4
38 Consumer	562.1	585.3	588.1	597.1	600.5	597.1	588.6	585.6	582.3	585.3	588.4	586.4
39 Credit cards and related plans	223.3	232.0	231.6	238.6	234.8	228.0	223.7	219.9	217.7	219.7	221.9	220.4
40 Other	338.8	353.2	356.5	358.6	365.6	369.1	364.9	365.7	364.6	365.6	366.5	365.9
41 Security ³	81.3	87.8	83.4	83.4	70.6	71.8	71.7	71.0	70.8	77.6	68.6	68.5
42 Other loans and leases	337.0	340.8	343.3	350.5	344.6	341.4	343.5	356.3	349.8	359.8	354.5	361.0
43 Interbank loans	258.7	296.4	305.0	305.4	275.6	274.3	292.1	293.3	285.7	304.0	283.7	295.0
44 Cash assets ⁴	253.8	274.3	280.4	281.3	285.8	277.2	270.0	273.8	258.7	287.2	260.5	286.2
45 Other assets ⁵	449.9	474.1	478.9	473.1	469.2	488.5	486.6	491.7	496.5	486.2	484.3	501.5
46 Total assets⁶	5,724.1	6,116.7	6,218.0	6,278.2	6,225.2	6,284.7	6,296.8	6,352.1	6,296.2	6,349.0	6,335.8	6,434.6
<i>Liabilities</i>												
47 Deposits	3,833.7	4,011.0	4,071.6	4,102.6	4,090.9	4,104.8	4,140.3	4,195.6	4,172.9	4,214.0	4,162.6	4,228.9
48 Transaction	599.5	596.9	604.0	634.1	611.9	595.6	599.7	627.1	578.8	635.5	637.5	664.5
49 Nontransaction	3,234.2	3,414.0	3,467.6	3,468.5	3,479.0	3,509.2	3,540.6	3,568.5	3,594.0	3,578.5	3,525.1	3,564.3
50 Large time	545.8 ⁷	572.5 ⁷	575.4 ⁷	573.5	582.7	587.9	585.2	583.3	577.3	570.1	585.6	599.0
51 Other	2,688.4 ⁷	2,841.6 ⁷	2,892.2 ⁷	2,895.0	2,896.3	2,921.3	2,955.4	2,985.2	3,016.7	3,008.4	2,939.5	2,965.3
52 Borrowings	1,034.2	1,101.9	1,116.2	1,118.5	1,075.1	1,094.6	1,092.2	1,103.1	1,083.3	1,097.9	1,115.2	1,123.7
53 From banks in the U.S.	364.9	390.4	393.5	389.3	353.9	359.0	364.8	371.1	368.0	378.6	368.3	370.4
54 From others	669.3	711.5	722.7	729.2	721.2	735.6	727.4	732.0	715.3	719.3	746.9	753.4
55 Net due to related foreign offices	170.8	192.5	201.5	215.6	228.3	228.9	220.8	214.8	204.6	219.1	225.0	225.0
56 Other liabilities	246.5	332.6	339.1	345.1	345.8	356.6	343.1	344.3	337.9	342.4	344.3	353.5
57 Total liabilities	5,285.2	5,638.1	5,728.4	5,781.9	5,740.0	5,784.9	5,796.3	5,857.8	5,806.4	5,858.8	5,841.1	5,931.1
58 Residual (assets less liabilities) ⁷	438.9	478.6	489.6	496.3	485.2	499.8	500.5	494.3	489.9	490.1	494.6	503.5

Footnotes appear on p. A21.

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

C. Large domestically chartered commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2001		2002		2003				2003			
	Apr. ^f	Oct. ^f	Nov. ^f	Dec. ^f	Jan. ^f	Feb. ^f	Mar. ^f	Apr.	Apr. 9	Apr. 16	Apr. 23	Apr. 30
	Seasonally adjusted											
<i>Assets</i>												
1 Bank credit	2,627.3	2,782.8	2,833.5	2,864.6	2,861.9	2,908.4	2,905.5	2,924.8	2,894.5	2,901.5	2,938.6	2,973.6
2 Securities in bank credit	648.8	738.0	770.6	780.2	774.3	805.4	802.9	808.7	780.9	776.2	829.2	853.0
3 U.S. government securities	387.4	436.7	455.9	458.3	461.0	479.7	476.2	491.9	464.5	460.9	513.9	533.8
4 Trading account	38.3	37.7	47.9	44.6	41.2	54.5	41.8	40.7	39.9	41.7	40.1	41.9
5 Investment account	349.1	399.0	408.0	413.7	419.8	425.2	434.4	451.2	424.5	419.3	473.9	492.0
6 Other securities	261.4	301.3	314.7	321.9	313.3	325.7	326.7	316.8	316.4	315.2	315.3	319.1
7 Trading account	127.8	153.8	161.0	164.9	160.0	172.6	171.6	161.5	160.9	159.4	158.8	166.0
8 Investment account	133.6	147.5	153.7	157.0	153.3	153.1	155.1	155.3	155.6	155.8	156.5	153.2
9 State and local government	27.1	28.8	29.3	29.5	29.4	29.6	30.1	30.9	30.8	30.7	31.1	31.0
10 Other	106.5	118.7	124.4	127.5	123.9	123.5	125.0	124.4	124.8	125.1	125.4	122.2
11 Loans and leases in bank credit ²	1,978.5	2,044.9	2,062.9	2,084.4	2,087.6	2,103.0	2,102.6	2,116.0	2,113.6	2,125.4	2,109.4	2,120.6
12 Commercial and industrial	518.1	487.1	485.7	483.6	480.8	475.9	472.1	469.7	470.3	471.5	469.3	467.4
13 Bankers acceptances	.0	.0	.0	.0	.0	.0	.0	.0	n.a.	n.a.	n.a.	n.a.
14 Other	518.1	487.1	485.7	483.6	480.8	475.9	472.1	469.7	470.3	471.5	469.3	467.4
15 Real estate	853.4	945.7	970.3	990.7	1,006.7	1,028.4	1,035.2	1,041.4	1,043.9	1,042.4	1,037.1	1,046.3
16 Revolving home equity	109.1	130.0	133.0	136.9	140.0	142.5	147.9	150.5	150.1	150.0	150.9	151.0
17 Other	744.3	815.6	837.3	853.8	866.7	885.9	887.3	890.9	893.8	892.3	886.1	895.3
18 Consumer	289.4	298.3	296.7	296.9	297.0	295.0	291.5	290.0	289.0	289.8	290.7	290.1
19 Security ³	75.9	77.5	73.0	71.3	63.0	64.5	63.6	63.8	65.5	67.9	61.8	60.9
20 Federal funds sold to and repurchase agreements with broker-dealers	63.7	67.1	62.2	60.9	52.4	53.8	52.2	52.0	53.7	56.8	50.7	47.3
21 Other	12.2	10.3	10.8	10.4	10.6	10.7	11.4	11.8	11.8	11.0	11.0	13.6
22 State and local government	13.3	13.0	12.2	11.9	12.0	12.3	12.5	12.4	12.4	12.5	12.3	12.4
23 Agricultural	9.3	8.2	8.2	8.2	8.1	7.8	7.8	7.7	7.7	7.7	7.6	7.6
24 Federal funds sold to and repurchase agreements with others	22.9	19.5	18.8	24.6	23.5	23.6	23.2	24.4	19.3	27.8	22.1	29.2
25 All other loans	66.1	70.6	73.9	74.4	75.4	75.1	76.5	87.6	86.3	86.8	89.6	87.5
26 Lease-financing receivables	130.2	125.0	124.1	122.8	120.9	120.6	120.2	119.1	119.1	119.0	119.0	119.2
27 Interbank loans	166.3	187.3	184.9	182.7	156.5	153.1	162.1	161.5	153.9	163.7	158.6	165.7
28 Federal funds sold to and repurchase agreements with commercial banks	91.7	87.5	90.5	88.2	87.7	83.0	91.5	90.4	85.4	91.3	83.9	96.6
29 Other	74.6	99.8	94.4	94.5	68.7	70.1	70.6	71.0	68.5	72.4	74.7	69.2
30 Cash assets ⁴	141.8	145.6	147.0	148.2	147.8	149.2	149.5	141.3	137.3	146.6	134.2	144.8
31 Other assets ⁵	309.9	334.3	334.0	328.0	325.2	346.2	340.1	340.4	340.4	337.7	340.4	346.7
32 Total assets⁶	3,200.7	3,405.9	3,455.1	3,479.5	3,446.8	3,512.1	3,512.3	3,524.0	3,482.3	3,505.7	3,527.7	3,587.0
<i>Liabilities</i>												
33 Deposits	1,837.4	1,917.1	1,944.7	1,954.6	1,967.9	1,968.4	1,987.0	2,010.7	1,975.8	1,999.1	2,010.4	2,056.5
34 Transaction	295.7	290.5	286.3	289.6	286.8	288.9	289.2	294.2	266.8	294.9	307.3	313.1
35 Nontransaction	1,541.7	1,626.6	1,658.4	1,665.1	1,681.0	1,679.5	1,697.8	1,716.5	1,709.0	1,704.2	1,703.1	1,743.4
36 Large time	248.5	267.3	265.9	262.7	274.3	277.0	272.4	270.1	262.8	256.4	272.6	287.3
37 Other	1,293.2	1,359.3	1,392.6	1,402.4	1,406.7	1,402.5	1,425.4	1,446.4	1,446.2	1,447.9	1,430.5	1,456.1
38 Borrowings	708.7	728.5	741.9	730.7	655.7	682.8	689.0	686.4	681.9	692.5	683.2	690.1
39 From banks in the U.S.	251.3	263.0	269.1	249.1	193.8	196.4	204.8	208.9	209.2	218.9	202.4	204.5
40 From others	457.4	465.5	472.7	481.5	461.9	486.4	484.1	477.5	472.8	473.6	480.8	485.6
41 Net due to related foreign offices	168.9	176.8	185.0	198.8	211.4	211.5	213.5	210.1	213.1	204.6	213.1	211.8
42 Other liabilities	192.9	261.3	265.2	274.9	274.0	279.1	275.2	284.0	283.7	289.3	281.5	283.1
43 Total liabilities	2,907.9	3,083.6	3,136.8	3,158.9	3,109.0	3,141.8	3,164.7	3,191.1	3,154.5	3,185.5	3,188.2	3,241.4
44 Residual (assets less liabilities) ⁷	292.8	322.4	318.3	320.6	337.8	370.4	347.6	332.9	327.9	320.2	339.5	345.6

Footnotes appear on p. A21.

A18 Domestic Financial Statistics □ July 2003

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

C. Large domestically chartered commercial banks—Continued

Billions of dollars

Account	Monthly averages								Wednesday figures				
	2002	2002			2003				2003				
	Apr. ^f	Oct. ^f	Nov. ^f	Dec. ^f	Jan. ^f	Feb. ^f	Mar. ^f	Apr.	Apr. 9	Apr. 16	Apr. 23	Apr. 30	
	Not seasonally adjusted												
<i>Assets</i>													
45 Bank credit	2,624.9	2,782.7	2,841.8	2,877.1	2,869.3	2,910.6	2,899.4	2,921.3	2,887.5	2,902.3	2,931.9	2,973.6	
46 Securities in bank credit	646.0	737.9	775.0	785.3	782.9	813.7	805.2	805.1	780.5	774.7	822.0	846.5	
47 U.S. government securities	386.2	434.9	458.8	461.0	464.0	485.2	478.5	490.3	467.4	460.9	509.2	528.4	
48 Trading account	38.2	37.6	48.2	44.9	41.5	55.1	42.1	40.6	40.2	41.7	39.7	41.5	
49 Investment account	348.0	397.3	410.6	416.1	422.5	430.1	436.4	449.7	427.2	419.2	469.5	486.9	
50 Mortgage-backed securities	268.4	313.3	324.8	317.2	323.2	329.4	332.7	352.9	329.6	322.5	373.5	391.0	
51 Other	79.6	84.1	85.8	99.0	99.4	100.8	103.7	96.8	97.6	96.8	96.1	96.0	
52 One year or less	18.7	22.2	23.6	24.6	21.7	23.3	24.8	24.6	24.3	24.6	24.8	25.1	
53 One to five years	47.7	51.2	48.3	57.7	59.7	58.5	58.3	55.3	55.8	55.1	54.9	54.4	
54 More than five years	13.3	10.6	13.9	16.7	17.9	19.0	20.6	16.9	17.6	17.0	16.3	16.5	
55 Other securities	259.8	303.0	316.2	324.3	318.9	328.5	326.8	314.8	313.1	313.8	312.8	318.1	
56 Trading account	127.0	154.7	161.8	166.1	162.9	174.1	171.7	160.5	159.2	158.7	157.6	165.4	
57 Investment account	132.8	148.4	154.5	158.1	156.0	154.4	155.1	154.3	154.0	155.1	155.2	152.7	
58 State and local government	27.0	29.0	29.4	29.7	30.0	29.8	30.1	30.7	30.5	30.6	30.8	30.9	
59 Other	105.8	119.4	125.0	128.4	126.1	124.6	123.6	123.5	124.5	124.4	124.4	121.8	
60 Loans and leases in bank credit ²	1,978.9	2,044.7	2,066.8	2,091.8	2,086.3	2,096.9	2,094.2	2,116.2	2,106.9	2,127.6	2,109.9	2,127.1	
61 Commercial and industrial	520.9	487.6	485.9	481.0	476.3	473.9	472.0	472.3	470.9	474.3	472.3	471.5	
62 Bankers acceptances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	n.a.	n.a.	n.a.	n.a.	n.a.	
63 Other	520.9	487.6	485.9	481.0	476.3	473.9	472.0	472.3	470.9	474.3	472.3	471.5	
64 Real estate	851.9	946.3	973.0	992.0	1,005.6	1,024.1	1,028.4	1,039.5	1,040.6	1,040.2	1,035.4	1,047.3	
65 Revolving home equity	109.1	130.3	132.7	136.0	139.2	142.8	146.2	150.4	148.6	149.7	151.7	152.2	
66 Other	427.3	496.6	520.6	536.7	546.3	561.1	561.7	570.5	573.5	572.0	565.2	576.1	
67 Commercial	315.5	319.5	319.8	319.2	320.2	320.2	318.4	318.6	318.4	318.5	318.5	318.9	
68 Consumer	289.9	295.0	295.4	299.4	301.8	298.2	292.1	290.6	288.7	290.3	291.7	291.6	
69 Credit cards and related plans	116.2	117.1	114.7	117.3	115.3	109.7	105.9	103.5	102.4	103.3	104.2	104.2	
70 Other	173.7	177.9	180.8	182.1	186.6	188.5	186.2	187.1	186.3	187.0	187.5	187.4	
71 Security ³	74.3	79.7	75.0	75.2	62.6	63.4	63.0	62.5	62.1	68.7	60.6	59.9	
72 Federal funds sold to and repurchase agreements with broker-dealers	62.3	69.1	63.9	64.2	52.0	52.9	51.7	50.9	50.9	57.6	49.7	46.5	
73 Other	12.0	10.6	11.1	10.9	10.5	10.5	11.3	11.6	11.2	11.2	10.8	13.4	
74 State and local government	13.3	13.0	12.2	11.9	12.0	12.3	12.5	12.4	12.4	12.5	12.3	12.4	
75 Agricultural	9.3	8.1	8.1	8.2	8.2	7.8	7.8	7.6	7.7	7.7	7.6	7.6	
76 Federal funds sold to and repurchase agreements with others	22.9	19.5	18.8	24.6	23.5	23.6	23.2	24.4	19.3	27.8	22.1	29.2	
77 All other loans	65.9	70.9	74.8	76.5	73.6	71.7	74.4	87.4	85.6	86.7	88.8	88.0	
78 Lease-financing receivables	130.7	124.4	123.6	123.1	122.7	121.9	120.9	119.6	119.7	119.5	119.2	119.6	
79 Interbank loans	169.5	181.4	186.4	187.2	159.6	151.3	162.2	164.8	154.3	169.5	159.7	171.3	
80 Federal funds sold to and repurchase agreements with commercial banks	93.5	84.9	91.3	90.4	89.5	82.0	91.6	92.3	85.7	94.5	84.5	99.8	
81 Other	76.1	96.5	95.2	96.8	70.1	69.3	70.6	72.5	68.7	75.0	75.3	71.5	
82 Cash assets ⁴	144.6	147.2	150.2	159.8	156.7	149.2	144.4	144.2	133.2	155.0	135.4	151.1	
83 Other assets ⁵	309.5	334.6	337.6	331.7	327.7	343.1	338.5	340.0	342.5	337.6	336.8	345.4	
84 Total assets⁶	3,204.0	3,402.5	3,471.9	3,511.9	3,468.8	3,509.1	3,499.3	3,526.4	3,473.8	3,520.5	3,519.9	3,597.4	
<i>Liabilities</i>													
85 Deposits	1,844.6	1,914.7	1,951.6	1,971.1	1,968.8	1,972.4	1,985.1	2,018.1	1,992.6	2,023.4	2,001.8	2,052.4	
86 Transaction	301.7	287.5	290.1	309.9	295.6	284.6	284.9	300.4	267.9	310.7	307.5	320.0	
87 Nontransaction	1,542.9	1,627.1	1,661.4	1,661.2	1,673.1	1,687.8	1,700.2	1,717.7	1,724.7	1,712.7	1,694.3	1,732.4	
88 Large time	246.8	268.8	269.9	265.5	275.6	277.9	270.9	268.2	262.1	255.1	270.3	284.2	
89 Other	1,296.1	1,358.4	1,391.5	1,395.6	1,397.5	1,409.9	1,429.4	1,449.5	1,462.6	1,457.6	1,423.9	1,448.2	
90 Borrowings	712.5	731.0	743.2	729.8	668.8	685.0	685.3	690.5	671.6	691.8	696.9	707.9	
91 From banks in the U.S.	255.0	261.5	265.9	250.9	198.3	199.9	208.2	213.0	210.8	222.3	208.1	210.6	
92 From nonbanks in the U.S.	457.5	469.6	477.3	478.9	470.4	485.1	477.1	477.5	460.7	469.5	488.9	497.3	
93 Net due to related foreign offices	161.1	180.2	190.2	203.2	212.9	215.8	209.2	200.9	199.8	191.0	205.6	208.9	
94 Other liabilities	185.1	265.8	272.2	280.7	276.0	284.6	269.9	271.8	266.4	270.5	271.7	279.3	
95 Total liabilities	2,903.3	3,091.7	3,157.1	3,184.8	3,126.5	3,157.7	3,149.6	3,181.3	3,130.3	3,176.6	3,175.9	3,248.5	
96 Residual (assets less liabilities) ⁷	300.7	310.8	314.7	327.1	342.3	351.3	349.7	345.0	343.5	343.9	344.0	349.0	

Footnotes appear on p. A21

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

D. Small domestically chartered commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2002		2002		2003				2003			
	Apr. ^f	Oct. ^f	Nov. ^f	Dec. ^f	Jan. ^f	Feb. ^f	Mar. ^f	Apr.	Apr. 9	Apr. 16	Apr. 23	Apr. 30
	Seasonally adjusted											
Assets												
1 Bank credit	2,214.2	2,362.0	2,384.5	2,396.0	2,400.1	2,414.8	2,429.8	2,450.4	2,447.0	2,446.7	2,453.4	2,457.3
2 Securities in bank credit	620.5	654.4	660.9	666.9	664.8	665.5	674.5	686.6	686.8	681.7	685.2	693.7
3 U.S. government securities	407.5	448.1	454.9	459.9	457.3	459.4	469.0	482.3	480.2	477.2	481.7	491.1
4 Other securities	213.0	206.4	206.0	207.0	207.5	206.0	205.6	204.3	206.7	204.5	203.5	202.5
5 Loans and leases in bank credit ²	1,593.6	1,707.6	1,723.6	1,729.2	1,735.3	1,749.4	1,755.2	1,763.8	1,760.2	1,765.0	1,768.1	1,763.7
6 Commercial and industrial	291.2	300.9	303.5	304.3	303.7	305.1	305.2	305.0	304.8	305.5	304.6	304.9
7 Real estate	924.1	1,007.5	1,017.4	1,019.6	1,020.4	1,030.2	1,036.3	1,046.6	1,044.4	1,046.8	1,050.1	1,047.2
8 Revolving home equity	62.4	75.1	76.2	76.9	77.7	79.8	81.5	82.9	82.7	82.7	83.0	83.3
9 Other	861.7	932.4	941.3	942.6	942.8	950.4	954.8	963.7	961.7	964.1	967.1	963.9
10 Consumer	276.0	286.6	288.9	291.3	295.7	299.0	299.4	298.4	298.4	299.1	299.3	296.9
11 Security ³	6.8	8.1	8.1	8.1	8.4	8.5	8.4	8.3	7.9	8.3	8.2	9.0
12 Other loans and leases	95.6	104.5	105.6	105.9	107.0	106.6	106.0	105.5	104.7	105.3	105.9	105.8
13 Interbank loans	83.1	116.2	115.1	115.6	122.4	124.0	123.5	120.8	110.0	118.5	125.0	130.7
14 Cash assets ⁴	111.2	126.6	126.0	124.2	125.0	128.5	130.1	131.8	129.0	132.1	130.9	135.1
15 Other assets ⁵	140.3	139.5	141.3	141.4	141.6	145.3	148.2	151.8	154.1	148.6	147.6	156.1
16 Total assets⁶	2,518.3	2,712.5	2,734.9	2,744.9	2,756.7	2,780.2	2,799.0	2,822.1	2,807.5	2,813.3	2,823.9	2,846.6
Liabilities												
17 Deposits	1,978.2	2,098.2	2,112.0	2,108.1	2,115.9	2,125.6	2,150.2	2,165.8	2,152.5	2,168.1	2,161.4	2,181.2
18 Transaction	297.5	309.7	310.4	312.5	311.3	314.3	318.5	326.4	308.1	318.2	335.0	348.6
19 Nontransaction	1,680.8	1,788.5	1,801.6	1,795.6	1,804.5	1,811.3	1,831.7	1,839.4	1,844.3	1,849.9	1,826.4	1,832.5
20 Large time	299.0	303.7	305.5	308.0	307.1	310.0	314.4	315.1	315.2	314.9	315.2	314.8
21 Other	1,381.8	1,484.9	1,496.1	1,487.6	1,497.5	1,501.4	1,517.4	1,524.3	1,529.2	1,535.0	1,511.2	1,517.7
22 Borrowings	321.7	370.9	373.0	388.7	406.3	409.7	406.9	412.6	411.8	406.1	418.3	415.8
23 From banks in the U.S.	109.8	129.0	127.6	138.4	155.6	159.1	156.5	158.1	157.1	156.3	160.2	159.7
24 From others	211.9	241.9	245.4	250.3	250.7	250.6	250.3	254.4	254.6	249.8	258.0	256.1
25 Net due to related foreign offices	9.7	12.3	11.3	12.4	15.3	13.1	11.6	13.9	12.5	13.6	13.5	16.1
26 Other liabilities	61.4	66.8	66.9	64.5	69.8	72.0	73.1	72.5	71.5	71.9	72.6	74.2
27 Total liabilities	2,371.0	2,548.2	2,563.2	2,573.6	2,607.3	2,620.5	2,641.8	2,664.8	2,648.3	2,659.8	2,665.8	2,687.4
28 Residual (assets less liabilities) ⁷	147.2	164.3	171.7	171.2	149.4	159.8	157.3	157.3	159.3	153.5	158.1	159.2
	Not seasonally adjusted											
Assets												
29 Bank credit	2,211.9	2,364.6	2,388.0	2,407.6	2,402.1	2,411.7	2,426.4	2,448.6	2,444.2	2,445.8	2,452.1	2,454.9
30 Securities in bank credit	621.8	652.3	659.8	668.4	666.6	666.3	677.2	688.1	689.0	683.4	686.7	693.8
31 U.S. government securities	408.8	445.9	453.7	461.4	459.1	460.3	471.6	483.8	482.3	478.9	483.1	491.2
32 Other securities	213.0	206.4	206.0	207.0	207.5	206.0	205.6	204.3	206.7	204.5	203.5	202.5
33 Loans and leases in bank credit ²	1,590.1	1,712.2	1,728.2	1,739.2	1,735.5	1,745.4	1,749.2	1,760.5	1,755.2	1,762.4	1,765.4	1,761.2
34 Commercial and industrial	293.3	300.7	302.0	304.1	302.3	303.6	305.1	307.2	305.7	307.7	307.7	307.8
35 Real estate	922.5	1,008.5	1,019.3	1,022.8	1,021.9	1,030.3	1,034.2	1,044.8	1,042.0	1,045.2	1,048.5	1,045.8
36 Revolving home equity	62.2	75.3	76.4	77.3	77.9	79.8	81.1	82.7	82.4	82.4	83.0	83.4
37 Other	860.3	933.2	942.9	945.5	944.0	950.5	953.1	962.2	959.9	962.8	965.5	962.4
38 Consumer	272.2	290.2	292.7	297.7	298.6	298.9	296.5	295.0	293.6	295.0	296.7	294.8
39 Credit cards and related plans	107.2	114.9	116.9	121.3	119.6	118.3	117.8	116.4	115.3	116.4	117.7	116.2
40 Other	165.1	175.3	175.8	176.5	179.1	180.7	178.7	178.6	178.3	178.6	179.0	178.5
41 Security ³	7.0	8.0	8.4	8.2	8.0	8.4	8.6	8.5	8.7	8.8	8.0	8.6
42 Other loans and leases	95.0	104.8	105.9	106.3	104.6	104.2	104.8	104.9	105.1	105.7	104.6	104.2
43 Interbank loans	89.1	114.9	118.6	118.2	116.0	123.0	129.9	128.5	131.3	134.5	124.0	123.7
44 Cash assets ⁴	109.2	127.1	130.2	131.5	129.2	128.0	125.6	129.6	125.4	132.2	125.1	135.1
45 Other assets ⁵	140.3	139.5	141.3	141.4	141.6	145.3	148.2	151.8	154.1	148.6	147.6	156.1
46 Total assets⁶	2,520.1	2,714.2	2,746.1	2,766.3	2,756.4	2,775.7	2,797.5	2,825.8	2,822.4	2,828.5	2,815.9	2,837.2
Liabilities												
47 Deposits	1,989.1	2,096.3	2,120.1	2,131.6	2,122.1	2,132.4	2,155.1	2,177.5	2,180.3	2,190.6	2,160.8	2,176.4
48 Transaction	297.8	309.4	313.9	324.2	316.3	311.0	314.8	326.7	311.0	324.9	330.0	344.5
49 Nontransaction	1,691.3	1,786.9	1,806.2	1,807.4	1,805.8	1,821.4	1,840.4	1,850.7	1,869.3	1,865.7	1,830.8	1,832.0
50 Large time	299.0	303.7	305.5	308.0	307.1	310.0	314.4	315.1	315.2	314.9	315.2	314.8
51 Other	1,392.3	1,483.2	1,500.7	1,499.4	1,498.8	1,511.4	1,526.0	1,535.7	1,554.1	1,550.8	1,515.6	1,517.1
52 Borrowings	321.7	370.9	373.0	388.7	406.3	409.7	406.9	412.6	411.8	406.1	418.3	415.8
53 From banks in the U.S.	109.8	129.0	127.6	138.4	155.6	159.1	156.5	158.1	157.1	156.3	160.2	159.7
54 From others	211.9	241.9	245.4	250.3	250.7	250.6	250.3	254.4	254.6	249.8	258.0	256.1
55 Net due to related foreign offices	9.7	12.3	11.3	12.4	15.3	13.1	11.6	13.9	12.5	13.6	13.5	16.1
56 Other liabilities	61.4	66.8	66.9	64.5	69.8	72.0	73.1	72.5	71.5	71.9	72.6	74.2
57 Total liabilities	2,381.9	2,546.4	2,571.2	2,597.1	2,613.5	2,627.2	2,646.7	2,676.5	2,676.1	2,682.3	2,665.2	2,682.6
58 Residual (assets less liabilities) ⁷	138.2	167.8	174.9	169.2	142.9	148.5	150.8	149.3	146.4	146.2	150.7	154.5

Footnotes appear on p. A21.

A20 Domestic Financial Statistics □ July 2003

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

E. Foreign-related institutions

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2002		2002		2003				2003			
	Apr.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	Apr. 9	Apr. 16	Apr. 23	Apr. 30
	Seasonally adjusted											
Assets												
1 Bank credit	601.1	614.6	620.2	636.2 ²	627.6	640.5	658.6 ²	651.0	669.2	643.1	642.9	646.0
2 Securities in bank credit	228.9	244.9	248.0	261.8	262.9 ²	272.9	277.1	270.3	274.2	269.9	266.5	268.8
3 U.S. government securities	72.1	89.0	93.5	102.0 ²	102.7	107.6	111.5	113.2	114.9	112.7	112.3	112.1
4 Other securities	156.7	155.9	154.5	159.9	160.2 ²	165.3	165.6 ²	157.1	159.4	157.2	154.2	156.7
5 Loans and leases in bank credit ²	372.2	369.7	372.2	374.3	364.8	367.6	381.5 ²	380.7	394.9	373.2	376.4	377.2
6 Commercial and industrial	197.1	181.1	178.9	178.4	176.4	172.3	169.0	169.0	169.1	169.6	169.3	168.5
7 Real estate	18.3	19.6	20.0	19.5	18.9	18.1	17.8	16.8	16.9	16.7	16.8	16.9
8 Security ³	85.5	97.5	104.7	110.1	105.1	112.9	130.1 ⁴	130.4	144.3	123.0	125.9	127.1
9 Other loans and leases	71.3	71.5	68.6	66.4	64.3 ²	64.4	64.6 ²	64.4	64.7	63.9	64.4	64.7
10 Interbank loans	22.1	24.5	25.5	30.0	28.8	28.8	30.5	27.7	28.9	24.8	27.7	29.6
11 Cash assets ⁴	47.3	45.5	42.3	44.6	40.0	38.3	42.5	44.5	41.4	46.7	43.3	46.9
12 Other assets ⁵	24.0	33.8	34.6	35.9	40.0 ²	41.7	38.1	41.8	41.4	40.7	42.1	43.7
13 Total assets⁶	694.2	718.0	722.2	746.3	736.0²	749.0	769.2	764.6	780.5	754.8	755.7	765.8
Liabilities												
14 Deposits	498.3	471.4	452.6	425.5 ¹	426.8	443.4	449.2	436.9	438.7	441.1	436.6	431.3
15 Transaction	10.5	9.6	9.2	9.2	9.5	9.7	10.6	10.2	10.0	10.0	10.1	10.7
16 Nontransaction	487.8	461.8	443.3	416.3 ¹	417.2	433.6	438.6	426.7	428.7	431.1	426.6	420.7
17 Borrowings	188.7	232.7	251.2	278.0 ²	271.7	276.8	299.4	307.5	311.5	302.2	302.5	315.9
18 From banks in the U.S.	22.0	23.0	25.2	30.0 ²	31.1 ¹	31.4	34.2 ²	28.2	24.9	25.7	25.0	35.8
19 From others	166.7	209.7	226.0	247.9 ²	240.6	245.4	265.2 ²	279.4	286.6	276.4	277.5	280.1
20 Net due to related foreign offices	-74.0	-71.6	-73.3	-59.1 ¹	-69.9 ²	-78.6	-85.6	-78.7	-73.7	-81.4	-76.1	-84.9
21 Other liabilities	72.2	99.7	99.3	102.1	98.9	101.1	95.3	90.1	89.8	94.0	86.9	90.0
22 Total liabilities	685.1	732.2	729.7	746.5¹	727.4²	742.7	758.4²	755.9	766.2	755.9	749.9	752.3
23 Residual (assets less liabilities)⁷	9.1	-14.2	-7.5	-2	8.6	6.3	10.9	8.7	14.3	-1.0	5.8	13.5
	Not seasonally adjusted											
Assets												
24 Bank credit	600.8	614.1	623.8	646.2	635.5	645.0	656.4 ²	650.9	657.2	649.3	648.0	648.3
25 Securities in bank credit	228.9	244.9	248.0	261.8	262.9 ²	272.9	277.1	270.3	274.2	269.9	266.5	268.8
26 U.S. government securities	72.1	89.0	93.5	102.0 ²	102.7	107.6	111.5	113.2	114.9	112.7	112.3	112.1
27 Trading account	9.5	18.6	20.3	30.6	32.1	34.9	34.6	36.6	36.9	36.5	36.6	36.1
28 Investment account	62.6	70.4	73.2	71.3	70.6	72.7	76.9	76.6	78.0	76.3	75.7	76.1
29 Other securities	156.7	155.9	154.5	159.9	160.2 ²	165.3	165.6 ²	157.1	159.4	157.2	154.2	156.7
30 Trading account	98.4	101.5	100.4	101.3	101.3 ²	100.3	99.0 ²	95.0	95.7	94.9	93.0	96.1
31 Investment account	58.3	54.4	54.0	58.6	58.9	65.0	66.6	62.1	63.6	62.3	61.2	60.6
32 Loans and leases in bank credit ²	372.0	369.2	375.8	384.3	372.6 ²	372.1	379.3 ²	380.6	382.9	379.4	381.5	379.5
33 Commercial and industrial	196.0	181.2	180.3	179.8	176.5	173.7	170.5	168.1	168.2	169.1	168.3	166.7
34 Real estate	18.3	19.6	20.0	19.5	18.9	18.1	17.8	16.8	16.9	16.7	16.8	16.9
35 Security ³	85.9	97.5	106.8	116.7	112.2	115.8	125.6 ²	130.8	133.0	129.0	131.3	131.0
36 Other loans and leases	71.8	70.9	68.8	68.3	65.1	64.5	65.4	64.9	64.9	64.6	65.1	64.9
37 Interbank loans	22.1	24.5	25.5	30.0	28.8	28.8	30.5	27.7	28.9	24.8	27.7	29.6
38 Cash assets ⁴	45.3	46.6	44.7	47.8	42.9	39.3	41.3	42.6	39.2	44.7	41.2	45.2
39 Other assets ⁵	23.9	33.3	34.5	37.0	41.3	42.3	39.0 ²	41.6	41.3	40.5	41.7	43.4
40 Total assets⁶	691.7	718.1	728.1	760.6²	748.2²	755.1	766.8	762.3	766.2	758.9	758.2	766.1
Liabilities												
41 Deposits	505.3	459.1	452.7	436.3 ¹	442.9	453.5	453.3	443.0	441.4	446.2	443.9	440.7
42 Transaction	9.9	9.8	9.5	10.0	9.8	9.7	10.3	9.6	9.4	9.4	9.3	10.3
43 Nontransaction	495.4	449.3	443.1	426.4 ¹	433.1	443.8	443.1	433.4	432.0	436.8	434.5	430.5
44 Borrowings	188.7	232.7	251.2	278.0 ²	271.7	276.8	299.4	307.5	311.5	302.2	302.5	315.9
45 From banks in the U.S.	22.0	23.0	25.2	30.0 ²	31.1 ¹	31.4	34.2 ²	28.2	24.9	25.7	25.0	35.8
46 From others	166.7	209.7	226.0	247.9 ²	240.6	245.4	265.2 ²	279.4	286.6	276.4	277.5	280.1
47 Net due to related foreign offices	-74.6	-73.1	-74.7	-57.4	-67.3 ¹	-77.5	-83.4 ²	-79.1	-76.0	-83.3	-76.2	-82.9
48 Other liabilities	71.9	98.8	98.4	103.3	100.6	102.0	96.9 ²	89.8	88.3	92.7	86.9	91.3
49 Total liabilities	691.3	717.6	727.6	760.2²	747.8	754.9	766.3²	761.2	765.1	757.8	757.1	765.0
50 Residual (assets less liabilities)⁷	.5	.5	.5	.4	.4	.2	.6	1.1	1.1	1.1	1.1	1.1

Footnotes appear on p. A21.

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

F. Memo items

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2002	2002			2003				2003			
	Apr.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	Apr. 9	Apr. 16	Apr. 23	Apr. 30
	Not seasonally adjusted											
MEMO												
<i>Large domestically chartered banks, adjusted for mergers</i>												
1 Revaluation gains on off-balance-sheet items ⁸	73.3	102.4	105.2	112.5 ^e	107.6 ^e	116.8 ^e	115.1 ^e	105.7	105.9	103.9	102.4	110.2
2 Revaluation losses on off-balance-sheet items ⁸	58.1	85.7	89.0	93.8	86.2	94.9	91.3	81.4	81.8	79.4	78.9	85.1
3 Mortgage-backed securities ⁹	302.6	355.4 ^e	370.6 ^e	363.3 ^e	369.0 ^e	375.0 ^e	379.4	399.3	376.3	369.4	420.2	435.8
4 Pass-through	203.6	261.7	274.6	265.7 ^e	271.2	276.5	275.9 ^e	288.2	264.0	259.1	310.8	323.6
5 CMO, REMIC, and other	99.0	93.6	95.9	97.6	97.7	98.4	103.6	111.2	112.3	110.3	109.4	112.2
6 Net unrealized gains (losses) on available-for-sale securities ¹⁰	1.4	11.9	11.3	10.7	12.1	12.0	12.1	10.7	11.4	10.9	9.8	10.6
7 Off-shore credit to U.S. residents ¹¹	19.7	18.4	18.5	18.7	18.3	18.2	18.2	17.5	17.3	17.8	17.2	17.5
8 Securitized consumer loans ¹²	135.4	144.3	148.5	150.1	149.7	150.6	152.5	154.2	154.2	154.2	154.1	154.5
9 Credit cards and related plans	121.4	127.5	131.4	133.2	132.2	134.8	136.7	138.7	138.5	138.6	138.5	139.4
10 Other	14.0	16.9	17.0	16.9	17.5	15.8	15.8	15.5	15.7	15.6	15.6	15.1
11 Securitized business loans ¹²	17.4	17.8	17.4	17.2	16.9	17.2	16.8	16.5	16.4	16.4	16.7	16.6
<i>Small domestically chartered commercial banks, adjusted for mergers</i>												
12 Mortgage-backed securities ⁹	280.1 ^e	304.0 ^e	307.6 ^e	311.1	310.8 ^e	316.7 ^e	327.8 ^e	336.7	335.8	332.0	334.9	344.7
13 Securitized consumer loans ¹²	205.8	198.3	198.7	201.3	205.6	204.5	203.2	205.7	204.9	206.4	206.7	205.2
14 Credit cards and related plans	197.9	189.3	189.8	192.5	197.1	196.0	194.8	197.3	196.5	198.1	198.4	196.9
15 Other	7.9	8.9	8.9	8.7	8.5	8.4	8.5	8.3	8.4	8.3	8.3	8.2
<i>Foreign-related institutions</i>												
16 Revaluation gains on off-balance-sheet items ⁸	46.8	61.9	63.3	64.1	66.8	66.8	64.7 ^e	63.2	62.0	62.4	62.6	65.9
17 Revaluation losses on off-balance-sheet items ⁸	39.9	60.2	60.3	60.1 ^e	63.1 ^e	65.0	63.6 ^e	61.8	60.1	61.0	61.4	64.9
18 Securitized business loans ¹²	11.3	7.6	7.2	6.8	5.6	4.7	4.1	3.4	3.4	3.4	3.4	3.2

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12. Total amount outstanding.

1.32 COMMERCIAL PAPER OUTSTANDING

Millions of dollars, seasonally adjusted, end of period

Item	Year ending December					2002			2003		
	1998	1999	2000	2001	2002	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
1 All issuers	1,163,303	1,403,023	1,615,341	1,438,764	1,321,517	1,350,182	1,351,428	1,321,517	1,345,460	1,318,803	1,313,556
Financial companies ¹											
2 Dealer-placed paper, total ²	614,142	786,643	973,060	989,364	949,683	973,150	982,239	949,683	955,386	924,890	919,059
3 Directly placed paper, total ³	322,030	337,240	298,848	224,553	217,787	219,581	211,574	217,787	236,820	239,037	244,504
4 Nonfinancial companies ⁴	227,132	279,140	343,433	224,847	154,047	157,451	157,615	154,047	153,254	154,876	149,993

1. Institutions engaged primarily in commercial, savings, and mortgage banking; sales, personal and mortgage financing; factoring, finance leasing, and other business lending; insurance underwriting; and other investment activities.

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

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

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

1.33 PRIME RATE CHARGED BY BANKS Short-Term Business Loans¹

Percent per year

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

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

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

1.35 INTEREST RATES Money and Capital Markets

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

Item	2000	2001	2002	2003				2003, week ending				
				Jan.	Feb.	Mar.	Apr.	Mar. 28	Apr. 4	Apr. 11	Apr. 18	Apr. 25
MONEY MARKET INSTRUMENTS												
1 Federal funds ^{1,2,3}	6.24	3.88	1.67	1.24	1.26	1.25	1.26	1.22	1.28	1.23	1.27	1.26
2 Discount window primary credit ^{2,4}	n.a.	n.a.	n.a.	n.a.	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25
<i>Commercial paper</i> ^{3,5,6}												
Nonfinancial												
3 1-month	6.27	3.78	1.67	1.25	1.24	1.21	1.22	1.23	1.21	1.22	1.21	1.23
4 2-month	6.29	3.68	1.67	1.26	1.25	1.20	1.21	1.22	1.20	1.19	1.23	1.22
5 3-month	6.31	3.65	1.69	1.26	1.26	1.19	1.20	1.20	1.18	1.18	1.23	1.22
Financial												
6 1-month	6.28	3.80	1.68	1.26	1.25	1.23	1.24	1.24	1.23	1.23	1.24	1.24
7 2-month	6.30	3.71	1.69	1.27	1.25	1.22	1.23	1.23	1.22	1.22	1.24	1.24
8 3-month	6.33	3.65	1.70	1.27	1.25	1.21	1.23	1.23	1.20	1.22	1.24	1.24
<i>Certificates of deposit, secondary market</i> ^{3,7}												
9 1-month	6.35	3.84	1.72	1.29	1.27	1.25	1.26	1.26	1.26	1.26	1.27	1.27
10 3-month	6.46	3.71	1.73	1.29	1.27	1.23	1.24	1.25	1.22	1.23	1.26	1.26
11 6-month	6.59	3.66	1.81	1.30	1.27	1.20	1.23	1.22	1.18	1.20	1.26	1.26
12 Eurodollar deposits, 3-month ^{3,8}	6.45	3.70	1.73	1.29	1.26	1.21	1.23	1.23	1.21	1.22	1.25	1.25
<i>U.S. Treasury bills</i>												
Secondary market ^{3,5}												
13 4-week	n.a.	2.43	1.60	1.15	1.18	1.16	1.14	1.16	1.15	1.16	1.14	1.12
14 3-month	5.82	3.40	1.61	1.17	1.17	1.13	1.13	1.15	1.10	1.13	1.16	1.14
15 6-month	5.90	3.34	1.68	1.20	1.18	1.13	1.14	1.15	1.09	1.13	1.18	1.17
U.S. TREASURY NOTES AND BONDS												
<i>Constant maturities</i> ⁹												
16 1-year	6.11	3.49	2.00	1.36	1.30	1.24	1.27	1.27	1.19	1.25	1.33	1.31
17 2-year	6.26	3.83	2.64	1.74	1.63	1.57	1.62	1.65	1.54	1.61	1.70	1.66
18 3-year	6.22	4.09	3.10	2.18	2.05	1.98	2.06	2.08	1.97	2.05	2.14	2.10
19 5-year	6.16	4.56	3.82	3.05	2.90	2.78	2.93	2.93	2.84	2.92	2.98	2.97
20 7-year	6.20	4.88	4.30	3.60	3.45	3.34	3.47	3.51	3.42	3.48	3.51	3.50
21 10-year	6.03	5.02	4.61	4.05	3.90	3.81	3.96	3.96	3.90	3.97	3.99	3.97
22 20-year	6.23	5.63	5.43	5.02	4.87	4.82	4.91	4.96	4.91	4.95	4.94	4.89
23 <i>Treasury long-term average</i> ^{10,11} 25 years and above	n.a.	n.a.	5.41	5.07	4.93	4.90	4.99	5.04	4.99	5.04	5.02	4.97
STATE AND LOCAL NOTES AND BONDS												
<i>Moody's series</i> ¹²												
24 Aaa	5.58	5.01	4.87	4.72	4.57	4.51	4.60	4.69	4.65	4.62	4.59	4.54
25 Baa	6.19	5.75	5.64	5.61	5.48	5.32	5.34	5.40	5.41	5.39	5.30	5.24
26 <i>Bond Buyer series</i> ¹³	5.71	5.15	5.04	4.90	4.81	4.76	4.74	4.84	4.79	4.76	4.74	4.66
CORPORATE BONDS												
27 Seasoned issues, all industries ¹⁴	7.98	7.49	7.10	6.72	6.50	6.42	6.32	6.46	6.37	6.38	6.36	6.26
<i>Rating group</i>												
28 Aaa ¹⁵	7.62	7.08	6.49	6.17	5.95	5.89	5.74	5.94	5.81	5.81	5.80	5.68
29 Aa	7.83	7.26	6.93	6.59	6.34	6.28	6.22	6.33	6.26	6.27	6.27	6.17
30 A	8.11	7.67	7.18	6.77	6.63	6.54	6.45	6.58	6.50	6.51	6.48	6.40
31 Baa	8.37	7.95	7.80	7.35	7.06	6.95	6.85	6.97	6.91	6.93	6.89	6.79
MEMO												
32 <i>Dividend-price ratio</i> ¹⁶ Common stocks	1.15	1.32	1.61	1.81	1.91	1.92	1.81	1.87	1.83	1.86	1.82	1.80

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

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

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

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

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

5. Quoted on a discount basis.

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

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

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

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

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

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

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

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

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

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

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

SOURCE: U.S. Department of the Treasury.

A24 Domestic Financial Statistics □ July 2003

1.36 STOCK MARKET Selected Statistics

Indicator	2000	2001	2002	2002					2003			
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
Prices and trading volume (averages of daily figures)												
<i>Common stock prices (indexes)</i>												
1 New York Stock Exchange (Dec. 31, 1965 = 50)	6,806.46	6,407.95	5,571.46	5,200.62	4,980.65	4,862.70	5,104.89	5,075.76	5,055.78	4,738.56	4,724.22	4,977.45
2 Industrial	809.40	749.46	656.44	611.34	589.14	574.45	597.75	593.15	587.78	553.90	558.10	583.74
3 Transportation	414.73	444.45	430.63	409.96	388.19	383.41	405.03	401.39	394.60	367.55	366.90	395.85
4 Utility	478.99	377.72	260.50	225.52	210.76	207.83	229.41	236.71	236.42	214.64	211.45	221.06
5 Finance	552.48	596.61	554.88	533.60	506.05	494.06	523.50	519.72	522.51	485.72	486.71	522.05
6 Standard & Poor's Corporation (1941-43 = 10) ¹	1,427.22	1,194.18	993.94	912.55	867.81	854.63	909.93	899.18	895.84	837.62	846.62	890.03
7 American Stock Exchange (Aug. 31, 1973 = 50) ²	922.22	879.08	860.11	843.89	852.03	807.38	820.62	823.77	824.64	818.84	822.34	837.92
<i>Volume of trading (thousands of shares)</i>												
8 New York Stock Exchange	1,026,867	1,216,529	1,411,689	1,317,105	1,370,143	1,619,896	1,427,254	1,210,332	1,441,846	1,302,011	1,403,742	1,381,580
9 American Stock Exchange	51,437	68,074	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Customer financing (millions of dollars, end-of-period balances)												
10 Margin credit at broker-dealers ³	198,790	150,450	134,380	132,800	130,210	130,570	133,060	134,380	134,910	134,030	135,910	140,450
<i>Free credit balances at brokers⁴</i>												
11 Margin accounts ⁵	100,680	101,640	95,690	95,400	98,630	96,620	91,240	95,690	96,430	95,400	90,830	88,770
12 Cash accounts	84,400	78,040	73,340	63,700	67,550	66,780	67,380	73,340	66,200	67,260	68,860	70,080
Margin requirements (percent of market value and effective date)⁶												
	Mar. 11, 1968		June 8, 1968		May 6, 1970		Dec. 6, 1971		Nov. 24, 1972		Jan. 3, 1974	
13 Margin stocks	70		80		65		55		65		50	
14 Convertible bonds	50		60		50		50		50		50	
15 Short sales	70		80		65		55		65		50	

1. In July 1976 a financial group, composed of banks and insurance companies, was added to the group of stocks on which the index is based. The index is now based on 400 industrial stocks (formerly 425), 20 transportation (formerly 15 rail), 40 public utility (formerly 60), and 40 financial.

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

3. Since July 1983, under the revised Regulation T, margin credit at broker-dealers has included credit extended against stocks, convertible bonds, stocks acquired through the exercise of subscription rights, corporate bonds, and government securities. Separate reporting of data for margin stocks, convertible bonds, and subscription issues was discontinued in April 1984.

4. Free credit balances are amounts in accounts with no unfulfilled commitments to brokers and are subject to withdrawal by customers on demand.

5. Series initiated in June 1984.

6. Margin requirements, stated in regulations adopted by the Board of Governors pursuant to the Securities Exchange Act of 1934, limit the amount of credit that can be used to purchase and carry "margin securities" (as defined in the regulations) when such credit is collateralized by securities. Margin requirements on securities are the difference between the market value (100 percent) and the maximum loan value of collateral as prescribed by the Board. Regulation T was adopted effective Oct. 15, 1934; Regulation U, effective May 1, 1936; Regulation T was adopted effective Oct. 15, 1934; Regulation U, effective May 1, 1936; Regulation G, effective Mar. 11, 1968; and Regulation X, effective Nov. 1, 1971.

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

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars, end of month

Item	2001				2002				2003
	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31
1 Federal debt outstanding	5,800.6	5,753.9	5,834.5	5,970.3	6,032.4	6,153.3	6,255.4	6,433.0	6,487.7
2 Public debt securities	5,773.7	5,726.8	5,807.5	5,943.4	6,006.0	6,126.5	6,228.2	6,405.7	6,460.8
3 Held by public	3,434.4	3,274.2	3,338.7	3,393.8	3,443.7	3,463.5	3,552.6	3,647.4	3,710.8
4 Held by agencies	2,339.4	2,452.6	2,468.8	2,549.7	2,562.4	2,662.9	2,675.6	2,758.3	2,750.0
5 Agency securities	26.8	27.1	27.0	26.8	26.4	26.8	27.2	27.3	26.9
6 Held by public	26.8	27.1	27.0	26.8	26.4	26.8	27.2	27.3	26.9
7 Held by agencies	.1	.0	.0	.0	.0	.0	.0	.0	.0
8 Debt subject to statutory limit	5,692.5	5,645.0	5,732.6	5,871.4	5,935.1	6,058.3	6,161.4	6,359.4	6,400.0
9 Public debt securities	5,692.3	5,644.8	5,732.4	5,871.2	5,935.0	6,058.1	6,161.1	6,359.1	6,399.8
10 Other debt ¹	.2	.2	.2	.3	.2	.2	.3	.3	.2
MEMO									
11 Statutory debt limit	5,950.0	5,950.0	5,950.0	5,950.0	5,950.0	6,400.0	6,400.0	6,400.0	6,400.0

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

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

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

Billions of dollars, end of period

Type and holder	1999	2000	2001	2002	2002			2003
					Q2	Q3	Q4	Q1
1 Total gross public debt	5,776.1	5,662.2	5,943.4	6,405.7	6,126.5	6,228.2	6,405.7	6,460.8
<i>By type</i>								
2 Interest-bearing	5,766.1	5,618.1	5,930.8	6,391.4	6,087.0	6,216.3	6,391.4	6,474.0
3 Marketable	3,281.0	2,966.9	2,982.9	3,205.1	3,024.8	3,136.6	3,205.1	3,331.8
4 Bills	737.1	646.9	811.3	888.8	822.5	868.3	888.8	955.0
5 Notes	1,784.5	1,557.3	1,413.9	1,580.8	1,446.9	1,521.5	1,580.8	1,622.9
6 Bonds	643.7	626.5	602.7	588.7	592.9	592.9	588.7	585.7
7 Inflation-indexed notes and bonds ¹	100.7	121.2	140.1	146.9	147.5	138.9	146.9	153.2
8 Nonmarketable ²	2,485.1	2,651.2	2,947.9	3,186.3	3,062.2	3,079.6	3,186.3	3,142.2
9 State and local government series	165.7	151.0	146.3	153.4	142.8	144.3	153.4	148.8
10 Foreign issues ³	31.3	27.2	15.4	11.2	13.3	12.5	11.2	12.2
11 Government	31.3	27.2	15.4	11.2	13.3	12.5	11.2	12.2
12 Public	.0	.0	.0	.0	.0	.0	.0	.0
13 Savings bonds and notes	179.4	176.9	181.5	184.8	184.8	185.6	184.8	187.3
14 Government account series ⁴	2,078.7	2,266.1	2,574.8	2,806.9	2,691.4	2,707.3	2,806.9	2,763.8
15 Non-interest-bearing	10.0	44.2	12.7	14.3	39.5	12.0	14.3	13.8
<i>By holder⁵</i>								
16 U.S. Treasury and other federal agencies and trust funds	2,064.2	2,270.1	2,572.2	2,757.8	2,686.0	2,701.3	2,757.8	n.a.
17 Federal Reserve Banks ⁶	478.0	511.7	551.7	629.4	590.7	604.2	629.4	641.5
18 Private investors	3,233.9	2,880.4	2,819.5	3,018.5	2,849.8	2,924.8	3,018.5	n.a.
19 Depository institutions	248.7	201.5	181.5	223.2	204.4	210.4	223.2	n.a.
20 Mutual funds	228.6	220.8	257.5	278.1	250.0	253.6	278.1	n.a.
21 Insurance companies	123.4	110.2	105.7	117.4	110.3	116.0	117.4	n.a.
22 State and local treasuries ⁷	266.8	236.2	256.5	274.2	271.7	269.4	274.2	n.a.
Individuals								
23 Savings bonds	186.4	184.8	190.3	194.9	192.7	193.3	194.9	n.a.
24 Pension funds	321.0	304.1	281.6	284.2	286.0	284.9	284.2	n.a.
25 Private	109.8	108.4	104.2	111.4	108.8	110.9	111.4	n.a.
26 State and Local	211.2	195.7	177.4	172.8	177.2	174.1	172.8	n.a.
27 Foreign and international ⁸	1,268.7	1,034.2	1,053.1	1,174.2	1,068.1	1,128.6	1,174.2	n.a.
28 Other miscellaneous investors ^{7,9}	590.3	588.7	493.3	n.a.	466.5	471.1	n.a.	n.a.

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

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

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

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

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

6. U.S. Treasury securities bought outright by Federal Reserve Banks, see *Bulletin* table 1.18.

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

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

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

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

1.42 U.S. GOVERNMENT SECURITIES DEALERS Transactions¹

Millions of dollars, daily averages

Item	2003			2003, week ending								
	Jan.	Feb.	Mar.	Mar. 5	Mar. 12	Mar. 19	Mar. 26	Apr. 2	Apr. 9	Apr. 16	Apr. 23	Apr. 30
<i>By type of security</i>												
1 U.S. Treasury bills	39,484	42,383	48,449	53,289	49,336	45,219	46,463	50,824	47,273	48,767	44,202	41,294
<i>Treasury coupon securities by maturity</i>												
2 Three years or less	122,814	116,714	126,659	133,520	118,555	131,671	125,796	126,390	100,933	111,472	114,244	143,154
3 More than three but less than or equal to six years	119,127	111,100	117,650	113,057	113,654	140,634	106,269	109,566	110,875	91,447	76,090	108,709
4 More than six but less than or equal to eleven years	75,346	85,141	93,192	88,275	86,129	110,120	93,821	80,619	78,135	73,636	52,114	77,064
5 More than eleven years	16,002	20,817	21,768	24,985	24,991	23,348	17,570	17,546	18,625	17,791	20,615	23,356
6 Inflation-indexed ²	3,969	2,995	2,987	2,294	2,563	3,823	3,176	2,681	2,663	2,579	2,578	4,610
<i>Federal agency and government-sponsored enterprises</i>												
7 Discount notes	56,755	56,333	52,936	62,131	48,025	52,359	51,092	55,959	48,924	49,128	54,850	54,874
<i>Coupon securities by maturity</i>												
8 Three years or less	12,752	11,391	14,229	12,920	14,808	18,005	12,158	11,733	9,836	15,487	7,469	10,293
9 More than three years but less than or equal to six years	10,444	10,878	11,502	16,878	12,099	10,144	10,521	9,029	7,359	11,394	6,077	13,738
10 More than six years but less than or equal to eleven years	6,839	5,875	7,006	7,257	6,421	6,523	8,810	5,528	4,184	6,264	4,935	5,089
11 More than eleven years	988	1,071	1,584	1,209	1,682	2,080	1,562	1,008	695	556	574	606
12 Mortgage-backed	201,113	204,993	241,417 ^a	255,368	331,055	244,537	178,466	177,785	262,926	226,348	178,265	208,109
<i>Corporate securities</i>												
13 One year or less	109,068	111,264	124,603	111,252	114,411	134,411	131,158	127,672	116,708	131,411	134,729	119,717
14 More than one year	22,404	22,114	23,239 ^a	25,006	22,763	22,755	24,629	20,756	19,998	19,597	18,935	23,442
<i>By type of counterparty</i>												
<i>With interdealer broker</i>												
15 U.S. Treasury	170,999	176,738	191,462	189,860	180,503	216,547	186,003	178,616	165,695	161,332	141,913	180,206
<i>Federal agency and government-sponsored enterprises</i>												
17 Mortgage-backed	54,576	61,573	68,952 ^a	76,573	95,373	66,280	50,576	52,375	65,872	61,531	44,644	51,151
18 Corporate	616	518	488 ^a	571	491	508	438	450	593	528	639	513
<i>With other</i>												
19 U.S. Treasury	205,741	202,410	219,244	225,560	214,724	238,269	207,092	209,009	192,809	184,361	167,930	217,980
<i>Federal agency and government-sponsored enterprises</i>												
21 Mortgage-backed	146,537	143,420	172,465	178,795	235,682	178,257	127,890	125,410	197,055	164,817	133,620	156,958
22 Corporate	130,855	132,860	147,355	135,686	136,683	156,659	155,349	147,978	136,114	150,481	153,025	142,646

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

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

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

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

1.43 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing¹

Millions of dollars

Item, by type of security	2003			2003, week ending							
	Jan.	Feb.	Mar.	Mar. 5	Mar. 12	Mar. 19	Mar. 26	Apr. 2	Apr. 9	Apr. 16	Apr. 23
Net outright positions ²											
1 U.S. Treasury bills	23,749	33,405	36,519	37,774	32,292	33,102	36,509	45,980	41,995	15,473	14,430
Treasury coupon securities by maturity											
2 Three years or less	-19,950	-13,349	-11,710	-6,990	-8,469	-10,028	-18,744	-13,477	-13,489	-17,619	-18,824
3 More than three years but less than or equal to six years	-33,546	-30,605	-39,305	-31,268	-39,565	-39,506	-42,363	-42,417	-44,737	-45,186	-45,140
4 More than six but less than or equal to eleven years	-18,697	-13,246	-12,408	-9,498	-10,332	-13,214	-16,685	-11,108	-9,103	-11,431	-12,093
5 More than eleven	4,522	4,742	5,513	5,590	5,516	5,149	5,397	6,102	6,179	6,447	3,992
6 Inflation-indexed	1,268	2,051	2,502	2,061	2,129	4,311	1,942	1,718	1,747	1,491	1,756
Federal agency and government- sponsored enterprises											
7 Discount notes	55,562	56,067	54,393	50,166	58,724	55,307	51,243	55,688	58,847	53,653	57,218
Coupon securities, by maturity											
8 Three years or less	15,969	18,206	19,765	21,747	22,456	17,704	18,845	18,191	17,044	21,148	20,129
9 More than three years but less than or equal to six years	4,501	7,076	4,786	6,077	5,260	3,534	5,131	4,104	2,301	4,592	3,305
10 More than six but less than or equal to eleven years	1,521	1,050	2,292	772	2,603	1,929	3,303	2,467	2,467	3,472	3,090
11 More than eleven	2,200	2,261	2,357	2,047	2,155	2,312	2,663	2,584	2,351	2,318	2,335
12 Mortgage-backed	23,387	27,290	44,922	27,936	42,411	56,549	46,925	46,340	41,394	46,185	37,859
Corporate securities											
13 One year or less	25,810	26,844	26,170	23,636	29,370	29,121	23,401	23,967	24,926	35,531	30,292
14 More than one year	53,119	49,821	48,917	48,034	49,194	47,979	50,691	48,240	46,324	48,471	44,341
Financing ³											
<i>Securities in, U.S. Treasury</i>											
15 Overnight and continuing	629,534	649,602	655,300	669,879	654,221	652,287	634,566	675,478	651,078	647,614	673,494
16 Term	716,731	711,711	784,955	696,777	764,308	820,208	878,563	721,631	761,654	790,110	801,467
Federal agency and government- sponsored enterprises											
17 Overnight and continuing	153,105	156,551	153,551	165,262	160,000	153,089	139,627	152,954	157,895	155,053	150,786
18 Term	228,176	225,453	239,424	227,073	241,547	243,799	246,295	233,058	228,195	226,628	231,370
Mortgage-backed securities											
19 Overnight and continuing	37,003	41,472	39,251	38,898	40,349	42,962	35,184	38,566	38,380	41,891	44,676
20 Term	250,974	245,796	249,003	248,663	254,179	247,333	253,597	238,006	245,287	241,007	249,090
Corporate securities											
21 Overnight and continuing	58,162	61,244 ^r	65,856	64,370 ^r	65,181	65,742	67,646	65,940	67,249	66,857	67,275
22 Term	24,045	24,535	25,792	24,050	25,734	26,348	26,236	26,213	25,268	25,200	25,834
MEMO											
Reverse repurchase agreements											
23 Overnight and continuing	425,659	462,703	469,568	498,615	471,861	474,899	439,948	471,313	451,009	446,480	472,923
24 Term	1,058,223	1,044,314	1,127,240	1,037,862	1,116,675	1,159,906	1,228,131	1,044,426	1,094,613	1,120,931	1,138,122
<i>Securities out, U.S. Treasury</i>											
25 Overnight and continuing	586,166	613,714 ^r	638,051	648,639 ^r	645,782	638,833	616,075	646,310	621,782	609,219	619,018
26 Term	656,962	651,391	717,308	637,794	699,428	749,705	805,275	653,341	704,869	738,073	746,060
Federal agency and government- sponsored enterprises											
27 Overnight and continuing	293,172	302,428 ^r	286,453	299,353 ^r	299,186	286,454	272,543	275,200	298,578	281,035	274,600
28 Term	153,444	156,795	176,180	161,331	178,431	178,090	183,033	175,608	169,972	178,341	182,232
Mortgage-backed securities											
29 Overnight and continuing	334,095	336,090	328,058	318,414	304,619	352,761	340,355	318,715	312,190	344,936	365,482
30 Term	153,932	149,392	153,495	147,537	154,136	152,773	158,642	152,363	152,014	153,907	160,428
Corporate securities											
31 Overnight and continuing	135,890	138,598 ^r	141,619	133,683 ^r	143,439	145,565	140,549	142,979	139,104	146,876	142,668
32 Term	19,581	22,083	22,184	22,575	22,434	22,146	21,712	22,155	22,502	22,622	22,529
MEMO											
Repurchase agreements											
33 Overnight and continuing	1,159,110	1,190,429	1,195,376	1,190,472	1,193,494	1,229,711	1,176,252	1,181,620	1,182,304	1,186,084	1,211,085
34 Term	951,521	944,456	1,022,027	935,330	1,013,969	1,050,480	1,113,854	951,615	998,909	1,044,691	1,051,033

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

1. Data for positions and financing are obtained from reports submitted to the Federal Reserve Bank of New York by the U.S. government securities dealers on its published list of primary dealers. Weekly figures are close-of-business Wednesday data. Positions for calendar days of the report week are assumed to be constant. Monthly averages are based on the number of calendar days in the month.

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

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

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1999	2000	2001	2002	2002			2003	
					Oct.	Nov.	Dec.	Jan.	Feb.
1 Federal and federally sponsored agencies	1,616,492	1,851,632	2,121,057	2,351,039	2,289,622	2,305,945	2,351,039	n.a.	n.a.
2 Federal agencies	26,376	25,666	276	2	318	342	2	26,929	26,408
3 Defense Department ¹	6	6	6	6	6	6	6	6	6
4 Export-Import Bank ^{2,3}	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
5 Federal Housing Administration ⁴	126	255	26,828	26,828	26,725	26,863	26,828	354	152
6 Government National Mortgage Association certificates of participation ⁵	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
7 Postal Service ⁶	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
8 Tennessee Valley Authority	26,370	25,660	270	270	312	336	270	26,923	26,402
9 United States Railway Association ⁶	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
10 Federally sponsored agencies ⁷	1,590,116	1,825,966	2,120,781	2,351,037	2,289,304	2,305,607	2,351,037	n.a.	n.a.
11 Federal Home Loan Banks	529,005	594,404	623,740	674,841	679,209	674,847	674,841	672,304	684,495
12 Federal Home Loan Mortgage Corporation	360,711	426,899	565,071	648,894	625,328	643,201	648,894	n.a.	n.a.
13 Federal National Mortgage Association	547,619	642,700	763,500	851,000	804,800	811,700	851,000	860,300	871,000
14 Farm Credit Banks ⁸	68,883	74,181	76,673	85,088	83,145	83,884	85,088	85,206	86,045
15 Student Loan Marketing Association ⁹	41,988	45,375	48,350	47,900	54,200	48,700	47,900	50,700	50,900
16 Financing Corporation ¹⁰	8,170	8,170	8,170	8,170	8,170	8,170	8,170	8,170	8,170
17 Farm Credit Financial Assistance Corporation ¹¹	1,261	1,261	1,261	1,261	1,261	1,261	1,261	1,261	1,261
18 Resolution Funding Corporation ¹²	29,996	29,996	29,996	29,996	29,996	29,996	29,996	29,996	29,996
MEMO									
19 Federal Financing Bank debt¹³	42,152	40,575	39,096	37,017	37,084	37,418	37,017	35,992	35,794
<i>Lending to federal and federally sponsored agencies</i>									
20 Export-Import Bank ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
21 Postal Service ⁶	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
22 Student Loan Marketing Association	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
23 Tennessee Valley Authority	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
24 United States Railway Association ⁶	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<i>Other lending¹⁴</i>									
25 Farmers Home Administration	6,665	5,275	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
26 Rural Electrification Administration	14,085	13,126	13,876	14,489	14,058	14,209	14,489	14,714	14,750
27 Other	21,402	22,174	25,220	22,528	23,026	23,209	22,528	21,278	21,044

1. Consists of mortgages assumed by the Defense Department between 1957 and 1963 under family housing and homeowners assistance programs.
 2. Includes participation certificates reclassified as debt beginning Oct. 1, 1976.
 3. On-budget since Sept. 30, 1976.
 4. Consists of debentures issued in payment of Federal Housing Administration insurance claims. Once issued, these securities may be sold privately on the securities market.
 5. Certificates of participation issued before fiscal year 1969 by the Government National Mortgage Association acting as trustee for the Farmers Home Administration; the Department of Health, Education, and Welfare; the Department of Housing and Urban Development; the Small Business Administration; and the Veterans Administration.
 6. Off-budget.
 7. Includes outstanding noncontingent liabilities: notes, bonds, and debentures. Includes Federal Agriculture Mortgage Corporation; therefore, details do not sum to total. Some data are estimated.
 8. Excludes borrowing by the Farm Credit Financial Assistance Corporation, which is shown on line 17.
 9. Before late 1982, the association obtained financing through the Federal Financing Bank (FFB). Borrowing excludes that obtained from the FFB, which is shown on line 22.

10. The Financing Corporation, established in August 1987 to recapitalize the Federal Savings and Loan Insurance Corporation, undertook its first borrowing in October 1987.
 11. The Farm Credit Financial Assistance Corporation, established in January 1988 to provide assistance to the Farm Credit System, undertook its first borrowing in July 1988.
 12. The Resolution Funding Corporation, established by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, undertook its first borrowing in October 1989.
 13. The FFB, which began operations in 1974, is authorized to purchase or sell obligations issued, sold, or guaranteed by other federal agencies. Because FFB incurs debt solely for the purpose of lending to other agencies, its debt is not included in the main portion of the table to avoid double counting.
 14. Includes FFB purchases of agency assets and guaranteed loans; the latter are loans guaranteed by numerous agencies, with the amounts guaranteed by any one agency generally being small. The Farmers Home Administration entry consists exclusively of agency assets, whereas the Rural Electrification Administration entry consists of both agency assets and guaranteed loans

1.45 NEW SECURITY ISSUES State and Local Governments

Millions of dollars

Type of issue or issuer, or use	2000	2001	2002	2002				2003			
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb. ¹	Mar. ¹	Apr.
1 All issues, new and refunding¹	180,403	292,002²	364,194²	27,425²	44,574	37,150	27,612²	26,722²	30,056	28,290	34,074
<i>By type of issue</i>											
2 General obligation	64,475	118,554	145,323	9,628	18,595	11,023	8,431	8,112	12,730	10,047	14,593
3 Revenue	115,928	170,047	214,788	17,751	24,074	24,942	18,961	17,049	17,326	18,243	19,481
<i>By type of issuer</i>											
4 State	19,944	30,099	33,931	2,442	4,199	2,109	1,670	1,927	3,654	1,277	5,487
5 Special district or statutory authority ²	121,185	197,462	259,070	19,171	31,793	28,296	20,151	17,979	20,761	19,982	23,400
6 Municipality, county, or township	39,273	61,040	67,121	5,767	6,678	5,570	5,570	5,290	5,640	7,031	5,188
7 Issues for new capital	154,257	200,384²	243,576²	15,140²	30,230	26,512²	19,953²	18,560²	20,275	16,585	24,172
<i>By use of proceeds</i>											
8 Education	38,665	50,054	57,894	3,529	5,209	3,743	5,292	4,823	7,085	5,480	7,478
9 Transportation	19,730	21,411	22,093	1,398	1,476	1,250	1,060	1,417	1,619	1,232	3,476
10 Utilities and conservation	11,917	21,917	33,404	2,038	6,922	8,379	2,031	2,196	176	588	546
11 Social welfare	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
12 Industrial aid	7,122	6,607	7,227	574	1,225	821	796	422	1,081	1,692	1,808
13 Other purposes	47,309	55,733	73,033	5,597	6,996	7,189	4,992	7,400	7,178	3,777	8,310

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

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

1.46 NEW SECURITY ISSUES U.S. Corporations

Millions of dollars

Type of issue, offering, or issuer	2000	2001	2002	2002					2003		
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
1 All issues¹	942,198²	1,382,003²	1,262,606²	88,222	118,947	82,726²	105,754	107,916	109,628	113,772	136,530
2 Bonds²	807,281²	1,253,449²	1,152,171²	84,216	111,652	74,893²	95,821	101,038	102,501	106,633	130,637
<i>By type of offering</i>											
3 Sold in the United States	684,484 ²	1,197,060 ²	1,065,925 ²	80,772	107,219	70,696 ²	90,207	95,187	96,275	97,383	125,025
4 Sold abroad	122,798	56,389	86,246	3,444	4,432	4,197	5,614	5,851	6,226	9,250	5,613
MEMO											
5 Private placements, domestic	18,370	16,385	16,224	0	65	0	3,525	5,060	4,700 ²	0	0
<i>By industry group</i>											
6 Nonfinancial	242,207 ²	445,930 ²	267,183 ²	14,407	17,121	14,560	20,500	19,614	27,119	26,222	25,865
7 Financial	565,074 ²	807,519 ²	884,988 ²	69,809	94,531	60,333 ²	75,321	81,424	75,382	80,411	104,773
8 Stocks³	311,941	230,632	170,673	4,006	7,295	7,833	9,933	6,878	7,127	7,139	5,893
<i>By type of offering</i>											
9 Public	134,917	128,554	110,435	4,006	7,295	7,833	9,933	6,878	7,127	7,139	5,893
10 Private placement ⁴	177,024	102,078	60,238	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<i>By industry group</i>											
11 Nonfinancial	118,369	77,577	62,115	539	2,754	3,731	4,533	4,154	3,793	2,679	1,053
12 Financial	16,548	50,977	48,320	3,467	4,541	4,102	5,400	2,724	3,334	4,460	4,840

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

2. Monthly data include 144(a) offerings.

3. Monthly data cover only public offerings.

4. Data for private placements are not available at a monthly frequency.

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

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1.47 OPEN-END INVESTMENT COMPANIES Net Sales and Assets¹

Millions of dollars

Item	2001	2002	2002				2003			
			Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar. ⁷	Apr.
1 Sales of own shares ²	1,806,474	1,826,045	125,408	164,959	137,914	134,383	152,647	122,321	140,643	141,367
2 Redemptions of own shares	1,677,266	1,702,671	126,760	167,039	122,125	135,213	138,951	113,643	129,337	111,998
3 Net sales ³	129,208	123,374	-1,352	-2,080	15,789	-830	13,696	8,678	11,306	29,369
4 Assets ⁴	4,689,624	4,119,322	3,899,858	4,059,765	4,249,351	4,119,322	4,060,568	4,031,818	4,059,934	4,326,681
5 Cash ⁵	219,620	208,479	199,778	204,019	219,213	208,479	212,792	199,546	214,146	229,172
6 Other	4,470,004	3,910,843	3,700,080	3,855,746	4,030,138	3,910,843	3,847,776	3,832,272	3,845,788	4,097,509

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

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

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

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

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

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

1.51 DOMESTIC FINANCE COMPANIES Assets and Liabilities¹

Billions of dollars, end of period; not seasonally adjusted

Account	2000	2001	2002	2001		2002				2003
				Q3	Q4	Q1	Q2	Q3	Q4	Q1
ASSETS										
1 Accounts receivable, gross ²	958.7	948.3	945.4	967.8	948.3	930.0	941.9	945.6	945.4	934.8
2 Consumer	328.0	340.1	315.6	329.3	340.1	329.8	332.0	334.5	315.6	307.0
3 Business	458.4	447.0	455.3	451.1	447.0	443.0	449.4	445.5	455.3	453.9
4 Real estate	172.3	161.3	174.5	187.4	161.3	157.2	160.5	165.5	174.5	174.0
5 LESS: Reserves for unearned income	69.7	60.6	57.0	60.8	60.6	59.5	58.5	58.0	57.0	54.2
6 Reserves for losses	16.7	21.0	23.8	18.0	21.0	21.5	21.6	22.0	23.8	24.0
7 Accounts receivable, net	872.3	866.7	864.5	889.0	866.7	849.0	861.9	865.6	864.5	856.7
8 All other	461.5	523.4	584.7	478.7	523.4	515.2	530.6	558.0	584.7	610.9
9 Total assets	1,333.7	1,390.1	1,449.3	1,367.7	1,390.1	1,364.2	1,392.5	1,423.6	1,449.3	1,467.6
LIABILITIES AND CAPITAL										
10 Bank loans	35.9	50.8	48.0	44.5	50.8	49.4	56.9	74.9	48.0	47.3
11 Commercial paper	238.8	158.6	141.5	171.0	158.6	137.0	130.8	143.1	141.5	127.3
<i>Debt</i>										
12 Owed to parent	102.5	99.2	88.2	91.7	99.2	82.6	83.3	82.9	88.2	87.7
13 Not elsewhere classified	502.2	567.4	624.9	555.8	567.4	574.4	597.2	584.9	624.9	639.1
14 All other liabilities	301.8	325.5	339.0	327.6	325.5	329.1	331.5	343.4	339.0	344.4
15 Capital, surplus, and undivided profits	152.5	188.6	207.6	177.2	188.6	191.7	192.9	194.5	207.6	221.8
16 Total liabilities and capital	1,333.7	1,390.1	1,449.3	1,367.7	1,390.1	1,364.2	1,392.5	1,423.6	1,449.3	1,467.6

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

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

1.52 DOMESTIC FINANCE COMPANIES Owned and Managed Receivables¹

Billions of dollars, amounts outstanding

Type of credit	2000	2001 ^f	2002 ^f	2002			2003		
				Oct. ^f	Nov. ^f	Dec. ^f	Jan. ^f	Feb. ^f	Mar.
Seasonally adjusted									
1 Total	1,185.6^f	1,246.6	1,270.2	1,266.3	1,270.2	1,270.2	1,274.1	1,267.3	1,274.4
2 Consumer	464.4	513.3	513.1	517.5	513.7	513.1	517.3	510.6	513.6
3 Real estate	198.9	207.7	216.5	211.7	214.2	216.5	215.4	215.6	215.4
4 Business	522.3	525.6	540.6	537.0	542.3	540.6	541.5	541.2	545.4
Not seasonally adjusted									
5 Total	1,192.2^f	1,253.7	1,277.6	1,263.4	1,267.9	1,277.6	1,276.7	1,267.6	1,277.7
6 Consumer	468.3 ^f	518.1	518.4	518.8	517.6	518.4	518.5	510.8	510.2
7 Motor vehicle loans	141.6 ^f	173.9	160.2	169.9	159.8	160.2	160.2	162.3	156.0
8 Motor vehicle leases	108.2 ^f	103.5	83.3	86.7	85.2	83.3	81.9	80.3	81.8
9 Revolving ²	37.6 ^f	31.5	38.9	37.4	37.0	38.9	38.7	37.3	36.4
10 Other ³	40.7 ^f	31.1	33.1	31.3	31.4	33.1	33.1	32.6	32.9
Securitized assets ⁴									
11 Motor vehicle loans	97.1	131.9	151.9	144.1	153.9	151.9	154.3	148.7	152.3
12 Motor vehicle leases	6.6	6.8	5.7	5.9	5.8	5.7	5.7	5.6	6.2
13 Revolving	19.6	25.0	31.1	29.2	30.2	31.1	30.4	30.1	30.7
14 Other	17.1	14.3	14.0	14.4	14.2	14.0	14.2	13.8	13.9
Real estate	198.9	207.7	216.5	211.7	214.2	216.5	215.4	215.6	215.4
16 One- to four-family	130.6 ^f	120.1	135.0	130.5	132.8	135.0	134.1	134.3	133.9
17 Other	41.7	41.2	39.5	39.0	39.3	39.5	39.6	39.9	40.1
Securitized real estate assets ⁴									
18 One- to four-family	24.7	40.7	39.7	40.1	39.9	39.7	39.4	39.1	39.2
19 Other	1.9	5.7	2.2	2.2	2.2	2.2	2.2	2.2	2.2
20 Business	525.0	527.9	542.7	532.9	536.1	542.7	542.8	541.3	552.1
21 Motor vehicles	75.5 ^f	54.0	60.7	57.3	58.2	60.7	58.6	60.3	65.3
22 Retail loans	18.3 ^f	16.1	15.4	18.0	15.7	15.4	15.1	14.8	16.3
23 Wholesale loans ⁵	39.7 ^f	20.3	29.3	23.5	26.7	29.3	27.5	30.5	34.0
24 Leases	17.6 ^f	17.6	16.0	15.9	15.8	16.0	15.9	15.0	15.0
25 Equipment	283.5	289.4	292.1	288.4	288.4	292.1	292.0	288.9	287.5
26 Loans	70.2 ^f	77.8	83.3	81.9	82.2	83.3	80.1	80.3	78.0
27 Leases	213.3 ^f	211.6	208.8	206.5	206.2	208.8	211.8	208.6	209.5
28 Other business receivables ⁶	99.4 ^f	103.5	102.5	97.0	95.7	102.5	104.7	104.4	101.1
Securitized assets ⁴									
29 Motor vehicles	37.8	50.1	50.2	47.0	50.4	50.2	50.3	50.9	53.1
30 Retail loans	3.2	5.1	2.4	1.9	2.5	2.4	2.4	2.3	2.2
31 Wholesale loans	32.5	42.5	45.9	42.8	45.6	45.9	46.1	46.8	48.6
32 Leases	2.2	2.5	1.9	2.3	2.3	1.9	1.8	1.8	2.2
33 Equipment	23.1	23.2	20.2	23.9	24.3	20.2	20.1	19.4	21.9
34 Loans	15.5	16.4	13.0	17.2	17.6	13.0	12.9	12.3	12.2
35 Leases	7.6	6.8	7.2	6.7	6.7	7.2	7.2	7.1	9.7
36 Other business receivables ⁶	5.6	7.7	17.1	19.2	19.2	17.1	17.1	17.3	23.3

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

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

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

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

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

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

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

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

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

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1.53 MORTGAGE MARKETS Mortgages on New Homes

Millions of dollars except as noted

Item	2000	2001	2002	2002			2003			
				Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
Terms and yields in primary and secondary markets										
PRIMARY MARKETS										
<i>Terms¹</i>										
1 Purchase price (thousands of dollars)	234.5	245.0	261.1	258.7	256.7	266.9	278.9	235.1	252.9	266.0
2 Amount of loan (thousands of dollars)	177.0	184.2	197.0	195.0	193.3	205.1	214.0	179.3	184.2	205.0
3 Loan-to-price ratio (percent)	77.4	77.3	77.8	77.7	77.4	79.0	79.3	78.0	76.2	78.8
4 Maturity (years)	29.2	28.8	28.9	28.8	28.4	28.7	28.9	28.3	28.2	29.0
5 Fees and charges (percent of loan amount) ² .....	.70	.67	.62	.63	.61	.64	.79	.37	.40	.62
<i>Yield (percent per year)</i>										
6 Contract rate ³	7.41	6.90	6.35	6.00	5.99	5.95	6.00	5.76	5.69	5.83
7 Effective rate ^{3,4}	7.52	7.00	6.44	6.09	6.08	6.04	6.12	5.82	5.75	5.92
8 Contract rate (HUD series) ⁴	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
SECONDARY MARKETS										
<i>Yield (percent per year)</i>										
9 FHA mortgages (section 203) ⁵	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
10 GNMA securities ⁶	7.57	6.36	5.81	5.31	5.29	5.17	5.18	5.03	4.94	4.97
Activity in secondary markets										
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
<i>Mortgage holdings (end of period)</i>										
11 Total	610,122	707,015	790,800	751,347	760,759	790,800	810,609	816,747	815,964	817,894
12 FHA/VA insured	61,539	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
13 Conventional	548,583	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
14 Mortgage transactions purchased (during period)	154,231	270,384	370,641	32,853	47,807	67,891	57,281	40,420	34,304	43,028
<i>Mortgage commitments (during period)</i>										
15 Issued ⁷	163,689	304,084	400,327	68,463	53,286	30,769	27,814	52,479	42,005	n.a.
16 To sell ⁸	11,786	7,586	12,268	1,121	520	1,555	2,717	1,241	2,457	n.a.
FEDERAL HOME LOAN MORTGAGE CORPORATION										
<i>Mortgage holdings (end of period)⁸</i>										
17 Total	385,693	491,719	568,173	536,389	549,380	568,173	568,494	561,534	569,522	568,975
18 FHA/VA insured	3,332	3,506	4,573	4,724	4,019	4,573	4,256	3,796	3,540	n.a.
19 Conventional	382,361	488,213	563,600	531,665	545,361	563,600	564,238	557,738	565,982	n.a.
<i>Mortgage transactions (during period)</i>										
20 Purchases	174,043	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
21 Sales	166,901	389,611	547,046	60,516	62,354	73,184	48,169	41,831	59,065	51,737
22 Mortgage commitments contracted (during period) ⁹	169,231	417,434	620,981 ¹	73,639	74,340	91,223	55,057	48,446	69,200	n.a.

1. Weighted averages based on sample surveys of mortgages originated by major institutional lender groups for purchase of newly built homes; compiled by the Federal Housing Finance Board in cooperation with the Federal Deposit Insurance Corporation.

2. Includes all fees, commissions, discounts, and "points" paid (by the borrower or the seller) to obtain a loan.

3. Average effective interest rate on loans closed for purchase of newly built homes, assuming prepayment at the end of ten years.

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

5. Average gross yield on thirty-year, minimum-downpayment first mortgages insured by the Federal Housing Administration (FHA) for immediate delivery in the private secondary market. Based on transactions on first day of subsequent month.

6. Average net yields to investors on fully modified pass-through securities backed by mortgages and guaranteed by the Government National Mortgage Association (GNMA), assuming prepayment in twelve years on pools of thirty-year mortgages insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs.

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

8. Includes participation loans as well as whole loans.

9. Includes conventional and government-underwritten loans. The Federal Home Loan Mortgage Corporation's mortgage commitments and mortgage transactions include activity under mortgage securities swap programs, whereas the corresponding data for the Federal National Mortgage Association exclude swap activity.

1.54 MORTGAGE DEBT OUTSTANDING¹

Millions of dollars, end of period

Type of holder and property	1999	2000	2001	2002				
				Q4	Q1	Q2	Q3	Q4 ²
1 All holders	6,320,135	6,894,097	7,597,732	7,597,732	7,763,084	7,978,272	8,209,225	8,476,304
<i>By type of property</i>								
2 One- to four-family residences	4,790,601	5,208,604	5,738,228	5,738,228	5,876,695	6,048,445	6,245,941	6,459,659
3 Multifamily residences	369,003	403,430	453,100	453,100	461,198	472,262	479,919	496,733
4 Nonfarm, nonresidential	1,057,568	1,171,205	1,290,069	1,290,069	1,307,076	1,337,136	1,359,812	1,394,692
5 Farm	102,964	108,858	116,336	116,336	118,116	120,428	123,553	125,220
<i>By type of holder</i>								
6 Major financial institutions	2,394,271	2,618,969	2,791,076	2,791,076	2,789,654	2,860,853	2,981,236	3,087,646
7 Commercial banks ³	1,495,420	1,660,054	1,789,819	1,789,819	1,800,362	1,873,203	1,961,908	2,059,079
8 One- to four-family	879,576	965,635	1,023,851	1,023,851	1,018,478	1,070,522	1,143,938	1,222,461
9 Multifamily	67,665	77,803	84,851	84,851	86,719	90,743	90,929	94,169
10 Nonfarm, nonresidential	516,333	582,577	645,619	645,619	659,187	674,972	689,288	704,454
11 Farm	31,846	34,039	35,498	35,498	35,978	36,966	37,753	37,995
12 Savings institutions ³	668,064	722,974	758,236	758,236	745,998	742,732	773,689	781,255
13 One- to four-family	548,222	594,221	620,579	620,579	605,171	599,402	625,424	631,399
14 Multifamily	59,309	61,258	64,592	64,592	65,199	66,009	68,668	67,840
15 Nonfarm, nonresidential	60,063	66,965	72,534	72,534	75,077	76,768	79,036	81,435
16 Farm	470	529	531	531	551	552	560	581
17 Life insurance companies	230,787	235,941	243,021	243,021	243,293	244,918	245,639	247,312
18 One- to four-family	5,934	4,903	4,931	4,931	4,938	5,162	5,176	5,210
19 Multifamily	32,818	33,681	35,631	35,631	35,671	35,818	35,921	36,161
20 Nonfarm, nonresidential	179,048	183,757	188,376	188,376	188,599	189,850	190,398	191,666
21 Farm	12,987	13,600	14,083	14,083	14,085	14,088	14,144	14,275
22 Federal and related agencies	320,054	344,225	376,999	376,999	385,027	396,091	412,014	437,100
23 Government National Mortgage Association	7	6	8	8	8	8	8	5
24 One- to four-family	7	6	8	8	8	8	8	5
25 Multifamily	0	0	0	0	0	0	0	0
26 Farmers Home Administration ⁴	73,871	73,323	72,452	72,452	72,362	71,970	72,030	72,377
27 One- to four-family	16,506	16,372	15,824	15,824	15,665	15,273	15,139	14,908
28 Multifamily	11,741	11,733	11,712	11,712	11,707	11,692	11,686	11,669
29 Nonfarm, nonresidential	41,355	41,070	40,965	40,965	41,134	41,188	41,439	42,101
30 Farm	4,268	4,148	3,952	3,952	3,855	3,817	3,766	3,700
31 Federal Housing Admin. and Dept. of Veterans Affairs	3,712	3,507	3,290	3,290	3,361	3,473	2,973	3,854
32 One- to four-family	1,851	1,308	1,260	1,260	1,255	1,254	1,252	1,262
33 Multifamily	1,861	2,199	2,031	2,031	2,105	2,218	1,721	2,592
34 Resolution Trust Corporation	0	0	0	0	0	0	0	0
35 One- to four-family	0	0	0	0	0	0	0	0
36 Multifamily	0	0	0	0	0	0	0	0
37 Nonfarm, nonresidential	0	0	0	0	0	0	0	0
38 Farm	0	0	0	0	0	0	0	0
39 Federal Deposit Insurance Corporation	152	45	13	13	7	22	13	46
40 One- to four-family	25	7	2	2	1	4	2	7
41 Multifamily	29	9	3	3	1	4	2	9
42 Nonfarm, nonresidential	98	29	8	8	4	14	8	30
43 Farm	0	0	0	0	0	0	0	0
44 Federal National Mortgage Association	149,422	155,626	169,908	169,908	176,051	180,491	184,191	190,501
45 One- to four-family	141,195	144,150	155,060	155,060	160,300	164,038	167,006	171,490
46 Multifamily	8,227	11,476	14,848	14,848	15,751	16,453	17,185	19,011
47 Federal Land Banks	34,187	36,326	40,885	40,885	41,981	42,951	44,782	45,863
48 One- to four-family	2,012	2,137	2,406	2,406	2,470	2,527	2,635	2,699
49 Farm	32,175	34,189	38,479	38,479	39,511	40,424	42,147	43,164
50 Federal Home Loan Mortgage Corporation	56,676	59,240	62,792	62,792	59,624	58,872	60,934	63,887
51 One- to four-family	44,321	42,871	40,309	40,309	35,955	34,062	34,616	35,851
52 Multifamily	12,355	16,369	22,483	22,483	23,669	24,810	26,318	28,036
53 Mortgage pools or trusts ⁵	2,947,690	3,231,401	3,714,706	3,714,706	3,869,374	3,986,827	4,065,965	4,182,833
54 Government National Mortgage Association	582,263	611,553	591,368	591,368	587,204	583,745	567,428	537,927
55 One- to four-family	565,189	592,624	569,460	569,460	564,108	559,549	542,250	512,137
56 Multifamily	17,074	18,929	21,908	21,908	23,096	24,196	25,178	25,790
57 Federal Home Loan Mortgage Corporation	749,081	822,310	948,409	948,409	1,012,478	1,053,261	1,058,176	1,082,062
58 One- to four-family	744,619	816,602	940,933	940,933	1,005,136	1,045,981	1,050,899	1,072,990
59 Multifamily	4,462	5,708	7,476	7,476	7,342	7,280	7,277	9,072
60 Federal National Mortgage Association	960,883	1,057,750	1,290,351	1,290,351	1,355,404	1,404,594	1,458,945	1,538,287
61 One- to four-family	924,941	1,016,398	1,238,125	1,238,125	1,301,374	1,349,442	1,402,929	1,478,610
62 Multifamily	35,942	41,352	52,226	52,226	54,030	55,152	56,016	59,677
63 Farmers Home Administration ⁴	0	0	0	0	0	0	0	0
64 One- to four-family	0	0	0	0	0	0	0	0
65 Multifamily	0	0	0	0	0	0	0	0
66 Nonfarm, nonresidential	0	0	0	0	0	0	0	0
67 Farm	0	0	0	0	0	0	0	0
68 Private mortgage conduits	655,463	739,788	884,578	884,578	914,288	945,227	981,416	1,024,557
69 One- to four-family ⁶	455,021	499,834	591,200	591,200	616,300	638,300	669,300	694,800
70 Multifamily	42,045	48,894	56,591	56,591	57,339	58,783	59,446	62,987
71 Nonfarm, nonresidential	158,398	191,060	236,787	236,787	240,649	248,144	252,669	266,770
72 Farm	0	0	0	0	0	0	0	0
73 Individuals and others ⁷	658,120	699,503	714,950	714,950	719,029	734,502	750,010	768,724
74 One- to four-family	459,385	495,605	506,786	506,786	514,043	524,741	538,393	555,356
75 Multifamily	75,244	75,799	78,593	78,593	78,426	78,979	79,462	79,627
76 Nonfarm, nonresidential	102,274	105,747	105,780	105,780	102,425	106,201	106,973	108,237
77 Farm	21,217	22,352	23,792	23,792	24,135	24,581	25,183	25,504

1. Multifamily debt refers to loans on structures of five or more units.

2. Includes loans held by nondeposit trust companies but not loans held by bank trust departments.

3. Includes savings banks and savings and loan associations.

4. FmHA-guaranteed securities sold to the Federal Financing Bank were reallocated from FmHA mortgage pools to FmHA mortgage holdings in 1986:Q4 because of accounting changes by the Farmers Home Administration.

5. Outstanding principal balances of mortgage-backed securities insured or guaranteed by the agency indicated.

6. Includes securitized home equity loans.

7. Other holders include mortgage companies, real estate investment trusts, state and local credit agencies, state and local retirement funds, noninsured pension funds, credit unions, and finance companies.

SOURCE: Based on data from various institutional and government sources. Separation of nonfarm mortgage debt by type of property, if not reported directly, and interpolations and extrapolations, when required for some quarters, are estimated in part by the Federal Reserve. Line 69 from Inside Mortgage Securities and other sources.

A34 Domestic Financial Statistics □ July 2003

1.55 CONSUMER CREDIT¹

Millions of dollars, amounts outstanding, end of period

Holder and type of credit	2000	2001	2002	2002			2003		
				Oct.	Nov.	Dec.	Jan. ²	Feb. ²	Mar.
Seasonally adjusted									
1 Total	1,559,532	1,666,816	1,726,414³	1,727,990³	1,725,120³	1,726,414³	1,740,249	1,741,517	1,742,336
2 Revolving	667,395	701,285	712,418	717,279	716,376	712,418	715,529	719,066	721,731
3 Nonrevolving	892,137	965,531	1,013,996 ³	1,010,711 ³	1,008,744 ³	1,013,996 ³	1,024,721	1,022,451	1,020,605
Not seasonally adjusted									
4 Total	1,593,116	1,701,856	1,762,276³	1,727,417³	1,735,692³	1,762,276³	1,755,235	1,740,514	1,732,078
<i>By major holder</i>									
5 Commercial banks	541,470	558,421	587,355	577,428	580,385	587,355	582,202	581,574	575,290
6 Finance companies	219,848	236,559	232,269	238,571	228,241	232,269	232,099	232,291	225,135
7 Credit unions	184,434	189,570	195,744	197,072	196,807	195,744	195,164	194,438	194,166
8 Savings institutions	64,557	69,070	68,591	66,272	67,413	68,591	67,635	66,678	65,722
9 Nonfinancial business	82,662	67,955	56,912	49,075	49,812	56,912	52,870	49,609	48,537
10 Pools of securitized assets ³	500,145	580,281	621,405 ³	599,001 ³	613,035 ³	621,405 ³	625,266	615,923	623,229
<i>By major type of credit⁴</i>									
11 Revolving	693,020	727,297	738,425	710,701	717,668	738,425	726,985	719,286	714,591
12 Commercial banks	218,063	224,878	231,449	224,897	226,237	231,449	221,339	219,969	213,909
13 Finance companies	37,627	31,538	38,948	37,351	37,015	38,948	38,733	37,348	36,350
14 Credit unions	22,226	22,265	22,228	21,119	21,260	22,228	21,645	21,161	20,829
15 Savings institutions	16,560	17,767	16,193	15,242	15,710	16,193	15,811	15,429	15,047
16 Nonfinancial business	42,430	29,790	19,221	14,100	14,315	19,221	16,547	14,203	13,666
17 Pools of securitized assets ³	356,114	401,059	410,386 ³	397,992	403,132	410,386 ³	412,911	411,177	414,790
18 Nonrevolving	900,096 ³	974,559	1,023,851 ³	1,016,717 ³	1,018,024 ³	1,023,851 ³	1,028,250	1,021,227	1,017,487
19 Commercial banks	323,407	333,543	355,906	352,531	354,148	355,906	360,863	361,605	361,380
20 Finance companies	182,221	205,021	193,321	201,219	191,226	193,321	193,366	194,944	188,785
21 Credit unions	162,208	167,305	173,516	175,953	175,547	173,516	173,519	173,277	173,337
22 Savings institutions	47,997	51,303	52,398	51,031	51,703	52,398	51,824	51,249	50,675
23 Nonfinancial business	40,232	38,165	37,691	34,975	35,497	37,691	36,323	35,406	34,871
24 Pools of securitized assets ³	144,031	179,222	211,019 ³	201,009 ³	209,903 ³	211,019 ³	212,355	204,746	208,439

1. The Board's series on amounts of credit covers most short- and intermediate-term credit extended to individuals, excluding loans secured by real estate. Data in this table also appear in the Board's G.19 (421) monthly statistical release. For ordering address, see inside front cover.

2. Comprises motor vehicle loans, mobile home loans, and all other loans that are not included in revolving credit, such as loans for education, boats, trailers, or vacations. These loans may be secured or unsecured.

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

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

1.56 TERMS OF CONSUMER CREDIT¹

Percent per year except as noted

Item	2000	2001	2002	2002				2003		
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
INTEREST RATES										
<i>Commercial banks²</i>										
1 48-month new car	9.34	8.50	6.71	n.a.	n.a.	5.67	n.a.	n.a.	7.11	n.a.
2 24-month personal	13.90	13.22	11.59	n.a.	n.a.	10.78	n.a.	n.a.	11.62	n.a.
<i>Credit card plan</i>										
3 All accounts	15.71	14.89	13.42	n.a.	n.a.	13.13	n.a.	n.a.	13.20	n.a.
4 Accounts assessed interest	14.91	14.44	13.09	n.a.	n.a.	12.78	n.a.	n.a.	12.85	n.a.
<i>Auto finance companies</i>										
5 New car	6.61	5.65	4.29	2.29	2.62	3.41	3.50	3.13	3.99	3.83
6 Used car	13.55	12.18	10.74	10.44	10.59	10.70	10.48	10.37	10.43	10.16
OTHER TERMS³										
<i>Maturity (months)</i>										
7 New car	54.9	55.1	56.8	58.4	57.4	57.2	57.5	58.5	59.2	59.5
8 Used car	57.0	57.5	57.5	57.5	57.4	56.9	56.7	57.5	57.7	57.8
<i>Loan-to-value ratio</i>										
9 New car	92	91	94	97	96	95	96	96	97	96
10 Used car	99	100	100	100	101	100	100	100	99	99
<i>Amount financed (dollars)</i>										
11 New car	20,923	22,822	24,747	26,331	26,099	26,104	26,647	26,443	24,864	25,152
12 Used car	14,058	14,416	14,532	14,801	14,702	14,610	14,639	14,499	14,231	14,253

1. The Board's series on amounts of credit covers most short- and intermediate-term credit extended to individuals. Data in this table also appear in the Board's G.19 (421) monthly statistical release. For ordering address, see inside front cover.

2. Data are available for only the second month of each quarter.

3. At auto finance companies.

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS¹

Billions of dollars; quarterly data at seasonally adjusted annual rates

Transaction category or sector	1997	1998	1999	2000	2001	2001		2002				2003
						Q3	Q4	Q1	Q2	Q3 ^a	Q4 ^a		Q1
Nonfinancial sectors												
1 Total net borrowing by domestic nonfinancial sectors . . .	789.9	1,044.6^a	1,031.4^a	848.4^a	1,134.6^a	1,298.4^a	1,187.6^a	973.1^a	1,643.2^a	1,312.5	1,612.8	1,338.8
<i>By sector and instrument</i>												
2 Federal government	23.1	-52.6	-71.2	-295.9	-5.6	209.3	43.4	39.8	526.0	265.7	198.5	79.9
3 Treasury securities	23.2	-54.6	-71.0	-294.9	-5.0	209.7	44.2	41.6	524.2	264.2	198.1	81.5
4 Budget agency securities and mortgages	-1	2.0	-2	-1.0	-5	-4	-7	-1.8	1.8	1.6	.4	-1.6
5 Nonfederal	766.8	1,097.2 ^a	1,102.6 ^a	1,144.3 ^a	1,140.2 ^a	1,089.0 ^a	1,144.1 ^a	933.3 ^a	1,117.2 ^a	1,046.8	1,414.3	1,258.9
<i>By instrument</i>												
6 Commercial paper	13.7	24.4	37.4	48.1	-88.3	-66.1	45.5	-144.4	-81.7	-17.4	-13.2	-15.2
7 Municipal securities and loans	56.9	84.2	54.4	23.6	122.8 ^a	83.1 ^a	174.6 ^a	76.6 ^a	196.2 ^a	156.8	238.2	162.2
8 Corporate bonds	150.5	235.2	217.8	161.3	340.5	191.4	325.0	253.6 ^a	191.4	-29.0	114.4	178.6
9 Bank loans n.e.c.	106.4	109.8 ^a	82.9 ^a	101.8 ^a	-82.0 ^a	-23.5 ^a	-165.5 ^a	-16.4 ^a	-192.1 ^a	-124.5	3.3	-54.9
10 Other loans and advances	59.5	82.1	46.0	95.0	29.3	59.4	-107.3	-19.2	77.2	77.6	6.4	-6.6
11 Mortgages	322.3	486.6 ^a	564.6 ^a	567.5 ^a	709.2 ^a	774.0 ^a	737.3 ^a	700.0 ^a	834.9 ^a	914.3	1,068.1	919.1
12 Home	258.3	384.6 ^a	424.4 ^a	418.2 ^a	532.7 ^a	561.5 ^a	533.1 ^a	602.4 ^a	638.6 ^a	780.4	846.2	783.4
13 Multifamily residential	7.3	23.2 ^a	35.7	33.9 ^a	47.9	56.4 ^a	56.4 ^a	29.1 ^a	44.2 ^a	29.0	70.1	37.2
14 Commercial	53.5	72.2	98.8	108.9 ^a	121.1 ^a	149.1 ^a	141.0 ^a	61.6 ^a	123.0 ^a	91.8	142.9	95.3
15 Farm	3.1	6.5	5.8	6.5	7.5	7.0	6.8	6.9	9.1	13.2	8.8	3.1
16 Consumer credit	57.5	75.0	99.5	147.0 ^a	108.7 ^a	70.6 ^a	134.5 ^a	83.0 ^a	91.3 ^a	69.1	-2.9	75.7
<i>By borrowing sector</i>												
17 Household	332.7	452.6 ^a	497.9 ^a	553.9 ^a	613.7 ^a	663.7 ^a	608.9 ^a	706.9 ^a	695.9 ^a	768.5	900.8	849.2
18 Nonfinancial business	392.5	576.9 ^a	566.2 ^a	574.9 ^a	420.8 ^a	355.6 ^a	393.1 ^a	157.8 ^a	237.8 ^a	134.4	303.7	263.4
19 Corporate	291.6	409.2 ^a	378.4 ^a	380.0 ^a	256.5 ^a	197.3 ^a	243.7 ^a	42.2 ^a	96.6 ^a	-8.7	139.8	148.7
20 Nonfarm noncorporate	94.7	159.7	182.4	184.1	156.8	153.8	141.1	110.3	132.7	128.8	156.3	113.3
21 Farm	6.2	8.0	5.5	10.9	7.5	4.4	8.3	5.3	8.5	14.3	7.6	1.3
22 State and local government	41.5	67.7	38.5	15.5	105.7 ^a	69.7 ^a	142.1 ^a	68.7 ^a	183.5 ^a	143.9	209.8	146.3
23 Foreign net borrowing in United States	71.8	43.2	25.2	65.7	-37.4	-106.7	16.0	78.8 ^a	13.4 ^a	-31.9	12.6	21.3
24 Commercial paper	3.7	7.8	16.3	31.7	-14.2	-25.2	5.9	66.8	36.5	3.9	37.3	52.6
25 Bonds	61.4	34.9	14.1	23.9	-12.1	-83.9	29.7	-2.3	-41.0	-23.1	-16.9	-25.6
26 Bank loans n.e.c.	8.5	6.6	.5	11.4	-7.3	4.2	-16.3	13.9	22.0	-11.7	-2.9	-4.0
27 Other loans and advances	-1.8	-6.0	-5.7	-1.3	-3.7	-1.8	-3.3	.3 ^a	-4.1 ^a	-1.0	-4.9	-1.8
28 Total domestic plus foreign	861.7	1,087.8^a	1,056.6^a	914.1^a	1,097.2^a	1,191.7^a	1,203.5^a	1,051.9^a	1,656.5^a	1,280.7	1,625.4	1,360.1
Financial sectors												
29 Total net borrowing by financial sectors	662.2	1,085.6^a	1,073.1^a	808.9^a	958.3^a	1,112.7^a	975.9^a	869.1^a	875.5^a	856.7	1,093.8	1,002.7
<i>By instrument</i>												
30 Federal government-related	212.9	470.9	592.0	433.5	629.3	818.4	591.8	691.1	487.8	420.8	616.3	452.4
31 Government-sponsored enterprise securities	98.4	278.3	318.2	234.1	290.8	326.2	306.5	191.3	141.7	249.1	321.5	179.7
32 Mortgage pool securities	114.6	192.6	273.8	199.4	338.5	492.2	285.3	499.8	346.1	171.6	294.9	272.7
33 Loans from U.S. government . . . . .	.0	.0	.0	0	.0	.0	.0	.0	.0	.0	.0	.0
34 Private	449.3	614.7 ^a	481.2 ^a	375.4 ^a	329.0 ^a	294.3 ^a	384.1 ^a	178.0 ^a	387.7 ^a	435.9	477.4	550.2
35 Open market paper	166.7	161.0	176.2	127.7	-61.9	-72.2	-13.6	-178.3	-109.1	84.3	-77.3	-53.5
36 Corporate bonds	218.9	310.2	207.1	199.3	341.5 ^a	308.9 ^a	372.7 ^a	354.2 ^a	442.0 ^a	192.6	675.6	589.2
37 Bank loans n.e.c.	13.3	28.5 ^a	-14.4 ^a	-4 ^a	13.1 ^a	.7 ^a	17.7 ^a	-6 ^a	31.2 ^a	81.9	-107.9	-42.7
38 Other loans and advances	35.6	90.2	107.1	42.5	34.9	58.8	8.9	-3.9	16.7	71.9	-17.5	60.7
39 Mortgages	14.9	24.8	5.1	6.2	1.3	-1.9	-1.6	6.6	7.0	5.3	4.7	-3.5
<i>By borrowing sector</i>												
40 Commercial banking	46.1	72.9	67.2	60.0	52.9	39.7	44.1	24.3	13.3	62.2	100.2	76.1
41 Savings institutions	19.7	52.2	48.0	27.3	7.4	39.4	-68.6	-33.1	-12.1	37.1	-46.7	3.4
42 Credit unions . . . . .	.1	.6	2.2	.0	1.5	1.5	4.4	2.4	2.0	3.1	.4	2.8
43 Life insurance companies . . . . .	.2	.7	.7	.7	.6	.5	1.4	2.4	1.2	2.0	2.5	4.4
44 Government-sponsored enterprises	98.4	278.3	318.2	234.1	290.8	326.2	306.5	191.3	141.7	249.1	321.5	179.7
45 Federally related mortgage pools	114.6	192.6	273.8	199.4	338.5	492.2	285.3	499.8	346.1	171.6	294.9	272.7
46 Issuers of asset-backed securities (ABSs)	202.2	321.4	212.3	189.7	318.0 ^a	314.0 ^a	430.1 ^a	263.7 ^a	241.7 ^a	198.5	393.5	326.9
47 Finance companies	57.8	57.1	70.3	81.2	.2	41.8	-25.3	-31.2	80.2	106.4	-4.9	32.5
48 Mortgage companies	-4.6	.0 ^a	.0 ^a	.0 ^a	.0 ^a	.0 ^a	.0 ^a	.0 ^a	.0 ^a	.0	.0	.0
49 Real estate investment trusts (REITs)	39.6	62.7	6.3	2.7	2.5	-2.4	7.8	7.4	25.3	27.7	18.6	17.5
50 Brokers and dealers	8.1	7.2	-17.2	15.6	1.4	12.6	-18.9	-15.7	17.5	15.2	-24.0	38.4
51 Funding corporations	79.9	40.0	91.5	-4	-55.2	-155.7	9.1	-42.2	18.5 ^a	-16.4	37.8	48.1

A36 Domestic Financial Statistics □ July 2003

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

Billions of dollars; quarterly data at seasonally adjusted annual rates

Transaction category or sector	1997	1998	1999	2000	2001 ¹	2001		2002				2003
						Q3 ¹	Q4	Q1 ¹	Q2 ¹	Q3 ¹	Q4 ¹		Q1
All sectors												
52 Total net borrowing, all sectors	1,523.9	2,173.4^f	2,129.7^r	1,722.9^r	2,055.5	2,304.5	2,179.4^f	1,921.0	2,532.0	2,137.3	2,719.1	2,362.7
53 Open market paper	184.1	193.1	229.9	207.6	-164.4	-163.5	37.8	-255.9	-154.3	70.8	-53.3	-16.1
54 U.S. government securities	236.0	418.3	520.7	137.6	623.8	1,027.8	635.2	730.9	1,013.8	686.5	814.8	532.3
55 Municipal securities	56.9	84.2	54.4	23.6	122.8	83.1	174.6 ^f	76.6	196.2	156.8	238.2	162.2
56 Corporate and foreign bonds	430.8	580.2	439.1	384.4	669.9	416.4	727.4	605.5	592.4	140.5	773.0	742.2
57 Bank loans n.e.c.	128.2	145.0	69.0	112.8	-76.2	-18.5	-164.0	-3.0	-139.0	-54.4	-107.5	-101.6
58 Other loans and advances	93.2	166.3	147.4	136.2	60.4	116.5	-101.8	-22.7	89.7	148.5	-16.0	52.4
59 Mortgages	337.2	511.4 ^f	569.7 ^r	573.7 ^r	710.5	772.1	735.7 ^r	706.5	841.9	919.5	1,072.8	915.6
60 Consumer credit	57.5	75.0	99.5	147.0 ^r	108.7	70.6	134.5 ^f	83.0	91.3	69.1	-2.9	75.7
Funds raised through mutual funds and corporate equities												
61 Total net issues	218.7	166.0^f	191.5^r	235.3^r	302.7	146.0	397.2^r	439.3	279.3	-82.5	294.1	250.5
62 Corporate equities	-46.5 ^r	-113.5 ^f	.2 ^r	.3 ^r	101.3	-14.4	141.3 ^r	52.4	179.3	-119.6	87.2	47.5
63 Nonfinancial corporations	-77.4	-215.5	-110.4	-118.2	-47.4	-108.6	-4.2	-9.8	16.1	-140.3	-27.9	-62.0
64 Foreign shares purchased by U.S. residents	57.6	101.3	114.3	103.6	106.8	43.5	74.7	-5.9	79.7	-51.1	51.7	79.9
65 Financial corporations	-26.7 ^r	.8 ^r	-3.7 ^r	14.9 ^r	41.9	50.7	70.9 ^r	68.1	83.6	71.8	63.4	29.6
66 Mutual fund shares	265.1	279.5	191.2	235.0	201.4	160.4	255.9	386.9	100.0	37.1	206.9	203.0

1. Data in this table also appear in the Board's Z.1 (780) quarterly statistical release, tables F.2 through F.4. For ordering address, see inside front cover.

1.58 SUMMARY OF FINANCIAL TRANSACTIONS¹

Billions of dollars except as noted; quarterly data at seasonally adjusted annual rates

Transaction category or sector	1997	1998	1999	2000	2001	2001		2002				2003
						Q3	Q4	Q1	Q2	Q3 ²	Q4 ²		Q1
NET LENDING IN CREDIT MARKETS²												
1 Total net lending in credit markets	1,523.9	2,173.4^f	2,129.7^f	1,722.9^f	2,055.5^f	2,304.5^f	2,179.4^f	1,921.0^f	2,532.0^f	2,137.3	2,719.1	2,362.7
2 Domestic nonfederal nonfinancial sectors	15.3 ^f	259.1	227.0 ^f	-102.3 ^f	-26.8 ^f	67.8 ^f	79.1 ^f	146.8 ^f	310.7 ^f	-197.5	198.9	-79.5
3 Household	25.3	127.3	217.1 ^f	-134.2 ^f	-54.6 ^f	12.3 ^f	47.2 ^f	104.4 ^f	282.9 ^f	-241.0	217.6	-81.2
4 Nonfinancial corporate business	-12.7	-16.0	-15.6	31.4 ^f	-12.4 ^f	-5.7 ^f	-12.5 ^f	40.2 ^f	-18.0 ^f	27.9	-61.5	49.1
5 Nonfarm noncorporate business	2.6	13.3	-2.9	1.3	2.0	3.3	2.0	3.3	3.3	-2.2	-1.0	-5.2
6 State and local governments	-1	134.5	28.4	-7.3	38.1	57.9	42.4	-1.1	42.5	17.8	43.8	-42.1
7 Federal government	5.1	13.5	5.8	7.3	6.0	3.3	7.0	6.2 ^f	7.1 ^f	7.6	14.2	-6
8 Rest of the world	259.6	172.5	139.7	225.9	320.6	269.2	432.5	171.8	542.6	463.5	394.8	462.7
9 Financial sectors	1,243.9	1,728.4 ^f	1,757.2 ^f	1,592.0 ^f	1,755.7 ^f	1,964.2 ^f	1,660.8 ^f	1,596.2 ^f	1,671.6 ^f	1,863.7	2,111.2	1,980.2
10 Monetary authority	38.3	21.1	25.7	33.7	39.9	8.4	85.1	81.6	43.4	67.3	118.7	32.3
11 Commercial banking	324.3	305.6	312.2	357.9	205.2	267.9	314.6	188.9	384.3	624.0	441.6	349.5
12 U.S.-chartered banks	274.9	312.1	318.6	339.5	191.6	242.5	275.0	168.2	343.8	599.9	463.3	305.6
13 Foreign banking offices in United States	40.2	-11.6	-17.0	23.9	-6	21.1	-7.8	2.1	33.7	21.8	-32.8	23.3
14 Bank holding companies	5.4	-9	6.2	-12.2	4.2	-1.4	13.6	12.0	1.9	-1.6	2	20.8
15 Banks in U.S.-affiliated areas	3.7	6.0	4.4	6.7	10.0	5.7	33.9	6.6	4.9	4.0	10.9	-2
16 Savings institutions	-4.7	36.2	67.7	56.2	42.8	-4.7	73.1	12.3	-23.5	80.3	72.5	193.6
17 Credit unions	16.8	18.9	27.5	28.0	41.5	61.1	60.5	58.3	23.2 ^f	44.8	44.4	43.5
18 Bank personal trusts and estates	-25.0	-12.8	27.8	8	-28.1	-28.0	-28.1	1.0	.9	.8	.8	-19.3
19 Life insurance companies	104.8	76.9	53.5	57.9	130.9	186.9	81.3	260.6	175.1	267.6	143.4	162.2
20 Other insurance companies	25.2	5.8	-3.0	-7.7	9.0	5.1	28.5	36.7	35.4	21.7	49.0	41.7
21 Private pension funds	47.6	-23.4	17.0	33.4	16.3 ^f	29.6 ^f	-10.5 ^f	52.9 ^f	29.2 ^f	58.4	9.3	22.0
22 State and local government retirement funds	67.1	72.1	46.9	54.6	-17.7	-74.2	-2.7	70.5	-54.5	-10.4	60.7	2.0
23 Money market mutual funds	87.5	244.0	182.0	143.0	246.0	311.8	49.1	-239.1 ^f	-88.8 ^f	-74.4	301.2	-187.0
24 Mutual funds	80.9	127.3	48.4	21.0	126.0	102.7	139.3	243.3	41.9	162.7	118.4	233.1
25 Closed-end funds	-2.9	5.2	8.5 ^f	-6.3	6.9 ^f	19.8 ^f	16.3 ^f	24.4 ^f	-2.6 ^f	-1.7	17.0	7.7
26 Government-sponsored enterprises	106.3	314.0	291.3	256.4	309.0	274.3	335.3	236.7	129.0	204.4	256.6	257.4
27 Federally related mortgage pools	114.6	192.6	273.8	199.4	338.5	492.2	285.3	499.8	346.1	171.6	294.9	272.7
28 Asset-backed securities issuers (ABSs)	163.8	281.7	194.1	159.9	291.9 ^f	288.4 ^f	407.3	239.5 ^f	219.5 ^f	175.9	371.7	303.1
29 Finance companies	23.1	77.3	97.0	108.1 ^f	-5.7	-43.3	-100.5	-28.2	39.6	80.0	-22.4	-12.4
30 Mortgage companies	-9.1	.0 ^f	.0 ^f	.0 ^f	.0 ^f	.0 ^f	.0 ^f	.0 ^f	.0 ^f	.0	.0	.0
31 Real estate investment trusts (REITs)	20.2	-5.1	-2.6	-7.1 ^f	6.7	7.8	14.0	26.3	31.8	27.7	6.7	-8.6
32 Brokers and dealers	14.9	6.8	-34.7	68.9	92.4	184.5	-110.5	-219.5	402.8	-208.6	138.8	12.6
33 Funding corporations	50.4	-15.8	124.0	35.0 ^f	-95.8 ^f	-126.3 ^f	23.4 ^f	50.1 ^f	-61.1 ^f	156.6	-312.0	275.2
RELATION OF LIABILITIES TO FINANCIAL ASSETS												
34 Net flows through credit markets	1,523.9	2,173.4^f	2,129.7^f	1,722.9^f	2,055.5^f	2,304.5^f	2,179.4^f	1,921.0^f	2,532.0^f	2,137.3	2,719.1	2,362.7
<i>Other financial sources</i>												
35 Official foreign exchange	.7	6.6	-8.7	-4	4.3	13.7	.2	-3.0	12.9	24.6	4.9	4.9
36 Special drawing rights certificates	-5	.0	-3.0	-4.0	.0	.0	.0	.0	.0	.0	.0	.0
37 Treasury currency	.5	.6	1.0	2.4	1.3	2.2	.0	.9	.6	2.4	.0	.6
38 Foreign deposits	107.7	6.5	61.0	135.1	28.0	41.5	17.9	-59.1	53.3	51.8	55.7	79.2
39 Net interbank transactions	-19.7	-31.8	15.0	15.1	-28.0 ^f	30.6 ^f	24.5 ^f	3.3 ^f	-163.0 ^f	58.9	170.0	187.5
40 Checkable deposits and currency	41.2	47.3	151.2	-71.4	204.3	215.0	278.1	-200.5 ^f	210.2 ^f	208.0	-33.4	272.9
41 Small time and savings deposits	97.1	152.4	45.1	188.8	267.2	230.3	329.7	288.3 ^f	215.6 ^f	323.4	271.9	260.5
42 Large time deposits	122.5	91.8	131.1	116.2	68.6	19.5	77.8	270.0	34.8 ^f	36.8	-125.5	191.4
43 Money market fund shares	155.9	287.2	249.1	233.3	428.6	386.1	379.8	-312.5 ^f	100.3 ^f	-192.6	337.6	-441.4
44 Security repurchase agreements	120.9	91.3	169.8	113.2	22.3	212.7	-138.3	119.4	362.4	-91.1	29.2	-41.7
45 Corporate equities	-46.5 ^f	-113.5 ^f	.2 ^f	.3 ^f	101.3 ^f	-14.4 ^f	141.3 ^f	52.4 ^f	179.3 ^f	-119.6	87.2	47.5
46 Mutual fund shares	265.1	279.5	191.2	235.0	201.4	160.4	255.9	386.9	100.0	37.1	206.9	203.0
47 Trade payables	139.8	106.4	268.6	419.4 ^f	-73.0 ^f	-137.9 ^f	-126.7 ^f	190.9 ^f	45.0 ^f	122.3	135.8	91.9
48 Security credit	111.0	103.2	104.4	146.1	3.1	561.3	-383.7	-190.7	-131.9	-69.6	44.1	181.5
49 Life insurance reserves	59.3	48.0	50.8	50.2	77.2	74.7	119.6	93.9	92.2	119.7	74.3	85.1
50 Pension fund reserves	201.4	217.4	181.8	209.0	210.8 ^f	176.4 ^f	158.0 ^f	137.0	151.0 ^f	282.5	203.2	229.9
51 Taxes payable	22.3	19.6	30.7	32.8	17.4 ^f	104.9	-55.2 ^f	6.0 ^f	42.8 ^f	53.6	15.1	30.8
52 Investment in bank personal trusts	-53.0	-46.1	-8.1	56.6	-59.9	-57.3	-57.7	-3.7	-2.4	-2.1	-1.3	-65.6
53 Noncorporate proprietors' equity	-40.7	-57.8	-62.4	-11.5	-18.6	-34.3	8.4	1.5	-32.9	-83.9	-46.8	-21.9
54 Miscellaneous	456.7	909.8 ^f	1,043.4 ^f	1,386.3 ^f	613.1 ^f	705.6 ^f	86.5 ^f	76.2 ^f	640.6 ^f	693.4	33.8	556.1
55 Total financial sources	3,265.8^f	4,291.7^f	4,742.1^f	4,975.4^f	4,124.9^f	4,995.5^f	3,295.5^f	2,778.2^f	4,442.8^f	3,592.9	4,182.0	4,215.0
<i>Liabilities not identified as assets (-)</i>												
56 Treasury currency	-2	-1	-7	-1.2	-1	.9	.0	-1.5	-9	1.1	-1.1	-1
57 Foreign deposits	106.2	-8.5	42.6	79.3 ^f	8.3 ^f	55.3	-38.5 ^f	-68.4 ^f	105.6 ^f	24.1	31.4	117.1
58 Net interbank liabilities	-19.9	3.8	.1	20.4	17.2	7.4	22.6	39.8	-9.5	13.2	-15.1	6.2
59 Security repurchase agreements	63.2	57.7	35.7	122.6	-53.9	106.3	-166.2	156.9 ^f	220.6 ^f	-280.9	-66.9	-106.8
60 Taxes payable	28.0	19.7	11.7	26.2	22.0 ^f	25.4	34.6 ^f	16.7 ^f	-49.9 ^f	21.3	-47.7	-41.9
61 Miscellaneous	-285.4	-206.1 ^f	-279.6 ^f	-391.4 ^f	-251.1 ^f	159.3 ^f	-341.4 ^f	-277.5 ^f	98.7 ^f	93.8	30.4	-476.6
<i>Floats not included in assets (-)</i>												
62 Federal government checkable deposits	-2.7	2.6	-7.4	9.0	5.7	-20.1	-91.8	15.1	77.1	-40.3	-51.7	153.1
63 Other checkable deposits	-3.9	-3.1	-8	1.7	4.5	5.0	5.7	6.1	7.1	7.6	8.4	9.0
64 Trade credit	-25.5	-43.3	6.8	34.3 ^f	-6.5 ^f	-23.1 ^f	78.2 ^f	-52.7 ^f	-57.3 ^f	-20.4	-19.1	-37.4
65 Total identified to sectors as assets	3,405.9^f	4,469.0^f	4,933.7^f	5,074.6^f	4,378.8^f	4,679.2^f	3,792.3^f	2,943.6^f	4,051.5^f	3,773.3	4,313.3	4,592.4

1. Data in this table also appear in the Board's Z.1 (780) quarterly statistical release, tables F.1 and F.5. For ordering address, see inside front cover.

2. Excludes corporate equities and mutual fund shares.

A38 Domestic Financial Statistics □ July 2003

1.59 SUMMARY OF CREDIT MARKET DEBT OUTSTANDING¹

Billions of dollars, end of period

Transaction category or sector	1998	1999	2000	2001	2001		2002				2003
					Q3	Q4	Q1	Q2	Q3 ^a	Q4 ^a	Q1
Nonfinancial sectors											
1 Total credit market debt owed by domestic nonfinancial sectors	16,238.9^e	17,305.0^e	18,164.5^e	19,299.7^e	18,922.4^e	19,299.7^e	19,541.3^e	19,857.5^e	20,190.4	20,685.1	21,009.2
<i>By sector and instrument</i>											
2 Federal government	3,752.2	3,681.0	3,385.1	3,379.5	3,320.0	3,379.5	3,430.3	3,451.4	3,540.8	3,637.0	3,700.6
3 Treasury securities	3,723.7	3,652.7	3,357.8	3,352.7	3,293.0	3,352.7	3,404.0	3,424.6	3,513.6	3,609.8	3,673.7
4 Budget agency securities and mortgages	28.5	28.3	27.3	26.8	27.0	26.8	26.3	26.8	27.2	27.3	26.9
5 Nonfederal	12,486.7 ^e	13,624.0 ^e	14,779.4 ^e	15,920.2 ^e	15,602.4 ^e	15,920.2 ^e	16,111.0 ^e	16,406.1 ^e	16,649.6	17,048.1	17,308.6
<i>By instrument</i>											
6 Commercial paper	193.0	230.3	278.4	190.1	201.3	190.1	167.5	148.4	142.2	126.0	127.1
7 Municipal securities and loans	1,402.9	1,457.2	1,480.9	1,603.6 ^e	1,557.5 ^e	1,603.6 ^e	1,627.3 ^e	1,681.9 ^e	1,708.4	1,770.6	1,815.9
8 Corporate bonds	1,846.0	2,063.9	2,225.1	2,565.6	2,484.4	2,565.6	2,629.0	2,676.9	2,669.6	2,698.2	2,742.9
9 Bank loans n.e.c.	1,150.2 ^e	1,233.2 ^e	1,335.0 ^e	1,253.5 ^e	1,287.5 ^e	1,253.5 ^e	1,240.1 ^e	1,195.0 ^e	1,162.2	1,171.1	1,146.5
10 Other loans and advances	907.2	953.5	1,059.6	1,088.8	1,110.1	1,088.8	1,089.6	1,106.0	1,116.9	1,124.3	1,128.0
11 Mortgages	5,640.9 ^e	6,239.9 ^e	6,807.4 ^e	7,516.6 ^e	7,332.4 ^e	7,516.6 ^e	7,680.2 ^e	7,896.7 ^e	8,128.3	8,395.9	8,613.5
12 Home	4,362.9 ^e	4,787.2 ^e	5,205.4 ^e	5,738.1 ^e	5,605.0 ^e	5,738.1 ^e	5,877.2 ^e	6,049.6 ^e	6,247.9	6,460.0	6,643.6
13 Multifamily residential	307.8 ^e	343.8 ^e	377.6 ^e	425.5 ^e	411.4 ^e	425.5 ^e	432.8 ^e	443.9 ^e	451.1	468.7	478.0
14 Commercial	873.6 ^e	1,006.5	1,115.5 ^e	1,236.6 ^e	1,201.4 ^e	1,236.6 ^e	1,252.0 ^e	1,282.8 ^e	1,305.7	1,341.4	1,365.3
15 Farm	96.6	102.3	108.9	116.3	114.6	116.3	118.1	120.4	123.6	125.8	126.7
16 Consumer credit	1,346.6	1,446.1	1,593.1	1,701.9	1,629.3	1,701.9	1,677.2	1,701.3	1,722.0	1,762.0	1,734.8
<i>By borrowing sector</i>											
17 Households	6,009.6 ^e	6,507.8 ^e	7,072.7 ^e	7,686.4 ^e	7,492.5 ^e	7,686.4 ^e	7,802.0 ^e	7,988.1 ^e	8,185.0	8,454.4	8,603.3
18 Nonfinancial business	5,338.8 ^e	5,939.4 ^e	6,514.3	6,935.8 ^e	6,849.8 ^e	6,935.8 ^e	6,989.1 ^e	7,047.6 ^e	7,070.1	7,144.2	7,214.4
19 Corporate	3,791.2 ^e	4,204.0 ^e	4,583.9	4,841.1 ^e	4,793.1 ^e	4,841.1 ^e	4,867.2 ^e	4,887.7 ^e	4,876.2	4,908.5	4,951.8
20 Nonfarm noncorporate	1,383.7 ^e	1,566.1 ^e	1,750.2	1,907.0 ^e	1,870.8 ^e	1,907.0 ^e	1,934.7	1,968.0	1,999.0	2,039.0	2,067.5
21 Farm	163.9	169.4	180.2	187.7	185.9	187.7	187.1	191.8	194.9	196.6	195.1
22 State and local government	1,138.3	1,176.9	1,192.3	1,298.0 ^e	1,260.0 ^e	1,298.0 ^e	1,319.9 ^e	1,370.5 ^e	1,394.5	1,449.5	1,490.9
23 Foreign credit market debt held in United States	651.3	676.7	742.3	704.9	701.7	704.9	724.5^e	725.5^e	720.2	723.1	727.8
24 Commercial paper	72.9	89.2	120.9	106.7	106.3	106.7	123.6	130.2	134.0	142.8	155.7
25 Bonds	462.6	476.7	500.6	488.4	481.0	488.4	487.9	477.6	471.8	467.6	461.2
26 Bank loans n.e.c.	58.7	59.2	70.5	63.2	67.3	63.2	66.7	72.2	69.3	68.6	67.6
27 Other loans and advances	57.1	51.6	50.3	46.6	47.0	46.6	46.4 ^e	45.5	45.0	44.2	43.4
28 Total credit market debt owed by nonfinancial sectors, domestic and foreign	16,890.2^e	17,981.7^e	18,906.9^e	20,004.6^e	19,624.0^e	20,004.6^e	20,265.8^e	20,583.0^e	20,910.6	21,408.3	21,737.0
Financial sectors											
29 Total credit market debt owed by financial sectors	6,543.6^e	7,616.8^e	8,437.6^e	9,393.2^e	9,118.1^e	9,393.2^e	9,589.5^e	9,803.8^e	10,007.8	10,317.0	10,543.9
<i>By instrument</i>											
30 Federal government-related	3,292.0	3,884.0	4,317.4	4,944.1	4,796.2	4,944.1	5,116.9	5,238.8	5,344.0	5,498.1	5,611.2
31 Government-sponsored enterprise securities	1,273.6	1,591.7	1,825.8	2,114.0	2,037.4	2,114.0	2,161.8	2,197.2	2,259.5	2,339.9	2,384.8
32 Mortgage pool securities	2,018.4	2,292.2	2,491.6	2,830.1	2,758.8	2,830.1	2,955.1	3,041.6	3,084.5	3,158.2	3,226.4
33 Loans from U.S. government	0	0	0	0	0	0	0	0	0	0	0
34 Private	3,251.6 ^e	3,732.8 ^e	4,120.1 ^e	4,449.1 ^e	4,321.9 ^e	4,449.1 ^e	4,472.6 ^e	4,564.9 ^e	4,663.8	4,818.9	4,932.7
35 Open market paper	906.7	1,082.9	1,210.7	1,148.8	1,110.2	1,148.8	1,090.9	1,046.9	1,049.5	1,078.7	1,048.4
36 Corporate bonds	1,878.7	2,085.9	2,297.2	2,638.7 ^e	2,562.1 ^e	2,638.7 ^e	2,731.1 ^e	2,849.1 ^e	2,904.0	3,054.8	3,206.8
37 Bank loans n.e.c.	105.8 ^e	91.5 ^e	91.1 ^e	104.2 ^e	97.8 ^e	104.2 ^e	102.3 ^e	110.6 ^e	130.3	105.3	92.9
38 Other loans and advances	288.7	395.8	438.3	473.2	467.2	473.2	462.4	470.8	491.2	489.9	495.4
39 Mortgages	71.6	76.7	82.9	84.2	84.6	84.2	85.9	87.6	88.9	90.1	89.2
<i>By borrowing sector</i>											
40 Commercial banks	188.6	230.0	266.7	296.0	281.4	296.0	295.8	310.4	318.9	325.8	325.0
41 Bank holding companies	193.5	219.3	242.5	266.1	272.7	266.1	269.0	264.2	271.8	286.4	302.8
42 Savings institutions	212.4	260.4	287.7	295.1	305.6	295.1	280.5	275.3	286.4	281.4	276.0
43 Credit unions	1.1	3.4	3.4	4.9	3.8	4.9	5.5	6.0	6.8	6.9	7.6
44 Life insurance companies	2.5	3.2	2.5	3.1	2.8	3.1	3.7	4.0	4.5	5.1	6.3
45 Government-sponsored enterprises	1,273.6	1,591.7	1,825.8	2,114.0	2,037.4	2,114.0	2,161.8	2,197.2	2,259.5	2,339.9	2,384.8
46 Federally related mortgage pools	2,018.4	2,292.2	2,491.6	2,830.1	2,758.8	2,830.1	2,955.1	3,041.6	3,084.5	3,158.2	3,226.4
47 Issuers of asset-backed securities (ABSs)	1,398.0	1,610.3	1,812.0	2,130.0 ^e	2,019.5 ^e	2,130.0 ^e	2,188.1 ^e	2,250.0 ^e	2,303.0	2,404.3	2,478.1
48 Brokers and dealers	42.5	25.3	40.9	42.3	47.1	42.3	38.4	42.8	46.6	40.6	50.2
49 Finance companies	625.5	695.7	776.9	776.7	771.2	776.7	760.8	784.9	802.9	814.4	813.6
50 Mortgage companies	16.0 ^e	16.0 ^e	16.0 ^e	16.0 ^e	16.0 ^e	16.0 ^e	16.0 ^e	16.0 ^e	16.0	16.0	16.0
51 Real estate investment trusts (REITs)	158.8	165.1	167.8	170.2	168.3	170.2	172.1	178.4	185.3	190.0	194.4
52 Funding corporations	412.6	504.0	503.7	448.4	433.6	448.4	442.6	432.8 ^e	421.5	447.9	462.7
All sectors											
53 Total credit market debt, domestic and foreign	23,433.8^e	25,598.4^e	27,344.4^e	29,397.8^e	28,742.1^e	29,397.8^e	29,855.3^e	30,386.8^e	30,918.4	31,725.2	32,281.0
54 Open market paper	1,172.6	1,402.4	1,610.0	1,445.6	1,417.8	1,445.6	1,382.0	1,325.5	1,325.7	1,347.5	1,331.1
55 U.S. government securities	7,044.2	7,564.9	7,702.5	8,323.6	8,116.2	8,323.6	8,547.2	8,690.2	8,884.8	9,135.1	9,311.8
56 Municipal securities	1,402.9	1,457.2	1,480.9	1,603.6 ^e	1,557.5 ^e	1,603.6 ^e	1,627.3 ^e	1,681.9 ^e	1,708.4	1,770.6	1,815.9
57 Corporate and foreign bonds	4,187.4	4,626.4	5,022.9	5,692.7 ^e	5,527.4 ^e	5,692.7 ^e	5,848.0 ^e	6,003.6 ^e	6,045.5	6,220.6	6,410.9
58 Bank loans n.e.c.	1,314.8	1,383.8	1,496.6	1,421.0	1,452.6	1,421.0	1,409.1	1,377.8	1,361.7	1,345.0	1,307.0
59 Other loans and advances	1,253.0	1,400.9	1,548.2	1,608.6	1,624.4	1,608.6	1,598.4 ^e	1,622.3	1,653.1	1,658.4	1,666.8
60 Mortgages	5,712.5 ^e	6,316.6 ^e	6,890.3 ^e	7,600.8 ^e	7,417.0 ^e	7,600.8 ^e	7,766.1 ^e	7,984.3 ^e	8,217.2	8,486.0	8,702.8
61 Consumer credit	1,346.6	1,446.1	1,593.1	1,701.9	1,629.3	1,701.9	1,677.2	1,701.3	1,722.0	1,762.0	1,734.8

1. Data in this table appear in the Board's Z.1 (780) quarterly statistical release, tables L.2 through L.4. For ordering address, see inside front cover.

1.60 SUMMARY OF FINANCIAL ASSETS AND LIABILITIES¹

Billions of dollars except as noted, end of period

Transaction category or sector	1998	1999	2000	2001	2001		2002				2003
					Q3	Q4	Q1	Q2	Q3 ²	Q4 ²		Q1
CREDIT MARKET DEBT OUTSTANDING²											
1 Total credit market assets	23,433.8¹	25,598.4¹	27,344.4¹	29,397.8¹	28,742.1¹	29,397.8¹	29,855.3¹	30,386.8¹	30,918.4	31,725.2	32,281.0
2 Domestic nonfederal nonfinancial sectors	3,312.6	3,600.5 ¹	3,461.6 ¹	3,421.2 ¹	3,362.6 ¹	3,421.2 ¹	3,443.6 ¹	3,506.8 ¹	3,434.0	3,535.9	3,501.6
3 Household	2,264.1	2,342.1 ¹	2,379.3 ¹	2,311.1 ¹	2,279.7 ¹	2,311.1 ¹	2,342.9 ¹	2,394.4 ¹	2,314.9	2,402.0	2,387.9
4 Nonfinancial corporate business	241.5	226.0	249.4	237.1 ¹	220.9 ¹	237.1 ¹	226.3 ¹	223.0 ¹	230.0	234.2	225.1
5 Nonfarm noncorporate business	67.5	64.6	65.9	67.9	67.4	67.9	68.7	69.6	69.0	68.8	67.5
6 State and local governments	739.4	767.8	767.0	805.1	794.6	805.1	805.6	819.7	820.1	830.9	821.2
7 Federal government	219.0	258.0	265.3	271.3	269.6	271.3	272.9 ¹	274.6 ¹	276.6	280.1	279.9
8 Rest of the world	2,278.2	2,354.6	2,621.1	2,954.4	2,837.5	2,954.4	3,000.6	3,133.2	3,252.9	3,347.6	3,466.3
9 Financial sectors	17,624.1 ¹	19,385.4 ¹	20,996.4 ¹	22,750.9 ¹	22,272.4 ¹	22,750.9 ¹	23,138.2 ¹	23,472.2 ¹	23,955.0	24,561.6	25,033.1
10 Monetary authority	452.5	478.1	511.8	551.7	534.1	551.7	575.4	590.7	604.2	629.4	641.5
11 Commercial banking	4,336.1	4,648.3	5,006.3	5,210.5	5,100.6	5,210.5	5,231.3	5,328.3	5,476.2	5,620.2	5,679.0
12 U.S.-chartered banks	3,761.4	4,080.0	4,419.5	4,610.1	4,513.5	4,610.1	4,629.3	4,719.7	4,858.4	5,003.9	5,055.6
13 Foreign banking offices in United States	504.5	487.4	511.3	510.7	509.3	510.7	507.7	512.6	521.2	516.9	519.0
14 Bank holding companies	26.5	32.7	20.5	24.7	21.3	24.7	27.7	28.1	27.7	27.8	33.0
15 Banks in U.S.-affiliated areas	43.8	48.3	55.0	65.0	56.5	65.0	66.6	67.9	68.8	71.6	71.5
16 Savings institutions	964.7	1,032.4	1,088.6	1,131.4	1,118.1	1,131.4	1,134.7	1,130.9	1,153.8	1,166.8	1,215.5
17 Credit unions	324.2	351.7	379.7	421.2	408.4	421.2	434.3	443.2 ¹	455.3	463.9	473.2
18 Bank personal trusts and estates	194.4	222.0	222.8	194.7	201.8	194.7	195.0	195.2	195.4	195.6	190.8
19 Life insurance companies	1,828.0	1,886.0	1,943.9	2,074.8	2,054.8	2,074.8	2,136.9	2,180.1	2,250.6	2,286.5	2,323.3
20 Other insurance companies	521.1	518.2	509.4	518.4	511.3	518.4	527.6	536.4	541.9	554.1	564.5
21 Private pension funds	651.2	668.2	701.6	717.9 ¹	720.6	717.9 ¹	731.2 ¹	738.5 ¹	753.1	755.4	760.9
22 State and local government retirement funds	704.6	751.4	806.0	788.4	789.0	788.4	806.0	792.4	789.8	804.9	804.9
23 Money market mutual funds	965.9	1,147.8	1,290.9	1,536.9	1,494.9	1,536.9	1,496.9 ¹	1,419.3	1,405.7	1,511.6	1,485.5
24 Mutual funds	1,028.4	1,076.8	1,097.8	1,223.8	1,188.2	1,223.8	1,276.8	1,291.6	1,334.5	1,365.4	1,415.3
25 Closed-end funds	98.4	106.9 ¹	100.6 ¹	107.4	103.3	107.4	113.5 ¹	112.9 ¹	112.4	116.7	118.6
26 Government-sponsored enterprises	1,252.3	1,543.5	1,807.1	2,114.3	2,026.1	2,114.3	2,163.8	2,199.9	2,252.9	2,320.9	2,375.8
27 Federally related mortgage pools	2,018.4	2,292.2	2,491.6	2,830.1	2,758.8	2,830.1	2,955.1	3,041.6	3,084.5	3,158.2	3,226.4
28 Asset-backed securities (ABSs) issuers	1,219.4	1,413.6	1,585.4	1,877.3 ¹	1,772.5 ¹	1,877.3 ¹	1,929.4 ¹	1,985.7 ¹	2,033.0	2,128.9	2,196.8
29 Finance companies	645.5	742.5	850.5	844.8	859.5	844.8	832.4	845.6	857.1	862.0	853.1
30 Mortgage companies	32.1 ¹	32.1 ¹	32.1 ¹	32.1 ¹	32.1 ¹	32.1 ¹	32.1 ¹	32.1 ¹	32.1	32.1	32.1
31 Real estate investment trusts (REITs)	45.5	42.9	35.8 ¹	42.5 ¹	39.0 ¹	42.5 ¹	49.1 ¹	57.0 ¹	63.9	65.6	63.5
32 Brokers and dealers	154.7	223.6	316.0	316.0	366.4	316.0	299.6	352.6	335.2	344.4	389.2
33 Funding corporations	152.3	276.0	311.0 ¹	216.7 ¹	193.0 ¹	216.7 ¹	217.3 ¹	198.2 ¹	219.5	175.1	219.3
RELATION OF LIABILITIES TO FINANCIAL ASSETS											
34 Total credit market debt	23,433.8¹	25,598.4¹	27,344.4¹	29,397.8¹	28,742.1¹	29,397.8¹	29,855.3¹	30,386.8¹	30,918.4	31,725.2	32,281.0
<i>Other liabilities</i>											
35 Official foreign exchange	60.1	50.1	46.1	46.8	49.0	46.8	45.7	47.2	53.1	55.8	57.6
36 Special drawing rights certificates	9.2	6.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
37 Treasury currency	19.9	20.9	23.2	24.5	24.5	24.5	24.7	24.8	25.5	25.5	25.6
38 Foreign deposits	642.3	703.6	824.5	908.9	848.0	908.9	894.1	907.4	920.4	934.3	954.1
39 Net interbank liabilities	189.4	202.4	221.2	191.4 ¹	174.4 ¹	191.4 ¹	162.4 ¹	132.3 ¹	150.7	205.9	223.4
40 Checkable deposits and currency	1,333.3	1,484.5	1,413.1	1,603.2	1,487.1	1,603.2	1,518.1 ¹	1,571.9 ¹	1,610.7	1,649.3	1,683.4
41 Small time and savings deposits	2,626.5	2,671.6	2,860.4	3,127.6	3,047.6	3,127.6	3,236.7 ¹	3,256.4 ¹	3,336.8	3,402.4	3,505.9
42 Large time deposits	805.3	936.4	1,052.6	1,121.1	1,094.2	1,121.1	1,178.9 ¹	1,188.7 ¹	1,199.9	1,175.2	1,212.7
43 Money market fund shares	1,329.7	1,578.8	1,812.1	2,240.7	2,115.4	2,240.7	2,203.3 ¹	2,150.3	2,105.9	2,223.9	2,156.2
44 Security repurchase agreements	913.8	1,083.6	1,196.8	1,231.8	1,251.9	1,231.8	1,262.4	1,343.1	1,313.7	1,336.8	1,325.3
45 Mutual fund shares	3,613.1	4,538.5	4,434.6	4,135.5	3,753.1	4,135.5	4,247.0	3,926.6	3,452.3	3,639.4	3,586.8
46 Security credit	572.2	676.6	822.7	825.9	825.9	825.9	778.0	745.6	726.3	738.8	784.5
47 Life insurance reserves	718.3	783.9	819.1	880.0	844.0	880.0	904.2	915.2	927.9	951.4	968.7
48 Pension fund reserves	8,208.4	9,065.3	9,069.0	8,695.8 ¹	8,281.0	8,695.8 ¹	8,824.7 ¹	8,331.9 ¹	7,732.0	8,014.2	7,936.1
49 Trade payables	2,073.8	2,342.4	2,761.9 ¹	2,688.8 ¹	2,705.4 ¹	2,688.8 ¹	2,714.8 ¹	2,716.4 ¹	2,764.6	2,812.4	2,814.1
50 Taxes payable	170.7	201.4	234.2	251.6 ¹	270.1	251.6 ¹	259.4 ¹	266.1 ¹	282.0	281.0	294.7
51 Investment in bank personal trusts	1,001.0	1,130.4	1,095.8	960.7	916.5	960.7	963.2	893.5	811.6	840.9	806.3
52 Miscellaneous	7,638.0 ¹	8,527.4 ¹	9,717.9 ¹	10,343.0 ¹	10,816.7 ¹	10,343.0 ¹	10,345.1 ¹	10,634.3 ¹	11,043.4	11,013.6	11,281.9
53 Total liabilities	55,358.7¹	61,602.4¹	65,751.7¹	68,677.5¹	67,343.2¹	68,677.5¹	69,420.1¹	69,440.9¹	69,377.4	71,028.1	71,900.4
<i>Financial assets not included in liabilities (+)</i>											
54 Gold and special drawing rights	21.6	21.4	21.6	21.8	22.0	21.8	21.9	22.3	22.8	23.2	22.4
55 Corporate equities	15,548.5 ¹	19,545.7 ¹	17,606.5 ¹	15,267.1 ¹	13,684.2 ¹	15,267.1 ¹	15,292.8 ¹	13,393.0 ¹	10,993.2	11,833.9	11,370.5
56 Household equity in noncorporate business	4,279.4 ¹	4,510.0 ¹	4,748.4 ¹	4,831.0 ¹	4,857.0 ¹	4,831.0 ¹	4,857.4 ¹	4,925.5 ¹	4,981.5	5,024.3	5,068.7
<i>Liabilities not identified as assets (-)</i>											
57 Treasury currency	-6.4	-7.1	-8.5	-8.6	-8.6	-8.6	-8.9	-9.1	-8.9	-9.1	-9.2
58 Foreign deposits	542.8	585.7	650.9 ¹	715.6 ¹	668.9 ¹	715.6 ¹	698.5 ¹	724.9 ¹	731.0	738.8	768.1
59 Net interbank transactions	-26.5	-28.5	-4.3	11.1	4.5	11.1	21.9	18.4	16.5	15.3	19.4
60 Security repurchase agreements	230.6	266.4	388.9	348.6 ¹	398.7	348.6 ¹	401.4 ¹	462.1 ¹	381.6	356.0	342.6
61 Taxes payable	121.2	129.4	146.3	121.7 ¹	167.3	121.7 ¹	110.4 ¹	163.9 ¹	155.2	157.1	141.0
62 Miscellaneous	-1,951.9 ¹	-2,395.2 ¹	-3,394.2 ¹	-3,637.3 ¹	-3,125.1 ¹	-3,637.3 ¹	-3,589.1 ¹	-3,609.5 ¹	-3,510.4	-3,483.5	-3,527.3
<i>Floats not included in assets (-)</i>											
63 Federal government checkable deposits	-3.9	-9.8	-2.3	-12.3	-4.0	-12.3	-9.6	-9.3	-14.8	-11.7	27.4
64 Other checkable deposits	23.1	22.3	24.0	28.6	19.2	28.6	26.3	31.4	25.8	35.9	34.2
65 Trade credit	84.8	95.6	122.0 ¹	115.5 ¹	16.4 ¹	115.5 ¹	56.5 ¹	10.0 ¹	2.4	78.1	22.6
66 Totals identified to sectors as assets	76,194.3¹	87,020.6¹	90,205.4¹	91,114.5¹	87,769.0¹	91,114.5¹	91,884.7¹	89,998.9¹	87,596.4	90,032.6	90,543.3

1. Data in this table also appear in the Board's Z.1 (780) quarterly statistical release, tables L.1 and L.5. For ordering address, see inside front cover.

2. Excludes corporate equities and mutual fund shares.

A40 Domestic Nonfinancial Statistics □ July 2003

2.12 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION¹

Seasonally adjusted

Series	2002			2003	2002			2003	2002			2003
	Q2	Q3	Q4	Q1 ²	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1 ²
	Output (1997=100)				Capacity (percent of 1997 output)				Capacity utilization rate (percent) ²			
1 Total industry	110.5	111.4	110.4	110.5	145.9	146.2	146.6	147.1	75.7	76.2	75.3	75.2
2 Manufacturing	111.4	112.3	111.2	111.0	150.9	151.1	151.4	151.7	73.9	74.3	73.5	73.2
3 Manufacturing (NAICS)	111.8	112.6	111.5	111.2	152.2	152.5	152.8	153.3	73.5	73.8	73.0	72.6
4 Durable manufacturing	121.2	122.3	121.4	121.4	172.5	173.4	174.2	175.1	70.2	70.5	69.7	69.3
5 Primary metal	85.6	85.9	86.0	85.9	112.0	111.4	110.8	110.7	76.4	77.1	77.6	77.6
6 Fabricated metal products	99.1	99.5	98.9	97.5	139.3	139.4	139.6	139.8	71.2	71.3	70.8	69.7
7 Machinery	88.6	88.7	86.7	87.3	129.9	129.9	129.9	129.8	68.2	68.3	66.7	67.2
8 Computer and electronic products	219.6	222.6	224.4	227.1	350.1	355.4	360.3	366.2	62.7	62.6	62.3	62.0
9 Electrical equipment, appliances, and components	98.3	97.7	96.8	95.6	129.1	128.6	128.2	128.1	76.1	75.9	75.5	74.6
10 Motor vehicles and parts	116.8	121.7	120.0	120.2	145.9	147.1	148.4	149.9	80.0	82.7	80.8	80.1
11 Aerospace and miscellaneous transportation equipment	87.6	85.9	85.1	85.8	145.5	145.3	145.1	145.1	60.2	59.1	58.7	59.1
12 Nondurable manufacturing	99.7	100.1	98.8	98.3	127.7	127.5	127.3	127.3	78.1	78.5	77.6	77.2
13 Food, beverage, and tobacco products	100.8	100.1	98.8	97.9	125.8	125.7	125.6	125.5	80.2	79.7	78.7	78.0
14 Textile and product mills	83.3	82.9	81.2	78.8	112.3	111.7	111.1	110.6	74.2	74.2	73.1	71.3
15 Paper	94.2	95.7	95.8	93.5	114.2	114.0	113.8	113.6	82.5	84.0	84.2	82.3
16 Petroleum and coal products	103.3	102.3	102.8	102.1	114.9	115.2	115.7	116.1	89.9	88.7	88.9	88.0
17 Chemical	105.3	106.4	104.1	105.2	141.2	141.2	141.3	141.5	74.6	75.3	73.7	74.3
18 Plastics and rubber products	106.6	107.3	105.6	105.1	134.2	133.6	132.9	132.5	79.4	80.4	79.4	79.4
19 Other manufacturing (non-NAICS)	104.6	106.0	106.0	107.0	130.3	129.5	128.7	128.3	80.3	81.8	82.3	83.3
20 Mining	93.4	93.5	93.7	93.7	110.2	110.1	110.2	110.3	84.8	84.9	85.1	84.9
21 Electric and gas utilities	110.2	112.5	111.5	114.3	125.5	127.6	129.7	131.5	87.8	88.2	86.0	86.9
MEMOS												
22 Computers, communications equipment, and semiconductors	290.3	295.5	300.4	306.1	466.7	475.3	483.3	493.9	62.2	62.2	62.2	62.0
23 Total excluding computers, communications equipment, and semiconductors	100.6	101.3	100.3	100.3	130.4	130.5	130.6	130.9	77.1	77.6	76.8	76.6
24 Manufacturing excluding computers, communications equipment, and semiconductors	99.9	100.5	99.4	99.1	132.6	132.6	132.6	132.7	75.3	75.8	75.0	74.7

2.12 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION¹—Continued

Seasonally adjusted

Series	1973	1975	Previous cycle ³		Latest cycle ⁴		2002	2002		2003			
	High	Low	High	Low	High	Low	Apr.	Nov.	Dec.	Jan. ^f	Feb. ^f	Mar. ^f	Apr. ^g
	Capacity utilization rate (percent) ²												
1 Total industry	88.8	74.0	86.6	70.8	85.1	78.6	75.6	75.6	74.9	75.3	75.3	74.8	74.4
2 Manufacturing	88.0	71.6	86.3	68.6	85.5	77.2	73.6	73.7	73.0	73.3	73.2	73.0	72.5
3 Manufacturing (NAICS)	88.1	71.4	86.3	67.9	85.5	77.0	73.3	73.3	72.5	72.8	72.6	72.3	71.9
4 Durable manufacturing	88.9	69.6	87.0	63.1	84.5	73.4	70.0	70.2	69.1	69.8	69.3	68.9	68.3
5 Primary metal	100.9	68.9	91.3	47.2	95.3	75.2	75.4	77.8	76.1	76.9	79.3	76.7	75.2
6 Fabricated metal products	91.8	69.6	83.1	61.7	80.1	71.0	70.7	70.7	70.4	70.1	69.6	69.5	68.8
7 Machinery	94.2	74.2	92.8	58.3	84.7	72.9	67.9	67.3	66.0	66.8	67.2	67.7	67.8
8 Computer and electronic products	87.0	66.9	89.8	77.3	81.5	76.4	62.6	62.3	62.0	62.3	61.8	61.9	61.8
9 Electrical equipment, appliances, and components	99.3	68.5	91.9	64.4	87.5	75.0	75.2	75.6	75.6	74.7	75.1	74.0	73.7
10 Motor vehicles and parts	95.3	55.3	96.2	45.2	90.0	56.6	79.6	83.5	79.1	82.3	79.8	78.4	76.5
11 Aerospace and miscellaneous transportation equipment	75.0	66.3	84.6	69.8	88.9	81.9	60.7	58.4	58.7	59.3	59.1	59.0	58.9
12 Nondurable manufacturing	87.5	72.5	85.7	75.6	86.9	81.8	77.8	77.7	77.2	77.2	77.2	77.2	76.8
13 Food, beverage, and tobacco products	85.9	78.0	84.3	80.2	85.5	81.3	80.3	78.5	78.3	78.5	77.9	77.8	77.8
14 Textile and product mills	89.8	62.8	90.1	72.3	91.1	77.1	73.8	73.5	72.8	70.7	71.4	71.7	70.7
15 Paper	97.4	74.7	95.6	81.3	94.0	85.4	81.4	85.1	83.5	81.9	81.9	83.3	82.5
16 Petroleum and coal products	93.2	81.0	92.3	71.1	88.9	82.5	90.8	89.8	90.7	88.0	87.7	88.2	86.4
17 Chemical	85.0	68.9	83.0	67.9	85.6	80.8	74.5	73.8	73.2	73.8	74.6	74.6	74.1
18 Plastics and rubber products	96.3	61.6	90.5	70.5	91.2	77.1	78.6	79.6	78.8	79.1	79.5	79.5	79.3
19 Other manufacturing (non-NAICS)	85.7	75.7	88.1	85.7	90.2	79.1	79.7	81.9	82.4	82.0	83.4	84.6	83.4
20 Mining	93.6	87.6	94.2	78.6	85.6	83.3	84.7	85.0	86.4	84.9	84.8	85.1	85.4
21 Electric and gas utilities	96.2	82.7	87.9	77.2	92.6	84.2	88.6	86.4	84.8	87.8	88.4	84.5	84.3
MEMOS													
22 Computers, communications equipment, and semiconductors	84.5	63.1	89.9	75.6	80.4	74.6	61.9	62.4	61.7	61.8	61.8	62.3	62.4
23 Total excluding computers, communications equipment, and semiconductors	89.1	74.3	86.6	70.5	85.5	78.8	77.0	77.0	76.4	76.8	76.8	76.2	75.8
24 Manufacturing excluding computers, communications equipment, and semiconductors	88.3	71.9	86.3	68.1	86.1	77.3	75.1	75.3	74.5	74.9	74.7	74.5	73.9

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

1. Data in this table also appear in the Board's G.17 (419) monthly statistical release. The

data are also available on the Board's web site <http://www.federalreserve.gov/releases/g17>. The latest historical revision of the industrial production index and the capacity utilization rates was released in December 2002. The recent annual revision is described in the April 2003 issue of the *Bulletin*.

2. Capacity utilization is calculated as the ratio of the Federal Reserve's seasonally adjusted index of industrial production to the corresponding index of capacity.

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

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

A42 Domestic Nonfinancial Statistics □ July 2003

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value¹

Monthly data seasonally adjusted

Group	1992 proportion	2002 avg.	2002									2003			
			Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. ^f	Feb. ¹	Mar. ^f	Apr. ^P
Index (1997=100)															
MAJOR MARKETS															
1 Total IP	100.0	110.5	110.1	110.4	110.8	111.6	111.3	111.2	110.6	110.8	109.9	110.7	110.7	110.2	109.7
Market groups															
2 Final products and nonindustrial supplies	60.8	109.3	109.1	109.3	109.6	110.1	109.8	109.8	109.1	109.3	108.2	109.1	109.1	108.6	108.1
3 Consumer goods	29.0	107.5	107.5	107.3	107.8	108.5	107.8	107.9	107.0	107.8	106.6	107.7	107.5	107.0	106.5
4 Durable	5.8	117.3	116.5	117.2	118.6	120.0	119.3	118.7	117.0	121.0	117.8	120.5	118.4	117.7	116.9
5 Automotive products	2.5	125.4	123.8	124.2	127.4	130.6	130.6	129.3	125.9	132.4	125.9	131.3	128.4	126.8	125.7
6 Home electronics	0.4	142.9	139.9	143.8	135.3	137.0	135.4	142.6	140.1	142.1	145.3	152.7	151.2	151.9	154.4
7 Appliances, furniture, carpeting	1.3	106.9	108.2	109.1	107.5	106.9	104.5	104.6	104.9	107.1	107.7	105.4	105.4	105.6	105.6
8 Miscellaneous goods	1.6	98.5	98.1	98.9	100.2	99.2	98.3	97.8	98.2	98.3	98.7	98.7	96.7	96.9	95.5
9 Nondurable	23.2	104.1	104.4	103.9	104.1	104.6	103.8	104.2	103.6	103.3	102.8	103.4	103.7	103.3	103.0
10 Non-energy	20.2	102.6	102.8	102.2	102.8	102.8	102.4	102.6	102.0	101.3	100.8	101.1	101.2	101.3	101.0
11 Foods and tobacco	10.4	99.5	100.4	100.0	100.2	99.8	99.2	99.1	98.7	97.9	97.4	97.6	96.8	96.6	96.7
12 Clothing	2.4	72.4	72.7	72.9	72.9	73.2	71.3	72.1	70.2	70.6	69.9	69.7	69.8	68.4	67.3
13 Chemical products	4.6	119.1	118.5	116.8	118.3	119.5	119.0	119.5	118.3	118.0	116.9	117.9	119.7	120.2	119.8
14 Paper products	2.9	108.1	106.0	106.2	107.2	107.1	108.4	109.8	110.0	108.8	109.0	108.3	109.5	111.0	109.7
15 Energy	3.0	112.0	112.8	112.5	110.9	114.0	111.6	112.8	111.8	114.0	113.3	115.7	117.2	113.8	113.4
16 Business equipment	13.2	107.3	107.7	108.0	108.0	107.3	108.1	106.9	106.0	106.1	104.6	105.6	105.5	105.5	105.0
17 Transit	2.5	81.2	83.2	82.0	81.1	80.2	81.1	79.7	77.3	77.9	75.4	75.7	74.2	73.6	72.2
18 Information processing	5.4	153.8	154.7	154.9	154.9	153.5	153.7	152.1	153.1	152.8	152.7	155.1	154.9	156.8	156.6
19 Industrial and other	5.3	91.5	91.1	91.9	92.2	92.0	92.9	92.0	91.2	91.1	89.7	90.4	90.8	90.4	90.2
20 Defense and space equipment	3.4	101.2	99.9	100.6	101.2	101.2	101.9	102.0	102.5	101.7	102.3	104.1	104.2	104.3	103.9
21 Construction supplies	5.4	104.0	104.0	104.6	104.5	104.4	104.8	104.5	104.2	103.8	102.4	102.3	101.8	101.5	100.7
22 Business supplies	9.1	121.9	120.7	121.5	121.8	123.2	122.6	123.6	123.1	122.5	121.9	122.8	123.5	122.6	122.1
23 Materials	39.2	112.2	111.6	112.2	112.6	113.8	113.6	113.4	112.8	113.1	112.4	113.0	113.2	112.5	111.9
24 Non-energy	29.6	115.8	115.0	115.8	116.4	117.2	117.4	117.2	116.7	116.7	115.6	116.0	116.2	115.9	115.0
25 Durable	20.7	128.0	127.1	127.8	128.6	129.4	130.0	129.5	129.5	129.7	128.1	129.1	129.3	128.4	127.5
26 Consumer parts	4.0	110.8	110.8	110.1	110.4	113.4	112.3	112.4	111.7	114.6	111.1	113.8	112.2	110.9	108.3
27 Equipment parts	7.5	182.6	179.8	182.3	183.6	184.2	186.3	185.7	185.7	185.3	184.4	186.0	186.1	186.4	187.5
28 Other	9.2	97.1	96.7	97.2	97.9	97.7	98.3	97.7	98.0	97.2	96.4	96.3	97.2	96.3	95.4
29 Nondurable	8.9	97.0	96.5	97.3	97.6	98.4	98.2	98.3	97.1	97.0	96.5	96.2	96.4	96.7	96.0
30 Textile	1.1	77.6	77.8	78.2	78.5	79.6	77.8	78.4	77.2	77.0	75.3	74.1	74.0	73.4	72.4
31 Paper	1.8	94.8	93.3	94.8	93.6	95.8	96.1	96.7	96.8	96.9	95.8	94.4	93.7	94.8	94.1
32 Chemical	4.0	99.1	99.6	100.4	100.6	101.3	100.7	100.2	98.2	97.9	97.3	98.3	99.0	99.1	98.4
33 Energy	9.6	98.7	98.6	98.5	98.6	101.0	99.3	99.1	98.4	99.4	99.7	100.9	101.2	99.7	99.8
SPECIAL AGGREGATES															
34 Total excluding computers, communication equipment, and semiconductors	94.7	100.5	100.3	100.5	100.8	101.5	101.2	101.2	100.5	100.6	99.8	100.5	100.5	99.9	99.3
35 Total excluding motor vehicles and parts	94.3	110.0	109.7	110.1	110.3	110.8	110.5	110.5	110.0	109.8	109.3	109.8	110.1	109.6	109.2
Gross value (billions of 1996 dollars, annual rates)															
36 Final products and nonindustrial supplies	100.0	2,793.1	2,796.7	2,802.2	2,809.9	2,828.0	2,821.5	2,817.8	2,793.6	2,817.8	2,783.5	2,808.6	2,802.0	2,787.8	2,772.4
37 Final products	77.2	2,018.6	2,020.7	2,021.4	2,028.7	2,042.2	2,038.1	2,031.4	2,010.8	2,037.3	2,010.7	2,032.1	2,024.6	2,016.1	2,004.8
38 Consumer goods	51.9	1,384.6	1,386.3	1,384.8	1,390.2	1,404.1	1,395.9	1,394.3	1,379.1	1,402.0	1,384.1	1,399.9	1,393.5	1,385.6	1,377.5
39 Equipment total	25.3	624.9	625.3	628.1	629.9	627.9	633.6	627.7	622.6	624.4	615.8	620.9	620.3	620.6	617.4
40 Nonindustrial supplies	22.8	774.4	776.1	780.9	781.3	785.9	783.5	786.6	783.2	780.5	772.8	776.4	777.4	771.5	767.6

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value¹—Continued

Monthly data seasonally adjusted

Group	NAICS code ²	1992 proportion	2002 avg.	2002										2003			
				Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. ^f	Feb. ^f	Mar. ^f	Apr. ^p	
Index (1997=100)																	
INDUSTRY GROUPS																	
41	Manufacturing	85.4	111.4	111.0	111.4	111.9	112.3	112.4	112.1	111.4	111.6	110.6	111.1	111.0	110.9	110.2	
42	Manufacturing (NAICS)	79.1	111.7	111.4	111.9	112.2	112.7	112.8	112.4	111.7	112.0	110.8	111.5	111.3	111.0	110.4	
43	Durable manufacturing	43.0	121.1	120.5	121.2	121.8	122.2	122.7	122.0	121.5	122.2	120.5	121.9	121.4	120.9	120.2	
44	Wood products	321	1.5	100.5	100.8	101.0	102.2	101.9	102.5	100.7	99.2	98.3	96.9	97.4	95.6	94.3	
45	Nonmetallic mineral products	327	2.0	107.9	107.4	107.7	106.6	107.7	108.5	109.8	109.3	110.2	108.0	109.7	109.0	108.4	
46	Primary metal	331	2.7	85.6	84.6	85.9	86.2	85.0	87.6	85.0	87.6	86.2	84.1	85.0	87.8	85.0	
47	Fabricated metal products	332	5.3	99.0	98.4	99.7	99.3	99.7	99.3	99.4	99.8	98.7	98.3	97.9	97.4	96.4	
48	Machinery	333	5.7	87.9	88.3	88.5	88.9	88.4	89.4	88.2	86.8	87.4	85.8	86.7	87.3	87.8	
49	Computer and electronic products	334	8.8	220.4	217.9	220.0	220.8	221.5	223.0	223.2	224.2	224.5	224.5	226.6	226.5	228.2	
50	Electrical equipment, appliances, and components	335	2.5	97.7	97.2	98.9	98.7	98.4	98.0	96.5	96.6	97.0	96.9	95.7	96.2	94.8	
51	Motor vehicles and parts	3361-3	5.7	117.3	115.9	115.8	118.6	122.1	122.0	121.1	118.3	123.9	117.8	122.9	119.7	117.9	
52	Aerospace and miscellaneous transportation equipment	3364-9	4.5	87.6	88.3	87.6	86.9	85.7	86.3	85.7	85.5	84.8	85.2	86.0	85.7	85.6	
53	Furniture and related products	337	1.5	101.3	101.8	101.5	101.6	101.4	100.5	101.4	100.7	100.6	98.9	98.8	99.0	97.5	
54	Miscellaneous	339	2.8	109.5	109.6	110.2	110.7	110.6	110.2	109.1	109.3	108.6	110.0	109.5	109.2	110.0	
55	Nondurable manufacturing	36.1	99.5	99.5	99.7	99.9	100.4	100.0	100.0	99.1	98.9	98.3	98.2	98.3	98.3	97.8	
56	Food, beverage, and tobacco products	311,2	10.9	100.2	101.0	100.6	100.9	100.5	100.0	99.9	99.5	98.6	98.3	98.5	97.8	97.6	
57	Textile and product mills	313,4	1.8	82.5	82.9	83.6	83.4	83.9	82.5	82.3	81.3	81.7	80.8	78.4	79.0	78.0	
58	Apparel and leather	315,6	2.2	72.2	72.5	72.7	72.6	73.0	71.2	71.8	70.2	70.5	69.7	69.7	69.6	67.2	
59	Paper	322	3.3	94.4	93.0	95.0	94.7	95.2	95.8	96.1	95.7	96.8	95.0	93.0	93.0	94.5	
60	Printing and support	323	2.8	97.8	95.5	96.2	95.5	98.4	98.6	99.9	99.5	98.4	98.9	99.1	97.9	96.8	
61	Petroleum and coal products	324	1.4	102.9	104.2	103.4	102.4	103.0	102.7	101.0	99.4	103.9	105.0	102.0	101.8	102.5	
62	Chemical	325	10.3	105.1	105.1	105.0	105.7	106.9	106.2	106.1	104.6	104.2	103.4	104.4	105.5	105.6	
63	Plastics and rubber products	326	3.4	106.0	105.7	106.7	107.4	107.5	107.3	107.2	106.4	105.8	104.6	104.9	105.3	105.2	
64	Other manufacturing (non-NAICS)	1133,5111	4.3	105.5	104.1	104.2	105.5	105.0	105.8	107.1	106.7	105.4	105.9	105.3	107.0	108.5	
65	Mining	21	6.6	93.8	93.4	93.4	93.5	94.4	93.9	92.2	92.3	93.6	95.2	93.6	93.5	93.9	
66	Utilities	2211,2	10.1	110.2	110.6	110.1	110.1	113.7	110.4	113.3	112.1	112.1	110.5	115.0	116.3	111.7	
67	Electric	2211	8.6	111.8	112.5	111.2	111.4	115.7	112.2	115.8	113.7	113.3	112.2	116.8	118.0	113.6	
68	Natural gas	2212	1.6	97.5	100.2	104.4	103.2	102.7	100.8	99.9	103.6	105.8	101.6	105.4	107.4	101.1	
69	Manufacturing excluding computers, communications equipment, and semiconductors	78.0	99.8	99.5	99.9	100.2	100.6	100.6	100.4	99.7	99.8	98.8	99.3	99.1	98.9	98.2	
70	Manufacturing excluding motor vehicles and parts	77.6	110.9	110.5	111.0	111.3	111.4	111.5	111.3	110.8	110.5	109.9	110.1	110.3	110.3	109.8	

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

1. Data in this table appear in the Board's G.17 (419) monthly statistical release. The data are also available on the Board's web site <http://www.federalreserve.gov/releases/g17>. The latest historical revision of the industrial production index and the capacity utilization rates was released in December 2002. The recent annual revision is described in the April 2003 issue of the *Bulletin*.

2. North American Industry Classification System.

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars; quarterly data seasonally adjusted except as noted¹

Item credits or debits	2000	2001	2002	2001	2002			
				Q4	Q1	Q2	Q3	Q4 ²
1 Balance on current account	-410,341	-393,371	-503,427	-95,086	-112,542	-127,697	-126,337	-136,854
2 Balance on goods and services	-378,681	-358,290	-435,542	-88,028	-95,629	-109,446	-110,257	-120,213
3 Exports	1,064,239	998,022	971,864	232,930	232,959	244,251	248,917	245,740
4 Imports	-1,442,920	-1,356,312	-1,407,406	-320,958	-328,588	-353,697	-359,174	-365,953
5 Income, net	21,782	14,382	-11,862	6,521	-982	-5,324	-3,007	-2,553
6 Investment, net	27,651	20,539	-5,424	8,102	636	-3,675	-1,462	-927
7 Direct	88,862	102,595	77,947	28,602	22,023	18,749	18,626	18,548
8 Portfolio	-61,211	-82,056	-83,371	-20,500	-21,387	-22,424	-20,088	-19,475
9 Compensation of employees	-5,869	-6,157	-6,438	-1,581	-1,618	-1,649	-1,545	-1,626
10 Unilateral current transfers, net	-53,442	-49,463	-56,023	-13,579	-15,931	-12,927	-13,073	-14,088
11 Change in U.S. government assets other than official reserve assets, net (increase, -)	-941	-486	379	143	133	42	-27	231
12 Change in U.S. official reserve assets (increase, -)	-290	-4,911	-3,681	-199	390	-1,843	-1,416	-812
13 Gold	0	0	0	0	0	0	0	0
14 Special drawing rights (SDRs)	-722	-630	-475	-140	-109	-107	-132	-127
15 Reserve position in International Monetary Fund	2,308	-3,600	-2,632	83	652	-1,607	-1,136	-541
16 Foreign currencies	-1,876	-681	-574	-142	-153	-129	-148	-144
17 Change in U.S. private assets abroad (increase, -)	-605,258	-365,565	-152,867	-100,032	-26,707	-129,544	41,714	-38,334
18 Bank-reported claims ³	-148,657	-128,705	-3,072	-83,682	727	-68,655	53,815	11,041
19 Nonbank-reported claims	-150,805	-14,358	-28,489	37,210	65	-16,693	-4,226	-7,635
20 U.S. purchase of foreign securities, net	-127,502	-94,662	-2,222	-26,090	2,047	-9,675	18,543	-8,693
21 U.S. direct investments abroad, net	-178,294	-127,840	-123,528	-27,470	-29,546	-34,521	-26,418	-33,047
22 Change in foreign official assets in United States (increase, +)	37,640	5,224	96,630	5,086	7,641	47,252	9,534	32,203
23 U.S. Treasury securities	-10,233	10,745	43,656	16,760	-582	15,193	1,415	27,630
24 Other U.S. government obligations	40,909	20,920	30,357	7,630	7,296	6,548	10,885	5,628
25 Other U.S. government liabilities ⁴	-1,909	-1,882	158	-504	-790	54	1,001	-107
26 Other U.S. liabilities reported by U.S. banks ⁵	5,746	-30,278	18,831	-20,507	991	24,531	-4,602	-2,089
27 Other foreign official assets ⁵	3,127	5,719	3,628	1,707	726	926	835	1,141
28 Change in foreign private assets in United States (increase, +)	978,346	747,582	533,734	245,711	105,959	157,159	119,786	150,827
29 U.S. bank-reported liabilities ⁵	116,971	110,667	94,605	85,598	-11,051	32,240	18,793	54,623
30 U.S. nonbank-reported liabilities	174,251	82,353	49,736	1,170	32,345	21,056	-3,804	139
31 Foreign private purchases of U.S. Treasury securities, net	-76,965	-7,670	53,155	27,229	-7,282	-5,124	52,856	12,705
32 U.S. currency flows	1,129	23,783	21,513	10,497	4,525	7,183	2,556	7,249
33 Foreign purchases of other U.S. securities, net	455,213	407,653	284,611	99,320	71,095	104,404	46,494	62,618
34 Foreign direct investments in United States, net	307,747	130,796	30,114	21,897	16,327	-2,600	2,891	13,493
35 Capital account transactions, net ⁵	837	826	708	205	208	200	156	144
36 Discrepancy	7	10,701	28,524	-55,828	24,918	54,431	-43,410	-7,405
37 Due to seasonal adjustment				1,721	10,269	1,504	-13,991	2,228
38 Before seasonal adjustment	7	10,701	28,524	-57,549	14,649	52,927	-29,419	-9,633
MEMO								
<i>Changes in official assets</i>								
39 U.S. official reserve assets (increase, -)	-290	-4,911	-3,681	-199	390	-1,843	-1,416	-812
40 Foreign official assets in United States, excluding line 25 (increase, +)	39,549	7,106	96,472	5,590	8,431	47,198	8,533	32,310
41 Change in Organization of Petroleum Exporting Countries official assets in United States (part of line 22)	12,000	-1,725	-8,132	3,382	-8,532	838	-1,289	851

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

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

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

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

5. Consists of capital transfers (such as those of accompanying migrants entering or leaving the country and debt forgiveness) and the acquisition and disposal of nonproduced nonfinancial assets.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*.

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Asset	1999	2000	2001	2002			2003				
				Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May ^p
1 Total	71,516	67,647	68,654	75,499	75,690	79,006	78,434	78,579	80,049	80,405	n.a.
2 Gold stock ¹	11,048	11,046	11,045	11,042	11,043	11,043	11,043	11,043	11,043	11,043	11,043
3 Special drawing rights ^{2,3}	10,336	10,539	10,774	11,700	11,855	12,166	11,298	11,368	11,392	11,476	n.a.
4 Reserve position in International Monetary Fund ²	17,950	14,824	17,854	20,586	20,480	21,979	21,953	21,686	22,858	22,738	n.a.
5 Foreign currencies ⁴	32,182	31,238	28,981	32,171	32,312	33,818	34,140	34,482	34,756	35,148	36,149

1. Gold held "under earmark" at Federal Reserve Banks for foreign and international accounts is not included in the gold stock of the United States; see table 3.13, line 3. Gold stock is valued at \$42.22 per fine troy ounce.

2. Special drawing rights (SDRs) are valued according to a technique adopted by the International Monetary Fund (IMF) in July 1974. Values are based on a weighted average of exchange rates for the currencies of member countries. From July 1974 through December 1980, sixteen currencies were used; since January 1981, five currencies have been used. U.S.

SDR holdings and reserve positions in the IMF also have been valued on this basis since July 1974.

3. Includes allocations of SDRs by the International Monetary Fund on Jan. 1 of the year indicated, as follows: 1970—\$867 million; 1971—\$717 million; 1972—\$710 million; 1979—\$1,139 million; 1980—\$1,152 million; 1981—\$1,093 million; plus net transactions in SDRs.

4. Valued at current market exchange rates.

3.13 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS¹

Millions of dollars, end of period

Asset	1999	2000	2001	2002			2003				
				Oct. ^c	Nov. ^c	Dec. ^c	Jan. ^c	Feb. ^c	Mar. ^c	Apr. ^c	May ^p
1 Deposits	71	215	61	89	78	136	102	224	254	313	79
<i>Held in custody</i>											
2 U.S. Treasury securities ²	632,482	594,094	592,630	647,165	669,092	678,106	683,837	700,341	710,955	702,041	727,142
3 Earmarked gold ³	9,933	9,451	9,099	9,050	9,045	9,045	9,045	9,045	9,045	9,040	9,031

NOTE. The headers for monthly 2002 and 2003 were misaligned over the wrong data cells in the June 2003 issue of the *Federal Reserve Bulletin*. The correct alignment is shown above.

1. Excludes deposits and U.S. Treasury securities held for international and regional organizations.

2. Marketable U.S. Treasury bills, notes, and bonds and nonmarketable U.S. Treasury securities, in each case measured at face (not market) value.

3. Held in foreign and international accounts and valued at \$42.22 per fine troy ounce; not included in the gold stock of the United States.

3.15 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	2000	2001	2002				2003		
			Sept.	Oct.	Nov.	Dec.	Jan.	Feb. ^f	Mar. ^f
1 Total¹	975,303	987,567	1,049,985	1,047,933	1,069,536	1,082,291	1,090,034^f	1,109,422	1,118,854
<i>By type</i>									
2 Liabilities reported by banks in the United States ²	144,593	123,425	143,113	136,721	138,496	141,019	140,071 ^f	149,463	148,778
3 U.S. Treasury bills and certificates ³	153,010	161,719	185,187	188,474	190,111	190,375	194,762 ^f	196,344	206,153
U.S. Treasury bonds and notes									
4 Marketable	450,832	454,306	446,705	446,152	462,729	469,437	468,682 ^f	471,223	471,705
5 Nonmarketable ⁴	5,348	3,411	3,058	3,078	3,097	2,769	2,786 ^f	2,803	2,821
6 U.S. securities other than U.S. Treasury securities ⁵	221,520	244,706	271,922	273,508	275,103	278,691	283,733 ^f	289,589	289,397
<i>By area</i>									
7 Europe ¹	240,325	243,448	260,506	254,425	265,831	273,136	273,174 ^f	280,721	277,422
8 Canada	13,727	13,440	10,097	10,300	10,975	11,079	10,455 ^f	9,796	9,813
9 Latin America and Caribbean	70,442	71,103	62,227	64,289	63,002	63,244	62,016 ^f	63,220	62,965
10 Asia	626,016	635,179	690,746	692,195	701,016	706,131	718,000 ^f	727,124	742,599
11 Africa	14,690	15,167	14,514	15,524	15,602	15,338	14,589 ^f	15,939	15,215
12 Other countries	10,101	9,228	11,893	11,198	13,108	13,361	11,798 ^f	12,620	10,838

1. Includes the Bank for International Settlements.

2. Principally demand deposits, time deposits, bankers acceptances, commercial paper, negotiable time certificates of deposit, and borrowings under repurchase agreements.

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

4. Excludes notes issued to foreign official nonreserve agencies. Includes current value of zero-coupon Treasury bond issues to foreign governments as follows: Mexico, beginning March 1990, 30-year maturity issue; Venezuela, beginning December 1990, 30-year maturity issue; Argentina, beginning April 1993, 30-year maturity issue.

5. Debt securities of U.S. government corporations and federally sponsored agencies, and U.S. corporate stocks and bonds.

SOURCE: Based on U.S. Department of the Treasury data and on data reported to the Treasury by banks (including Federal Reserve Banks) and securities dealers in the United States, and in periodic benchmark surveys of foreign portfolio investment in the United States.

3.16 LIABILITIES TO, AND CLAIMS ON, FOREIGNERS Reported by Banks in the United States¹

Payable in Foreign Currencies

Millions of dollars, end of period

Item	1999	2000	2001 ^f	2002			
				Mar.	June	Sept.	Dec.
1 Banks' liabilities	88,537	77,779	79,363	74,955	89,823	81,719	80,541
2 Banks' claims	67,365	56,912	74,640	76,395 ^f	88,924 ^f	80,945 ^f	70,193 ^f
3 Deposits	34,426	23,315	44,094	46,778	51,860	44,511	33,085
4 Other claims	32,939	33,597	30,546	29,617 ^f	37,064 ^f	36,434 ^f	37,108 ^f
5 Claims of banks' domestic customers ²	20,826	24,411	17,631	16,642	15,848	20,475	33,632

1. Data on claims exclude foreign currencies held by U.S. monetary authorities.

2. Assets owned by customers of the reporting bank located in the United States that represent claims on foreigners held by reporting banks for the accounts of the domestic customers.

3.17 LIABILITIES TO FOREIGNERS Reported by Banks in the United States¹

Payable in U.S. dollars

Millions of dollars, end of period

Item	2000	2001	2002	2002				2003		
				Sept.	Oct.	Nov.	Dec.	Jan. ^f	Feb. ^f	Mar. ^p
BY HOLDER AND TYPE OF LIABILITY										
1 Total, all foreigners	1,511,410	1,636,538	1,818,517	1,748,122	1,834,715	1,776,362	1,818,517	1,783,978	1,944,199	2,005,941
2 Banks' own liabilities	1,077,636	1,181,097	1,274,227	1,218,134	1,305,674	1,242,279	1,274,227	1,241,101	1,389,180	1,452,048
By type of liability										
3 Deposits ²	221,248	191,742	171,802	156,758	164,057	165,306	171,802	165,384	727,958	754,892
4 Other	171,401	197,064	249,954	273,178	263,717	256,726	249,954	271,711	661,222	697,156
5 Of which: repurchase agreements ³	0	151,143	190,134	213,172	200,313	190,283	190,134	210,349	306,017	338,431
6 Banks' custody liabilities ⁴	433,774	455,441	544,290	529,988	529,041	534,083	544,290	542,877	555,019	553,893
By type of liability										
7 U.S. Treasury bills and certificates ⁵	177,846	186,115	229,511	224,733	223,569	226,302	229,511	231,366	233,814	244,704
8 Other negotiable and readily transferable instruments ⁶	145,840	139,807	163,751	161,710	160,122	156,558	163,751	160,802	172,225	169,797
9 Of which: negotiable time certificates of deposit held in custody for foreigners	34,217	20,440	26,084	29,700	29,198	26,435	26,084	25,596	27,876	28,400
10 Of which: short-term agency securities ⁷	0	59,781	73,078	70,724	68,834	66,226	73,078	67,933	74,851	73,615
11 Other	110,088	129,519	151,028	143,545	145,350	151,223	151,028	150,709	148,980	139,392
12 Nonmonetary international and regional organizations ⁸	12,543	10,830	13,469	11,712	13,069	12,221	13,469	14,624	12,085	9,377
13 Banks' own liabilities	12,140	10,169	12,362	10,923	12,454	11,443	12,362	13,921	11,439	9,331
14 Deposits ²	6,287	3,791	5,769	5,669	6,178	5,245	5,769	5,298	6,305	5,039
15 Other	5,853	6,378	6,593	5,254	6,276	6,198	6,593	8,623	5,134	4,292
16 Banks' custody liabilities ⁴	403	661	1,107	789	615	778	1,107	703	646	46
17 U.S. Treasury bills and certificates ⁵	252	600	1,089	765	597	760	1,089	687	621	4
18 Other negotiable and readily transferable instruments ⁶	149	61	18	18	18	18	18	16	25	30
19 Other	2	0	0	6	0	0	0	0	0	12
20 Official institutions ⁹	297,603	285,144	331,394	328,300	325,195	328,607	331,394	334,833	345,807	354,931
21 Banks' own liabilities	96,989	83,824	90,822	96,598	91,550	93,558	90,822	93,790	98,178	95,278
22 Deposits ²	39,525	22,668	20,629	15,912	17,736	17,525	20,629	17,162	25,430	23,560
23 Other	57,464	61,156	70,193	80,686	73,814	76,033	70,193	76,628	72,748	71,718
24 Banks' custody liabilities ⁴	200,614	201,320	240,572	231,702	233,645	235,049	240,572	241,043	247,629	259,653
25 U.S. Treasury bills and certificates ⁵	153,010	161,719	190,375	185,187	188,474	190,111	190,375	194,762	196,344	206,153
26 Other negotiable and readily transferable instruments ⁶	47,366	38,531	50,133	45,571	44,391	44,137	50,133	45,285	50,763	52,615
27 Other	238	1,070	64	944	780	801	64	996	522	885
28 Banks ¹⁰	972,932	1,053,084	1,164,864	1,083,250	1,184,129	1,127,288	1,164,864	1,118,064	1,136,558	1,162,932
29 Banks' own liabilities	821,306	914,492	969,975	898,626	996,584	934,125	969,975	923,313	942,870	983,148
30 Deposits ²	82,426	68,656	52,738	43,109	48,053	51,088	52,738	49,286	581,880	612,451
31 Other	53,893	53,545	64,766	67,319	70,631	62,790	64,766	70,021	360,990	370,697
32 Banks' custody liabilities ⁴	151,626	138,592	194,889	184,624	187,545	193,163	194,889	194,751	193,688	179,784
33 U.S. Treasury bills and certificates ⁵	16,023	11,541	21,308	20,079	19,253	18,887	21,308	20,240	18,166	19,620
34 Other negotiable and readily transferable instruments ⁶	36,036	24,059	46,773	46,990	48,250	47,836	46,773	48,618	52,120	48,344
35 Other	99,567 ¹	102,992 ¹	126,808 ¹	117,555 ¹	120,042 ¹	126,440 ¹	126,808 ¹	125,893	123,402	111,820
36 Other foreigners ¹¹	228,332	287,480	308,790	324,860	312,322	308,246	308,790	316,457	449,749	478,701
37 Banks' own liabilities	147,201	172,612	201,068	211,987	205,086	203,153	201,068	210,077	336,693	364,291
38 Deposits ²	93,010	96,627	92,666	92,068	92,090	91,448	92,666	93,638	114,343	113,842
39 Other	54,191	75,985	108,402	119,919	112,996	111,705	108,402	116,439	222,350	250,449
40 Banks' custodial liabilities	81,131	114,868	107,722	112,873	107,236	105,093	107,722	106,380	113,056	114,410
41 U.S. Treasury bills and certificates ⁵	8,561	12,255	16,739	18,702	15,245	16,544	16,739	15,677	18,683	18,927
42 Other negotiable and readily transferable instruments ⁶	62,289	77,156	66,827	69,131	67,463	64,567	66,827	66,883	69,317	68,808
43 Other	10,281	25,457	24,156	25,040	24,528	23,982	24,156	23,820	25,056	26,675
MEMO										
44 Own foreign offices ¹²	684,987	792,291	852,471	788,198	877,900	820,247	852,471	804,006	911,346	948,277

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

2. Non-negotiable deposits and brokerage balances.

3. Data available beginning January 2001.

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

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

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

7. Data available beginning January 2001.

8. Principally the International Bank for Reconstruction and Development, the Inter-American Development Bank, and the Asian Development Bank. Excludes "holdings of dollars" of the International Monetary Fund.

9. Foreign central banks, foreign central governments, and the Bank for International Settlements.

10. Excludes central banks, which are included in "Official institutions." Includes positions with affiliated banking offices also included in memo line (44) below.

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

12. For U.S. banks, includes amounts owed to own foreign branches and foreign subsidiaries consolidated in the quarterly Consolidated Reports of Condition filed with bank regulatory agencies. For agencies, branches, and majority-owned subsidiaries of foreign banks, consists principally of amounts owed to the head office or parent foreign office, and to foreign branches, agencies, or wholly owned subsidiaries of the head office or parent foreign bank. Effective February 2003, includes amounts owed to affiliated foreign offices of U.S. brokers and dealers.

3.17 LIABILITIES TO FOREIGNERS Reported by Banks in the United States¹—Continued

Payable in U.S. dollars

Millions of dollars, end of period

Item	2000	2001	2002	2002				2003			
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb. [†]	Mar. [‡]	
AREA OR COUNTRY											
45 Total, all foreigners	1,511,410	1,636,538	1,818,517	1,748,122	1,834,715	1,776,362	1,818,517	1,783,978[†]	1,944,199	2,005,941	
46 Foreign countries	1,498,867	1,625,708	1,805,048	1,736,410	1,821,646	1,764,141	1,805,048	1,769,354[†]	3,864,228	3,993,128	
47 Europe	446,788	521,331	627,641	578,027	658,742	615,473	627,641	566,318 [†]	712,294	729,862	
48 Austria	2,692	2,922	2,473	3,081	3,053	2,442	2,473	2,186	2,326	2,125	
49 Belgium ¹³	33,399	6,557	8,611	8,389	7,420	8,032	8,611	8,858	9,637	11,846	
50 Denmark	3,000	3,626	4,880	3,112	3,004	3,339	4,880	6,497	6,603	6,751	
51 Finland	1,411	1,446	1,693	1,259	5,170	2,646	1,693	2,583	1,861	845	
52 France	37,833	49,056	39,640	37,915	38,515	40,752	39,640	36,731	39,667	39,880	
53 Germany	35,519	22,375	34,398	31,334	31,558	32,025	34,398	31,940	39,644	43,617	
54 Greece	2,011	2,307	2,975	2,612	3,358	3,348	2,975	3,205	2,906	2,002	
55 Italy	5,072	6,354	4,828	3,522	5,111	5,644	4,828	4,421	4,805	5,001	
56 Luxembourg ¹³	0	16,894	28,626	25,750	25,680	27,747	28,626	30,538	35,998	32,925	
57 Netherlands	7,047	12,411	10,722	7,649	7,974	7,922	10,722	12,094 [†]	16,224	14,454	
58 Norway	2,305	3,727	18,867	17,747	18,895	14,677	18,867	17,723	10,936	14,167	
59 Portugal	2,403	4,033	3,575	3,695	3,220	3,092	3,575	3,448	2,878	2,802	
60 Russia	19,018	20,800	23,147	25,252	24,407	25,444	23,147	24,378	27,643	28,918	
61 Spain	7,787	8,811	14,032	12,596	12,824	15,576	14,032	14,850	16,040	13,920	
62 Sweden	6,497	3,375	4,656	4,137	4,857	3,859	4,656	3,767	4,004	4,611	
63 Switzerland	74,635	66,403	131,506	105,384	182,150	141,208	131,506	105,350 [†]	119,411	114,439	
64 Turkey	7,548	7,474	12,131	12,790	11,226	11,749	12,131	12,754	11,971	10,995	
65 United Kingdom	167,757	204,396	181,890	183,756	184,483	182,109	181,890	168,424 [†]	278,691	300,173	
66 Channel Islands and Isle of Man ¹⁴	0	36,059	45,728	38,982	40,070	38,935	45,728	26,327	23,020	21,715	
67 Yugoslavia ¹⁵	276	309	301	280	316	332	301	353	337	332	
68 Other Europe and other former U.S.S.R. ¹⁶	30,578	41,996	52,962	48,785	45,451	44,595	52,962	49,891	57,692	58,344	
69 Canada	30,982	27,251	24,959	24,946	26,570	24,278	24,959	27,880 [†]	28,595	31,988	
70 Latin America	120,041	118,025	107,129	104,134	106,883	103,991	107,129	106,090 [†]	103,754	104,566	
71 Argentina	19,451	10,704	11,218	11,223	12,091	11,644	11,218	10,539	10,539	10,654	
72 Brazil	10,852	14,169	10,037	11,586	11,587	10,275	10,037	10,586	10,982	12,194	
73 Chile	5,892	4,939	6,064	5,493	5,826	5,360	6,064	5,591	5,805	5,720	
74 Colombia	4,542	4,695	4,158	4,509	3,847	4,644	4,158	4,147	4,884	4,453	
75 Ecuador	2,112	2,390	2,299	2,368	2,149	2,252	2,299	2,299	2,238	2,369	
76 Guatemala	1,601	1,882	1,381	1,535	1,500	1,386	1,381	1,436	1,474	1,398	
77 Mexico	32,166	39,871	36,152	32,486	34,665	32,615	36,152	36,576 [†]	34,724	35,972	
78 Panama	4,240	3,610	3,924	3,210	3,564	3,668	3,924	3,969	4,068	3,649	
79 Peru	1,427	1,359	1,363	1,369	1,300	1,360	1,363	1,364	1,360	1,330	
80 Uruguay	3,003	3,172	2,807	2,613	2,583	2,604	2,807	2,681	2,457	2,726	
81 Venezuela	24,730	24,974	21,884	21,350	21,657	22,311	21,884	19,951	19,585	18,332	
82 Other Latin America ¹⁷	10,025	6,260	5,842	6,392	6,114	5,872	5,842	5,840	5,638	5,769	
83 Caribbean	573,337	194,814	193,363	198,136	190,737	179,736	193,363	206,210 [†]	210,967	223,319	
84 Bahamas	189,298	178,472	162,196	166,477	159,867	145,993	162,196	170,120 [†]	165,915	175,738	
85 Bermuda	9,636	10,539	23,823	24,692	23,158	25,765	23,823	27,426 [†]	38,084	40,552	
86 British West Indies ¹⁸	367,197	0	0	0	0	0	0	0	0	0	
87 Cayman Islands ¹⁸	0	440,038	498,957	472,967	491,970	488,995	498,957	511,973 [†]	519,671	545,764	
88 Cuba	90	88	91	92	91	92	91	93	210	266	
89 Jamaica	794	1,182	829	932	856	828	829	883	850	996	
90 Netherlands Antilles	5,428	3,264	5,019	4,381	5,293	5,476	5,019	6,329	4,524	4,394	
91 Trinidad and Tobago	894	1,269	1,405	1,562	1,471	1,580	1,405	1,359	1,384	1,373	
92 Other Caribbean ¹⁷	0	12,135	11,342	11,359	10,835	11,489	11,342	11,057	11,628	11,793	
93 Asia	305,554	294,496	318,028	325,691	314,714	316,484	318,028	318,818 [†]	319,311	326,724	
94 China											
94 Mainland	16,531	10,498	15,504	14,622	15,853	14,488	15,504	13,544	13,636	17,733	
95 Taiwan	17,352	17,633	18,626	21,672	23,216	23,549	18,626	22,177 [†]	23,857	19,919	
96 Hong Kong	26,462	26,494	33,047	31,700	30,117	31,347	33,047	36,777 [†]	35,710	32,965	
97 India	4,530	3,708	7,953	7,502	7,196	7,507	7,953	8,074	8,833	8,672	
98 Indonesia	8,514	12,383	14,110	13,098	12,316	12,916	14,110	12,858	12,414	11,943	
99 Israel	8,053	7,870	7,185	11,619	9,105	8,882	7,185	9,593	10,152	11,741	
100 Japan	150,415	155,314	161,331	171,821	162,043	163,981	161,331	162,110	166,400	176,338	
101 Korea (South)	7,955	9,019	8,932	6,563	6,288	6,548	8,932	7,410	7,042	6,730	
102 Philippines	2,316	1,772	1,793	2,064	1,589	1,462	1,793	1,364	1,524	1,764	
103 Thailand	3,117	4,743	7,605	5,044	7,022	8,698	7,605	6,666	5,031	5,287	
104 Middle Eastern oil-exporting countries ¹⁹	23,763	20,035	16,364	15,993	14,352	11,633	16,364	15,176	12,191	9,923	
105 Other	36,546	25,027	25,578	23,993	25,617	25,473	25,578	23,099 [†]	22,521	23,709	
106 Africa	10,824	11,365	12,240	11,115	11,905	11,989	12,240	11,177	14,368	12,975	
107 Egypt	8,221	2,778	2,652	2,545	2,545	2,493	2,652	2,494	3,608	3,549	
108 Morocco	139	274	306	329	335	254	306	259	346	280	
109 South Africa	1,010	839	1,114	747	662	701	1,114	725	2,403	1,807	
110 Congo (formerly Zaire)	4	4	2	86	0	2	2	3	5	3	
111 Oil-exporting countries ²⁰	4,052	4,377	4,370	3,670	4,635	4,983	4,370	4,126	4,552	3,987	
112 Other	2,998	3,093	3,796	3,745	3,728	3,556	3,796	3,570	3,454	3,349	
113 Other countries	11,341	6,253	11,389	10,035	9,290	11,706	11,389	9,831 [†]	11,526	9,573	
114 Australia	10,070	5,599	9,333	7,919	7,549	9,340	9,333	8,237 [†]	9,116	6,841	
115 New Zealand ²¹	0	242	1,796	1,592	1,257	2,120	1,796	1,320	1,938	2,175	
116 All other	1,271	412	260	524	484	246	484	274	472	557	
117 Nonmonetary international and regional organizations	12,543	10,830	13,469	11,712	13,069	12,221	13,469	14,624 [†]	12,085	9,377	
118 International ²²	11,270	9,331	11,283	9,140	11,296	10,247	11,283	12,859	10,217	7,955	
119 Latin American regional ²³	740	480	508	394	561	478	508	372 [†]	547	686	
120 Other regional ²⁴	533	935	1,611	2,108	1,134	1,423	1,611	1,299	1,216	633	

13. Before January 2001, data for Belgium–Luxembourg were combined.

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

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

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

17. Before January 2001, data for "Other Latin America" and "Other Caribbean" were combined in "Other Latin America and Caribbean."

18. Beginning January 2001, data for the Cayman Islands replaced data for the British West Indies.

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

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

21. Before January 2001, these data were included in "All other."

22. Principally the International Bank for Reconstruction and Development. Excludes "holdings of dollars" of the International Monetary Fund.

23. Principally the Inter-American Development Bank.

24. Asian, African, Middle Eastern, and European regional organizations, except the Bank for International Settlements, which is included in "Other Europe."

3.18 BANKS' OWN CLAIMS ON FOREIGNERS Reported by Banks in the United States¹

Payable in U.S. dollars

Millions of dollars, end of period

Area or country	2000	2001	2002	2002				2003		
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb. ⁷	Mar. ⁸
1 Total, all foreigners	904,642	1,055,069	1,080,271	1,063,550	1,151,438	1,094,649	1,080,271	1,083,390 ¹	1,138,344	1,218,505
2 Foreign countries	899,956	1,050,123	1,076,594	1,060,912	1,148,738	1,091,331	1,076,594	1,080,231 ¹	2,269,978	2,428,950
3 Europe	378,115	461,176	484,047	469,979	542,565	489,943	484,047	446,105	522,959	543,191
4 Austria	2,926	4,981	3,603	4,336	3,876	4,224	3,603	4,334	5,608	4,538
5 Belgium ²	5,399	6,391	6,044	4,814	5,590	5,784	6,044	6,273	5,139	7,971
6 Denmark	3,272	1,105	1,109	1,633	1,534	940	1,109	1,563	1,098	1,449
7 Finland	7,382	10,350	8,518	15,812	14,821	9,028	8,518	9,832	9,191	9,462
8 France	40,035	60,620	47,705	51,083	47,065	54,089	47,705	45,914	48,595	46,643
9 Germany	36,834	29,902	22,481	23,344	21,101	22,103	22,481	23,395	22,255	22,260
10 Greece	646	330	477	408	388	331	477	296	295	314
11 Italy	7,629	4,205	3,753	5,092	3,984	3,945	3,753	3,177	3,002	4,212
12 Luxembourg ²	0	1,267	3,407	2,847	2,818	3,224	3,407	3,901	4,360	3,149
13 Netherlands	17,043	15,908	23,133	17,691	13,284	15,572	23,133	19,188	16,508	21,835
14 Norway	5,012	6,236	13,885	11,036	11,848	11,464	13,885	18,606	9,809	11,091
15 Portugal	1,382	1,603	2,226	2,006	2,000	2,134	2,226	2,356	2,342	1,929
16 Russia	517	594	877	801	858	787	877	1,025	728	1,107
17 Spain	2,603	3,260	5,371	4,651	3,159	4,752	5,371	4,154	3,452	2,577
18 Sweden	9,226	12,544	15,889	13,970	15,366	15,239	15,889	15,329	15,458	16,310
19 Switzerland	82,085	87,333	126,958	103,920	184,039	134,425	126,958	87,562	101,202	106,862
20 Turkey	3,059	2,124	2,112	2,474	2,622	2,532	2,112	2,021	2,069	2,280
21 United Kingdom	144,938	201,183	173,996	194,020	195,256	182,805	173,996	167,820	237,752	237,417
22 Channel Islands and Isle of Man ³	0	4,478	17,457	5,926	7,281	11,304	17,457	24,393	27,767	34,994
23 Yugoslavia ⁴	50	0	0	0	0	0	0	0	0	0
24 Other Europe and other former U.S.S.R. ⁵	8,077	6,762	5,046	4,115	5,675	5,261	5,046	4,966	6,059	6,791
25 Canada	39,837	54,421	60,584	62,053	56,705	58,809	60,584	65,085 ¹	66,132	57,831
26 Latin America	76,561	69,762	56,642	60,377	59,261	58,257	56,642	54,482	55,412	55,839
27 Argentina	11,519	10,763	6,783	7,663	7,608	7,253	6,783	6,663	6,615	6,149
28 Brazil	20,567	19,434	15,419	17,266	16,863	15,871	15,419	14,520	15,329	15,797
29 Chile	5,815	5,317	5,250	5,118	5,142	5,358	5,250	5,077	5,220	5,228
30 Colombia	4,370	3,602	2,614	3,078	2,834	2,758	2,614	2,406	2,710	2,654
31 Ecuador	635	495	457	467	451	451	457	439	428	456
32 Guatemala	1,244	1,495	892	925	907	889	892	896	831	970
33 Mexico	17,415	16,522	15,658	15,805	15,367	15,828	15,658	15,268	14,993	14,787
34 Panama	2,933	3,061	1,915	1,959	2,021	1,961	1,915	1,730	1,856	1,882
35 Peru	2,807	2,185	1,411	1,599	1,504	1,484	1,411	1,403	1,438	1,399
36 Uruguay	673	447	255	345	319	292	255	255	300	324
37 Venezuela	3,518	3,077	3,254	3,301	3,389	3,231	3,254	3,202	3,171	3,293
38 Other Latin America ⁶	5,065	3,364	2,734	2,851	2,856	2,881	2,734	2,623	2,521	2,900
39 Caribbean	319,403	370,945	373,712	347,780	373,472	372,683	373,712	402,454 ¹	381,119	434,240
40 Bahamas	114,090	101,034	95,584	91,171	96,151	93,839	95,584	97,456	86,313	92,186
41 Bermuda	9,260	7,900	9,902	11,304	12,196	9,902	9,902	12,511	17,031	23,339
42 British West Indies ⁷	189,289	0	0	0	0	0	0	0	0	0
43 Cayman Islands ⁷	0	250,376	257,075	234,435	252,908	257,645	257,075	281,641 ¹	265,367	307,462
44 Cuba	0	0	0	0	0	0	0	0	0	0
45 Jamaica	355	418	321	463	429	393	321	304	349	381
46 Netherlands Antilles	5,801	6,729	6,690	6,194	7,427	6,744	6,690	6,445	7,657	6,750
47 Trinidad and Tobago	608	931	889	916	920	912	889	865	965	881
48 Other Caribbean ⁸	0	3,557	3,251	3,297	3,441	3,248	3,251	3,232	3,436	3,240
49 Asia	77,829	85,882	93,455	112,441	109,359	104,181	93,455	103,096	101,450	114,172
50 China	1,606	2,073	1,057	7,256	8,515	6,575	1,057	4,799	1,884	9,418
51 Mainland	2,247	4,407	3,772	8,656	8,399	7,034	3,772	6,563	5,695	8,259
52 Taiwan	6,669	9,995	7,258	8,481	5,778	6,849	7,258	6,490	5,652	4,987
53 Hong Kong	2,178	1,348	1,235	1,258	990	921	1,235	1,128	1,170	960
54 India	1,914	1,752	1,238	1,426	1,390	1,360	1,238	1,223	1,059	1,023
55 Indonesia	2,729	4,396	4,660	5,067	4,710	3,836	4,660	5,182	3,328	3,110
56 Israel	34,974	34,125	47,600	45,058	42,252	47,071	47,600	48,818	56,265	58,391
57 Japan	7,776	10,622	11,118	17,404	19,439	14,293	11,118	14,473	13,936	13,032
58 Korea (South)	1,784	2,587	2,137	1,841	1,843	1,555	2,137	2,424	1,533	2,040
59 Philippines	1,381	2,499	1,167	1,841	1,205	756	1,167	830	696	1,382
60 Thailand	9,346	7,882	7,952	8,619	9,253	8,251	7,952	8,004	6,405	7,110
61 Middle Eastern oil-exporting countries ⁸	5,225	4,196	4,261	5,241	5,376	5,680	4,261	3,162	3,827	4,460
62 Africa	2,094	2,095	1,977	1,891	1,790	1,693	1,977	1,945	1,992	2,051
63 Egypt	201	416	487	332	326	428	487	511	544	558
64 Morocco	204	106	53	58	50	52	53	53	45	49
65 South Africa	309	710	617	576	554	435	617	545	577	565
66 Congo (formerly Zaire)	0	0	0	0	0	0	0	0	0	0
67 Oil-exporting countries ⁹	471	167	222	303	233	225	222	240	224	257
68 Other	909	696	598	622	627	553	598	596	602	622
69 Other countries	6,117	5,842	6,177	6,391	5,586	5,765	6,177	7,064	5,925	7,151
70 Australia	5,868	5,455	5,566	5,589	5,088	5,303	5,566	6,212	5,403	6,350
71 New Zealand ¹⁰	0	349	569	789	485	439	569	833	507	705
72 All other	249	38	42	13	13	23	42	19	15	96
73 Nonmonetary international and regional organizations ¹¹	4,686	4,946	3,677	2,638	2,700	3,318	3,677	3,159	3,355	4,030

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

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

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

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

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

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

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

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

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

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

11. Excludes the Bank for International Settlements, which is included in "Other Europe."

3.19 BANKS' OWN AND DOMESTIC CUSTOMERS' CLAIMS ON FOREIGNERS Reported by Banks in the United States¹

Payable in U.S. dollars

Millions of dollars, end of period

Type of claim	2000	2001	2002	2002				2003		
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb. ⁷	Mar. ⁹
1 Total claims reported by banks	1,095,869	1,254,863	1,290,232	1,253,664		...	1,290,232	..	..	...
2 Banks' own claims on foreigners	904,642	1,055,069	1,080,271	1,063,550	1,151,438	1,094,649	1,080,271	1,083,390 ⁷	1,138,344	1,218,505
3 Foreign official institutions ²	37,907	49,404	48,750	61,299	63,404	56,300	48,750	62,004 ⁷	39,747	51,034
4 Foreign banks ³	725,380	849,491	868,631	827,225	917,047	874,469	868,631	854,787 ⁷	833,152	870,599
5 Other foreigners ⁴	141,355	156,174	162,890	175,026	170,987	163,880	162,890	166,599	265,445	296,872
6 Claims on banks' domestic customers ⁵	191,227	199,794	209,961	190,114			209,961			
7 Non-negotiable deposits	100,352	93,565	79,512	86,862			79,512			
8 Negotiable CDs										
9 Other short-term negotiable instruments ⁶	78,147	90,412	124,159	90,919			124,159			
10 Other claims	12,728	15,817	6,290	12,333			6,290			
MEMO										
11 Non-negotiable deposits ⁷									353,593	371,168
12 Negotiable CDs ⁷									2,221	2,621
13 Other short-term negotiable instruments ⁷									17,775	21,296
14 Other claims ⁷	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	764,755	823,420
15 Own foreign offices ⁸	630,137	749,124	787,198	732,318	822,172	775,527	787,198	768,492 ⁹	806,238	847,385
16 Loans collateralized by repurchase agreements ⁹		137,979	161,585	166,568	166,176	156,299	161,585	185,804	245,798	287,043

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

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

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

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

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

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

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

7. Data available beginning February 2003.

8. For U.S. banks, includes amounts due from own foreign branches and foreign subsidiaries consolidated in quarterly Consolidated Reports of Condition filed with bank regulatory agencies. For agencies, branches, and minority-owned subsidiaries of foreign banks, consists principally of amounts due from the head office or parent foreign bank, and from foreign branches, agencies, or wholly owned subsidiaries of the head office or parent foreign bank. Effective February 2003, includes amounts due from affiliated foreign offices of U.S. brokers and dealers.

9. Data available beginning January 2001.

3.20 BANKS' OWN CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Banks in the United States¹

Payable in U.S. dollars

Millions of dollars, end of period

Maturity, by borrower and area ²	1999	2000	2001	2002			
				Mar.	June	Sept.	Dec. ³
1 Total	267,082	274,009	305,326	308,286	317,207	330,807	293,096
<i>By borrower</i>							
2 Maturity of one year or less	187,894	186,103	200,240	214,373	236,219	250,076	212,972
3 Foreign public borrowers	22,811	21,399	27,501	31,875	33,061	42,665	31,569
4 All other foreigners	165,083	164,704	172,739	182,498	203,158	207,411	181,403
5 Maturity of more than one year	79,188	87,906	105,086	93,913	80,988	80,731	80,124
6 Foreign public borrowers	12,013	15,838	21,324	22,945	17,576	18,192	16,948
7 All other foreigners	67,175	72,068	83,762	70,968	63,412	62,539	63,176
<i>By area</i>							
Maturity of one year or less							
8 Europe	80,842	142,464	83,233	85,848	88,641	92,111	83,172
9 Canada	7,859	8,323	10,072	8,227	8,928	7,731	6,933
10 Latin America and Caribbean	69,498	151,840	70,648	82,258	98,152	96,796	87,143
11 Asia	21,802	43,371	29,693	30,543	34,710	48,210	30,323
12 Africa	1,122	2,263	1,104	1,124	918	896	726
13 All other ³	6,771	11,717	5,490	6,373	4,870	4,332	4,675
Maturity of more than one year							
14 Europe	22,951	57,770	34,230	37,372	33,159	33,587	33,543
15 Canada	3,192	3,174	3,633	3,129	2,619	2,772	2,990
16 Latin America and Caribbean	39,051	82,684	47,382	35,537	32,142	31,376	32,172
17 Asia	11,257	19,536	15,190	13,563	8,688	9,128	6,920
18 Africa	1,065	1,567	769	720	907	812	845
19 All other ³	1,672	5,954	3,882	3,592	3,473	3,056	3,654

Note. Owing to changes in reporting requirements, this table will be discontinued in the third quarter of 2003 after publication of the end-December 2003 data.

1. Reporting banks include all types of depository institutions as well as some brokers and dealers.

2. Maturity is time remaining until maturity.

3. Includes nonmonetary international and regional organizations.

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

Millions of dollars, end of period

Type of liability, and area or country	1999	2000	2001	2001		2002			
				Sept.	Dec.	Mar.	June	Sept.	Dec ^P
1 Total	53,020	73,904	66,679	53,476	66,679	74,867	70,638	68,644	67,304
2 Payable in dollars	37,605	48,931	42,925	35,306	42,925	47,062	48,103	44,815	44,557
3 Payable in foreign currencies	15,415	24,973	23,754	18,170	23,754	27,805	22,535	23,829	22,747
<i>By type</i>									
4 Financial liabilities	27,980	47,419	41,034	27,502	41,034	46,408	42,826	41,311	39,561
5 Payable in dollars	13,883	25,246	18,763	11,415	18,763	20,367	21,892	18,775	18,674
6 Payable in foreign currencies	14,097	22,173	22,271	16,087	22,271	26,041	20,934	22,536	20,887
7 Commercial liabilities	25,040	26,485	25,645	25,974	25,645	28,459	27,812	27,333	27,743
8 Trade payables	12,834	14,293	11,781	11,690	11,781	14,872	13,959	13,558	14,339
9 Advance receipts and other liabilities	12,206	12,192	13,864	14,284	13,864	13,587	13,853	13,775	13,404
10 Payable in dollars	23,722	23,685	24,162	23,891	24,162	26,695	26,211	26,040	25,883
11 Payable in foreign currencies	1,318	2,800	1,483	2,083	1,483	1,764	1,601	1,293	1,860
<i>By area or country</i>									
Financial liabilities									
12 Europe	23,241	34,172	31,806	22,083	31,806	39,392	35,011	34,817	34,363
13 Belgium and Luxembourg	31	147	154	76	154	119	120	232	144
14 France	1,659	1,480	2,841	1,538	2,841	3,531	4,071	3,517	5,243
15 Germany	1,974	2,168	2,344	1,994	2,344	2,982	2,622	2,865	2,923
16 Netherlands	1,996	2,016	1,954	1,998	1,954	1,951	1,939	1,918	1,829
17 Switzerland	147	104	94	92	94	84	61	61	61
18 United Kingdom	16,521	26,362	22,852	14,819	22,852	28,630	24,188	24,175	22,422
19 Canada	284	411	955	436	955	1,067	1,078	583	591
20 Latin America and Caribbean	892	4,125	2,858	414	2,858	1,547	1,832	1,088	1,504
21 Bahamas	1	6	157	5	157	5	5	0	23
22 Bermuda	5	1,739	960	47	960	836	626	588	990
23 Brazil	126	148	35	22	35	35	38	65	65
24 British West Indies	492	406	1,627	243	1,627	612	1,000	377	365
25 Mexico	25	26	36	24	36	27	25	26	31
26 Venezuela	0	2	2	3	2	1	5	1	1
27 Asia	3,437	7,965	5,042	3,869	5,042	4,010	4,491	4,442	2,916
28 Japan	3,142	6,216	3,269	3,442	3,269	3,299	2,387	2,447	1,832
29 Middle Eastern oil-exporting countries ¹	4	12	10	9	10	15	14	16	14
30 Africa	28	52	53	28	53	122	120	128	131
31 Oil-exporting countries ²	0	0	5	5	5	91	91	91	91
32 All other ³	98	694	320	672	320	270	294	253	56
Commercial liabilities									
33 Europe	9,262	9,629	9,219	8,836	9,219	8,384	8,468	8,745	8,295
34 Belgium and Luxembourg	140	293	99	160	99	105	94	134	141
35 France	672	979	734	891	734	713	827	718	777
36 Germany	1,131	1,047	905	955	905	584	570	855	807
37 Netherlands	507	300	1,163	343	1,163	463	765	1,186	590
38 Switzerland	626	502	790	683	790	637	749	592	433
39 United Kingdom	3,071	2,847	2,279	2,296	2,279	2,747	2,551	2,317	2,649
40 Canada	1,775	1,933	1,622	1,557	1,622	1,798	2,027	1,570	1,384
41 Latin America and Caribbean	2,310	2,381	2,727	2,878	2,727	3,454	2,744	2,850	3,013
42 Bahamas	22	31	52	44	52	23	12	14	51
43 Bermuda	152	281	591	570	591	433	422	468	538
44 Brazil	145	114	290	312	290	277	320	290	253
45 British West Indies	48	76	45	28	45	67	46	47	36
46 Mexico	887	841	899	883	899	1,457	958	997	1,110
47 Venezuela	305	284	166	242	166	281	204	327	177
48 Asia	9,886	10,983	10,517	11,096	10,517	12,969	12,693	12,274	13,126
49 Japan	2,609	2,757	2,581	2,408	2,581	4,281	4,143	4,031	4,292
50 Middle Eastern oil-exporting countries ¹	2,493	2,796	2,598	3,002	2,598	3,093	3,209	3,624	3,592
51 Africa	950	948	836	938	836	976	916	876	905
52 Oil-exporting countries ²	499	483	436	471	436	454	349	445	405
53 Other ³	881	611	724	669	724	878	964	1,018	1,020

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

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

3. Includes nonmonetary international and regional organizations.

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

Millions of dollars, end of period

Type of claim, and area or country	1999	2000	2001	2001		2002			
				Sept.	Dec.	Mar.	June	Sept.	Dec. ^P
1 Total	76,642	90,157	113,082	93,988	113,082	115,764	116,148	112,099	102,385
2 Payable in dollars	69,170	79,558	103,864	83,204	103,864	106,192	107,106	103,877	91,173
3 Payable in foreign currencies	7,472	10,599	9,218	10,784	9,218	9,572	9,042	8,222	11,212
<i>By type</i>									
4 Financial claims	40,231	53,031	81,287	60,015	81,287	85,381	87,324	84,033	71,140
5 Deposits	18,566	23,374	29,801	22,391	29,801	41,813	42,136	38,074	27,076
6 Payable in dollars	16,373	21,015	27,850	19,888	27,850	40,002	40,323	36,382	24,689
7 Payable in foreign currencies	2,193	2,359	1,951	2,503	1,951	1,811	1,813	1,692	2,387
8 Other financial claims	21,665	29,657	51,486	37,624	51,486	43,568	45,188	45,959	44,064
9 Payable in dollars	18,593	25,142	46,621	32,076	46,621	39,553	41,875	42,734	39,935
10 Payable in foreign currencies	3,072	4,515	4,865	5,548	4,865	4,015	3,313	3,225	4,129
11 Commercial claims	36,411	37,126	31,795	33,973	31,795	30,383	28,824	28,066	31,245
12 Trade receivables	32,602	33,104	27,513	29,240	27,513	25,618	24,263	23,491	26,453
13 Advance payments and other claims	3,809	4,022	4,282	4,733	4,282	4,765	4,561	4,575	4,792
14 Payable in dollars	34,204	33,401	29,393	31,240	29,393	26,637	24,908	24,761	26,549
15 Payable in foreign currencies	2,207	3,725	2,402	2,733	2,402	3,746	3,916	3,305	4,696
<i>By area or country</i>									
<i>Financial claims</i>									
16 Europe	13,023	23,136	26,118	23,069	26,118	35,933	36,863	32,007	28,822
17 Belgium and Luxembourg	529	296	625	372	625	751	797	656	722
18 France	967	1,206	1,450	1,682	1,450	3,489	3,921	3,854	3,247
19 Germany	504	848	1,068	1,112	1,068	4,114	3,972	4,292	4,244
20 Netherlands	1,229	1,396	2,138	954	2,138	3,253	3,995	4,024	3,648
21 Switzerland	643	699	589	665	589	308	1,010	1,135	383
22 United Kingdom	7,561	15,900	16,510	15,670	16,510	17,910	16,037	11,351	10,503
23 Canada	2,553	4,576	6,193	4,254	6,193	5,471	5,537	5,485	5,013
24 Latin America and Caribbean	18,206	19,317	41,201	26,099	41,201	35,001	37,511	38,822	29,401
25 Bahamas	1,593	1,353	976	649	976	1,197	1,332	715	976
26 Bermuda	11	19	918	80	918	611	704	1,157	724
27 Brazil	1,476	1,827	2,127	2,065	2,127	1,892	2,036	2,226	2,310
28 British West Indies	12,099	12,596	32,965	19,234	32,965	27,350	29,591	30,859	21,366
29 Mexico	1,798	2,448	3,075	2,910	3,075	2,777	2,823	2,871	2,917
30 Venezuela	48	87	83	80	83	79	60	71	99
31 Asia	5,457	4,697	6,430	5,274	6,430	6,489	5,826	6,121	5,483
32 Japan	3,262	1,631	1,604	1,761	1,604	2,009	1,093	1,421	1,212
33 Middle Eastern oil-exporting countries ¹	23	80	135	100	135	74	73	83	79
34 Africa	286	411	414	428	414	390	431	379	394
35 Oil-exporting countries ²	15	57	49	83	49	51	64	29	25
36 All other ³	706	894	931	891	931	2,097	1,156	1,219	2,027
<i>Commercial claims</i>									
37 Europe	16,389	15,938	14,022	14,364	14,022	12,708	11,861	12,000	14,225
38 Belgium and Luxembourg	316	452	268	353	268	272	207	254	249
39 France	2,236	3,095	2,921	3,061	2,921	2,883	2,828	2,972	3,165
40 Germany	1,960	1,982	1,658	1,973	1,658	1,198	1,163	1,158	1,207
41 Netherlands	1,429	1,729	529	843	529	415	379	409	1,490
42 Switzerland	610	763	611	514	611	436	472	404	506
43 United Kingdom	5,827	4,502	3,833	3,564	3,833	3,579	3,387	3,236	3,750
44 Canada	2,757	3,502	2,818	3,076	2,818	2,760	2,752	2,623	2,794
45 Latin America and Caribbean	5,959	5,851	4,859	5,567	4,859	4,912	4,530	4,324	4,357
46 Bahamas	20	37	42	35	42	42	28	35	31
47 Bermuda	390	376	369	526	369	422	214	270	287
48 Brazil	905	957	954	1,176	954	837	829	862	752
49 British West Indies	181	137	95	124	95	73	26	12	19
50 Mexico	1,678	1,507	1,391	1,427	1,391	1,225	1,283	1,184	1,261
51 Venezuela	439	328	288	301	288	312	316	340	291
52 Asia	9,165	9,630	7,849	8,697	7,849	7,513	7,309	6,778	7,339
53 Japan	2,074	2,796	2,006	2,437	2,006	1,975	2,064	2,083	2,352
54 Middle Eastern oil-exporting countries ¹	1,573	1,016	833	892	833	653	885	808	803
55 Africa	631	672	645	838	645	630	605	637	584
56 Oil-exporting countries ²	171	180	88	170	88	109	94	107	95
57 Other ³	1,537	1,533	1,602	1,431	1,602	1,860	1,767	1,704	1,946

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

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

3. Includes nonmonetary international and regional organizations.

3.24 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transaction, and area or country	2001	2002	2003	2002				2003		
			Jan.-Mar.	Sept.	Oct. ^f	Nov. ^f	Dec. ^f	Jan. ^f	Feb. ^f	Mar. ^P
U.S. corporate securities										
STOCKS										
1 Foreign purchases	3,051,332	3,202,907	654,735	206,729	297,181	264,359	216,659	216,695	201,372	236,668
2 Foreign sales	2,934,942	3,153,465	656,766	213,195	293,565	257,879	214,243	219,477	203,461	233,828
3 Net purchases, or sales (-)	116,390	49,442	-2,031	-6,466^r	3,616	6,480	2,416	-2,782	-2,089	2,840
4 Foreign countries	116,187	49,495	-1,990	-6,451^r	3,610	6,473	2,400	-2,759	-2,091	2,860
5 Europe	88,099	33,006	1,071	-5,154 ^r	2,187	4,407	4,883	-2,187	1,898	1,360
6 France	5,914	2,127	2,292	-936 ^r	982	-323	676	206	270	1,816
7 Germany	8,415	-127 ^r	-911	-1,175 ^r	276	31	518	-64	-67	-780
8 Netherlands	10,919	4,535	942	4	760	629	792	366	-75	651
9 Switzerland	3,456	2,656	-1,736	-949 ^r	-176	1,581	909	-724	-990	-22
10 United Kingdom	38,493	15,173	-1,081	-1,232 ^r	1,403	2,062	784	-2,761	1,938	-258
11 Channel Islands and Isle of Man ¹	-698 ^r	-255 ^r	-61	-21 ^r	94	23	-22	-2	-17	-42
12 Canada	10,984	7,433	2,262	-772 ^r	342	47	746	1,480	-1,594	2,376
13 Latin America and Caribbean	-5,154 ^r	-15,436 ^r	-6,888	-2,903 ^r	-2,874	2,692	-2,348	-3,089	-2,261	-1,538
14 Middle East ²	1,789	-1,293 ^r	-144	46	-90	-232	71	-72	-21	-51
15 Other Asia	20,726	22,682	4,539	2,012	3,985	-775	-894	1,288	2,773	478
16 Japan	6,788	12,337	1,509	238	-7	-961	-1,131	561	1,008	-60
17 Africa	-366 ^r	-72 ^r	0	36	-22	-16	-20	38	-9	-29
18 Other countries	109	3,175	-2,830	284	82	350	-38	-217	-2,877	264
19 Nonmonetary international and regional organizations	203	-53^r	-41	-15^r	6	7	16	-23	2	-20
BONDS ³										
20 Foreign purchases	1,942,690	2,549,825	743,554	208,602	217,402	259,305	207,380	228,445	207,458	307,651
21 Foreign sales	1,556,745	2,172,047	628,612	183,671	185,366	218,351	178,510	180,749	184,557	263,306
22 Net purchases, or sales (-)	385,945	377,778	114,942	24,931	32,036	40,954	28,870	47,696	22,901	44,345
23 Foreign countries	385,379	377,515	115,320	25,022	31,632	40,914	28,684	47,840	23,066	44,414
24 Europe	195,412	167,572	65,006	11,758	16,532	17,116	10,526	27,942	16,318	20,746
25 France	5,028	3,771	1,297	252	1,089	383	-434	1,092	63	142
26 Germany	12,362	5,149	1,364	-390	-71	558	1,249	545	999	-180
27 Netherlands	1,538	-406 ^r	727	-35 ^r	149	-61	-19	118	611	-2
28 Switzerland	5,721	8,521	3,047	355	743	304	1,154	859	1,034	
29 United Kingdom	152,772	109,836	37,558	7,374	9,852	8,812	6,768	15,960	6,826	14,772
30 Channel Islands and Isle of Man ¹	2,000	11,173	11,091	1,342	2,239	4,917	959	5,420	1,533	4,138
31 Canada	4,595	-1,037 ^r	470	-383 ^r	540	-757	-2,180	-892	193	1,169
32 Latin America and Caribbean	77,019	82,837	10,402	3,464	4,339	5,471	7,379	6,564	-6,379	10,217
33 Middle East ²	2,337	2,315	670	40	196	387	-120	591	42	37
34 Other Asia	106,400	121,470	37,398	9,602	10,126	18,374	12,944	13,593	12,767	11,038
35 Japan	33,687	48,482	10,047	6,135	5,505	10,456	4,863	4,025	4,566	1,456
36 Africa	760	860	912	171	-18	56	28	53	80	779
37 Other countries	-1,144 ^r	3,498	462	370	-83	267	107	-11	45	428
38 Nonmonetary international and regional organizations	566	263	-378	-91^r	404	40	186	-144	-165	-69
Foreign securities										
39 Stocks, net purchases, or sales (-)	-50,113 ^r	-1,629 ^r	-16,732	765	-6,156	-981	-2,751	-6,893	-4,474	-5,365
40 Foreign purchases	1,397,664	1,260,278	269,407	87,083	100,763	101,821	81,804	94,622	83,683	91,102
41 Foreign sales	1,447,777	1,261,907	286,139	86,318	106,919	102,802	84,555	101,515	88,157	96,467
42 Bonds, net purchases, or sales (-)	30,502	28,406	9,893	1,064	6,920	2,269	-5,157	-1,915	4,493	7,315
43 Foreign purchases	1,160,102	1,377,020	430,243	126,078	123,139	137,931	117,917	140,513	122,893	166,837
44 Foreign sales	1,129,600	1,348,614	420,350	125,014	116,219	135,662	123,074	142,428	118,400	159,522
45 Net purchases, or sales (-), of stocks and bonds	-19,611^r	26,777	-6,839	1,829	764	1,288	-7,908	-8,808	19	1,950
46 Foreign countries	-19,024^r	26,814	-6,937	1,851	711	1,300	-7,922	-8,829	-77	1,969
47 Europe	-12,108 ^r	15,407	-414	1,393	674	6,105	-9,095	-5,090	-1,592	6,268
48 Canada	2,943	4,849	4,191	-583 ^r	-1,281	-167	712	3,890	603	-302
49 Latin America and Caribbean	4,315	4,562	-10,405	-521 ^r	-32	518	1,045	-7,886	862	-3,381
50 Asia	-11,869 ^r	1,591	-1,038	1,018	1,694	-5,256	-987	-261	194	-971
51 Japan	-20,116 ^r	-9,119 ^r	-1,123	-862 ^r	13	-6,617	-2,039	-1,233	-1,447	1,557
52 Africa	-558 ^r	-379 ^r	-62	-39 ^r	104	100	40	-55	-34	27
53 Other countries	-1,747 ^r	784	791	583	-448	0	363	573	-110	328
54 Nonmonetary international and regional organizations	-587^r	-37^r	98	-22^r	53	-12	14	21	96	-19

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

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

3. Includes state and local government securities and securities of U.S. government agencies and corporations. Also includes issues of new debt securities sold abroad by U.S. corporations organized to finance direct investments abroad.

3.25 MARKETABLE U.S. TREASURY BONDS AND NOTES Foreign Transactions¹

Millions of dollars; net purchases, or sales (-) during period

Area or country	2001	2002	2003		2002				2003		
			Jan. - Mar ^f	Sept.	Oct. ^f	Nov. ^f	Dec. ^f	Jan. ^f	Feb. ^f	Mar. ^f	
1 Total estimated	18,514	121,698	22,598	21,946	6,742	21,097	14,290	1,751	-4,703	25,550	
2 Foreign countries	19,200	119,687	22,510	21,934	5,994	21,177	13,961	1,368	-4,459	25,601	
3 Europe	-20,604 ^f	44,169	-6,821	5,666	838	8,847	3,186	890	-7,520	-191	
4 Belgium ²	-598 ^f	2,046	-730	-138 ^f	-210	513	-193	3,371	-1,379	-2,722	
5 Germany	-1,668 ^f	-3,910	-1,710	-386 ^f	-469	1,658	1,610	-1,183	-257	-270	
6 Luxembourg ²	462	-1,609 ^f	516	-265 ^f	61	-139	-201	75	358	83	
7 Netherlands	-6,728 ^f	-17,020	-1,766	957	-2,856	1,427	3,261	-4,085	1,360	959	
8 Sweden	-1,190	2,923	1,134	235	-203	1,652	902	422	190	522	
9 Switzerland	1,412	-508 ^f	-69	1,150	-1,727	2,389	-2,543	-86	-1,050	1,067	
10 United Kingdom	-7,279 ^f	60,995	1,657	6,665	5,071	-45	-2,739	1,313	-2,912	3,256	
11 Channel Islands and Isle of Man ³	-179 ^f	714	35	-43 ^f	-116	-299	-84	-11	9	37	
12 Other Europe and former U.S.S.R.	-4,836 ^f	538	-5,888	-2,509 ^f	1,287	1,691	3,173	1,074	-3,839	-3,123	
13 Canada	-1,634 ^f	-5,198 ^f	-787	-339 ^f	-2,449	3,165	1,028	-698	-1,871	1,782	
14 Latin America and Caribbean	4,272	21,116	12,672	7,753	7,219	-1,758	6,074	-1,891	3,384	11,179	
15 Venezuela	290	-59 ^f	140	-79 ^f	5	-1	-73	20	97	23	
16 Other Latin America and Caribbean	14,726	21,955	13,549	5,516	4,485	319	1,652	2,676	2,323	8,550	
17 Netherlands Antilles	-10,744 ^f	-780	-1,017	2,316	2,729	-2,076	4,495	-4,587	964	2,606	
18 Asia	36,332	55,850	17,163	8,971	-54	10,607	3,626	2,630	2,287	12,246	
19 Japan	16,114	30,730	7,871	12,569	-1,313	2,120	2,731	3,512	5,580	-1,221	
20 Africa	-880	841	25	-93 ^f	12	-17	90	84	-43	-16	
21 Other	1,714	2,909	258	-24 ^f	428	333	-43	353	-696	601	
22 Nonmonetary international and regional organizations	-686 ^f	2,011	88	12	748	-80	329	383	-244	-51	
23 International	-290	1,642	-69	-45 ^f	329	314	164	170	-130	-109	
24 Latin American Caribbean regional	41	-3 ^f	-81	29	4	-19	0	-15	-38	-28	
MEMO											
25 Foreign countries	19,200	119,687	22,510	21,934	5,994	21,177	13,961	1,368	-4,459	25,601	
26 Official institutions	3,474	15,131	2,268	-3,511 ^f	-553	16,577	6,708	-755	2,541	482	
27 Other foreign	15,726	104,556	20,242	25,445	6,547	4,600	7,253	2,123	-7,000	25,119	
<i>Oil-exporting countries</i>											
28 Middle East ⁴	865	-3,918 ^f	-3,615	-412 ^f	913	-139	-3,815	509	-4,252	128	
29 Africa ⁵	-2 ^f	29	0	-1 ^f	0	1	55	0	0	0	

1. Official and private transactions in marketable U.S. Treasury securities having an original maturity of more than one year. Data are based on monthly transactions reports. Excludes nonmarketable U.S. Treasury bonds and notes held by official institutions of foreign countries.

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

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

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

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

3.28 FOREIGN EXCHANGE RATES AND INDEXES OF THE FOREIGN EXCHANGE VALUE OF THE U.S. DOLLAR¹

Currency units per U.S. dollar except as noted

Item	2000	2001	2002	2002	2003				
				Dec.	Jan.	Feb.	Mar.	Apr.	May
Exchange rates									
COUNTRY/CURRENCY UNIT									
1 Australia/dollar ²	58.15	51.69	54.37	56.24	58.29	59.56	60.15	61.00	64.68
2 Brazil/real	1.8301	2.3527	2.9213	3.6268	3.4375	3.5955	3.4567	3.1090	2.9517
3 Canada/dollar	1.4855	1.5487	1.5704	1.5592	1.5414	1.5121	1.4761	1.4582	1.3840
4 China, P.R./yuan	8.2784	8.2770	8.2770	8.2777	8.2775	8.2780	8.2772	8.2772	8.2769
5 Denmark/krone	8.0953	8.3323	7.8862	7.2874	6.9980	6.8920	6.8807	6.8381	6.4268
6 European Monetary Union/euro ³	0.9232	0.8952	0.9454	1.0194	1.0622	1.0785	1.0797	1.0862	1.1556
7 Greece/drachma	365.92	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
8 Hong Kong/dollar	7.7924	7.7997	7.7997	7.7988	7.7994	7.7995	7.7991	7.7996	7.7991
9 India/rupee	45.00	47.22	48.63	48.15	47.96	47.75	47.68	47.39	47.11
10 Japan/yen	107.80	121.57	125.22	121.89	118.81	119.34	118.69	119.90	117.37
11 Malaysia/ringgit	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000
12 Mexico/peso	9.459	9.337	9.663	10.225	10.622	10.945	10.905	10.589	10.253
13 New Zealand/dollar ²	45.68	42.02	46.45	51.08	53.98	55.39	55.37	55.18	57.56
14 Norway/krone	8.8131	8.9964	7.9839	7.1557	6.9138	7.0004	7.2760	7.2032	6.8145
15 Singapore/dollar	1.7250	1.7930	1.7908	1.7532	1.7363	1.7451	1.7551	1.7771	1.7357
16 South Africa/rand	6.9468	8.6093	10.5176	8.9479	8.6949	8.2858	8.0506	7.6634	7.6604
17 South Korea/won	1,130.90	1,292.01	1,250.31	1,206.61	1,176.45	1,190.37	1,237.20	1,231.10	1,201.23
18 Sri Lanka/rupee	76.964	89.602	95.773	96.705	96.813	96.880	96.943	97.004	97.231
19 Sweden/krona	9.1735	10.3425	9.7233	8.9303	8.6368	8.4837	8.5440	8.4314	7.9213
20 Switzerland/franc	1.6904	1.6891	1.5567	1.4388	1.3765	1.3602	1.3614	1.3783	1.3111
21 Taiwan/dollar	31.260	33.824	34.536	34.799	34.571	34.734	34.721	34.824	34.697
21 Thailand/baht	40.210	44.532	43.019	43.318	42.773	42.897	42.783	42.929	42.217
23 United Kingdom/pound ²	151.56	143.96	150.25	158.63	161.75	160.79	158.25	157.39	162.24
24 Venezuela/bolivar	680.52	724.10	1,161.19	1,328.29	1,714.45	1,736.21	1,600.00	1,600.00	1,600.00
Indexes ⁴									
NOMINAL									
25 Broad (January 1997=100) ⁵	119.68	126.08	127.19	125.70	124.21	124.12	123.56	122.54	118.54
26 Major currencies (March 1973=100) ⁶	98.31	104.28	102.85	98.62	96.03	95.02	94.28	93.98	89.67
27 Other important trading partners (January 1997=100) ⁷	130.34	136.36	141.42	144.87	145.72	147.35	147.26	145.15	142.75
REAL									
28 Broad (March 1973=100) ⁵	104.47 ^r	110.50 ^r	110.88 ^r	108.90 ^r	107.69 ^r	107.91 ^r	107.71 ^r	106.61 ^r	103.00
29 Major currencies (March 1973=100) ⁶	103.29 ^r	110.73 ^r	109.36 ^r	104.60 ^r	102.13 ^r	101.47 ^r	100.83 ^r	100.34 ^r	95.49
30 Other important trading partners (March 1973=100) ⁷	114.81	119.48	122.30 ^r	123.90 ^r	124.44	125.97 ^r	126.42 ^r	124.32 ^r	122.32

1. Averages of certified noon buying rates in New York for cable transfers. Data in this table also appear in the Board's G.5 (405) monthly statistical release. For ordering address, see inside front cover.

2. U.S. cents per currency unit.

3. The euro is reported in place of the individual euro area currencies. By convention, the rate is reported in U.S. dollars per euro. The bilateral currency rates can be derived from the euro rate by using the fixed conversion rates (in currencies per euro) as shown below:

Euro equals			
13.7603	Austrian schillings	1,936.27	Italian lire
40.3399	Belgian francs	40.3399	Luxembourg francs
5.94573	Finnish markkas	2.20371	Netherlands guilders
6.55957	French francs	200.482	Portuguese escudos
1.95583	German marks	166.386	Spanish pesetas
.787564	Irish pounds	340.750	Greek drachmas

4. Starting with the March 2003 *Bulletin*, revised index values resulting from the periodic revision of data that underlie the calculated trade weights are reported. For more information on the indexes of the foreign exchange value of the dollar, see *Federal Reserve Bulletin*, vol. 84 (October 1998), pp. 811-818.

5. Weighted average of the foreign exchange value of the U.S. dollar against the currencies of a broad group of U.S. trading partners. The weight for each currency is computed as an average of U.S. bilateral import shares from and export shares to the issuing country and of a measure of the importance to U.S. exporters of that country's trade in third country markets.

6. Weighted average of the foreign exchange value of the U.S. dollar against a subset of broad index currencies that circulate widely outside the country of issue. The weight for each currency is its broad index weight scaled so that the weights of the subset of currencies in the index sum to one.

7. Weighted average of the foreign exchange value of the U.S. dollar against a subset of broad index currencies that do not circulate widely outside the country of issue. The weight for each currency is its broad index weight scaled so that the weights of the subset of currencies in the index sum to one.

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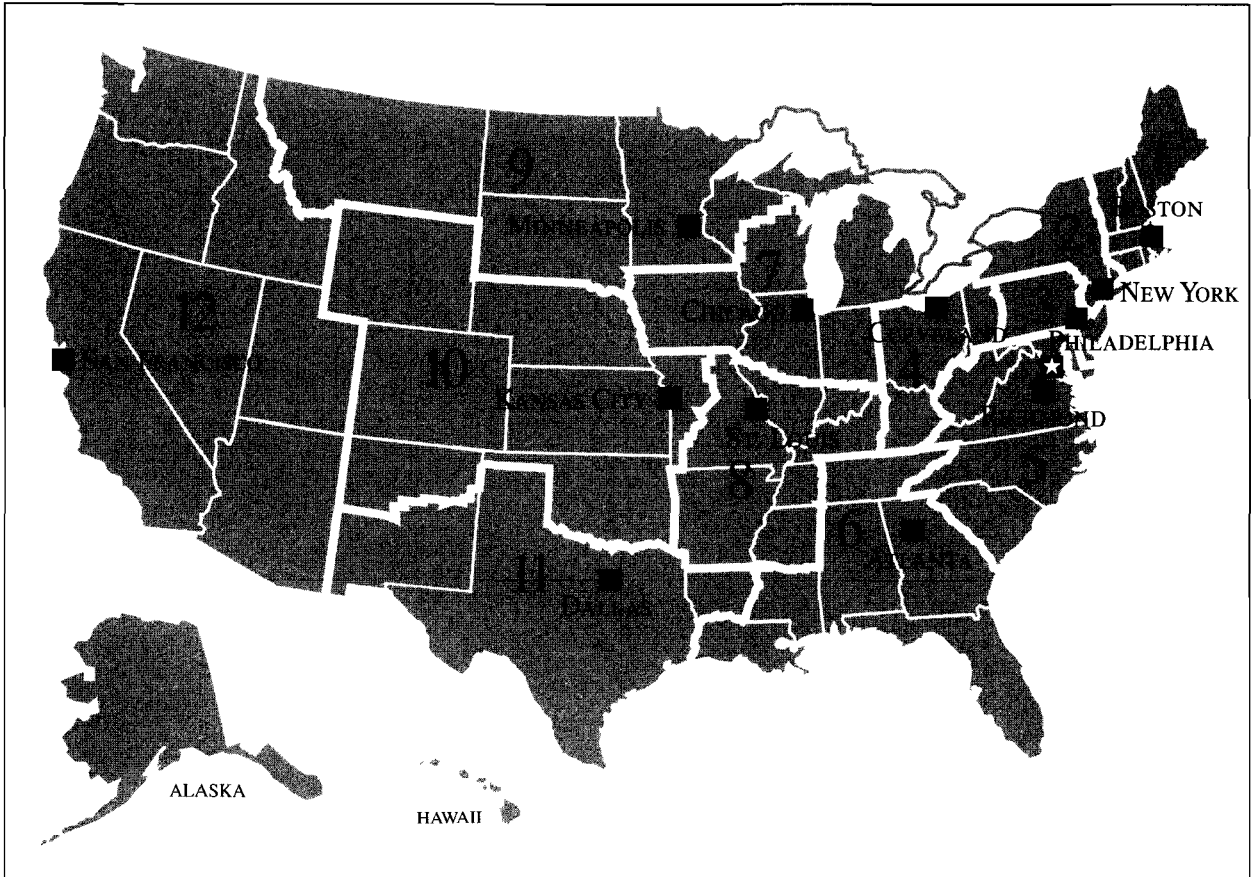
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Studies and papers on economic and financial subjects that are of general interest. Staff Studies 1–158, 161, 163, 165, 166, 168, and 169 are out of print, but photocopies of them are available. Staff Studies 165–174 are available on line at www.federalreserve.gov/pubs/staffstudies.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

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Maps of the Federal Reserve System



LEGEND

Both pages

- Federal Reserve Bank city
- ✦ Board of Governors of the Federal Reserve System, Washington, D.C.

Facing page

- Federal Reserve Branch city
- Branch boundary

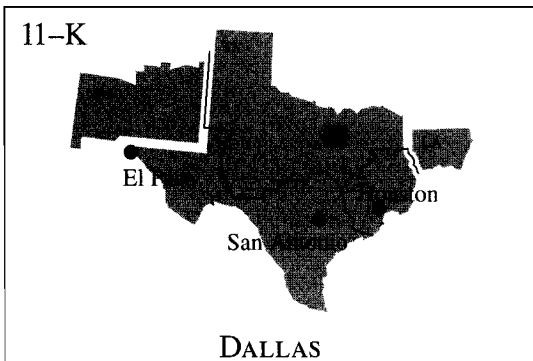
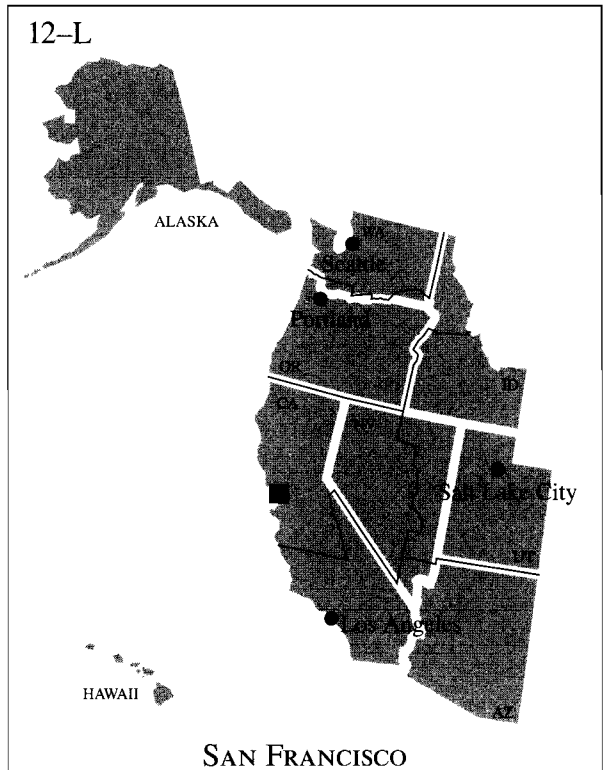
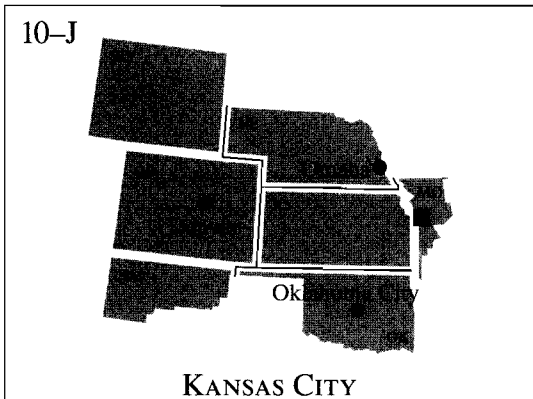
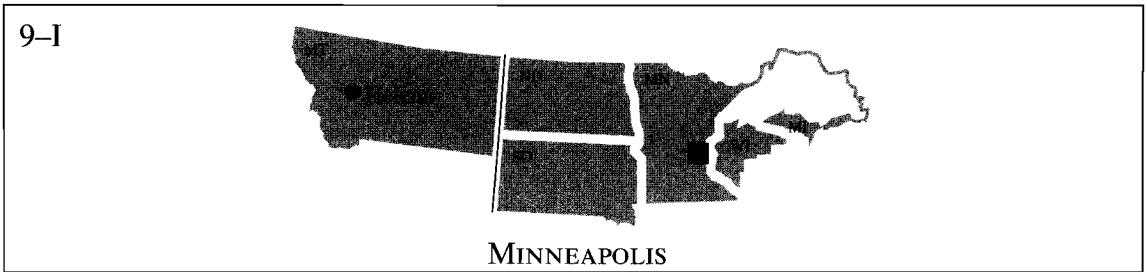
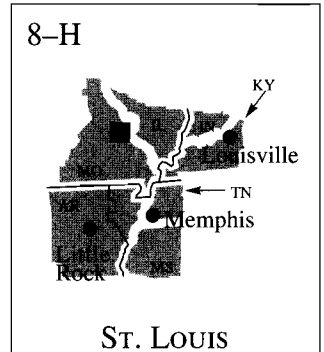
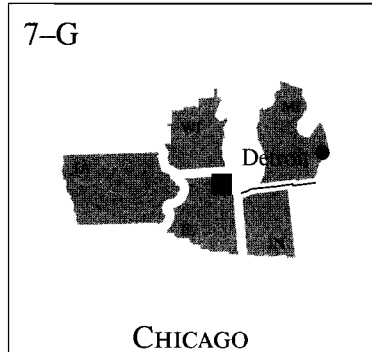
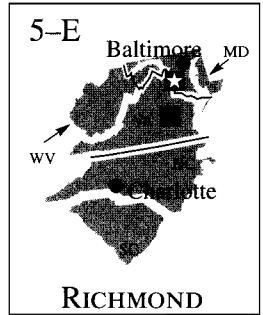
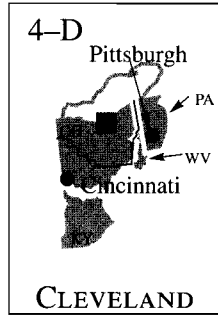
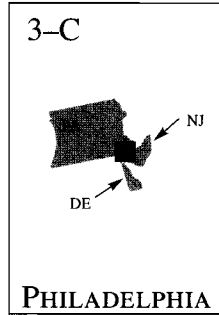
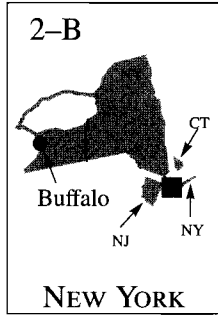
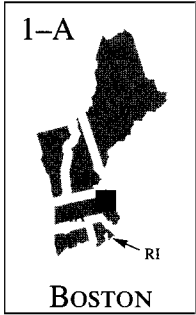
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