
Volume 88 □ Number 6 □ June 2002



Federal Reserve
BULLETIN

Board of Governors of the Federal Reserve System, Washington, D.C.

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Profits and Balance Sheet Developments at U.S. Commercial Banks in 2001

William F. Bassett and Mark Carlson, of the Board's Division of Monetary Affairs, prepared this article. Thomas C. Allard assisted in developing the database used in this article and was responsible for maintaining it. Mark Gibson provided research assistance.

Despite the economic slowdown in 2001, the profitability of the U.S. commercial banking industry remained high (chart 1). The weak economy contributed to a sharp rise in provisions for loan and lease losses, as did, in the fourth quarter, the collapse of Enron and the economic turmoil in Argentina. However, the rise in provisioning was offset in large part by realized gains on investment account securities; these gains developed as banks' portfolios benefited from declining short- and intermediate-term market interest rates (chart 2). Profitability was also supported by reductions in noninterest costs and by a small rise in net interest income.

In response to the slowing economy, the Federal Reserve eased policy eleven times last year and short-

term interest rates moved down considerably. During the first half of 2001, interest rates on residential mortgages remained well below the average for 2000, and their further decline during the third quarter of last year significantly boosted an already high level of refinancing activity in that market. Investment-grade corporate bond yields also fell well below their average level in 2000 and prompted an increased volume of corporate bond issuance. Favorable conditions in the corporate bond market led to a substantial paydown of commercial paper last year; however, a considerable number of corporate debt downgrades and investors' increased aversion to risk also contributed to the runoff. The terrorist attacks and revelations of corporate accounting irregularities also heightened investors' perceptions of risk last year, and yields on below-investment-grade corporate bonds rose throughout much of the year and were somewhat volatile.

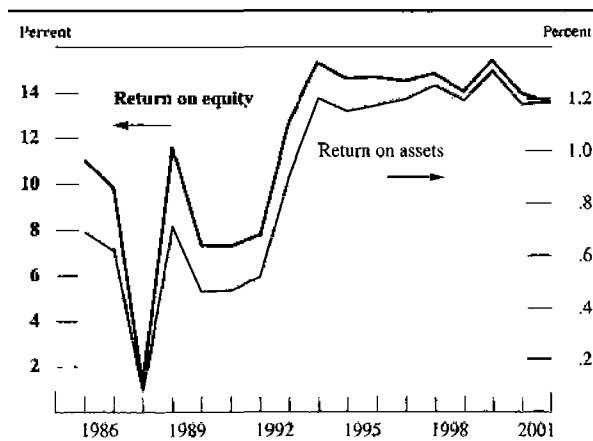
Aside from loan losses, the economic slowdown and changes in market interest rates had a number of other effects on banks' balance sheets last year. Lower short-term interest rates spurred a sharp increase in core deposits, which provided banks with plentiful, low-interest-rate funding, even as their asset growth slowed between 2000 and 2001. Loan growth was restrained, largely because of reduced demand for commercial and industrial loans associated with

NOTE. Except where otherwise indicated, data in this article are from the quarterly Reports of Condition and Income (Call Reports) for insured domestic commercial banks and nondeposit trust companies (hereafter, banks); the most recent data are from the December 2001 Call Reports. The data consolidate information from foreign and domestic offices and have been adjusted to take account of mergers. For additional information on the adjustments to the data, see the appendix in William B. English and William R. Nelson, "Profits and Balance Sheet Developments at U.S. Commercial Banks in 1997," *Federal Reserve Bulletin*, vol. 84 (June 1998), p. 408. Size categories, based on assets at the start of each quarter, are as follows: the 10 largest banks, large banks (those ranked 11 through 100), medium-sized banks (those ranked 101 through 1,000), and small banks. At the start of the fourth quarter of 2001, the approximate asset sizes of the banks in those groups were as follows: the 10 largest banks, more than \$87 billion; large banks, \$7 billion to \$85 billion; medium-sized banks, \$352 million to \$6.9 billion; and small banks, less than \$352 million.

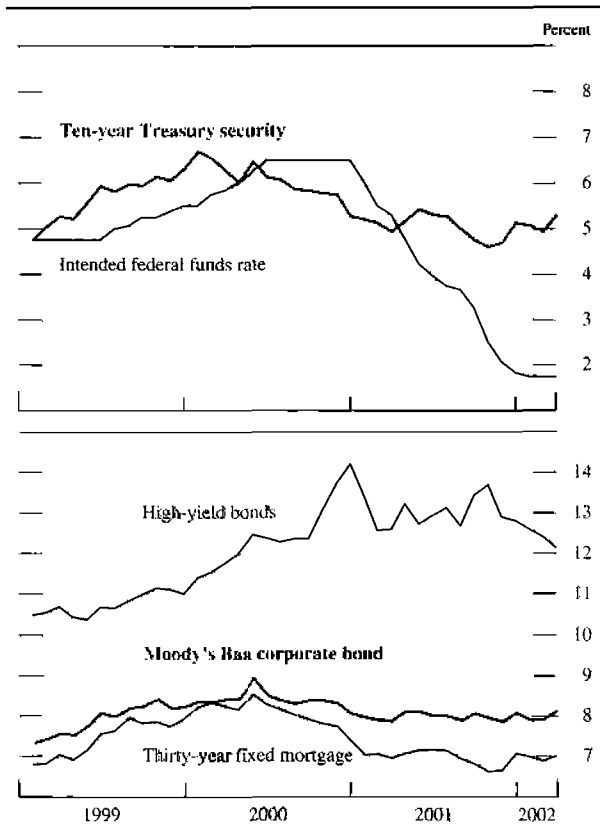
Many of the data series reported here begin in 1985 because the Call Reports were significantly revised in 1984. Data for 1984 and earlier years are taken from Federal Deposit Insurance Corporation, *Statistics on Banking* (FDIC, 1999). The data reported here are also available on the Internet at <http://www.fdic.gov/bank/statistical/statistics/index.html>.

Data shown in this article may not match data published in earlier years because of revisions and corrections. In the tables, components may not sum to totals because of rounding. Appendix table A.1, A-E, reports portfolio composition, income, and expense items, all as a percentage of average net consolidated costs. Appendix table A.2 reports income statement data for all banks.

1. Measures of bank profitability, 1985–2001



2. Selected interest rates, 1999–2002:Q1

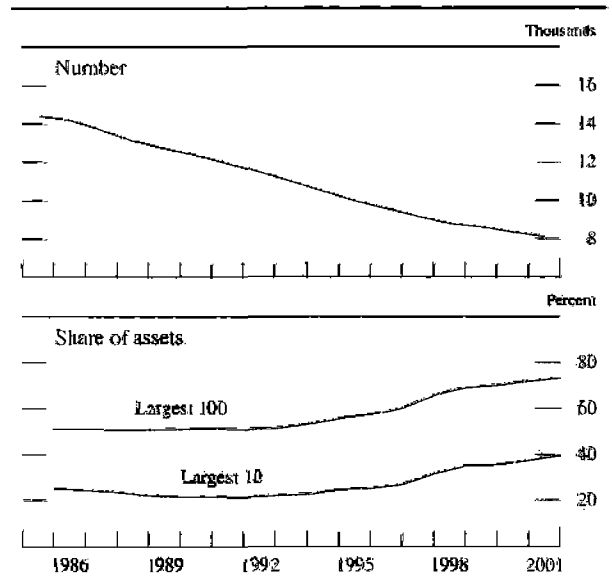


SOURCE: For intended federal funds rate, Federal Reserve Board (www.federalreserve.gov/fomc/fundsrate.htm); for Treasury security rates, mortgage rate, and Moody's bond rates, Federal Reserve Board, Statistical Release H.15, "Selected Interest Rates" (www.federalreserve.gov/releases/h15); for high-yield bond rates, Merrill Lynch Master II index.

the sluggish economy and a paydown of such obligations with the proceeds of bond issuance. However, a strong residential real estate sector continued to generate substantial credit demands, which banks helped meet both by direct lending and by accelerating acquisitions of mortgage-backed securities. Substantial retained earnings and the increased share of government agency securities (which have lower capital charges than loans) in banks' portfolios contributed to an increase in risk-based capital ratios.

According to the FDIC, four banks failed and required government assistance to dispose of their insured deposits and assets last year, down from seven in 2000. Although the amount of assets held at the time of failure, \$1.8 billion, was a tiny percentage of total industry assets, it was more than four times greater than the previous year. The number of commercial banks that merged, were bought outright, or otherwise changed their charters fell from 475 in 2000 to 376 in 2001. Meanwhile, 149 new banks were created in 2001, down from 217 in 2000 and the fewest since 1995. The result was a reduction in the

3. Number of banks and share of assets at the largest banks, 1985–2001



NOTE: For definition of bank size, see text note 1.

number of commercial banks operating in the United States, to 8,129 as of December 31, 2001 (chart 3).¹ Mergers between Chase Manhattan and Morgan Guaranty and between U.S. Bank and Firststar Bank enlarged the share of bank assets held by the 10 largest commercial banks from 38 percent in 2000 to 40 percent in 2001. However, the share of assets held by the 100 largest banks edged up only slightly, to 73 percent.

The number of mergers between bank holding companies (BHCs) declined from 180 in 2000 to 155 in 2001, and the share of banking and nonbanking assets held by the top 50 BHCs ticked up, to almost 78 percent last year. However, newly created BHCs pushed up the total number of BHCs by 11 over the year, to 5,943. Finally, the number of BHCs that have acquired financial holding company status, which increases the scope of their allowed activities under the Gramm–Leach–Bliley Act, rose to 672 in 2001 from 552 at the end of 2000.

BALANCE SHEET DEVELOPMENTS

Total bank assets grew 5.2 percent in 2001, down from 8.7 percent in 2000 but about equal to the pace in 1999 (table 1). The slowdown was caused entirely

1. This count of commercial banks, derived from Call Report data, may vary slightly from measures, such as those in the Federal Reserve's *Annual Report*, that are based on the definition of a bank given in the Bank Holding Company Act and implemented in the Federal Reserve's Regulation Y.

1. Annual rates of growth of balance sheet items, 1992-2001

Percent

Item	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	MEMO: Dec. 2001 (billions of dollars)
Assets	2.19	5.68	8.06	7.55	6.10	9.23	8.25	5.43	8.74	5.22	6,492
Interest-earning assets	2.56	6.43	5.29	7.77	5.79	8.67	8.29	5.83	8.72	4.03	5,582
Loans and leases (net)	-1.04	6.05	9.83	10.53	8.12	5.33	8.90	8.03	9.34	1.79	3,778
Commercial and industrial	-4.10	.52	9.33	12.26	7.24	12.02	12.94	7.88	8.44	-6.63	975
Real estate	1.94	6.13	7.90	8.32	5.45	9.30	7.99	12.22	10.71	7.77	1,787
Booked in domestic offices	2.57	6.17	7.64	8.47	5.51	9.52	7.97	12.36	10.99	7.85	1,734
One- to four-family residential	7.53	11.08	10.09	10.05	4.66	9.67	6.36	9.70	9.24	5.56	959
Other	-2.86	.22	4.35	6.24	6.75	9.32	10.29	16.06	13.28	10.75	795
Booked in foreign offices	-17.80	4.67	18.35	2.81	3.18	.34	8.79	6.28	-1.62	3.94	33
Consumer	-1.66	9.06	16.01	9.50	4.90	-2.19	.99	-1.47	8.06	4.39	611
Other loans and leases	-4.24	9.98	5.29	14.23	22.28	-7.91	14.06	6.69	8.06	-2.18	479
Loan-loss reserves and unearned income	-4.85	-5.82	-2.21	.25	-.06	-.49	3.47	2.35	8.02	12.60	74
Securities	12.29	12.26	-4.14	.57	.86	8.85	8.40	5.11	6.35	7.64	1,312
Investment account	11.44	8.11	-1.73	-1.58	-1.10	8.66	12.06	6.68	2.85	9.32	1,157
U.S. Treasury	n.a.	n.a.	n.a.	-19.21	-14.28	-8.86	-25.17	-1.89	-32.72	-40.50	44
U.S. government agency and corporation obligations	n.a.	n.a.	n.a.	6.43	3.63	14.18	17.00	1.83	3.75	13.39	701
Other	n.a.	n.a.	n.a.	4.20	1.83	11.20	26.99	20.90	13.37	12.58	412
Trading account	21.01	51.84	-20.46	18.51	14.44	10.00	-13.32	-6.93	37.16	-3.48	155
Other	1.89	-8.10	3.30	8.60	1.04	38.55	3.80	-8.37	10.29	13.03	492
Non-interest-earning assets	-.65	-.30	31.61	6.06	8.28	13.04	7.98	2.81	8.87	13.16	910
Liabilities	1.35	5.12	8.31	7.17	5.96	9.12	8.13	5.57	8.58	4.52	5,904
Core deposits	5.09	1.49	-.17	3.96	4.13	4.52	7.05	.23	7.53	10.74	3,186
Transaction deposits	14.62	5.47	-.32	-3.09	-3.44	-4.55	-1.41	-8.97	-1.31	10.16	739
Savings and small time deposits	.18	-.85	-.07	8.37	8.35	9.03	10.73	3.80	10.53	10.92	2,448
Managed liabilities ¹	-6.07	12.30	17.58	10.44	9.66	13.83	9.60	15.50	8.79	-2.82	2,302
Deposits booked in foreign offices	-5.85	15.06	30.89	5.13	4.27	11.13	8.71	14.60	7.84	-10.97	629
Large time	-26.20	-9.21	8.72	19.61	21.17	20.14	9.09	14.19	19.35	-3.75	542
Subordinated notes and debentures	34.90	10.82	9.23	6.61	17.74	21.05	17.00	5.07	13.98	9.57	95
Other managed liabilities	6.94	22.18	12.91	11.24	8.21	12.23	9.88	17.69	3.91	2.33	1,036
Other	-1.02	15.30	79.17	20.46	2.60	23.79	8.58	-6.41	15.40	3.24	416
Equity capital	13.75	12.58	5.24	12.00	7.73	10.45	9.61	3.94	10.48	12.80	588
MEMO											
Commercial real estate loans ²	-4.03	-.60	4.01	6.34	7.67	10.12	11.37	15.42	12.14	12.66	808
Mortgage-backed securities	n.a.	n.a.	n.a.	.67	2.06	14.15	22.12	-3.34	3.28	30.17	604

NOTE: Data are from year-end to year-end.

1. Measured as the sum of deposits in foreign offices, large time deposits in domestic offices, federal funds purchased and securities sold under repurchase agreements, demand notes issued to the U.S. Treasury, subordinated notes and debentures, and other borrowed money.

2. Measured as the sum of construction and land development loans secured by real estate; real estate loans secured by nonfarm nonresidential properties; real estate loans secured by multifamily residential properties; and loans to finance commercial real estate, construction, and land development activities not secured by real estate.

by a deceleration in the growth of total loans and leases to 1.8 percent, a level well below the average of 8.7 percent over the past two years. Acquisitions of mortgage-backed securities boosted growth in securities held, even as U.S. Treasury securities on bank balance sheets continued to run off.

The expansion of total loans and leases was not spread evenly across types of loans. Commercial and industrial lending contracted over the course of the year, as banks' lending standards tightened and demand for short-term credit declined. Real estate lending, both commercial and residential, continued to grow smartly with the support of falling interest rates. Some slowing in consumer borrowing and an increase in securitizations held down growth of consumer loans on banks' balance sheets.

Growth of bank liabilities slowed to 4.5 percent in 2001. The 10.7 percent surge in core deposits (transaction, savings, and small time deposits) reflected the sharp drop in short-term interest rates last year and the resulting dramatic reduction in the opportunity cost of holding liquid deposits. These inflows allowed banks to pay down managed liabilities, which declined for the first time in several years. The ratio of capital to risk-weighted assets rose steadily over the course of the year. This advance was due to an 8.5 percent increase in tier 1 capital (primarily common equity) and a reduction in the average capital charge on banks' assets resulting from an increase in the share of agency securities and a drop in the share of loans in banks' portfolios.

Loans to Businesses

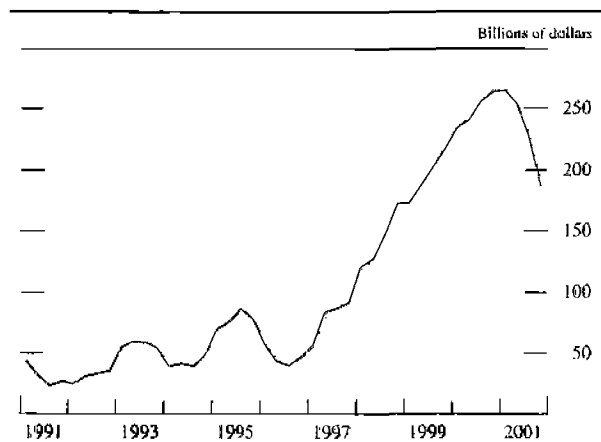
Commercial and industrial (C&I) loans declined 6.6 percent in 2001. The contraction accelerated over the course of the year, from a 2 percent annual rate in the first quarter to an 11 percent annual rate in the fourth quarter. The runoff in C&I loans occurred against a backdrop of both tightened loan standards by banks and decreased loan demand by firms. (Information on standards and demand is from the Federal Reserve's Senior Loan Officer Opinion Survey of Bank Lending Practices—informally, the bank lending practices survey, or BLPS—which covers about sixty large domestic banks.)

To some extent, the decline in demand for bank credit was part of an overall ebbing of demand by nonfinancial firms for outside financing. Inventories declined substantially, and the financing gap narrowed as firms reduced capital spending relative to their internally generated funds (chart 4). Demand for C&I loans was also trimmed by paydowns from the proceeds of bond issues as firms took advantage of low long-term rates to lock in funding. Accordingly, the decline in C&I lending was concentrated at larger banks, which provide loans to firms more likely to have access to bond markets. C&I loans decreased 9.6 percent at the top 100 banks but rose 6.2 percent at other banks. At the smallest banks, those not ranked in the top 1,000, C&I lending grew 14.6 percent, only a slightly smaller increase than in 2000.

The contraction of C&I lending last year also reflected more conservative lending practices by

banks (see box “Effect of Lending Standards on Business Loan Growth”). The share of BLPS respondents that reported tightening their business lending standards for C&I loans was elevated relative to historical levels (chart 5, middle panel). Indeed, more than 80 percent of banks reported that they had tightened standards at least once during 2001 and no banks reported that they had eased standards. The share of banks reporting having tightened standards peaked in the January 2001 survey and, except for a jump in the October survey, generally declined thereafter. The October bump likely reflected the financial turmoil and economic uncertainty surrounding the September 11 terrorist attack (see box “Effects of September 11”). Loan terms were also tightened last year, most frequently by increasing premiums charged on riskier loans and raising spreads of loan rates over the banks' cost of funds. The most common reason banks gave for tightening terms and standards was a less favorable economic outlook,

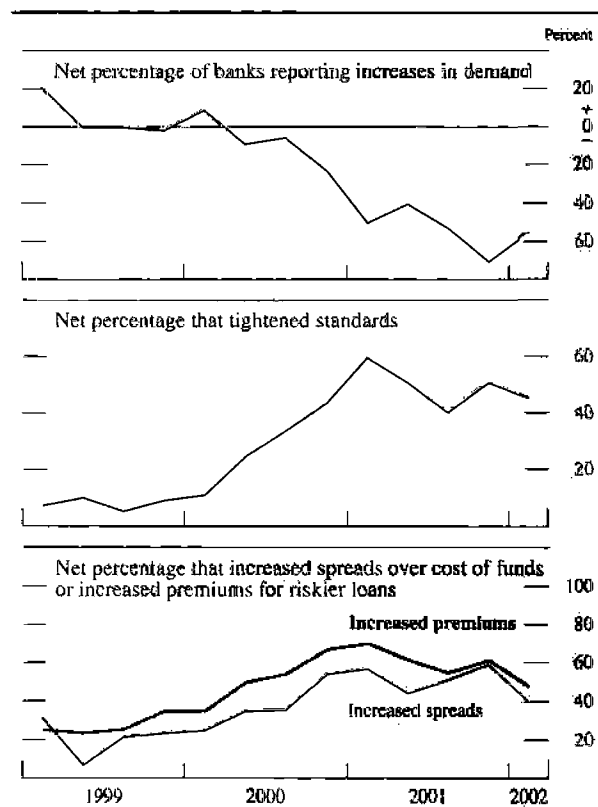
4. Financing gap at nonfarm nonfinancial corporations, 1991–2001



NOTE: The data are four-quarter moving averages. The financing gap is the difference between capital expenditures and internally generated funds.

SOURCE: Federal Reserve Board, Statistical Release Z.1, “Flow of Funds Accounts of the United States,” table L. 101 (www.federalreserve.gov/releases/z1).

5. C&I loan demand and terms at selected banks, large and medium-sized borrowers, 1999–2002:Q1



NOTE: Net percentage is the percentage of banks reporting an increase in demand, a tightening of standards, or an increase in spreads or premiums less, in each case, the percentage reporting the opposite. The definition for firm size suggested for, and generally used by, survey respondents is that large and medium-sized firms have sales greater than \$50 million.

SOURCE: Federal Reserve Board, “Senior Loan Officer Opinion Survey on Bank Lending Practices.”

followed by worsening industry-specific problems and reduced tolerance for risk.

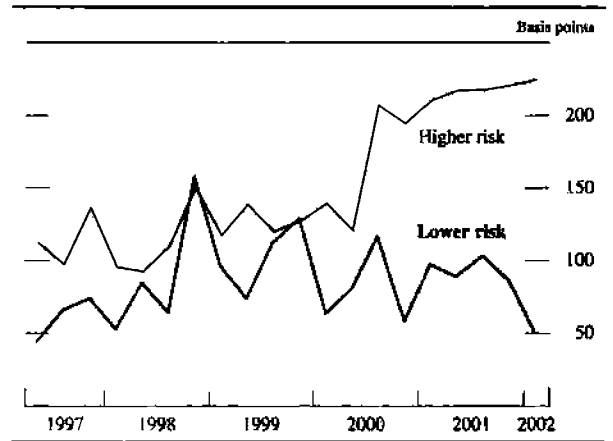
Evidence from special questions in the BLPS sheds more light on how changes in the cost of credit depended on risk and industry. In May, banks were asked how terms on commercial paper backup lines had changed over the preceding year. They indicated that firms with an A2/P2 rating were more likely to have faced higher spreads, higher fees, and a reduction in the size of their credit lines than firms with an A1/P1 rating. In the August survey, more than half of the respondents indicated that, during the previous twelve months, they had tightened lending standards more for firms in the high-tech sectors than for firms in other industries. In response to a question on changes to the banks' internal ratings for C&I loans in the October survey, banks indicated that loans to certain industries, such as commercial airlines and nondefense aerospace, were more likely to have been downgraded than loans to firms in other industries.

Banks also tightened terms to high-risk borrowers, according to the Federal Reserve's quarterly Survey of Terms of Business Lending (STBL). For loans not made under commitment, the terms of which are more likely to reflect the banks' current outlook than those for loans made under previously committed credit lines, the average spread on low-risk loans remained within a range typical of the past five years, while the average spread on high-risk loans continued to trend up, reaching the highest point since the risk ratings were added to the survey in 1997 (chart 6).²

In contrast to C&I lending, commercial real estate lending was fairly strong last year, although down from 2000. Nonfarm nonresidential loans, which constitute about two-thirds of total commercial real estate lending, grew nearly 9 percent during 2001, down from about 12 percent in 2000, while construction and land development lending expanded 19 percent, about the same rate as in 2000. However, growth of construction lending declined over the year as vacancy rates rose and office construction waned. Growth of lending for multifamily structures, the smallest component of commercial lending, declined to half of its rate of expansion the previous year.

Most of the slowing in commercial real estate lending was at the top 100 banks by assets, where

6. C&I loan rate spreads at banks, by risk, 1997:Q2–2002:Q1

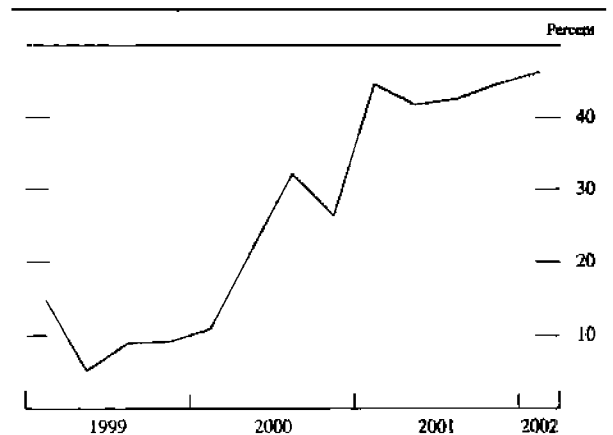


NOTE: Lower-risk loans are rated 1 or 2. Higher-risk loans are rated from 3 to 5. Loans shown were not made under commitment. Spreads are over the market interest rate on an instrument of comparable maturity. For definitions of risk ratings, see text note 2.

SOURCE: Results for domestic banks in "Survey of Terms of Business Lending," Federal Reserve Board.

growth fell below 5 percent. Indeed, large banks reported that they had tightened standards and faced weaker demand (chart 7). On net, about 78 percent of banks responding to the BLPS indicated that they had tightened standards on commercial real estate loans at some point in 2001. Although a handful of banks in each survey reported facing stronger demand, an average of 35 percent of banks, on net, indicated that demand had weakened over the preceding quarter. In particular, respondents to a special question in the

7. Net percentage of selected banks that tightened standards for commercial real estate loans, 1999–2002:Q1



NOTE: Net percentage is the percentage of banks that reported a tightening of standards less the percentage that reported an easing.

SOURCE: Federal Reserve Board, "Senior Loan Officer Opinion Survey on Bank Lending Practices."

2. Loans in the STBL receive risk ratings ranging from 1 to 5, which correspond, respectively, to minimal risk, low risk, moderate risk, acceptable risk, and classified. For more information on loan rating categories in the STBL, see Thomas F. Brady, William B. English, and William R. Nelson, "Recent Changes to the Federal Reserve's Survey of Terms of Business Lending," *Federal Reserve Bulletin*, vol. 84 (August 1998), pp. 604–15.

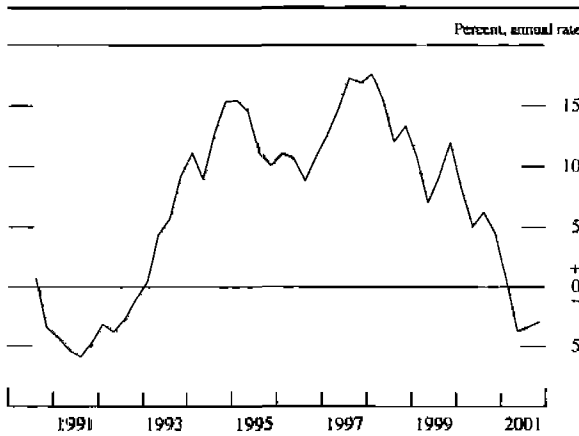
Effect of Lending Standards on Business Loan Growth

The recent weakness in C&I loans has been mirrored in the contraction of a broader measure, total committed business lending facilities, which is defined as the sum of C&I loans and unused C&I loan commitments at commercial banks (chart A). Using data from the Federal Reserve's Senior Loan Officer Opinion Survey on Bank Lending Practices (BLPS), we can identify the sources of this slowdown at the individual bank level. Other researchers have linked movements in aggregated survey responses to the growth of total bank business lending.¹ Here we use individual bank responses in an attempt to parse the change in committed lending facilities into changes in supply and demand.

Of the banks that responded to every one of the BLPS during the past two years, 29 percent reported that they had tightened C&I lending standards no more than once, 24 percent reported tightening two or three times, and 46 percent tightened four or more times (table A). The largest banks in

1. Cara S. Lown, Donald P. Morgan, and Sonali Rohatgi, "Listening to Loan Officers: The Impact of Commercial Credit Standards on Lending and Output," Federal Reserve Bank of New York, *Economic Policy Review*, vol. 6 (July 2000), pp. 1-16.

A. Growth of committed lending facilities, 1990-2001



NOTE: Committed lending facilities is the sum of C&I loans and unused C&I loan commitments.

A. Distribution of banks, and growth of lending facilities, by number of tightenings of credit standards, 2000-01
Percent

Item	0-1	2-3	4 or more
Banks	29.3	24.4	46.3
Lending facilities			
2000	6.4	5.5	4.7
2001	3.8	-1.3	-4.0

NOTE: Banks are those that responded to all surveys in 2000-01.
SOURCE: Federal Reserve Senior Loan Officer Opinion Survey on Bank Lending Practices; Call Report.

the survey were generally among those that tightened their business lending standards at least four times.

As shown in the table, reported changes in standards appear to be reflected in changes in the growth rate of lending facilities. Business lending facilities at banks that tightened two or more times during the past two years shrank in 2001 after posting moderate growth in 2000. The continued growth of business lending facilities in 2001 at the least restrictive banks, albeit at a slower pace than in 2000, suggests that some borrowers had shifted from more restrictive to less restrictive banks.

To examine more formally the relationship between supply conditions and the growth of committed lines and to account as well for changes in reported demand, we used a regression model. We constructed a sample of all banks that participated in the BLPS for at least twelve consecutive quarters from 1991:Q3 to 2001:Q4, a selection that yielded a sample of 79 different commercial banks and almost 2,200 bank-quarter observations.

We then analyzed the annualized quarterly growth rate of business lending facilities at each bank using four indicator variables for supply and demand. The two demand variables indicated whether the bank reported stronger or weaker demand for C&I loans and credit lines during the quarter. The two supply variables correspond to whether a bank reported that it had tightened or eased credit standards during the quarter. The coefficient on each of the four variables had the expected sign, and the coefficients were statistically significant at conventional levels (table B).

May BLPS reported weaker demand for commercial real estate loans in sectors such as office buildings, hotels, and retail establishments and slightly stronger demand for loans for multifamily dwellings.

Growth in commercial real estate loans at banks other than the top 100, which are not included in the BLPS, was 18 percent. The high growth at smaller banks continues a five-year trend that increased the share of commercial real estate loans in total assets of such banks to 21 percent at the end of 2001.

Loans to Households

With the economy weakening, the growth of residential mortgage loans slowed in 2001 from the very rapid pace of the preceding two years but remained brisk at 5.6 percent. Residential mortgage lending was supported by historically low mortgage interest rates and a surge in refinancing activity. The refinancing index of the Mortgage Bankers Association reached its highest level in more than a decade

Effect of Lending Standards on Business Loan Growth—Continued

B. Regression analysis

Variable	Coefficient	Standard error
Stronger demand	2.2	1.0
Weaker demand	-6.2	1.1
Tightened standards	-7.1	1.3
Eased standards	4.1	1.6

NOTE. Sample included 79 banks with at least 12 consecutive quarters of survey data from 1991:Q3 to 2001:Q4. The dependent variable is the annualized growth of committed lending facilities.

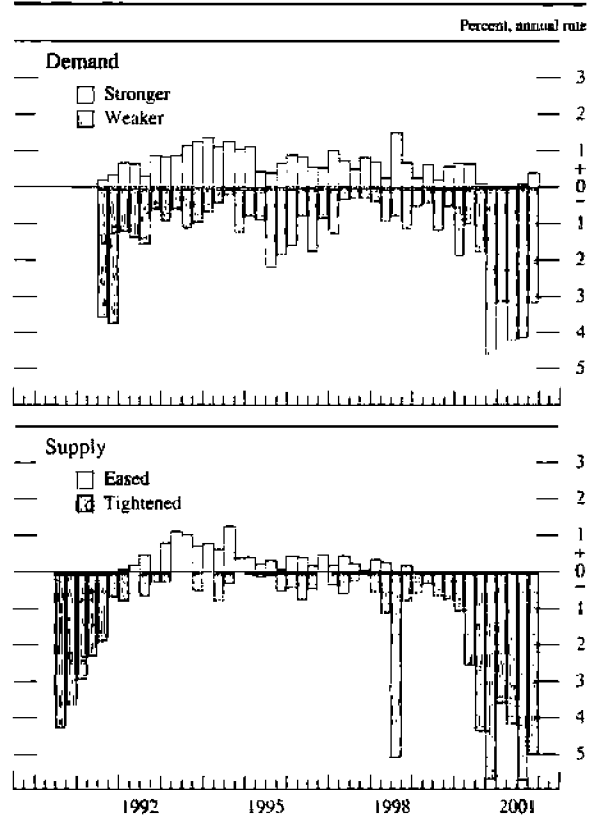
Using these estimates of the bank-level effects, we constructed estimates of the aggregate quarterly effect of reported changes in supply and demand conditions on the growth rate of business lending facilities at banks in the panel. For example, in any given quarter, the aggregate effect of banks reporting stronger demand was calculated as the share of total business lending facilities at banks that reported stronger demand multiplied by the coefficient on the corresponding indicator variable. This value is shown by the shaded bars in the top panel of chart B, and the open bars show the aggregate effect on the growth of business lending facilities of banks reporting weaker demand.

As shown, reported weakness in demand is estimated to have reduced the growth rate of business credit facilities at surveyed banks since the end of 2000 an average of about 3.5 percentage points per quarter at an annual rate. The estimated contribution of supply factors is shown in the bottom panel of chart B. The results suggest that more restrictive supply conditions could account for a reduction of growth at surveyed banks of about 4.5 percentage points per quarter at an annual rate on average since the beginning of 2001.

The growth of lending facilities also is affected by the availability of creditworthy borrowers. Thus, to the extent that banks tightened standards in response to a worsening of corporate balance sheets, these results will overstate the amount of credit stringency that has originated in the banking sector because some firms that had wanted to borrow would no longer be creditworthy even if standards had remained unchanged. Also, the responses to the BLPS refer

only to *changes* in bank lending standards and observed demand, not to the underlying levels of credit standards and demand. For example, banks likely had already tightened credit standards significantly before the survey question on changes in credit standards began appearing regularly in 1990:Q3.

B. Contribution of reported changes in demand and supply to growth of committed lending facilities, 1990–2001



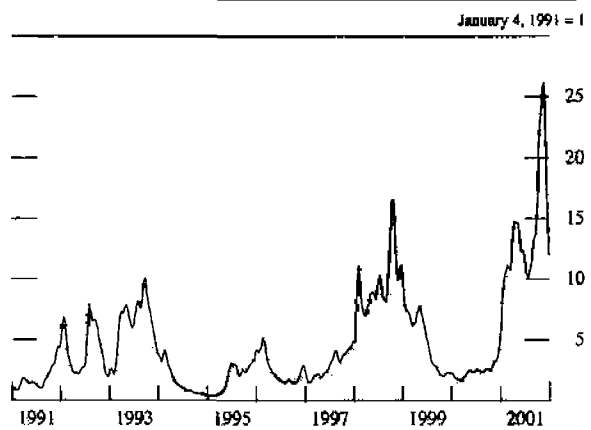
NOTE. Changes in supply have been reported since 1990:Q3, whereas banks were not consistently asked to report changes in demand until 1991:Q3.

(chart 8). BLPS respondents indicated that many of their customers drew on the equity value of their homes by increasing the size of the loan when they refinanced, contributing to the growth in mortgage debt last year and supporting consumer spending. Half of the survey respondents said that more than 20 percent of their mortgage customers increased the size of their mortgage loan by an amount typically ranging between 5 percent and 15 percent of the outstanding loan amount. Banks indicated that debt

repayment was the most common use of funds obtained from mortgage refinancing. According to the BLPS, banks kept their standards for residential mortgages essentially unchanged last year.

Although the growth of home equity loans was not as exceptional as in 2000, it reached 21 percent during 2001. Indeed, expanding at more than a 30 percent annual rate in the third quarter, home equity lending picked up even as other residential housing lending was slowing. Households tapped

8. Index of home mortgage refinancing activity, 1991–2001



SOURCE: Mortgage Bankers Association.

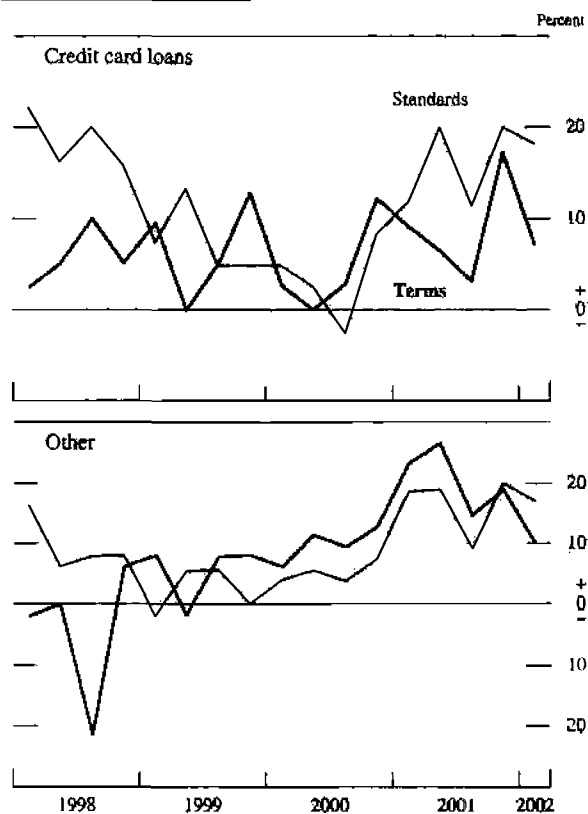
their home equity lines in volume at the same time that they were using some of the proceeds of the heavy mortgage refinancing to consolidate debt. This high rate of growth led the ratio of outstanding home equity loans to total loans to exceed 4 percent for the first time.

Information on banks' securitization of residential loans became available on the Call Report last year. At year-end, the outstanding principal balance of single-family first-lien residential loans that banks had sold or securitized was about equal to the value of such assets that remained on their books. A much smaller share of home equity loans is securitized—only 12 percent of the value of home equity loans held by banks at the end of 2001.

Total consumer loans originated by banks that were either held or securitized grew 7.6 percent over the course of the year, a pace down only slightly from that in 2000 despite the reported debt consolidation associated with mortgage refinancing noted earlier. The growth in consumer lending was propelled largely by the origination of credit card loans, which expanded 10.1 percent for the year. The share of consumer loans that was securitized, most of which are credit card loans, climbed to a record 35 percent of all consumer loans in the second half of the year. Consumer loans held by banks increased 4.4 percent in 2001.

In contrast to commercial loans, relatively few banks acted to restrain consumer lending last year. The net share of BLPS respondents that reported tightening standards for approving credit card applications or for approving other consumer loans generally remained between 10 percent and 20 percent for each type of loan during each quarter of 2001 (chart 9). The most common method for tightening

9. Net percentage of selected banks that tightened standards and terms on consumer loans, 1998–2002:Q1



NOTE: Net percentage is the percentage of banks that reported a tightening of standards or terms less the percentage that reported an easing. Tightening or easing of terms represented by increase or decrease respectively in spread of loan yield over bank's cost of funds.

SOURCE: Federal Reserve Board, "Senior Loan Officer Opinion Survey on Bank Lending Practices."

lending terms was to increase the minimum required credit scores and to increase spreads on loans over the bank's cost of funds.

Other Loans and Leases

Other loans and leases contracted 2 percent during 2001. Leases grew at a 2 percent annual rate, a further deceleration from their historically slow rate of growth in 2000. As many leases are made to businesses, the deceleration may be a result of the general economic slowdown and the reduction in business spending. The slow growth of leases may also be part of a move by some banks to reduce or discontinue their automobile leasing activities, as they have found that profit margins were below expectations. Lending to other depository institutions, the second largest item in this category after leases, declined over the year, as did agricultural

Effects of September 11

The terrorist attacks of September 11 significantly disrupted the payments system and caused temporary distortions to bank balance sheets. Banks had the flexibility to absorb these shocks, however, and their effects dissipated quickly. The effects on the secondary markets for loans and on banks' perceptions of risk were longer lasting, but these, too, had diminished by the end of the year.

Weekly data for the domestic offices of large domestically chartered banks show that, between September 5 and September 12, the disruption of the payment system caused bank balance sheets to balloon. On the asset side, lending in the form of federal funds and repurchase agreements with other commercial banks rose from \$87 billion to \$190 billion, and "other loans," mainly unplanned overdrafts, increased from \$79 billion to \$162 billion. Cash assets, which include balances due from other depository institutions and deposits at Federal Reserve Banks, rose from \$165 billion to \$223 billion, in large part because of the massive provision of reserves by the Federal Reserve following the attacks. Loans to purchase or carry securities rose from \$13 billion to \$47 billion. C&I loans went up \$15 billion as the temporary closing of the commercial paper market forced some issuers to tap backup lines of credit. On the liability side, transaction deposits soared \$164 billion, while borrowing from banks and borrowing from others each increased about \$50 billion.¹

These changes were rapidly reversed. Cash assets, "other loans," and C&I loans returned to normal levels by September 19. Federal funds and repurchase agreements decreased

\$68 billion in that week but remained slightly elevated for another few weeks. Transaction deposits declined \$113 billion between September 12 and September 19. Borrowing from banks completely reversed the previous week's increase, while the volume of borrowing from others returned about one-third of the way back to its level on September 5.

In late September, the Board informally contacted several banks that participate in the Federal Reserve's Senior Loan Officer Opinion Survey on Bank Lending Practices (BLOS) to assess changes in their outlook regarding the business climate in the wake of the attacks. The impression emerging from these consultations was that the banks generally had not changed lending standards, although they had tightened loan covenants somewhat. Several banks noted a decrease in loan demand following the attacks, even as they noted a tendency for riskier firms to increase the use of their credit lines. Banks reported that internal ratings were being assessed case by case, although no ratings had been changed as of that date. In the next regularly scheduled BLOS, conducted in October, the percentage of banks reporting tightening terms and standards for C&I loans, which had been declining, moved up. Banks primarily cited deterioration in economic conditions as a reason for tightening.

The October BLOS also asked banks whether they saw any persistent effect on the secondary market for loans from the events of September 11. Sixty-four percent of banks, on net, indicated that trading volume in the secondary loan market had declined, and 62 percent, on net, indicated that bid-asked spreads had increased. However, bid-asked spreads in the secondary market had largely returned to late-August levels by January 2002, according to trade association reports.

1. See also "Monetary Policy Report to the Congress," *Federal Reserve Bulletin*, vol. 88 (March 2002), pp. 141-72, especially the box "Monetary Policy after the Terrorist Attacks" (p. 142).

lending and lending for the purchase or carrying of securities.

Securities

Banks' holdings of securities expanded 7.6 percent last year, 1.3 percentage points more than in 2000. The growth was entirely in banks' investment accounts, as security holdings in trading accounts ran off last year after a rapid expansion in 2000. At year-end, 22.8 percent of banks' assets consisted of securities, a share in line with historical norms but the highest proportion since the fourth quarter of 1999 (chart 10).

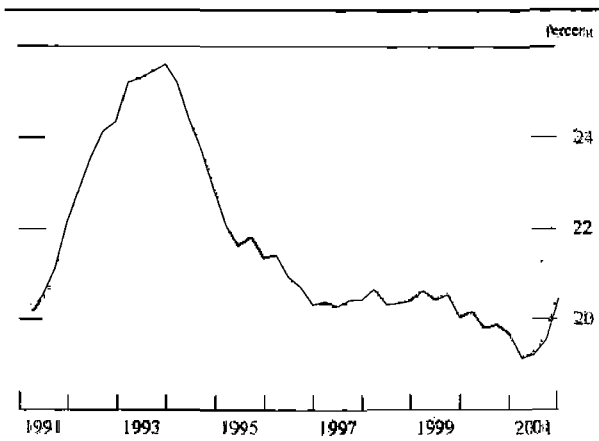
Banks' investment accounts grew 9.3 percent during 2001. Most of this increase was due to mortgage-backed securities, which expanded 30 percent and

climbed as a share of investment account securities from 44 percent in the fourth quarter of 2000 to 52 percent in the fourth quarter of 2001. Treasury securities, by contrast, fell 40 percent, to only 4 percent of investment securities holdings at year-end, down from 29 percent in 1991.

The strength of the residential mortgage market in 2001 boosted volume in the mortgage-backed securities market. At the same time, the paydown of the federal debt last year reduced relative rates of return available on Treasury securities. The shift in the relative return likely provided some of the motivation for the shift in banks' security holdings from Treasury securities to mortgage-backed securities.

A large share of the investment portfolio (that designated "available for sale") must be marked to market; declines in intermediate and longer-term interest rates during the second half of 2000 raised

10. Bank holdings of securities as a share of total bank assets, 1991–2001



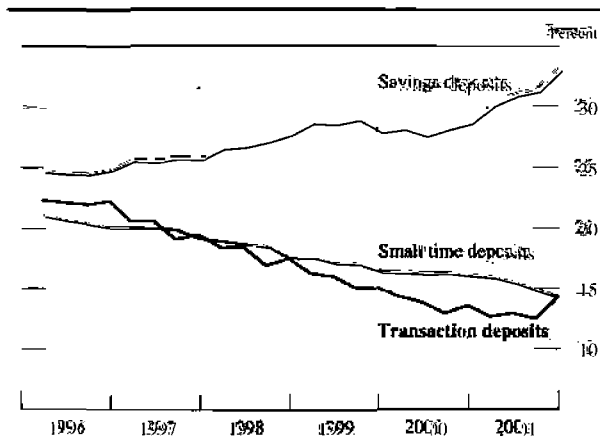
the market value of securities held in investment accounts to above book value in the first quarter of 2001. With short- and intermediate-term rates falling, the rise in the ratio of market value to book value continued during the course of the year and accounted for about 1.6 percentage points of reported growth of the value in investment account securities in 2001. These unrealized gains contributed to the rise in equity capital last year (see below).

Liabilities

Deposit rates moved down last year, but in the case of liquid deposits, by less than the substantial decline in shorter-term market rates induced by the policy easings. As the opportunity cost of holding these deposits declined, the growth of core deposits accelerated from 7.5 percent in 2000 to 10.7 percent in 2001, the fastest pace since 1986. The pickup in transaction deposits was almost entirely in the fourth quarter, when these accounts grew at a stunning 59 percent annual rate, possibly as part of an effort by businesses to increase their liquidity. Savings deposits increased rapidly over the course of the year, while small time deposits declined (chart 11). Core deposits at year-end represented 54 percent of bank liabilities, the highest share since the financial market disruptions during the fourth quarter of 1998.

Given the strong inflows of core deposits, banks reduced their managed liabilities 2.8 percent, thereby partly unwinding an 8.8 percent jump in 2000. Much of the runoff was in the fourth quarter, when transaction deposits surged. Most of the components of managed liabilities followed a similar pattern. Foreign deposits, the largest component, declined the

11. Selected domestic liabilities at banks as a share of their total domestic liabilities, 1996–2001



most, 11 percent. Domestic large time deposits eked out weak growth in the first two quarters before declining in the second half of the year; the declines were at the largest 100 banks, where managed liabilities fell 5 percent over the year. At banks not in the top 100, managed liabilities rose 8 percent, which was still a deceleration from the 20 percent increase posted in 2000.

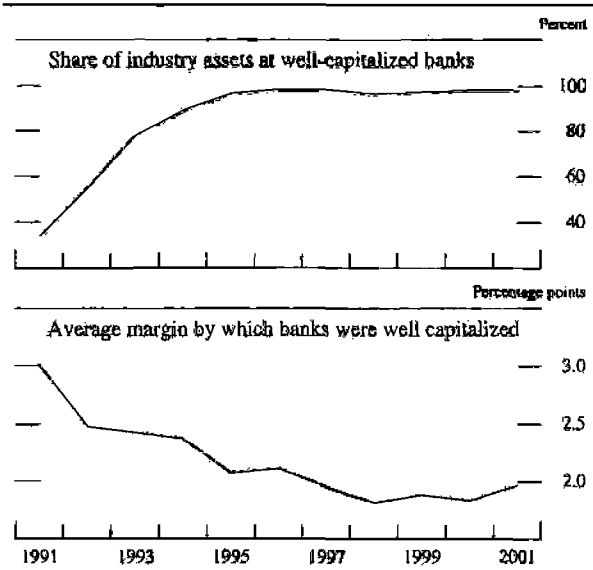
Capital

Equity capital advanced nearly \$67 billion, or 12.8 percent, in 2001, the fastest growth since 1992. Net income, after taxes, increased \$5.7 billion, to \$75 billion, allowing banks to boost retained income \$3 billion, to \$20 billion, even after dividends were increased. Paid-in capital increased \$41 billion, of which about \$25 billion was attributable to new capital. Capital infusions by the banks' parent holding companies contributed \$17 billion to new capital, the largest dollar increase in over a decade. The remaining expansion in paid-in capital was due to an increase in value attributed to goodwill. Unrealized gains on available-for-sale securities accounted for \$4 billion of last year's increase in equity capital.

Virtually all assets in the commercial banking system were at well-capitalized banks (chart 12, top panel), and the average margin by which domestic commercial banks remained well capitalized increased after a slight decline in 2000 (chart 12, bottom panel).³ Tier 1 capital grew 8.4 percent

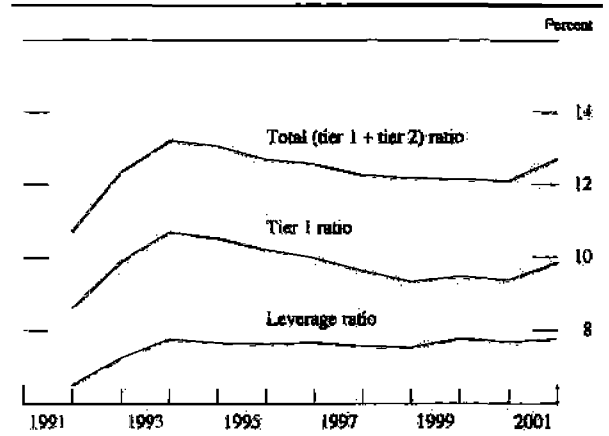
3. Well-capitalized banks are those with a total capital ratio greater than 10; a tier 1 ratio greater than 6; a leverage ratio greater than 5; and a composite CAMELS rating of 1 or 2. Each letter in the CAMELS stands for a key element of bank financial condition—

12. Assets and regulatory capital at well-capitalized banks, 1991–2001



NOTE. For the definition of well capitalized and of the margin by which banks remain well capitalized, see text note 3.

13. Regulatory capital ratios, 1991–2001



NOTE. For the definition of capital ratios, see text note 4.

Derivatives

The use of off-balance-sheet derivatives contracts at banks has continued to increase. The fair value, or replacement price, of banks' derivatives contracts that had positive value was \$643 billion at the end of last year, which is equivalent to about 10 percent of bank assets. Banks also had derivatives contracts with a negative fair value of \$612 billion. The resulting net fair value of \$31 billion is a marked increase from \$2 billion in 2000 and was the largest amount since information became available on the fair value of derivatives contracts in 1995.

The notional value of the derivatives contracts—the value of the underlying assets used to compute the stream of payments that the derivatives contract is expected to produce—was about \$45.5 trillion, or about seven times the value of bank assets in 2001. By comparison, in 1997 the notional value was about \$25.5 trillion, or five times the value of bank assets. Use of derivatives contracts remains highly concentrated, with the ten largest banks holding 97 percent of derivatives contracts by either notional value or gross fair value.

The three most common types of derivatives contracts are forwards, options, and swaps. Forwards are agreements to buy or sell something for a designated

capital consists primarily of subordinated debt, preferred stock not included in tier 1 capital, and loan-loss reserves. Risk-weighted assets are calculated by multiplying the amount of assets and the credit-equivalent amount of off-balance-sheet items (an estimate of the potential credit exposure posed by the item) by the risk weight for each category. The risk weights rise from zero to 1 as the credit risk of the assets increases. The leverage ratio is the ratio of tier 1 capital to average tangible assets. Tangible assets are equal to total assets less assets excluded from common equity in the calculation of tier 1 capital.

over the past year, while tier 2 capital expanded 8.1 percent.

Banks shifted their asset portfolios away from loans and leases, most of which have full risk weights, and toward government and agency securities, which have lower risk weights. This shift caused risk-weighted assets to grow 2 percentage points less than total assets and caused the ratio of tier 1 capital to risk-weighted assets to grow steadily over the year (chart 13). The ratio of total capital to risk-weighted assets increased 60 basis points between the fourth quarter of 2000 and the fourth quarter of 2001. The leverage ratio, which does not take account of the shifting mix of bank assets, increased just 8 basis points.⁴

capital adequacy, asset quality, management, earnings, liquidity, and sensitivity to market risks. The average margin by which banks remained well capitalized was computed as follows. First, among the leverage, tier 1, and total capital ratios of each well-capitalized bank, the institution's tightest capital ratio is defined as the one closest to the regulatory standard for being well capitalized. The bank's margin is then defined as the percentage-point difference between its tightest capital ratio and the corresponding regulatory standard. The average margin among all well-capitalized banks—the measure referred to in the text—is the weighted average of all the individual margins, with the weights being each bank's share of the total assets of well-capitalized banks.

4. The tier 1 ratio is the ratio of tier 1 capital to risk-weighted assets, and the total ratio is the ratio of the sum of tier 1 and tier 2 capital to risk-weighted assets. Tier 1 capital consists primarily of common equity (excluding intangible assets such as goodwill and excluding net unrealized gains on investment account securities classified as available for sale) and certain perpetual preferred stock. Tier 2

price at a particular future date. Options give the holder the opportunity to buy or sell an asset for a designated price by a particular future date. Swaps can be viewed as a combination of several forward contracts generally involving the exchange of the streams of payments from two underlying assets. Swaps accounted for 56 percent of all bank derivatives contracts by notional value.

Banks employ derivatives contracts in several areas. Interest rate contracts are by far the most common and comprised about 84 percent of the notional value of all bank derivatives contracts in 2001. This share has been rising steadily over the past decade. Swaps are the most common type of interest rate contract. Foreign exchange contracts continue to be the second most important category of derivatives contract, although the notional value of the contracts held by the banks has plateaued over the last several years. Sixty-eight percent of foreign exchange contracts held by banks are forward contracts. Equity and commodity contracts had been increasing rapidly in importance at banks until last year, when their value fell, likely because of the decline in the value of equities and commodities.

The least common category of derivatives held by banks, credit derivatives, are usually structured so that the seller (guarantor) pays the buyer (beneficiary) in the event that an asset held by the beneficiary goes into default. Banks act as guarantors on some contracts and beneficiaries on others. In the role of beneficiary for these derivatives, banks reduce the risk associated with their loans while maintaining a relationship with their borrowers. When acting as the guarantor for these contracts, banks use their credit evaluation skills to diversify risks without making new loans. Currently these contracts are less than 1 percent of the total notional value of banks' derivative contracts. Last year was the first since 1996 (when data became available) in which the notional value of banks' contracts as guarantors (which rose in

2001) exceeded the notional value of their contracts as beneficiaries (which fell). The gross value of these contracts was down slightly for the year.⁵

TRENDS IN PROFITABILITY

Total net income of commercial banks rose 8 percent in 2001, to \$75.3 billion. A notable share of the increase reflected the markedly improved profitability of banks that had booked substantial one-time charges in 2000. Despite the economic slowdown and associated asset quality problems, the number of banks that had negative net income remained about unchanged from 2000, at 624. Moreover, the banks that lost money held only 1.3 percent of industry assets last year, a sharp drop from 4.7 percent in 2000, and the smallest share since 1997.

Industrywide return on assets (ROA) edged up 1 basis point in 2001, to 1.19 percent (table 2). ROA was bolstered by realized gains on investment account securities generated by lower interest rates and by a decline in noninterest expense, the latter mostly reflecting the relative absence of restructuring costs at the largest banks. These developments were just large enough to offset soaring provisions for loan losses that were necessitated by the deterioration in asset quality. In contrast to 2000, when small banks were the only size group to show profit gains, the increase in net income was concentrated at the largest banks last year.

Although dividends grew 5 percent in 2001, these payments, made primarily to parent holding com-

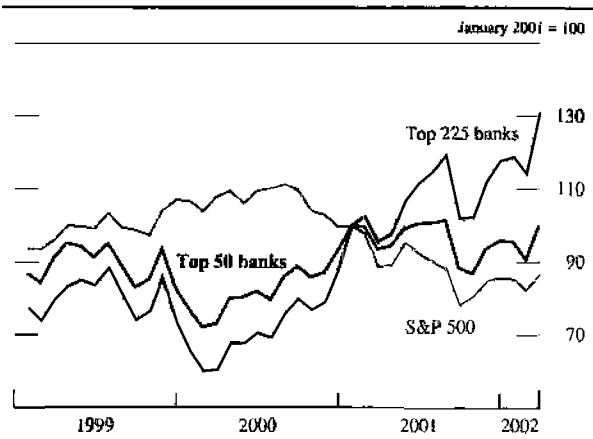
5. For more information on derivatives contracts at banks, see English and Nelson, "Profits and Balance Sheet Development at U.S. Commercial Banks in 1997"; and Gerald A. Edwards, Jr., and Gregory E. Eller, "Derivatives Disclosures by Major U.S. Banks, 1995," *Federal Reserve Bulletin*, vol. 82 (September 1996), pp. 791-801.

2. Selected income and expense items as a proportion of assets, 1992-2001

Percent

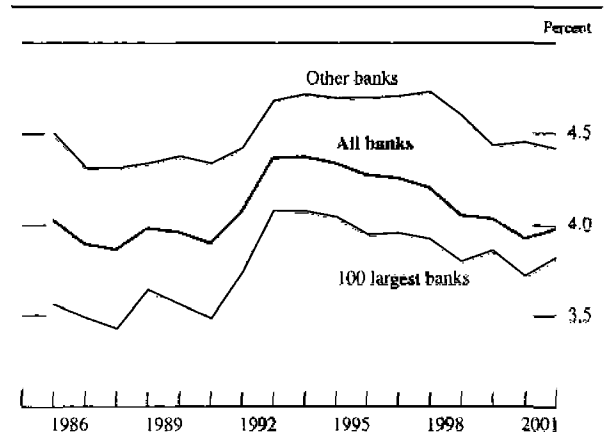
Item	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Net interest income	3.89	3.90	3.78	3.72	3.73	3.67	3.52	3.52	3.43	3.45
Noninterest income	1.95	2.13	2.06	2.02	2.18	2.23	2.40	2.65	2.58	2.54
Noninterest expense	3.86	3.94	3.75	3.64	3.71	3.61	3.77	3.76	3.65	3.58
Loss provisioning	.78	.47	-.28	.30	.37	.41	.41	.39	.50	.68
Realized gains on investment account securities	.11	.09	-.01	.01	.03	.04	.06	.00	-.04	.07
Income before taxes and extraordinary items	1.32	1.70	1.73	1.81	1.85	1.93	1.80	2.03	1.81	1.79
Taxes and extraordinary items	.43	.62	.58	.63	.65	.68	.63	.73	.63	.59
Net income (return on assets)	.91	1.20	1.15	1.18	1.20	1.25	1.19	1.31	1.18	1.19
Dividends	.41	.62	.73	.75	.90	.90	.80	.96	.89	.87
Retained income	.49	.58	.42	.43	.30	.35	.39	.35	.29	.32

14. Indexes of bank stock prices and the S&P 500, 1999–March 2002



NOTE. Banks are ranked by market value, and stock prices are weighted by market value.
SOURCE. Standard and Poor's and *American Banker*.

15. Net interest margin, by size of bank, 1985–2001



NOTE. Net interest margin is net interest income divided by average interest-earning assets. For definition of bank size, see text note 1.

panies, decreased 2 basis points as a percentage of assets after having declined 7 basis points in 2000. Because dividend growth trailed that of net income, retained income rose from 0.29 percent of assets in 2000, the lowest level in a decade, to 0.32 percent last year. A significant advance in equity capital at banks last year outstripped profit growth, and return on equity fell about 40 basis points, to 13.6 percent.

In part as a result of their strong earnings performance relative to some other sectors of the economy, the stocks of the top 50 BHCs (by market value) outperformed the S&P 500 in 2001 (chart 14). However, concerns about credit quality plagued these companies all year, and the exposure of several of the largest BHCs to Enron and Argentina somewhat damped investor optimism late in the year. A broader index of bank stocks, encompassing the top 225 BHCs, substantially outperformed the top 50 BHC index last year.

Interest Income and Expense

Gross interest expense dropped 14 percent relative to 2000, while gross interest income fell only 3.8 percent, a differential resulting in an 8 percent increase in net interest income. Interest-earning assets grew only half that rate; as a result, the nearly decade-long decline in industrywide net interest margins (NIM)—the ratio of net interest income to average interest-earning assets—was arrested, with the measure rising 5 basis points, to 3.98 percent (chart 15).

The increase in NIM was almost entirely attributable to the ten largest banks, where it climbed

19 basis points, to 3.57 percent (chart 15). Much of the increase at the ten largest banks, however, can be explained by changes in the lineup of banks in the group as a result of mergers during the year and a very large increase at one other bank that was in the group in both years. NIM also rose slightly at both large and medium-sized banks. By contrast, weakness during the first half of the year caused NIM to fall 15 basis points, to 4.41 percent, at small banks last year.

Although NIM edged up over the first three quarters of last year, on net, the bulk of the increase in NIM occurred in the fourth quarter. The sharp and unexpected drop in short-term interest rates after the terrorist attack of September 11 may have benefited banks by temporarily trimming liability costs more rapidly than asset returns. Moreover, the surge in demand for core deposits that resulted from lower interest rates and heightened demand for safe and liquid assets allowed banks to substitute this relatively low-interest-rate funding for their higher-yielding managed liabilities.

NIM may also have been boosted by more restrictive lending practices. During the past several years, a substantial majority of the largest commercial banks has reported in the BLPS that they were widening the spreads of business loan rates over their cost of funds; in 2001, smaller fractions of banks also indicated that they were increasing spreads on consumer loans. On the other hand, the same banks have also been tightening lending standards, which would tend to lower the average interest rate spread because higher-quality borrowers generally merit better terms.

Noninterest Income and Expense

The 5.4 percent growth of noninterest income at commercial banks is slightly below that of the previous year and a marked slowdown from the double-digit gains of the late 1990s. The ratio of noninterest income to total revenue, which had been trending up for most of the past decade, flattened out in 2000 and slipped somewhat in 2001 (chart 16, top panel). The slowdown in the growth of noninterest income in 2001 reflects a decline in fiduciary income, primarily fees received for services rendered by bank trust departments (chart 16, middle panel). In addition, trading revenue inched up just 1 percent after two years of double-digit growth. By contrast, deposit fees rose 14 percent as banks' reported efforts to increase fee income from these accounts appear to have borne fruit. Revenue from the sale and servicing of mutual funds also grew significantly, but that activity accounts for less than 5 percent of total noninterest income.

Other noninterest income, which accounts for more than 60 percent of total noninterest income, grew 5.2 percent in 2001, a pace about double that of 2000. As of 2001, the Call Report contains much greater detail on several components of revenue previously aggregated in this category, as shown here.

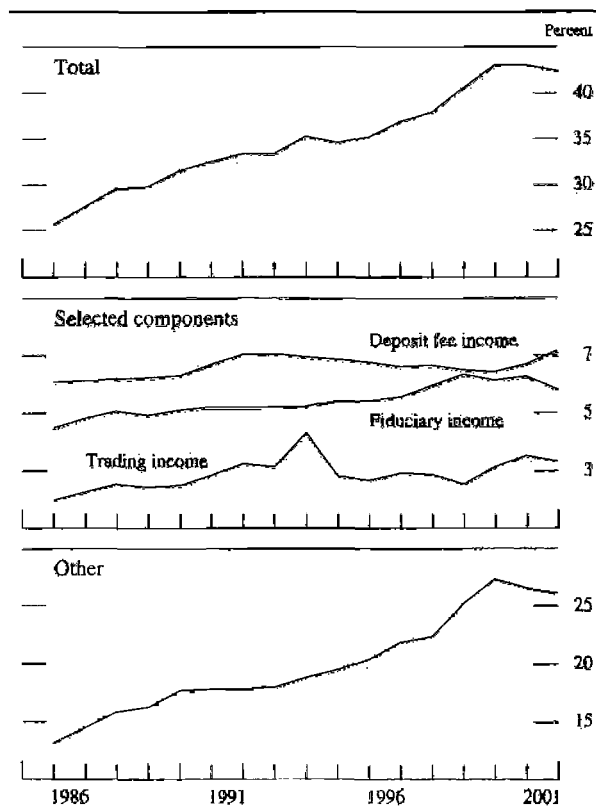
Distribution of other noninterest income as a share of total revenue, 2001

Item	Percent
Securitization income	4.3
Loan servicing fees	3.0
Capital market fees	2.5
Gains from loan sales	1.2
Insurance fees .....	.8
Gains from sales of other assets .....	.6
Venture capital gains	-.2
Residual other noninterest income	13.9
Total	26.1

The itemization reveals that a significant portion of noninterest income last year resulted from activities that are closely linked to banks' traditional business of making loans. Income derived from loan securitizations accounted for about 4 percent of banks' total revenue, and an additional 3 percent of their revenue came from loan servicing fees. Profits on the sales of loans and other assets (not including securities) accounted for almost another 2 percent of total revenue in 2001.

Most of the revenue generated by capital markets business conducted by BHCs remains outside the purview of their commercial bank subsidiaries. Fees

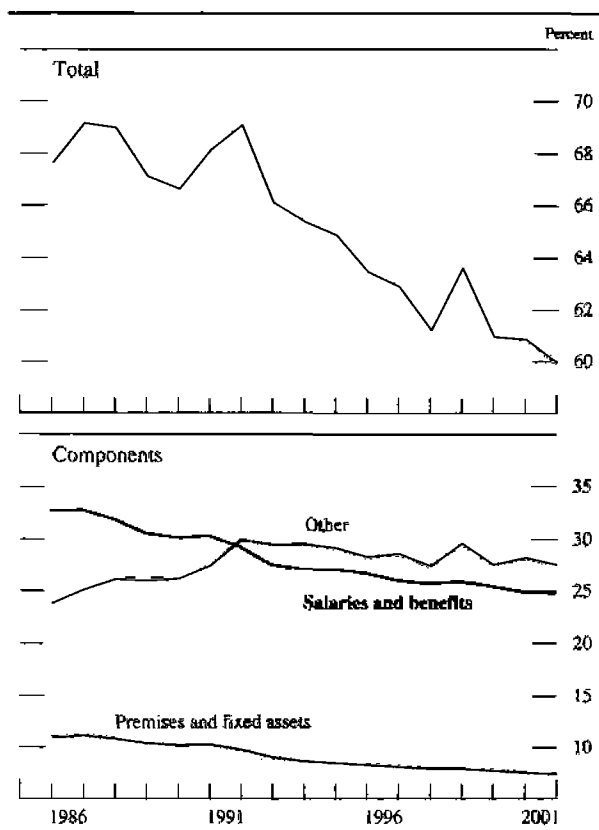
16. Noninterest income and its components as a share of total revenue, 1985-2001



and commissions from investment banking, advisory, brokerage, and underwriting activities accounted for just 2.5 percent of total commercial bank revenue in 2001, as opposed to about 15 percent of revenue at the top 50 BHCs. Venture capital activity, which has been highly publicized in recent years, accounted for a tiny loss at commercial banks last year. Commercial banks generated just 0.8 percent of their total revenue from commissions and fees on insurance products. The residual category, which includes income from professional services, fees earned on credit cards, and ATM surcharges, accounted for about 14 percent of total revenue and one-third of total noninterest income.

The long-term downward trend in the ratio of noninterest expense to total revenue had stalled in recent years as a string of mergers and subsequent restructuring at several large banks boosted costs. Last year, however, this effect was considerably reduced, and the ratio declined nearly a full percentage point, to 59.9 percent (chart 17, top panel). A rise in industry employment of about 2 percent helped push up total salary and wage costs 6.3 percent, a rate slightly less than the growth of revenue (chart 17, bottom panel). Similarly, the ratio of the cost of

17. Noninterest expense as a proportion of revenue, 1985-2001



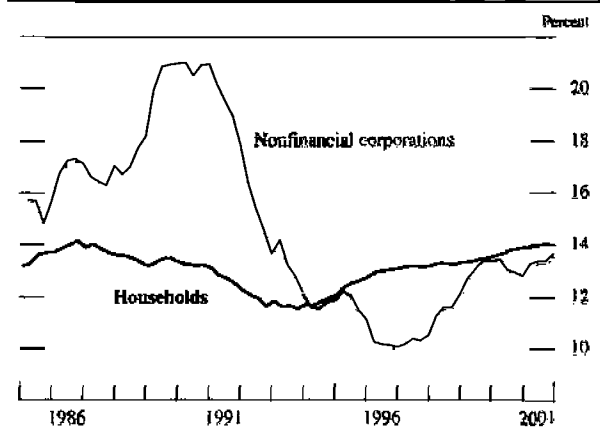
premises and fixed assets to total revenue edged down again last year. Other components of noninterest expense grew but still fell to 27.5 percent of revenue.

Loan Performance and Loss Provisioning

The credit quality of banks' loan portfolios, already worsening because of the economic slowdown, came under further pressure over the final third of the year from the dislocations in the economy caused by the terrorist attacks on September 11, as well as the highly publicized problems at Enron and in Argentina. The deterioration was most pronounced in the business sector, where delinquency and net charge-off rates increased substantially for the second consecutive year, particularly in the fourth quarter. Pressures on businesses were reflected in an increase in their debt-service burden as lower interest rates and associated refinancing were more than offset by the decline in profits last year (chart 18).

On the household side, delinquency rates on credit cards and other consumer loans rose, on balance, last

18. Debt burdens of businesses and households, 1985-2001



NOTE: The debt burden for nonfinancial corporations is calculated as interest payments as a percentage of cash flow. The debt burden for households is an estimate of the ratio of debt payments to disposable personal income; debt payments consist of the estimated required payments on outstanding mortgage and consumer debt.

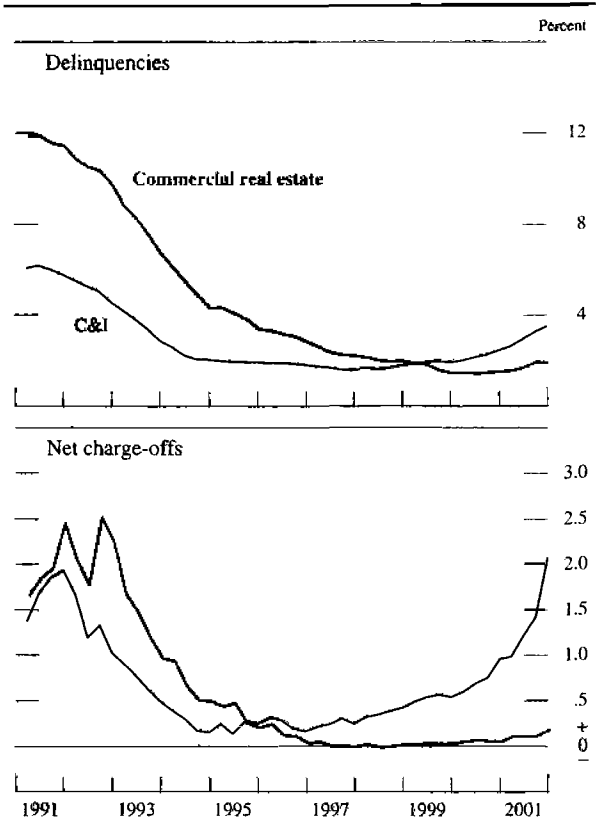
SOURCE: National income and product accounts and the Federal Reserve System.

year. The increases were exacerbated by a further rise in the ratio of household debt-service payments to disposable income, which reached its highest level in fifteen years. In addition, the personal bankruptcy rate surged last year, probably because of efforts by debtors to file in advance of legislation that they viewed as making bankruptcy less attractive. By contrast, delinquency rates on residential mortgages remained at a relatively low level.

C&I Loans

The delinquency rate on C&I loans, which has been increasing since 1998, jumped more than 1 percentage point in 2001, reaching 3.50 percent (chart 19, top panel). Moreover, banks aggressively charged off loans during the fourth quarter of last year, thereby keeping the delinquency rate from rising even further (chart 19, bottom panel). Indeed, the charge-off rate on C&I loans during the fourth quarter exceeded the previous peak reached in the fourth quarter of 1991. The high ratio of charge-offs to delinquencies last year may reflect, in part, banks' sales of troubled loans in the secondary loan market because banks must charge off the difference between the book value and fair market value of the loan when it is transferred to the held-for-sale account. While most of the deterioration in commercial credit quality last year occurred at the largest banks, delinquency and charge-off rates on business loans at smaller banks also increased somewhat.

19. Delinquency and charge-off rates for loans to businesses, by type of loan, 1991–2001



NOTE. The data are seasonally adjusted. Delinquent loans are loans that are not accruing interest and those that are accruing interest but are more than thirty days past due. The delinquency rate is the end-of-period level of delinquent loans divided by the end-of-period level of outstanding loans. The net charge-off rate is the annualized amount of charge-offs over the period, net of recoveries, divided by the average level of outstanding loans over the period.

Commercial Real Estate Loans

Vacancy rates for commercial office space increased sharply last year, while commercial rents and property values stagnated. However, these indicators of the health of the commercial real estate sector have not deteriorated to the extent that they did during the last recession in the early 1990s, and commercial real estate loans continued to perform relatively well last year. Although their delinquency rate picked up somewhat in 2001, it remained at historically low levels of less than 2 percent, and net charge-off rates edged up only slightly.

The resilience of credit quality in the commercial real estate market may also reflect the tightening of credit standards in this sector that was reported in the BLPS as early as 1998. The tightening has continued this year: In the January 2002 survey, 43 percent of domestic banks, on net, indicated that they had

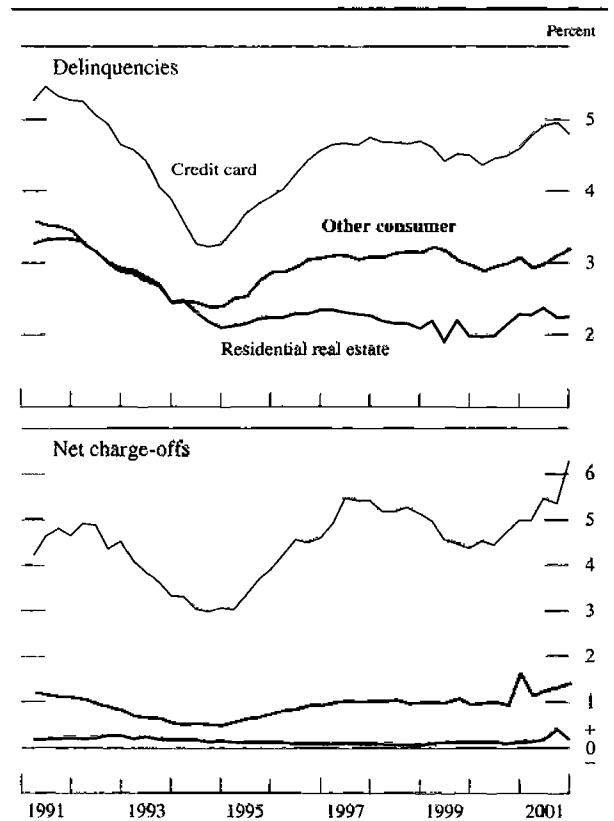
reduced maximum loan-to-value ratios in 2001, up from 10 percent that reported having done so a year earlier. Moreover, 52 percent, on net, reported that they required higher debt-service-coverage ratios in 2001, up from 37 percent in the previous year's survey.

Loans to Households

The delinquency and net charge-off rates on credit card loans drifted upward through the third quarter of 2001 as the slumping economy took its toll on indebted consumers (chart 20). During the fourth quarter, credit card loan charge-offs jumped to the highest rate on record—and by enough to account for the entire decline in the credit card delinquency rate during that quarter. On balance, the delinquency rate on credit card loans increased 19 basis points, to 4.80 percent, over the year.

Some of the increase in the delinquency and charge-off rates on credit card loans probably stems from the jump in the personal bankruptcy rate. In

20. Delinquency and charge-off rates for loans to households, by type of loan, 1991–2001



NOTE. See note to chart 19.

addition, the increase likely reflects deterioration in the quality of loans to so-called subprime borrowers, among whom delinquency rates skyrocketed last year (chart 21).⁶ However, according to the January 2002 BLPS, only a few of the respondent banks make subprime credit card loans, and these loans represent only a small percentage of total loans at those banks. Nonetheless, a majority of the surveyed banks that are active in this market also reported that the performance of loans to these borrowers was worse than they had expected even after accounting for the condition of the economy. Moreover, a small number of institutions specialize in subprime credit card borrowing, and charge-off rates at some of those banks rose substantially last year.

The delinquency rate on consumer installment loans rose 12 basis points, to 3.19 percent, near the top of the range of this series over the past decade. As in the credit card sector, part of this increase reflects a rise in the delinquency rate on subprime loans, presumably for automobiles. In the May 2001 BLPS, banks that reported having tightened credit standards for loans to households indicated that realized and expected increases in consumer delinquency rates were an important reason for changing consumer-lending policies.

The breakneck pace of mortgage refinancing last year also may have helped hold down delinquency rates on consumer loans. As noted earlier, BLPS

respondents reported that large fractions of households that took cash out against existing home equity when they refinanced used the proceeds to repay other debt. Indeed, the proportion of households that was reported to have used the proceeds from refinancing to repay other debt was much larger than that for any other single purpose.

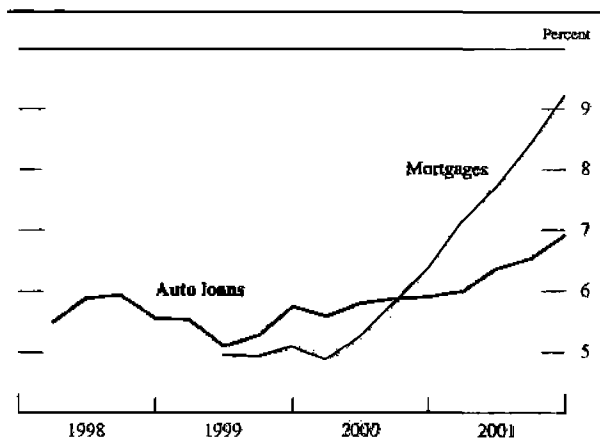
The delinquency rate on residential mortgage loans declined 4 basis points in 2001, to 2.26 percent. In addition, the net charge-off rate on residential mortgages remained very low in 2001, despite a blip in the third quarter of the year that reflected the sale of impaired subprime loans by one large bank. The continuation of robust existing home sales and solid gains in median home prices has undoubtedly helped sustain this performance by making it easier for distressed borrowers or foreclosing banks to sell homes quickly at prices that cover the outstanding mortgage amount. Also, the strong flow of new mortgages helped hold down the delinquency rate because new mortgages are less likely to be delinquent than mortgages that have been outstanding for several years. However, the delinquency rate on securitized residential mortgages, data on which became available in the Call Report only this year, was just under 5 percent, more than double the delinquency rate for mortgages remaining on banks' books.

6. No single definition of "subprime" may cover all markets or institutions. A description of "subprime" is presented in the Federal Reserve Supervision and Regulation letter dated January 31, 2001 (SR 01-4).

Loss Provisioning

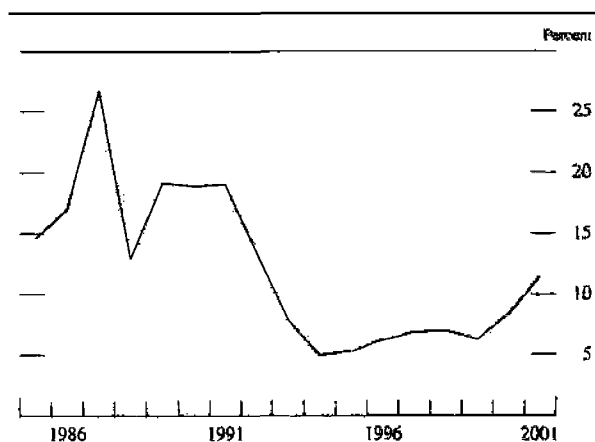
In response to actual and anticipated loan losses, commercial banks aggressively stepped up loan-loss provisioning in 2001 (chart 22). Loss provisioning, which increased 45 percent in 2001 on the heels of a 41 percent jump in 2000, amounted to 11.4 percent of

21. Delinquency rates for subprime loans, by type of loan, 1998-2001

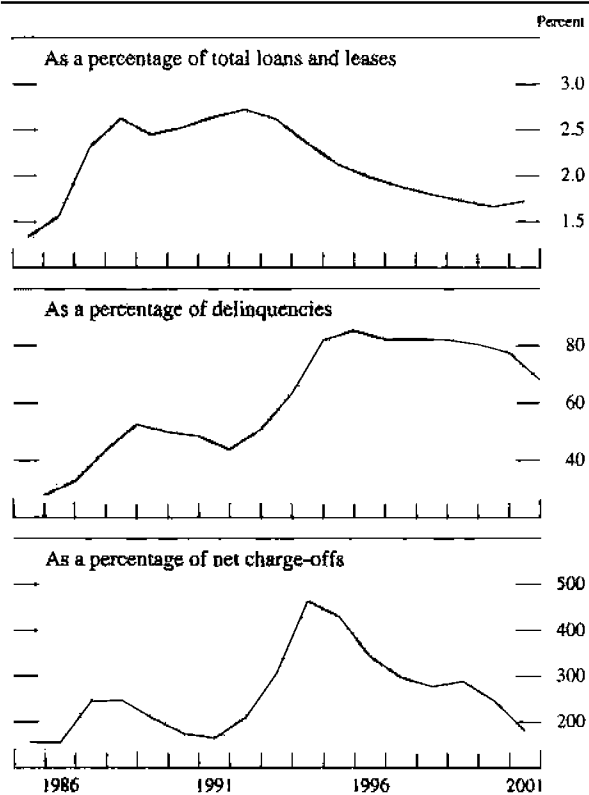


SOURCE: For auto loans, Federal Reserve staff estimates based on data from Moody's Investors Service; for mortgages, Mortgage Information Corporation.

22. Provisioning for loan and lease losses as a percentage of total revenue, 1985-2001



23. Reserves for loan and lease losses, 1985-2001



NOTE. For definitions of delinquencies and net charge-offs, see note to chart 19.

total revenue, the highest percentage since 1992. The increase in the ratio of provisioning to total revenue was particularly acute at the 100 largest banks, while the increase in provisioning at smaller banks was much less pronounced. The sharp rise in loss provisioning exceeded the jump in net charge-offs, resulting in a 12.8 percent advance in loan-loss reserves. That increase easily outstripped the growth of total loans and leases, and the ratio of loan-loss reserves to total loans and leases increased 18 basis points, to 1.85 percent in the fourth quarter—the first year-over-year increase in that ratio since 1992 (chart 23, top panel).

Although the current high levels of capital and profitability provide important additional buffers against further increases in loan losses, some measures of the adequacy of loan-loss reserves fell sharply last year. The ratio of loan-loss reserves to delinquent loans dropped 10 percentage points, to 68 percent, although it remained substantially above the levels posted in the late 1980s and early 1990s (chart 23, middle panel). The significant decline in the ratio of loan-loss reserves to net charge-offs continued a fairly sharp downward trend evident since

1995, and the ratio is now very near its early 1990s lows (chart 23, bottom panel).

INTERNATIONAL OPERATIONS OF U.S. COMMERCIAL BANKS

Sluggish growth in the world economy crimped banks' foreign operations in 2001, particularly in the fourth quarter, when increased loss provisioning in light of economic difficulties in Argentina led to losses on foreign operations at two of the largest banks. Revenue attributable to foreign operations fell to less than 9 percent of total revenue, the smallest share since 1998, when world markets were disrupted by the Russian debt default and several banks posted large losses in their foreign operations. The decline in revenue from foreign operations was especially noticeable at the ten largest banks, and most of the decrease resulted from a sharp fall in noninterest income and a jump in loan-loss provisions.

The share of U.S. bank assets booked at foreign offices fell for the fourth consecutive year, to 11.8 percent. However, a major U.S. bank's acquisition of a large Mexican bank added substantially to the exposure of the U.S. banking sector to that country (table 3). The acquisition was also almost entirely responsible for the climb in the industry's exposure to selected economies in Asia, Latin America, and Eastern Europe, which climbed from 55 percent of tier 1 capital at the end of 2000 to 70 percent at the end of 2001. U.S. banks increased their exposure to Brazil for the second year in a row, and they held their exposure to Russia and the rest of Eastern Europe fairly constant last year. By contrast, banks significantly reduced their exposure to Argentina and also continued to pare back their exposure to emerging Asia.

RECENT DEVELOPMENTS

GDP growth picked up substantially during the first quarter of 2001, but the consensus forecast showed growth slowing down again in the second quarter. Monetary policy entered a holding pattern as the Federal Reserve left the federal funds rate unchanged at the first three meetings of 2002. Longer-term interest rates on government bonds, home mortgages, and investment-grade corporate debt edged up, but the apparently improved economic prospects led to some decline in interest rates on high-yield bonds.

BHC stock prices continued to outperform the S&P 500 index, and the broader index of the top

3. Exposure of banks to selected economies at year-end relative to tier 1 capital, by bank size, 1998-2001
Percent

Bank and year	Selected Asian countries ⁱ	Eastern Europe		Latin America				Total
		All	Russia	All	Mexico	Argentina	Brazil	
<i>All</i>								
1998	15.49	3.49	.43	42.93	9.88	9.66	11.27	61.90
1999	14.37	2.85	.37	39.00	9.50	9.40	10.49	56.22
2000	13.17	4.35	.49	37.88	9.08	8.41	11.15	55.40
2001	12.09	4.29	.60	54.06	25.97	6.61	12.99	70.44
<i>Money center and other large banks</i>								
1998	24.02	5.61	.68	64.20	14.10	15.19	17.04	93.83
1999	20.73	4.25	.55	53.90	12.62	13.63	14.53	78.88
2000	19.98	6.83	.77	54.98	12.69	12.68	16.40	81.79
2001	17.88	6.47	.91	79.08	38.54	9.79	18.74	103.43
<i>Other</i>								
1998	2.08	.16	.00	9.51	3.24	.97	.00	11.75
1999	1.75	.08	.01	9.41	3.31	1.01	2.47	11.24
2000	1.41	.08	.00	8.35	2.84	1.04	2.08	9.84
2001	1.07	.14	.00	6.45	2.04	.57	2.05	7.66
<i>MEMO</i>								
Total exposure (billions of dollars)								
1998	37.87	8.53	1.05	104.96	24.15	23.62	27.55	151.36
1999	37.45	7.43	.95	101.63	24.77	24.51	27.34	146.51
2000	37.30	12.33	1.39	107.31	25.71	23.82	31.59	156.94
2001	36.32	12.88	1.80	162.39	78.00	19.87	39.01	211.59

NOTE. For definition of tier 1 capital, see text note 4. Exposures consist of lending and derivatives exposures for cross-border and local-office operations. Respondents may file information on one bank or on the bank holding company as a whole.

At year-end 2001, "all reporting" banks consisted of 79 institutions with a total of \$300 billion in tier 1 capital; of these institutions, 10 were "large" banks

(5 money center banks and 5 other large banks) with \$197 billion in tier 1 capital, and the remaining 69 were "other" banks with \$104 billion in tier 1 capital. The average "other" bank at year-end 2001 had \$20 billion in assets.

1. Indonesia, Korea, Malaysia, Philippines, and Thailand.

SOURCE: Federal Financial Institutions Examination Council Statistical Release E.16, "Country Exposure Survey," available at www.ffiec.gov/E16.htm/

225 BHCs continued to outperform the index of the top 50. Return on assets at commercial banks increased to 1.29 percent in the first quarter, up 10 basis points from the average for 2001. Net interest margins remained higher than their average for all of 2001 but fell back a tad after having jumped

in the fourth quarter of last year. Noninterest income rose substantially, reportedly buoyed by continued mortgage refinancing activity. Loss provisioning remained very elevated; although it declined somewhat relative to 2001:Q4, it was well above year-earlier levels. □

Table A.1 begins on page 278.

A.1. Portfolio composition, interest rates, and income and expense, all U.S. banks, 1992-2001

A. All banks

Item	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Balance sheet items as a percentage of average net consolidated assets										
Interest-earning assets	88.94	89.06	87.11	86.97	87.38	87.15	86.77	87.05	87.17	86.53
Loans and leases, net	57.30	56.25	56.07	58.37	59.89	58.69	58.33	59.36	60.52	58.98
Commercial and industrial	15.78	14.88	14.51	15.20	15.60	15.78	16.37	17.07	17.16	16.07
U.S. addressees	13.54	12.72	12.35	12.87	13.07	13.18	13.62	14.43	14.67	13.68
Foreign addressees	2.24	2.16	2.16	2.33	2.53	2.60	2.75	2.64	2.49	2.39
Consumer	11.00	11.00	11.43	12.08	12.21	11.44	10.36	9.71	9.38	9.24
Credit card	3.80	3.88	4.21	4.69	4.87	4.55	3.96	3.51	3.52	3.62
Installment and other	7.20	7.11	7.22	7.39	7.34	6.89	6.39	6.20	5.87	5.62
Real estate	24.87	24.80	24.43	25.01	25.06	25.02	24.87	25.44	27.04	27.10
In domestic offices	24.18	24.18	23.80	24.36	24.43	24.41	24.30	24.87	26.50	26.60
Construction and land development	2.64	1.99	1.65	1.59	1.63	1.73	1.86	2.18	2.51	2.84
Farmland	.56	.57	.56	.56	.56	.55	.55	.56	.56	.55
One- to four-family residential	12.91	13.49	13.74	14.42	14.43	14.42	14.26	14.10	14.96	14.66
Home equity	2.09	2.07	1.91	1.88	1.85	1.94	1.89	1.76	1.96	2.18
Other	10.83	11.42	11.84	12.54	12.57	12.48	12.37	12.34	13.00	12.49
Multifamily residential	.75	.79	.79	.81	.85	.83	.82	.88	.99	.97
Nonfarm nonresidential	7.32	7.33	7.07	6.97	6.96	6.88	6.81	7.15	7.43	7.57
In foreign offices	.69	.62	.63	.65	.63	.61	.57	.57	.54	.50
To depository institutions and acceptances of other banks	1.29	1.13	1.47	1.92	2.33	1.93	1.91	1.97	1.87	1.84
Foreign governments	.73	.67	.41	.30	.26	.18	.15	.16	.12	.10
Agricultural production	1.02	.99	1.00	.96	.92	.90	.89	.83	.78	.75
Other loans	3.45	3.50	3.29	3.11	3.32	2.80	2.78	2.75	2.58	2.35
Lease-financing receivables	1.03	.99	1.03	1.19	1.51	1.87	2.14	2.53	2.65	2.62
Less: Unearned income on loans	-.28	-.21	-.16	-.14	-.12	-.09	-.07	-.06	-.05	-.04
Less: Loss reserves ¹	-1.60	-1.51	-1.36	-1.26	-1.21	-1.13	-1.07	-1.04	-1.02	-1.04
Securities	23.52	25.37	24.32	21.94	21.01	20.41	20.38	20.40	20.02	19.55
Investment account	21.18	22.50	21.60	19.39	18.20	17.25	17.49	18.34	17.59	16.83
Debt	21.18	22.50	21.21	18.98	17.75	16.75	16.94	17.73	16.93	16.50
U.S. Treasury	n.a.	n.a.	6.71	5.25	4.20	3.38	2.71	2.14	1.66	.85
U.S. government agency and corporation obligations	n.a.	n.a.	10.26	9.81	9.75	9.74	10.28	10.85	10.31	10.08
Government-backed mortgage pools	n.a.	n.a.	4.70	4.47	4.80	4.94	5.17	5.24	4.75	5.13
Collateralized mortgage obligations	n.a.	n.a.	3.19	2.67	2.11	1.94	2.13	2.15	1.92	1.96
Other	n.a.	n.a.	2.36	2.68	2.83	2.86	2.99	3.46	3.63	2.99
State and local government	n.a.	n.a.	2.01	1.80	1.68	1.59	1.57	1.62	1.52	1.49
Private mortgage-backed securities	n.a.	n.a.	.64	.62	.61	.50	.67	.88	.95	1.09
Other	n.a.	n.a.	1.56	1.49	1.51	1.54	1.71	2.24	2.48	2.98
Equity ²	n.a.	n.a.	.39	.41	.45	.50	.55	.61	.66	.34
Trading account	2.34	2.87	2.71	2.55	2.81	3.16	2.90	2.06	2.43	2.72
Gross federal funds sold and reverse RPs	4.54	4.27	3.82	3.93	3.82	5.18	5.37	4.61	4.12	5.11
Interest-bearing balances at depositories	3.58	3.18	2.90	2.73	2.66	2.86	2.69	2.68	2.52	2.90
Non-interest-earning assets	11.06	10.94	12.89	13.03	12.62	12.85	13.23	12.95	12.83	13.47
Revaluation gains held in trading accounts ³	n.a.	n.a.	2.95	2.90	2.25	2.59	2.95	2.57	2.29	2.37
Other	11.06	10.94	9.94	10.12	10.38	10.26	10.28	10.38	10.54	11.10
Liabilities	92.82	92.15	92.12	91.99	91.73	91.57	91.51	91.51	91.58	91.24
Interest-bearing liabilities	75.32	73.92	71.86	71.86	71.62	71.36	71.32	72.51	73.30	72.46
Deposits	62.94	60.26	57.34	56.30	55.87	55.01	54.66	54.79	54.67	54.61
In foreign offices	8.37	8.32	9.39	10.28	10.01	10.02	10.15	10.46	10.92	10.18
In domestic offices	54.56	51.94	47.96	46.03	45.86	44.99	44.51	44.33	43.75	44.43
Other checkable deposits	7.65	8.24	7.80	6.63	4.75	3.62	3.11	2.81	2.46	2.37
Savings (including MMDAs)	20.28	20.91	19.60	17.48	18.71	19.12	19.97	21.00	20.64	22.29
Small-denomination time deposits	19.21	16.98	15.33	16.14	15.97	15.17	14.15	13.10	12.49	11.60
Large-denomination time deposits	7.42	5.81	5.23	5.77	6.42	7.08	7.33	7.42	8.16	8.17
Gross federal funds purchased and RPs	7.02	7.47	7.60	7.71	7.18	8.13	7.99	7.97	7.83	7.95
Other	5.36	6.19	6.92	7.85	8.56	8.21	8.68	9.75	10.79	9.90
Non-interest-bearing liabilities	17.50	18.23	20.26	20.17	20.11	20.21	20.18	19.00	18.28	18.78
Demand deposits in domestic offices	13.24	13.86	13.49	12.68	12.82	12.16	11.00	9.78	8.62	8.00
Revaluation losses held in trading accounts ³	n.a.	n.a.	2.69	2.88	2.14	2.64	2.97	2.52	2.29	2.21
Other	4.27	4.37	4.55	4.57	5.14	5.42	6.21	6.70	7.37	8.58
Capital account	7.18	7.85	7.88	8.01	8.27	8.43	8.49	8.49	8.42	8.76
Memo										
Commercial real estate loans	11.34	10.63	9.94	9.83	9.92	9.99	10.12	10.87	11.58	12.09
Other real estate owned	.82	.63	.36	.19	.14	.11	.08	.06	.05	.05
Managed liabilities	28.70	28.28	29.61	32.08	32.73	34.09	34.94	36.58	38.82	37.39
Average net consolidated assets (billions of dollars)	3,442	3,566	3,863	4,148	4,376	4,733	5,144	5,439	5,905	6,334

A.1. Continued

A. All banks

Item	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Effective interest rate (percent) ⁴										
<i>Rates earned</i>										
Interest-earning assets	8.27	7.61	7.61	8.33	8.14	8.15	7.99	7.70	8.23	7.43
Taxable equivalent	8.37	7.71	7.70	8.40	8.21	8.22	8.06	7.76	8.27	7.51
Loans and leases, gross	9.20	8.69	8.62	9.25	8.99	9.01	8.84	8.48	9.01	8.24
Net of loss provisions	7.87	7.87	8.12	8.74	8.39	8.34	8.15	7.83	8.19	7.10
Securities	7.04	6.08	5.96	6.51	6.42	6.50	6.37	6.25	6.53	6.02
Taxable equivalent	7.34	6.36	6.20	6.73	6.66	6.73	6.63	6.46	6.65	6.31
Investment account	7.11	6.07	5.79	6.35	6.35	6.45	6.29	6.23	6.52	5.98
U.S. Treasury securities and U.S. government agency obligations (excluding MBS)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5.73
Mortgage-backed securities	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	6.22
Other	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5.74
Trading account	6.40	6.16	7.41	7.73	6.86	6.75	6.85	6.47	6.63	6.35
Gross federal funds sold and reverse RPs	3.58	3.04	4.26	5.63	5.21	5.45	5.29	4.78	5.56	3.90
Interest-bearing balances at depositories	7.31	6.61	5.71	6.84	6.20	6.23	6.32	5.95	6.48	4.03
<i>Rates paid</i>										
Interest-bearing liabilities	4.75	4.01	4.01	4.99	4.82	4.92	4.88	4.47	5.17	4.18
Interest-bearing deposits	4.51	3.65	3.53	4.47	4.33	4.39	4.31	3.87	4.45	3.64
In foreign offices	7.32	6.82	5.59	6.12	5.54	5.44	5.66	4.91	5.61	3.95
In domestic offices	4.07	3.14	3.14	4.11	4.07	4.16	4.01	3.63	4.18	3.57
Other checkable deposits	2.70	1.99	1.85	2.06	2.04	2.25	2.29	2.08	2.34	1.96
Savings (including MMDAs)	3.25	2.50	2.58	3.19	2.99	2.93	2.79	2.49	2.86	2.21
Large time deposits ⁵	4.90	4.00	4.09	5.47	5.39	5.45	5.22	4.92	5.78	5.08
Other time deposits ⁵	5.15	4.19	4.17	5.44	5.40	5.54	5.48	5.09	5.69	5.48
Gross federal funds purchased and RPs	3.64	3.07	4.18	5.65	5.12	5.17	5.19	4.73	5.77	3.85
Other interest-bearing liabilities	7.87	8.02	7.25	7.47	6.93	6.95	6.89	6.48	6.97	5.99
Income and expense as a percentage of average net consolidated assets										
Gross interest income	7.45	6.86	6.65	7.29	7.16	7.15	6.98	6.73	7.19	6.45
Taxable equivalent	7.54	6.94	6.73	7.35	7.21	7.20	7.03	6.78	7.23	6.49
Loans	5.40	5.00	4.91	5.48	5.47	5.40	5.27	5.12	5.54	4.97
Securities	1.51	1.37	1.25	1.23	1.16	1.11	1.10	1.14	1.15	1.01
Gross federal funds sold and reverse RPs	.17	.13	.17	.23	.21	.29	.29	.23	.23	.20
Other	.37	.36	.33	.35	.32	.35	.32	.24	.27	.24
Gross interest expense	3.56	2.96	2.87	3.57	3.43	3.48	3.46	3.22	3.76	3.00
Deposits	2.87	2.23	2.05	2.54	2.46	2.48	2.43	2.20	2.56	2.10
Gross federal funds purchased and RPs	.27	.24	.32	.44	.38	.43	.43	.39	.45	.31
Other	.42	.50	.50	.58	.59	.56	.59	.63	.75	.59
Net interest income	3.89	3.90	3.78	3.72	3.73	3.67	3.52	3.52	3.43	3.45
Taxable equivalent	3.98	3.98	3.86	3.79	3.78	3.72	3.57	3.57	3.47	3.49
Loss provisioning ⁶	.78	.47	.28	.30	.37	.41	.41	.39	.50	.68
Noninterest income	1.95	2.13	2.00	2.02	2.18	2.23	2.40	2.65	2.58	2.54
Service charges on deposits	.41	.42	.40	.39	.39	.39	.38	.40	.40	.43
Fiduciary activities	.30	.31	.31	.31	.33	.35	.37	.38	.38	.35
Trading revenue	.18	.26	.16	.15	.17	.17	.15	.19	.21	.20
Interest rate exposures	n.a.	n.a.	n.a.	n.a.	.09	.08	.05	.07	.08	.10
Foreign exchange rate exposures	n.a.	n.a.	n.a.	n.a.	.06	.08	.09	.09	.09	.07
Other commodity and equity exposures	n.a.	n.a.	n.a.	n.a.	.02	*	.01	.03	.04	.03
Other	1.05	1.14	1.13	1.17	1.29	1.32	1.49	1.69	1.59	1.56
Noninterest expense	3.86	3.94	3.75	3.64	3.71	3.61	3.77	3.76	3.65	3.58
Salaries, wages, and employee benefits	1.61	1.64	1.58	1.54	1.55	1.53	1.55	1.58	1.51	1.49
Occupancy	.53	.52	.49	.48	.48	.47	.47	.48	.45	.44
Other	1.72	1.78	1.68	1.62	1.69	1.62	1.75	1.70	1.69	1.64
Net noninterest expense	1.91	1.81	1.75	1.62	1.53	1.38	1.36	1.11	1.07	1.05
Gains on investment account securities	.11	.09	-.01	.01	.03	.04	.06	*	-.04	.07
Income before taxes and extraordinary items	1.32	1.70	1.73	1.81	1.85	1.93	1.80	2.03	1.81	1.79
Taxes	.42	.56	.58	.63	.65	.68	.62	.72	.63	.60
Extraordinary items, net of income taxes	.01	.06	*	*	*	*	.01	*	*	-.01
Net income	.91	1.20	1.15	1.18	1.20	1.25	1.19	1.31	1.18	1.19
Cash dividends declared	.41	.62	.73	.75	.90	.90	.80	.96	.89	.87
Retained income	.49	.58	.42	.43	.30	.35	.39	.35	.29	.32
MEMO: Return on equity	12.64	15.32	14.63	14.69	14.52	14.84	14.06	15.41	13.98	13.57

* In absolute value, less than 0.005 percent.

n.a. Not available. MMDA Money market deposit account. RP Repurchase agreement. CD Certificate of deposit.

1. Includes allocated transfer risk reserves.

2. As in the Call Report, equity securities are combined with "other debt securities" before 1989.

3. Before 1994, the netted value of off-balance-sheet items appeared in "trading account securities" if a gain and "other non-interest-bearing liabilities" if a loss.

4. When possible, based on the average of quarterly balance sheet data reported on schedule RC-K of the quarterly Call Reports.

5. Prior to 1997, large time open accounts included in other time deposits.

6. Includes provisions for allocated transfer risk.

A.1. Portfolio composition, interest rates, and income and expense, all U.S. banks, 1992-2001

B. Ten largest banks by assets

Item	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Balance sheet items as a percentage of average net consolidated assets										
Interest-earning assets	85.32	84.90	77.26	77.12	80.12	81.84	81.25	81.49	82.23	81.74
Loans and leases, net	58.34	55.57	49.91	50.05	53.51	50.91	50.76	53.37	55.22	53.86
Commercial and industrial	20.32	18.65	16.43	16.16	17.17	16.90	18.07	19.20	19.86	18.81
U.S. addressees	12.00	10.75	9.16	8.66	9.59	10.24	11.76	13.14	13.95	13.41
Foreign addressees	8.32	7.90	7.27	7.50	7.59	6.66	6.31	6.06	5.92	5.41
Consumer	7.31	7.33	6.59	6.60	6.22	6.40	6.04	5.94	5.43	6.17
Credit card	2.61	2.50	2.28	1.96	1.23	1.34	1.30	1.36	1.34	1.60
Installment and other	4.70	4.83	4.31	4.65	4.99	5.06	4.74	4.58	4.09	4.56
Real estate	19.93	18.54	16.21	15.82	16.53	17.42	16.51	16.96	19.82	19.23
In domestic offices	17.07	15.99	13.80	13.48	14.44	15.69	15.08	15.55	18.48	18.05
Construction and land development	2.48	1.59	.84	.58	.51	.68	.77	.90	.98	1.27
Farmland	.07	.07	.06	.06	.06	.09	.09	.10	.11	.11
One- to four-family residential	10.08	10.29	9.69	9.62	10.43	11.02	10.33	10.77	13.37	12.40
Home equity	1.63	1.60	1.40	1.40	1.53	1.70	1.72	1.54	1.60	1.78
Other	8.46	8.68	8.29	8.22	8.90	9.31	8.61	9.22	11.76	10.63
Multifamily residential	.58	.53	.41	.38	.38	.39	.38	.43	.60	.51
Nonfarm nonresidential	3.86	3.51	2.79	2.83	3.05	3.52	3.51	3.35	3.42	3.76
In foreign offices	2.85	2.55	2.41	2.35	2.09	1.73	1.43	1.41	1.34	1.18
To depository institutions and acceptances of other banks	2.64	2.47	3.49	5.04	6.14	4.20	4.05	4.34	3.78	3.24
Foreign governments	2.75	2.46	1.27	.90	.69	.45	.35	.38	.28	.20
Agricultural production	.28	.27	.25	.21	.23	.31	.28	.26	.23	.28
Other loans	5.97	6.71	6.32	5.76	6.34	4.15	3.74	3.96	3.76	3.51
Lease-financing receivables	1.51	1.30	1.14	1.14	1.59	2.24	2.81	3.40	3.07	3.43
Less: Unearned income on loans	-.27	-.21	-.16	-.14	-.11	-.07	-.06	-.05	-.04	-.04
Less: Loss reserves ¹	-2.08	-1.94	-1.63	-1.45	-1.30	-1.08	-1.01	-1.03	-.97	-.97
Securities	19.13	22.74	20.61	19.53	19.83	20.00	19.72	18.34	18.98	17.81
Investment account	10.70	12.45	11.68	10.65	10.60	10.97	12.12	13.08	13.71	12.14
Debt	10.70	12.45	10.10	9.03	8.94	9.42	10.58	11.38	11.97	11.30
U.S. Treasury	n.a.	n.a.	2.06	2.03	1.93	1.56	1.70	1.98	1.96	.68
U.S. government agency and corporation obligations	n.a.	n.a.	5.08	4.46	4.59	5.34	6.31	6.35	6.59	6.84
Government-backed mortgage pools	n.a.	n.a.	2.79	2.89	3.58	4.26	5.13	5.03	4.88	4.99
Collateralized mortgage obligations	n.a.	n.a.	2.22	1.50	.95	.93	.93	.79	.93	1.11
Other	n.a.	n.a.	.06	.08	.06	.15	.26	.52	.78	.74
State and local government	n.a.	n.a.	.61	.49	.39	.51	.47	.45	.51	.55
Private mortgage-backed securities	n.a.	n.a.	.43	.32	.30	.32	.60	.57	.51	.58
Other	n.a.	n.a.	3.03	2.97	3.01	2.81	2.57	3.22	3.47	3.22
Equity ²	n.a.	n.a.	.39	.38	.38	.42	.47	.51	.68	.26
Trading account	8.43	10.30	8.93	8.88	9.23	9.03	7.60	5.25	5.26	5.67
Gross federal funds sold and reverse RPs	3.23	2.71	2.68	3.20	3.10	7.56	7.81	6.64	5.02	6.38
Interest-bearing balances at depositories	4.61	3.88	4.05	4.34	3.68	3.37	2.96	3.14	3.01	3.69
Non-interest-earning assets	14.68	15.10	22.74	22.88	19.88	18.16	18.75	18.51	17.77	18.26
Revaluation gains held in trading accounts ³	n.a.	n.a.	11.23	10.77	7.63	7.36	7.62	6.66	5.66	5.47
Other	14.68	15.10	11.51	12.11	12.25	10.80	11.13	11.85	12.10	12.78
Liabilities	94.44	93.24	93.42	93.59	93.04	92.61	92.58	92.28	92.36	92.14
Interest-bearing liabilities	73.08	71.56	64.33	63.37	64.45	65.83	65.81	66.87	67.81	66.76
Deposits	55.73	52.91	48.20	47.49	47.87	47.36	47.65	48.79	49.27	49.09
In foreign offices	27.16	25.51	26.10	28.36	26.41	22.18	20.17	21.04	21.62	19.22
In domestic offices	28.56	27.41	22.10	19.12	21.46	25.18	27.48	27.76	27.66	29.88
Other checkable deposits	3.38	3.45	2.91	2.30	1.61	1.21	.99	.72	.74	.90
Savings (including MMDAs)	14.91	15.33	12.70	10.56	12.31	14.26	15.83	16.84	16.73	19.23
Small-denomination time deposits	5.72	5.09	3.98	4.04	4.68	5.82	6.03	5.66	5.38	5.13
Large-denomination time deposits	4.56	3.53	2.51	2.23	2.86	3.89	4.62	4.54	4.80	4.61
Gross federal funds purchased and RPs	6.19	6.70	5.83	6.17	5.88	10.26	9.78	8.84	8.89	9.04
Other	11.16	11.94	10.29	9.71	10.69	8.20	8.37	9.24	9.65	8.62
Non-interest-bearing liabilities	21.36	21.68	29.09	30.22	28.59	26.78	26.77	25.41	24.56	25.38
Demand deposits in domestic offices	11.05	11.27	10.15	8.88	9.73	8.98	8.46	7.83	7.28	7.50
Revaluation losses held in trading accounts ³	n.a.	n.a.	10.22	10.68	7.27	7.53	7.67	6.51	5.69	5.10
Other	10.30	10.41	10.51	10.66	11.59	10.27	10.65	11.06	11.59	12.79
Capital account	5.56	6.76	6.58	6.41	6.96	7.39	7.42	7.72	7.64	7.86
MEMO										
Commercial real estate loans	8.01	6.46	4.65	4.40	4.65	5.45	5.61	5.69	5.87	6.68
Other real estate owned	1.13	1.02	.58	.27	.18	.13	.09	.06	.04	.04
Managed liabilities	50.82	49.23	46.21	47.94	47.39	46.02	44.42	45.49	46.84	43.38
Average net consolidated assets (billions of dollars)	775	818	949	1,051	1,189	1,514	1,820	1,935	2,234	2,527

A.1.—Continued

B. Ten largest banks by assets

Item	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
	Effective interest rate (percent)^a									
<i>Rates earned</i>										
Interest-earning assets	8.67	8.16	8.15	8.20	7.72	7.55	7.54	7.35	7.77	6.91
Taxable equivalent	8.72	8.20	8.18	8.22	7.74	7.60	7.57	7.39	7.78	6.98
Loans and leases, gross	9.36	9.07	8.89	8.84	8.32	8.25	8.21	7.99	8.46	7.62
Net of loss provisions	7.51	7.95	8.38	8.62	8.11	7.93	7.62	7.50	7.79	6.53
Securities	7.38	6.69	7.09	7.41	6.80	6.70	6.79	6.52	6.52	6.25
Taxable equivalent	7.54	6.77	7.19	7.47	6.85	6.85	6.89	6.65	6.55	6.53
Investment account	7.96	6.90	6.57	7.06	6.71	6.61	6.71	6.50	6.45	6.08
U.S. Treasury securities and U.S. government agency obligations (excluding MBS)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	4.92
Mortgage-backed securities	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	6.07
Other	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	6.52
Trading account	6.69	6.45	7.79	7.83	6.90	6.81	6.92	6.56	6.70	6.66
Gross federal funds sold and reverse RPs	3.65	3.02	4.52	5.20	4.92	5.45	5.20	4.52	4.93	3.91
Interest-bearing balances at depositories	9.29	8.34	7.27	7.15	6.71	6.91	7.16	7.22	7.45	3.75
<i>Rates paid</i>										
Interest-bearing liabilities	6.17	5.60	5.43	5.88	5.44	5.41	5.29	4.79	5.37	4.14
Interest-bearing deposits	5.33	4.50	4.32	4.99	4.57	4.54	4.40	3.82	4.40	3.30
In foreign offices	7.55	6.87	6.04	6.07	5.62	5.52	5.80	4.99	5.67	4.02
In domestic offices	3.25	2.36	2.35	3.42	3.32	3.69	3.39	3.04	3.51	2.90
Other checkable deposits	1.97	1.28	1.10	1.29	1.32	1.97	1.67	1.44	1.61	1.68
Savings (including MMDAs)	2.95	2.14	2.35	3.11	2.76	2.68	2.45	2.11	2.43	1.95
Large time deposits ⁵	4.66	3.55	3.12	3.73	4.62	5.17	4.53	4.36	5.32	4.45
Other time deposits ⁶	3.81	3.01	2.80	5.08	4.58	5.45	5.21	4.95	5.53	5.25
Gross federal funds purchased and RPs	4.04	3.26	4.05	5.22	4.93	5.02	5.18	4.53	5.47	3.82
Other interest-bearing liabilities	10.40	11.16	10.87	9.80	8.86	9.13	8.85	8.61	8.15	7.15
	Income and expense as a percentage of average net consolidated assets									
Gross interest income	7.69	7.22	6.37	6.42	6.26	6.31	6.21	6.01	6.39	5.63
Taxable equivalent	7.72	7.25	6.40	6.43	6.27	6.33	6.22	6.03	6.41	5.65
Loans	5.65	5.22	4.49	4.44	4.48	4.31	4.27	4.35	4.74	4.20
Securities	.85	.86	.77	.75	.71	.73	.81	.85	.88	.74
Gross federal funds sold and reverse RPs	.14	.11	.15	.21	.18	.45	.42	.30	.25	.26
Other	1.05	1.04	.97	1.00	.88	.82	.70	.51	.51	.43
Gross interest expense	4.54	4.06	3.52	3.74	3.52	3.55	3.48	3.16	3.61	2.72
Deposits	3.09	2.48	2.15	2.43	2.26	2.26	2.20	1.97	2.33	1.76
Gross federal funds purchased and RPs	.28	.24	.24	.35	.31	.54	.54	.40	.49	.35
Other	1.17	1.35	1.13	.95	.95	.75	.74	.79	.78	.61
Net interest income	3.15	3.16	2.86	2.68	2.73	2.76	2.73	2.84	2.78	2.92
Taxable equivalent	3.18	3.19	2.88	2.70	2.75	2.79	2.75	2.86	2.80	2.94
Loss provisioning ^d	1.12	.64	.26	.11	.11	.16	.31	.26	.38	.60
Noninterest income	2.59	2.99	2.33	2.16	2.34	2.12	2.15	2.55	2.54	2.26
Service charges on deposits	.30	.30	.26	.25	.28	.32	.33	.37	.40	.45
Fiduciary activities	.37	.39	.36	.30	.31	.34	.32	.31	.27	.29
Trading revenue	.66	.91	.53	.46	.52	.43	.33	.46	.48	.43
Interest rate exposures	n.a.	n.a.	n.a.	n.a.	.30	.23	.10	.17	.20	.21
Foreign exchange rate exposures	n.a.	n.a.	n.a.	n.a.	.17	.20	.19	.18	.18	.14
Other commodity and equity exposures	n.a.	n.a.	n.a.	n.a.	.05	*	.03	.09	.11	.08
Other	1.27	1.38	1.18	1.15	1.23	1.04	1.17	1.41	1.39	1.09
Noninterest expense	3.86	4.13	3.56	3.32	3.57	3.24	3.47	3.45	3.31	3.17
Salaries, wages, and employee benefits	1.78	1.88	1.65	1.58	1.57	1.45	1.45	1.57	1.46	1.38
Occupancy	.65	.66	.55	.50	.50	.47	.47	.50	.47	.45
Other	1.43	1.59	1.36	1.24	1.50	1.33	1.54	1.38	1.39	1.34
Net noninterest expense	1.27	1.14	1.23	1.16	1.23	1.12	1.32	.90	.77	.90
Gains on investment account securities	.11	.13	.02	.03	.04	.08	.11	.03	-.03	.08
Income before taxes and extraordinary items	.87	1.50	1.39	1.44	1.44	1.56	1.22	1.71	1.60	1.49
Taxes	.26	.53	.48	.55	.52	.58	.44	.66	.60	.49
Extraordinary items, net of income taxes	*	.16	*	*	*	*	*	*	*	-.01
Net income	.61	1.13	.91	.88	.92	.98	.78	1.05	1.00	.99
Cash dividends declared	.18	.28	.58	.57	.70	.82	.53	.79	.86	.67
Retained income	.43	.85	.33	.31	.21	.15	.25	.26	.13	.32
MEMO: Return on equity	10.91	15.75	13.86	13.78	13.21	13.22	10.53	13.58	13.04	12.61

* In absolute value, less than 0.005 percent.

n.a. Not available. MMDA Money market deposit account. RP Repurchase agreement. CD Certificate of deposit.

1. Includes allocated transfer risk reserves.

2. As in the Call Report, equity securities are combined with "other debt securities" before 1989.

3. Before 1994, the netted value of off-balance-sheet items appeared in "trading account securities"

if a gain and "other non-interest-bearing liabilities" if a loss.

4. When possible, based on the average of quarterly balance sheet data reported on schedule RC-K of the quarterly Call Reports.

5. Prior to 1997, large time open accounts included in other time deposits.

6. Includes provisions for allocated transfer risk.

A.1. Portfolio composition, interest rates, and income and expense, all U.S. banks, 1992-2001

C. Banks ranked 11 through 100 by assets

Item	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Balance sheet items as a percentage of average net consolidated assets										
Interest-earning assets	88.43	88.81	88.58	88.71	88.26	87.50	87.91	88.47	88.78	88.23
Loans and leases, net	58.30	57.33	58.56	62.68	64.24	63.89	64.42	64.28	64.97	62.27
Commercial and industrial	18.83	18.03	18.03	19.26	18.95	19.01	18.92	19.40	18.20	15.81
U.S. addressees	17.78	17.05	16.99	18.10	17.71	17.78	17.59	18.18	17.66	15.33
Foreign addressees	1.05	.98	1.04	1.16	1.24	1.22	1.33	1.22	.55	.48
Consumer	11.72	11.47	12.62	14.23	15.67	15.62	14.53	13.57	13.80	13.21
Credit card	5.16	5.23	5.99	7.34	8.26	8.50	7.67	6.78	6.98	6.98
Installment and other	6.56	6.24	6.63	6.89	7.40	7.12	6.86	6.79	6.82	6.23
Real estate	21.89	22.11	22.26	23.25	23.26	22.99	24.60	24.81	26.23	27.32
In domestic offices	21.78	22.01	22.17	23.10	23.10	22.85	24.42	24.63	26.13	27.24
Construction and land development	3.02	2.08	1.63	1.50	1.55	1.69	2.03	2.43	3.00	3.31
Farmland	.14	.13	.14	.13	.13	.14	.17	.19	.22	.23
One- to four-family residential	11.36	12.30	12.98	14.16	14.15	13.88	14.86	14.15	14.52	15.50
Home equity	2.50	2.54	2.33	2.19	2.08	2.22	2.17	2.08	2.49	2.90
Other	8.85	9.76	10.65	11.97	12.07	11.65	12.69	12.07	12.03	12.61
Multifamily residential	0.66	.71	.71	.77	.89	.93	1.00	1.02	1.11	1.16
Nonfarm nonresidential	6.61	6.79	6.72	6.54	6.37	6.21	6.36	6.82	7.28	7.03
In foreign offices	.11	.10	.09	.15	.16	.15	.18	.19	.09	.09
To depository institutions and acceptances of other banks	1.47	1.34	1.52	1.61	1.53	1.30	1.09	.93	1.05	1.42
Foreign governments	.33	.30	.28	.20	.20	.09	.06	.06	.03	.03
Agricultural production	.31	.29	.29	.26	.28	.29	.33	.33	.37	.31
Other loans	4.24	4.01	3.45	3.29	3.27	3.18	3.35	2.99	2.57	2.04
Lease-financing receivables	1.49	1.47	1.60	1.96	2.41	2.70	2.75	3.32	3.87	3.28
Less: Unearned income on loans	-.17	-.11	-.07	-.07	-.06	-.05	-.04	-.04	-.03	-.02
Less: Loss reserves ¹	-1.79	-1.60	-1.41	-1.32	-1.27	-1.24	-1.16	-1.11	-1.12	-1.13
Securities	20.38	21.97	21.19	18.64	16.87	15.80	16.67	17.80	17.33	19.01
Investment account	19.24	20.60	19.82	17.88	16.06	15.07	16.13	17.29	16.11	17.71
Debt	19.24	20.60	18.57	16.60	14.70	13.61	14.52	15.53	14.19	16.72
U.S. Treasury	n.a.	n.a.	6.86	4.82	3.34	2.81	2.25	1.70	1.12	.67
U.S. government agency and corporation obligations	n.a.	n.a.	9.38	9.40	9.12	8.98	9.93	10.58	9.71	10.09
Government-backed mortgage pools	n.a.	n.a.	5.40	5.06	5.42	5.17	4.98	5.12	4.31	5.19
Collateralized mortgage obligations	n.a.	n.a.	3.04	2.82	2.16	2.13	2.83	2.89	2.55	2.42
Other	n.a.	n.a.	.94	1.51	1.54	1.68	2.12	2.56	2.84	2.48
State and local government	n.a.	n.a.	1.20	1.11	.99	.88	.92	.99	.96	.99
Private mortgage-backed securities	n.a.	n.a.	.95	1.02	.96	.73	.96	1.35	1.66	2.01
Other	n.a.	n.a.	1.22	1.16	1.21	1.18	1.53	2.02	2.06	3.56
Equity ²	n.a.	n.a.	.32	.37	.44	.49	.55	.65	.60	.39
Trading account	1.14	1.37	1.38	.76	.80	.73	.54	.51	1.22	1.30
Gross federal funds sold and reverse RPs	4.78	4.98	5.11	4.52	4.26	4.38	3.57	3.34	3.77	4.07
Interest-bearing balances at depositories	4.98	4.53	3.72	2.87	2.89	3.43	3.24	3.06	2.71	2.88
Non-interest-earning assets	11.57	11.19	11.42	11.29	11.74	12.50	12.09	11.53	11.22	11.77
Revaluation gains held in trading accounts ³	n.a.	n.a.	.60	.50	.51	.69	.75	.57	.41	.56
Other	11.57	11.19	10.81	10.78	11.23	11.81	11.34	10.96	10.80	11.22
Liabilities	93.13	92.56	92.47	92.23	92.02	91.85	91.63	91.65	91.57	91.14
Interest-bearing liabilities	74.66	73.38	72.86	74.05	73.14	72.60	73.40	74.95	76.44	75.97
Deposits	56.99	54.22	53.03	52.32	51.81	51.45	51.51	51.51	51.61	51.97
In foreign offices	6.20	6.78	8.05	8.12	7.52	7.85	8.15	7.97	7.35	6.87
In domestic offices	50.79	47.43	44.98	44.20	44.30	43.60	43.36	43.55	44.26	45.10
Other checkable deposits	6.26	7.21	6.91	5.62	3.06	1.95	1.75	1.60	1.32	1.20
Savings (including MMDAs)	20.21	20.60	20.13	18.78	20.76	21.08	21.41	22.47	22.35	24.38
Small-denomination time deposits	15.98	14.19	13.26	14.24	14.09	13.43	12.84	11.86	11.80	10.66
Large-denomination time deposits	8.34	5.44	4.68	5.55	6.39	7.15	7.36	7.62	8.78	8.87
Gross federal funds purchased and RPs	11.45	11.93	11.48	11.37	10.00	9.36	9.48	9.78	9.28	9.73
Other	6.22	7.23	8.34	10.36	11.32	11.79	12.41	13.67	15.56	14.27
Non-interest-bearing liabilities	18.47	19.18	19.62	18.18	18.89	19.24	18.23	16.70	15.12	15.17
Demand deposits In domestic offices	14.52	15.38	15.27	14.26	14.47	14.17	12.40	10.52	8.62	7.16
Revaluation losses held in trading accounts ³	n.a.	n.a.	.57	.49	.49	.68	.76	.58	.41	.51
Other	3.95	3.80	3.89	3.43	3.93	4.39	5.07	5.59	6.09	7.50
Capital account	6.87	7.44	7.53	7.77	7.98	8.15	8.37	8.35	8.43	8.86
MEMO										
Commercial real estate loans	11.09	10.29	9.69	9.42	9.38	9.44	10.11	11.00	12.07	12.08
Other real estate owned	0.70	.47	.25	.13	.08	.06	.04	.03	.03	.04
Managed liabilities	32.59	31.76	32.89	35.68	35.60	36.60	38.09	39.81	41.94	40.78
Average net consolidated assets (billions of dollars)	1,003	1,082	1,204	1,338	1,450	1,604	1,745	1,880	2,029	2,128

A.1. Continued

C. Banks ranked 11 through 100 by assets

Item	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Effective interest rate (percent) ⁴										
<i>Rates earned</i>										
Interest-earning assets	7.97	7.35	7.29	8.31	8.16	8.31	8.10	7.84	8.47	7.60
Taxable equivalent	8.07	7.45	7.37	8.37	8.23	8.36	8.17	7.88	8.49	7.65
Loans and leases, gross	8.75	8.25	8.22	9.10	8.87	9.03	8.82	8.50	9.15	8.34
Net of loss provisions	7.45	7.46	7.68	8.49	8.05	8.11	8.01	7.68	8.13	6.91
Securities	7.00	6.05	5.70	6.38	6.42	6.50	6.21	6.34	6.71	5.92
Taxable equivalent	7.30	6.32	5.92	6.56	6.66	6.70	6.46	6.46	6.77	6.11
Investment account	7.12	6.14	5.70	6.34	6.41	6.52	6.22	6.36	6.74	6.00
U.S. Treasury securities and U.S. government agency obligations (excluding MBS)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5.92
Mortgage-backed securities	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	6.37
Other	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5.29
Trading account	4.73	4.74	5.75	7.27	6.53	6.05	5.86	5.58	6.25	4.85
Gross federal funds sold and reverse RPs	3.70	3.11	4.31	5.91	5.31	5.45	5.46	5.12	6.06	3.89
Interest-bearing balances at depositories	6.76	6.50	4.69	6.78	5.82	5.76	5.67	4.81	5.49	4.38
<i>Rates paid</i>										
Interest-bearing liabilities	4.43	3.76	3.72	4.94	4.70	4.79	4.76	4.38	5.22	4.18
Interest-bearing deposits	4.30	3.51	3.25	4.35	4.15	4.22	4.15	3.76	4.42	3.63
In foreign offices	7.26	7.37	4.60	6.30	5.29	5.23	5.22	4.70	5.38	3.67
In domestic offices	3.96	2.98	3.03	4.01	3.96	4.04	3.96	3.60	4.26	3.63
Other checkable deposits	2.43	1.70	1.62	1.89	1.78	2.01	2.41	2.03	2.57	2.34
Savings (including MMDAs)	3.07	2.33	2.46	3.10	2.91	2.84	2.76	2.49	2.94	2.31
Large time deposits ⁵	5.10	4.30	4.21	5.70	5.50	5.47	5.32	4.96	5.88	5.16
Other time deposits ⁵	5.07	4.06	4.18	5.35	5.26	5.43	5.35	5.03	5.73	5.48
Gross federal funds purchased and RPs	3.57	3.04	4.28	5.86	5.19	5.29	5.22	4.87	6.02	3.87
Other interest-bearing liabilities	5.77	5.97	5.24	6.43	5.95	5.85	5.81	5.41	6.36	5.32
Income and expense as a percentage of average net consolidated assets										
Gross interest income	7.12	6.58	6.46	7.40	7.24	7.26	7.16	6.99	7.56	6.77
Taxable equivalent	7.19	6.64	6.51	7.45	7.28	7.30	7.20	7.02	7.59	6.80
Loans	5.23	4.84	4.91	5.79	5.80	5.87	5.79	5.57	6.07	5.34
Securities	1.37	1.26	1.13	1.13	1.03	.98	1.00	1.10	1.09	1.06
Gross federal funds sold and reverse RPs	.18	.15	.21	.27	.23	.22	.19	.18	.22	.16
Other	.34	.32	.21	.21	.18	.19	.18	.14	.18	.15
Gross interest expense	3.26	2.74	2.67	3.62	3.39	3.41	3.45	3.26	3.96	3.16
Deposits	2.48	1.93	1.73	2.29	2.18	2.23	2.23	2.02	2.41	2.02
Gross federal funds purchased and RPs	.43	.38	.51	.67	.55	.51	.51	.51	.56	.38
Other	.35	.43	.43	.66	.66	.68	.71	.73	.98	.76
Net interest income	3.86	3.84	3.79	3.78	3.84	3.85	3.71	3.72	3.60	3.61
Taxable equivalent	3.93	3.91	3.85	3.84	3.89	3.89	3.75	3.76	3.63	3.64
Loss provisioning ⁶	.78	.47	.32	.39	.54	.60	.53	.54	.68	.92
Noninterest income	2.25	2.29	2.25	2.38	2.61	2.76	3.07	3.35	3.14	3.31
Service charges on deposits	.44	.46	.45	.44	.44	.44	.42	.42	.42	.42
Fiduciary activities	.38	.38	.39	.40	.43	.44	.49	.48	.52	.42
Trading income	.09	.14	.08	.09	.08	.08	.09	.08	.08	.08
Interest rate exposures	n.a.	n.a.	n.a.	n.a.	.03	.02	.03	.02	.02	.04
Foreign exchange rate exposures	n.a.	n.a.	n.a.	n.a.	.04	.05	.06	.06	.05	.03
Other commodity and equity exposures	n.a.	n.a.	n.a.	n.a.	.01	*	*	*	*	*
Other	1.33	1.32	1.33	1.45	1.67	1.79	2.07	2.37	2.13	2.39
Noninterest expense	3.98	3.95	3.86	3.79	3.85	3.85	4.03	4.11	3.96	3.93
Salaries, wages, and employee benefits	1.53	1.52	1.50	1.47	1.51	1.51	1.53	1.53	1.44	1.48
Occupancy	.49	.47	.47	.47	.48	.46	.46	.45	.43	.42
Other	1.95	1.95	1.89	1.85	1.86	1.88	2.04	2.13	2.10	2.04
Net noninterest expense	1.73	1.65	1.61	1.41	1.24	1.10	.96	.76	.83	.62
Gains on investment account securities	.15	.09	-.01	.02	.02	.02	.03	-.01	-.05	.09
Income before taxes and extraordinary items	1.50	1.81	1.85	2.01	2.09	2.18	2.24	2.41	2.04	2.16
Taxes	.48	.56	.63	.70	.75	.77	.79	.87	.70	.75
Extraordinary items, net of income taxes	.03	*	*	*	*	*	*	*	*	*
Net income	1.04	1.25	1.22	1.31	1.34	1.42	1.46	1.54	1.33	1.41
Cash dividends declared	.46	.76	.86	.85	1.07	.93	.96	1.16	.94	.96
Retained income	.58	.49	.36	.46	.26	.48	.50	.38	.39	.45
MEMO: Return on equity	15.16	16.86	16.27	16.84	16.78	17.36	17.38	18.48	15.82	15.89

* In absolute value, less than 0.005 percent.

n.a. Not available. MMDA Money market deposit account. RP Repurchase agreement. CD Certificate of deposit.

1. Includes allocated transfer risk reserves.

2. As in the Call Report, equity securities are combined with "other debt securities" before 1989.

3. Before 1994, the netted value of off-balance-sheet items appeared in "trading account securities"

if a gain and "other non-interest-bearing liabilities" if a loss.

4. When possible, based on the average of quarterly balance sheet data reported on schedule RC-K of the quarterly Call Reports.

5. Prior to 1997, large time open accounts included in other time deposits.

6. Includes provisions for allocated transfer risk.

A.1. Portfolio composition, interest rates, and income and expense, all U.S. banks, 1992-2001

D. Banks ranked 101 through 1,000 by assets

Item	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Balance sheet items as a percentage of average net consolidated assets										
Interest-earning assets	90.02	90.45	90.90	90.97	91.10	91.32	91.36	91.68	91.49	91.15
Loans and leases, net	58.49	57.93	59.75	62.19	62.63	62.22	61.13	61.48	62.14	62.48
Commercial and industrial	13.34	12.19	12.07	12.70	12.80	12.43	12.48	12.64	12.95	13.03
U.S. addressees	13.16	12.03	11.91	12.54	12.61	12.19	12.16	12.32	12.60	12.65
Foreign addressees	0.18	.16	.16	.16	.18	.23	.32	.32	.36	.38
Consumer	14.18	14.82	15.84	16.27	15.88	14.03	12.28	10.79	10.19	9.76
Credit card	5.38	5.63	6.05	6.32	6.66	5.52	4.48	3.37	3.27	3.62
Installment and other	8.80	9.19	9.79	9.95	9.22	8.52	7.80	7.41	6.92	6.14
Real estate	28.11	28.61	29.42	30.81	31.36	33.23	33.94	35.90	36.93	37.65
In domestic offices	28.07	28.58	29.39	30.79	31.34	33.21	33.92	35.88	36.91	37.63
Construction and land development	2.86	2.26	2.08	2.21	2.38	2.69	2.88	3.49	4.15	4.91
Farmland	.32	.34	.36	.40	.46	.53	.56	.58	.65	.67
One- to four-family residential	14.25	15.16	16.25	17.49	17.34	18.14	18.19	18.26	17.16	16.19
Home equity	2.56	2.51	2.33	2.36	2.30	2.30	2.15	1.99	2.10	2.20
Other	11.69	12.66	13.92	15.13	15.03	15.84	16.05	16.27	15.06	13.98
Multifamily residential	.95	1.07	1.13	1.21	1.29	1.29	1.26	1.44	1.58	1.69
Nonfarm nonresidential	9.68	9.75	9.57	9.48	9.87	10.56	11.03	12.12	13.36	14.18
In foreign offices	.04	.02	.03	.02	.02	.02	.02	.02	.02	.02
To depository institutions and acceptances of other banks	.83	.47	.42	.36	.50	.59	.53	.46	.37	.38
Foreign governments	.05	.03	.02	.02	.02	.02	.03	.03	.03	.03
Agricultural production	.54	.56	.62	.69	.71	.74	.80	.78	.82	.85
Other loans	2.45	2.13	1.98	1.78	1.68	1.47	1.30	1.25	1.22	1.22
Lease-financing receivables	.78	.77	.83	.90	1.01	.99	.99	.78	.75	.74
Less: Unearned income on loans	-.30	-.21	-.15	-.12	-.10	-.10	-.09	-.08	-.08	-.07
Less: Loss reserves ¹	-1.49	-1.44	-1.30	-1.22	-1.22	-1.18	-1.13	-1.06	-1.04	-1.12
Securities	24.13	25.92	25.72	23.08	22.67	23.45	24.26	25.17	24.34	22.79
Investment account	23.78	25.63	25.40	22.88	22.55	23.35	24.15	25.09	24.25	22.68
Debt	23.78	25.63	23.94	21.32	20.71	20.92	21.15	21.70	20.30	20.56
U.S. Treasury	n.a.	n.a.	8.17	6.48	5.61	4.96	3.92	2.53	1.81	1.32
U.S. government agency and corporation obligations	n.a.	n.a.	12.76	12.23	12.66	13.97	15.13	16.29	15.56	14.69
Government-backed mortgage pools	n.a.	n.a.	5.64	5.42	5.69	6.22	6.46	6.72	6.22	6.27
Collateralized mortgage obligations	n.a.	n.a.	4.34	3.56	3.12	3.01	3.22	3.52	3.04	3.08
Other	n.a.	n.a.	2.79	3.25	3.85	4.73	5.44	6.05	6.30	5.35
State and local government	n.a.	n.a.	2.29	2.13	2.24	2.44	2.70	2.91	2.91	2.90
Private mortgage-backed securities	n.a.	n.a.	.73	.68	.76	.59	.65	1.00	.99	.93
Other	n.a.	n.a.	.99	.89	.77	.78	1.06	1.60	2.19	2.41
Equity ²	n.a.	n.a.	.43	.47	.52	.61	.69	.77	.79	.43
Trading account	.35	.28	.31	.20	.12	.10	.11	.08	.09	.11
Gross federal funds sold and reverse RPs	4.92	4.49	3.64	3.92	3.87	3.60	4.17	3.35	3.40	4.19
Interest-bearing balances at depositories	2.47	2.11	1.79	1.78	1.93	2.05	1.80	1.68	1.60	1.68
Non-interest-earning assets	9.98	9.55	9.10	9.03	8.90	8.68	8.64	8.32	8.51	8.85
Revaluation gains held in trading accounts ³	n.a.	n.a.	.02	.05	.02	*	*	.01	.02	.01
Other	9.98	9.55	9.08	8.99	8.88	8.68	8.64	8.31	8.49	8.85
Liabilities	92.47	91.85	91.62	91.36	91.06	90.78	90.55	90.90	90.95	90.31
Interest-bearing liabilities	75.98	74.42	74.77	75.00	75.06	75.19	75.42	76.76	77.43	77.00
Deposits	65.65	63.05	60.38	59.67	59.99	61.47	62.39	61.94	62.68	63.10
In foreign offices	1.56	1.43	1.69	1.71	1.33	1.23	1.31	1.20	1.28	1.24
In domestic offices	64.09	61.62	58.69	57.96	58.66	60.25	61.09	60.74	61.40	61.86
Other checkable deposits	9.14	9.94	9.70	8.54	6.20	4.96	4.23	3.75	3.32	3.27
Savings (including MMDAs)	23.34	24.06	22.92	20.75	22.50	23.59	25.65	27.35	27.03	27.65
Small-denomination time deposits	23.56	20.78	19.29	21.11	21.61	22.03	21.22	19.61	19.44	18.80
Large-denomination time deposits	8.06	6.84	6.78	7.56	8.34	9.66	9.99	10.03	11.61	12.14
Gross federal funds purchased and RPs	7.18	7.43	8.45	8.31	8.19	7.09	6.16	6.90	6.30	5.76
Other	3.15	3.94	5.94	7.02	6.88	6.62	6.86	7.92	8.45	8.14
Non-interest-bearing liabilities	16.49	17.43	16.85	16.36	16.00	15.60	15.13	14.15	13.52	13.31
Demand deposits in domestic offices	14.39	15.07	14.58	14.07	13.84	13.15	11.90	10.19	8.97	8.23
Revaluation losses held in trading accounts ³	n.a.	n.a.	.02	.05	.02	.01	.01	.01	*	.01
Other	2.10	2.36	2.26	2.24	2.14	2.44	3.22	3.95	4.54	5.07
Capital account	7.53	8.15	8.38	8.64	8.94	9.22	9.45	9.10	9.05	9.69
MEMO										
Commercial real estate loans	13.91	13.37	13.05	13.19	13.83	14.77	15.38	17.28	19.32	21.03
Other real estate owned	.80	.57	.28	.17	.13	.11	.09	.08	.07	.08
Managed liabilities	20.00	19.68	22.89	24.62	24.78	24.66	24.46	26.32	28.01	27.75
Average net consolidated assets (billions of dollars)	967	978	1,031	1,092	1,076	968	935	972	986	1,001

A.1. Continued

D. Banks ranked 101 through 1,000 by assets

Item	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Effective interest rate (percent)*										
<i>Rates earned</i>										
Interest-earning assets	8.15	7.43	7.58	8.44	8.41	8.49	8.32	7.83	8.51	7.84
Taxable equivalent	8.26	7.55	7.68	8.53	8.50	8.59	8.44	7.92	8.58	7.96
Loans and leases, gross	9.12	8.57	8.64	9.45	9.39	9.48	9.37	8.74	9.44	8.78
Net of loss provisions	7.33	7.77	8.11	8.77	8.60	8.60	8.61	8.12	8.60	7.80
Securities	6.89	5.78	5.69	6.23	6.32	6.42	6.22	6.02	6.50	5.87
Taxable equivalent	7.19	6.10	5.93	6.50	6.60	6.69	6.57	6.29	6.71	6.26
Investment account	6.90	5.79	5.69	6.24	6.32	6.42	6.21	6.01	6.50	5.87
U.S. Treasury securities and U.S. government agency obligations (excluding MBS)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5.73
Mortgage-backed securities	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	6.16
Other	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5.43
Trading account	5.62	4.74	5.29	5.55	5.94	6.37	6.84	7.33	9.30	6.51
Gross federal funds sold and reverse RPs	3.48	3.02	4.05	5.45	5.29	5.42	5.31	4.98	6.16	3.93
Interest-bearing balances at depositories	4.62	3.52	4.28	6.07	5.69	5.44	5.76	5.07	5.72	3.96
<i>Rates paid</i>										
Interest-bearing liabilities	4.20	3.33	3.57	4.65	4.58	4.66	4.60	4.19	4.93	4.12
Interest-bearing deposits	4.17	3.26	3.31	4.26	4.27	4.34	4.28	3.84	4.46	3.82
In foreign offices	4.25	3.35	4.31	5.94	5.72	5.42	5.55	5.07	6.13	4.45
In domestic offices	4.17	3.26	3.28	4.21	4.24	4.32	4.25	3.82	4.43	3.81
Other checkable deposits	2.67	2.02	1.86	2.02	1.97	2.16	2.15	1.99	2.27	1.78
Savings (including MMDAs)	3.34	2.58	2.64	3.24	3.11	3.08	2.97	2.65	3.07	2.22
Large time deposits ⁴	4.78	3.90	4.23	5.62	5.48	5.56	5.51	5.17	6.01	5.26
Other time deposits ⁵	5.35	4.40	4.40	5.53	5.57	5.57	5.64	5.11	5.74	5.53
Gross federal funds purchased and RPs	3.46	2.95	4.12	5.61	5.16	5.21	5.14	4.83	5.95	3.85
Other interest-bearing liabilities	5.28	4.44	4.93	6.32	5.89	6.09	6.00	5.36	6.45	5.42
Income and expense as a percentage of average net consolidated assets										
Gross interest income	7.36	6.74	6.90	7.69	7.68	7.75	7.63	7.19	7.80	7.16
Taxable equivalent	7.46	6.84	6.99	7.78	7.76	7.83	7.71	7.27	7.88	7.24
Loans	5.46	5.06	5.26	5.99	5.99	6.00	5.85	5.47	5.97	5.59
Securities	1.64	1.48	1.45	1.43	1.42	1.50	1.50	1.51	1.58	1.33
Gross federal funds sold and reverse RPs	.17	.14	.14	.21	.20	.19	.22	.17	.21	.16
Other	.08	.06	.06	.07	.06	.06	.06	.04	.04	.04
Gross interest expense	3.17	2.46	2.65	3.46	3.41	3.47	3.44	3.20	3.79	3.14
Deposits	2.75	2.07	2.01	2.56	2.58	2.70	2.71	2.44	2.87	2.48
Gross federal funds purchased and RPs	.25	.22	.35	.46	.43	.37	.32	.34	.38	.22
Other	.17	.17	.29	.44	.40	.40	.41	.42	.54	.44
Net interest income	4.20	4.28	4.25	4.24	4.28	4.28	4.19	3.99	4.01	4.02
Taxable equivalent	4.30	4.37	4.34	4.32	4.35	4.36	4.27	4.07	4.08	4.10
Loss provisioning ⁶	.77	.47	.32	.43	.50	.56	.48	.39	.53	.62
Noninterest income	1.69	1.84	1.86	1.84	1.88	2.08	2.25	2.32	2.36	2.37
Service charges on deposits	.44	.45	.42	.42	.41	.40	.39	.38	.36	.39
Fiduciary activities	.28	.29	.28	.27	.29	.32	.37	.38	.44	.40
Trading income	.02	.03	.02	.03	.02	.01	.02	.02	.01	*
Interest rate exposures	n.a.	n.a.	n.a.	n.a.	.01	.01	.01	.01	.01	-.01
Foreign exchange rate exposures	n.a.	n.a.	n.a.	n.a.	.01	*	*	*	*	*
Other commodity and equity exposures	n.a.	n.a.	n.a.	n.a.	*	*	*	*	*	*
Other	.95	1.08	1.14	1.12	1.16	1.34	1.48	1.54	1.56	1.59
Noninterest expense	3.88	3.92	3.78	3.68	3.69	3.73	3.86	3.70	3.84	3.88
Salaries, wages, and employee benefits	1.51	1.51	1.49	1.44	1.44	1.50	1.57	1.56	1.59	1.61
Occupancy	.49	.48	.46	.45	.45	.46	.47	.47	.47	.46
Other	1.88	1.92	1.83	1.79	1.80	1.76	1.83	1.68	1.79	1.81
Net noninterest expense	2.18	2.08	1.92	1.84	1.81	1.65	1.61	1.38	1.48	1.51
Gains on investment account securities	.10	.06	-.05	-.01	.02	.02	.04	-.01	-.04	.05
Income before taxes and extraordinary items	1.34	1.78	1.96	1.96	1.98	2.10	2.14	2.20	1.96	1.94
Taxes	.44	.61	.67	.67	.69	.73	.73	.75	.68	.67
Extraordinary items, net of income taxes	*	.04	*	*	*	*	.06	.01	*	.01
Net income	.90	1.21	1.29	1.28	1.29	1.37	1.47	1.47	1.28	1.28
Cash dividends declared	.48	.79	.81	.87	1.04	1.09	1.01	1.06	.91	1.32
Retained income	.42	.43	.48	.41	.25	.28	.45	.41	.37	-.04
MEMO: Return on equity	12.01	14.91	15.40	14.82	14.47	14.90	15.52	16.16	14.19	13.17

* In absolute value, less than 0.005 percent.

n.a. Not available. MMDA Money market deposit account. RP Repurchase agreement. CD Certificate of deposit.

1. Includes allocated transfer risk reserves.

2. As in the Call Report, equity securities are combined with "other debt securities" before 1989.

3. Before 1994, the netted value of off-balance-sheet items appeared in "trading account securities" if a gain and "other non-interest-bearing liabilities" if a loss.

4. When possible, based on the average of quarterly balance sheet data reported on schedule RC-K of the quarterly Call Reports.

5. Prior to 1997, large time open accounts included in other time deposits.

6. Includes provisions for allocated transfer risk.

A.1. Portfolio composition, interest rates, and income and expense, all U.S. banks, 1992-2001

E. Banks not ranked among the 1,000 largest by assets

Item	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Balance sheet items as a percentage of average net consolidated assets										
Interest-earning assets	92.20	92.43	92.48	92.48	92.45	92.44	92.64	92.55	92.52	92.23
Loans and leases, net	53.03	52.95	54.64	56.61	57.38	58.75	59.11	59.75	62.31	62.56
Commercial and industrial	9.74	9.24	9.31	9.65	9.97	10.16	10.33	10.64	11.09	11.10
U.S. addressees	9.69	9.20	9.26	9.59	9.90	10.08	10.25	10.55	11.02	11.02
Foreign addressees	.04	.04	.05	.06	.07	.08	.08	.08	.07	.08
Consumer	9.68	9.18	9.38	9.54	9.42	8.98	8.46	8.15	7.97	7.42
Credit card	1.00	.92	.96	1.01	1.03	.85	.70	.68	.58	.56
Installment and other	8.68	8.26	8.42	8.53	8.38	8.14	7.76	7.47	7.39	6.86
Real estate	30.16	31.10	32.19	33.55	34.11	35.55	36.04	36.84	39.30	40.20
In domestic offices	30.15	31.09	32.19	33.55	34.10	35.54	36.04	36.84	39.30	40.20
Construction and land development	1.97	1.93	2.14	2.39	2.61	2.82	3.02	3.28	3.70	4.22
Farmland	2.06	2.20	2.34	2.48	2.55	2.69	2.83	2.95	3.06	3.03
One- to four-family residential	16.44	16.82	16.94	17.45	17.48	18.16	18.04	17.66	18.43	18.21
Home equity	1.34	1.27	1.21	1.20	1.20	1.24	1.21	1.17	1.28	1.37
Other	15.10	15.56	15.73	16.26	16.28	16.92	16.84	16.49	17.15	16.83
Multifamily residential	.77	.84	.93	.95	.92	.95	.93	.98	1.04	1.06
Nonfarm nonresidential	8.91	9.30	9.83	10.28	10.54	10.92	11.21	11.97	13.06	13.68
In foreign offices	*	*	*	*	*	*	*	*	*	*
To depository institutions and acceptances of other banks	.20	.16	.17	.19	.21	.20	.14	.14	.12	.12
Foreign governments	.01	.02	.01	*	*	*	*	.01	.01	*
Agricultural production	3.55	3.58	3.89	3.95	3.93	4.05	4.28	4.06	3.85	3.74
Other loans	.92	.82	.77	.72	.69	.67	.67	.67	.69	.67
Lease-financing receivables	.17	.18	.20	.22	.23	.25	.24	.26	.27	.27
Less: Unearned income on loans	-.43	-.36	-.31	-.30	-.27	-.24	-.20	-.15	-.11	-.08
LESS: Loss reserves ¹	-.96	-.97	-.95	-.93	-.90	-.87	-.86	-.87	-.88	-.88
Securities	12.10	13.08	12.90	13.51	12.53	12.25	12.70	12.92	12.50	12.91
Investment account	32.04	33.01	32.86	30.48	29.50	28.21	26.66	26.88	25.38	22.90
Debt	32.04	33.01	30.64	27.92	26.51	24.58	22.30	21.82	19.43	19.76
U.S. Treasury	n.a.	n.a.	10.75	9.19	7.85	6.70	5.05	3.34	2.12	1.33
U.S. government agency and corporation obligations	n.a.	n.a.	15.24	15.13	15.67	15.58	15.43	16.89	16.95	15.33
Government-backed mortgage pools	n.a.	n.a.	4.73	4.19	4.21	4.01	3.90	3.95	3.47	3.83
Collateralized mortgage obligations	n.a.	n.a.	3.05	2.76	2.46	2.19	2.02	2.00	1.70	1.98
Other	n.a.	n.a.	7.46	8.18	9.00	9.38	9.51	10.94	11.78	9.53
State and local government	n.a.	n.a.	5.00	4.69	4.62	4.60	4.80	4.96	4.64	4.50
Private mortgage-backed securities	n.a.	n.a.	.26	.20	.18	.19	.16	.26	.23	.31
Other	n.a.	n.a.	.96	.81	.68	.61	.68	.89	.88	1.12
Equity ²	n.a.	n.a.	.43	.45	.49	.52	.54	.53	.56	.30
Trading account	.05	.07	.04	.03	.03	.03	.04	.03	.02	.01
Gross federal funds sold and reverse RPs	5.10	4.67	3.42	3.91	4.04	3.95	5.13	4.17	3.22	4.99
Interest-bearing balances at depositories	1.97	1.74	1.52	1.45	1.51	1.49	1.72	1.71	1.59	1.78
Non-interest-earning assets	7.80	7.57	7.52	7.52	7.53	7.56	7.36	7.45	7.48	7.77
Revaluation gains held in trading accounts ³	n.a.	n.a.	*	*	*	*	*	*	*	*
Other	7.80	7.57	7.52	7.52	7.55	7.56	7.36	7.45	7.48	7.77
Liabilities	91.07	90.63	90.43	90.04	89.81	89.63	89.54	89.75	89.89	89.57
Interest-bearing liabilities	77.83	76.88	76.19	75.74	75.59	75.47	75.35	75.90	76.05	75.97
Deposits	75.75	74.54	73.14	72.70	72.47	72.05	71.77	71.41	70.54	70.90
In foreign offices	0.07	.08	.09	.11	.10	.09	.07	.07	.05	.06
In domestic offices	75.68	74.45	73.05	72.59	72.37	71.96	71.70	71.34	70.48	70.85
Other checkable deposits	12.33	13.16	13.31	12.57	11.75	11.39	11.18	11.07	10.57	10.16
Savings (including MMDAs)	22.10	23.55	23.23	20.41	19.57	18.98	19.01	19.69	19.03	19.23
Small-denomination time deposits	32.85	30.09	28.83	30.92	31.29	31.09	30.42	29.07	28.42	28.02
Large-denomination time deposits	8.40	7.66	7.68	8.89	9.77	10.50	11.10	11.50	12.47	13.44
Gross federal funds purchased and RPs	1.36	1.44	1.89	1.78	1.70	1.67	1.49	1.79	2.06	1.56
Other	.72	.90	1.16	1.25	1.41	1.74	2.09	2.70	3.45	3.51
Non-interest-bearing liabilities	13.24	13.74	14.24	14.30	14.23	14.16	14.19	13.86	13.84	13.60
Demand deposits in domestic offices	12.23	12.82	13.34	13.23	13.12	13.09	13.09	12.81	12.65	12.14
Revaluation losses held in trading accounts ³	n.a.	n.a.	*	*	*	*	*	*	*	*
Other	1.01	.93	.90	1.07	1.10	1.06	1.10	1.05	1.19	1.46
Capital account	8.93	9.37	9.57	9.97	10.19	10.37	10.46	10.25	10.11	10.43
MEMO										
Commercial real estate loans	11.85	12.21	13.02	13.72	14.18	14.80	15.26	16.33	17.92	19.10
Other real estate owned	.65	.52	.35	.25	.20	.16	.13	.11	.17	.12
Managed liabilities	10.56	10.09	10.83	12.05	12.99	14.02	14.76	16.08	18.07	18.63
Average net consolidated assets (billions of dollars)	697	687	679	666	661	647	644	651	655	677

A.1.—Continued

E. Banks not ranked among the 1,000 largest by assets

Item	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
	Effective interest rate (percent) ⁴									
<i>Rates earned</i>										
Interest-earning assets	8.42	7.62	7.57	8.38	8.33	8.49	8.33	8.05	8.49	7.99
Taxable equivalent	8.58	7.78	7.72	8.53	8.48	8.63	8.49	8.18	8.59	8.12
Loans and leases, gross	9.81	9.13	9.00	9.80	9.72	9.80	9.69	9.28	9.56	9.11
Net of loss provisions	9.05	8.62	8.65	9.39	9.29	9.35	9.21	8.77	9.00	8.55
Securities	6.99	5.93	5.61	6.09	6.09	6.25	5.98	5.89	6.21	5.87
Taxable equivalent	7.40	6.33	5.99	6.49	6.51	6.65	6.46	6.29	6.55	6.34
Investment account	6.99	5.93	5.61	6.09	6.09	6.25	5.98	5.89	6.21	5.87
U.S. Treasury securities and U.S. government agency obligations (excluding MBS)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5.95
Mortgage-backed securities	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	6.23
Other	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5.35
Trading account	7.12	4.83	6.03	6.12	6.48	6.33	5.26	3.60	4.01	6.43
Gross federal funds sold and reverse RPs	3.50	2.95	4.08	5.95	5.32	5.51	5.35	4.96	6.26	3.85
Interest-bearing balances at depositories	5.59	4.53	4.64	5.88	5.63	5.64	5.67	5.69	6.40	4.58
<i>Rates paid</i>										
Interest-bearing liabilities	4.43	3.54	3.49	4.46	4.48	4.60	4.60	4.28	4.80	4.42
Interest-bearing deposits	4.43	3.53	3.44	4.39	4.43	4.53	4.53	4.22	4.68	4.33
In foreign offices	3.97	2.91	3.92	5.73	5.34	4.77	5.08	4.34	5.13	3.82
In domestic offices	4.43	3.53	3.44	4.39	4.43	4.53	4.53	4.22	4.67	4.33
Other checkable deposits	3.13	2.42	2.29	2.50	2.41	2.46	2.45	2.28	2.47	1.98
Savings (including MMDAs)	3.61	2.91	2.83	3.32	3.24	3.36	3.39	3.21	3.56	2.82
Large time deposits ⁵	4.88	3.96	4.12	5.55	5.48	5.53	5.53	5.21	5.92	5.57
Other time deposits ⁵	5.35	4.39	4.28	5.51	5.59	5.66	5.63	5.25	5.70	5.61
Gross federal funds purchased and RPs	3.72	3.17	4.12	5.61	5.08	5.23	4.99	4.73	5.70	4.11
Other interest-bearing liabilities	5.00	4.68	4.98	6.46	5.78	6.31	6.45	5.63	6.22	5.86
	Income and expense as a percentage of average net consolidated assets									
Gross interest income	7.78	7.06	7.01	7.78	7.74	7.90	7.75	7.48	7.86	7.43
Taxable equivalent	7.93	7.20	7.15	7.91	7.86	8.02	7.87	7.61	7.98	7.54
Loans	5.29	4.92	4.99	5.63	5.66	5.86	5.80	5.62	6.02	5.80
Securities	2.24	1.96	1.84	1.86	1.80	1.76	1.59	1.58	1.58	1.34
Gross federal funds sold and reverse RPs	.18	.14	.15	.25	.24	.24	.29	.22	.21	.20
Other	.07	.05	.04	.04	.04	.04	.06	.06	.05	.05
Gross interest expense	3.45	2.72	2.65	3.37	3.38	3.48	3.46	3.26	3.64	3.36
Deposits	3.36	2.64	2.52	3.19	3.21	3.28	3.25	3.03	3.31	3.09
Gross federal funds purchased and RPs	.05	.04	.07	.10	.08	.08	.07	.08	.12	.06
Other	.04	.04	.06	.08	.08	.11	.13	.15	.21	.21
Net interest income	4.34	4.34	4.36	4.41	4.36	4.42	4.29	4.22	4.22	4.07
Taxable equivalent	4.48	4.48	4.50	4.54	4.49	4.54	4.41	4.35	4.33	4.17
Loss provisioning ⁶	.41	.27	.19	.24	.25	.27	.29	.31	.35	.36
Noninterest income	1.16	1.25	1.30	1.38	1.42	1.44	1.52	1.44	1.32	1.36
Service charges on deposits	.45	.45	.44	.44	.44	.44	.42	.42	.43	.44
Fiduciary activities	.16	.16	.17	.22	.19	.20	.23	.26	.21	.26
Trading income	.01	.01	*	.01	*	*	*	*	.01	*
Interest rate exposures	n.a.	n.a.	n.a.	n.a.	*	*	*	*	*	*
Foreign exchange rate exposures	n.a.	n.a.	n.a.	n.a.	*	*	*	*	*	*
Other commodity and equity exposures	n.a.	n.a.	n.a.	n.a.	*	*	*	*	*	*
Other	.55	.64	.69	.71	.78	.79	.86	.75	.68	.65
Noninterest expense	3.66	3.74	3.78	3.80	3.69	3.71	3.74	3.73	3.59	3.58
Salaries, wages, and employee benefits	1.69	1.73	1.75	1.79	1.77	1.80	1.82	1.82	1.78	1.80
Occupancy	.49	.49	.49	.50	.49	.49	.49	.49	.47	.48
Other	1.49	1.53	1.55	1.51	1.44	1.41	1.43	1.42	1.33	1.31
Net noninterest expense	2.51	2.49	2.48	2.42	2.28	2.27	2.23	2.29	2.27	2.23
Gains on investment account securities	.09	.07	-.03	*	.01	.01	.02	*	-.01	.04
Income before taxes and extraordinary items	1.51	1.65	1.66	1.75	1.84	1.89	1.79	1.62	1.59	1.52
Taxes	.47	.51	.51	.55	.59	.59	.53	.47	.45	.41
Extraordinary items, net of income taxes	.02	.05	*	*	*	*	*	*	*	*
Net income	1.05	1.19	1.15	1.20	1.25	1.30	1.26	1.15	1.15	1.11
Cash dividends declared	.51	.56	.57	.62	.64	.74	.82	.68	.79	.67
Retained income	.54	.63	.58	.58	.62	.57	.44	.48	.36	.44
MEMO: Return on equity	11.78	12.67	12.03	12.06	12.31	12.56	12.02	11.26	11.38	10.61

* In absolute value, less than 0.005 percent.

n.a. Not available. MMDA Money market deposit account. RP Repurchase agreement. CD Certificate of deposit.

1. Includes allocated transfer risk reserves.

2. As in the Call Report, equity securities are combined with "other debt securities" before 1989.

3. Before 1994, the netted value of off-balance-sheet items appeared in "trading account securities" if a gain and "other non-interest-bearing liabilities" if a loss.

4. When possible, based on the average of quarterly balance sheet data reported on schedule RC-K of the quarterly Call Reports.

5. Prior to 1997, large time open accounts included in other time deposits.

6. Includes provisions for allocated transfer risk.

A.2. Report of income, all U.S. banks, 1992–2001

Millions of dollars

Item	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Gross interest income	256,415	244,742	257,065	302,376	313,120	338,224	359,179	366,177	424,461	408,363
Taxable equivalent	259,394	247,620	259,822	305,010	315,379	340,657	361,643	368,804	427,099	411,070
Loans	185,938	178,425	189,764	227,218	239,310	255,498	270,945	278,577	327,399	314,811
Securities	51,825	48,678	48,299	51,030	50,603	52,661	56,397	62,116	67,684	63,699
Gross federal funds sold and reverse repurchase agreements	5,913	4,796	6,415	9,744	9,265	13,658	14,999	12,327	13,549	12,765
Other	12,739	12,843	12,587	14,382	13,944	16,407	16,637	13,155	15,831	17,089
Gross interest expense	122,517	105,615	110,850	147,958	150,047	164,514	178,000	174,903	222,120	190,086
Deposits	98,809	79,503	79,106	105,329	107,467	117,350	125,217	119,666	151,185	133,261
Gross federal funds purchased and reverse repurchase agreements	9,263	8,442	12,476	18,424	16,775	20,440	22,182	21,130	26,867	19,660
Other	14,441	17,669	19,269	24,204	23,806	26,724	30,600	34,106	44,069	37,165
Net interest income	133,898	139,127	146,215	154,418	163,073	173,710	181,179	191,274	202,341	218,277
Taxable equivalent	136,877	142,005	148,972	157,052	165,532	176,143	183,643	193,901	204,979	220,984
Loss provisioning ¹	26,813	16,841	10,991	12,631	16,206	19,176	21,222	21,121	29,753	43,263
Noninterest income	67,044	75,847	77,224	83,851	95,278	105,765	123,487	144,198	152,415	160,600
Service charges on deposits	14,126	14,898	15,281	16,057	17,043	18,558	19,769	21,497	23,720	27,129
Fiduciary activities	10,452	11,199	12,124	12,890	14,288	16,604	19,269	20,502	22,220	22,025
Trading revenue	6,273	9,238	6,249	6,337	7,523	8,019	7,705	10,478	12,446	12,566
Other	36,193	40,513	43,572	48,567	56,424	62,587	76,743	91,720	94,028	98,882
Noninterest expense	132,815	140,523	144,905	151,137	162,401	170,988	193,702	204,400	215,756	226,944
Salaries, wages, and employee benefits	55,484	58,507	60,904	64,013	67,776	72,342	79,506	86,151	89,044	94,671
Occupancy	18,152	18,578	18,978	19,760	20,883	22,082	24,161	25,864	26,766	28,091
Other	59,181	63,439	65,023	67,363	73,742	76,563	90,036	92,385	99,946	104,181
Net noninterest expense	65,771	64,676	67,681	67,286	67,123	65,223	70,215	60,202	63,341	66,344
Gains on investment account securities	3,957	3,054	-568	481	1,123	1,825	3,090	250	-2,298	4,647
Income before taxes	45,273	60,662	66,974	74,980	80,866	91,137	92,833	110,201	106,947	113,317
Taxes	14,450	19,861	22,429	26,222	28,431	31,986	31,892	39,263	37,383	37,739
Extraordinary items, net of income taxes	401	2,085	-17	28	88	56	506	169	-32	-322
Net income	31,224	42,886	44,528	48,785	52,522	59,206	61,447	71,108	69,532	75,258
Cash dividends declared	14,226	22,068	28,165	31,105	39,391	42,752	41,206	51,956	52,533	55,201
Retained income	16,997	20,816	16,362	17,681	13,132	16,454	20,241	19,152	16,999	20,056

1. Includes provisions for loan and lease losses and for allocated transfer risk.

Announcements

POSTPONEMENT OF RECENT AMENDMENTS TO REGULATION C (HOME MORTGAGE DISCLOSURE ACT)

The Federal Reserve Board approved on May 2, 2002, a final rule that postpones the effective date of the recent amendments to Regulation C (Home Mortgage Disclosure Act) from January 1, 2003, to January 1, 2004.

On February 15, 2002, the Board published in the *Federal Register* amendments to Regulation C effective for data collected beginning January 1, 2003, and solicited comment on several related issues with a comment period that closed on April 12. Financial institutions and their trade associations requested a postponement of the effective date until January 1, 2004, on the grounds that a 2003 deadline does not afford institutions adequate time to take the steps necessary to ensure full compliance with the new rules. Consumer and community organizations generally opposed postponement of the effective date.

The Board has weighed the financial institutions' claims and underlying assumptions against public policy benefits of collecting the new data as soon as possible. The Board believes that some Home Mortgage Disclosure Act (HMDA) reporters, especially the largest ones, will not be able to fully implement the new rules by January 1, 2003, without jeopardizing the quality and usefulness of the data and incurring substantial additional implementation costs that could be avoided by a postponement.

The Board is, however, adopting an interim amendment to Regulation C, effective January 1, 2003, mandating the use of 2000 census data in HMDA reporting. Given the many changes that have occurred since the 1990 census, use of 2000 census tracts and demographics will produce more accurate and useful data in the HMDA disclosure statements and aggregate reports.

INTERAGENCY GUIDANCE ON RISKS OF PARALLEL-OWNED BANKING ORGANIZATIONS

The federal bank and thrift regulatory agencies issued on April 23, 2002, guidance that reviews the risks of

parallel-owned banking organizations. The guidance sets forth an approach for supervising those risks.

A parallel-owned banking organization consists of a U.S. depository institution and a foreign bank that are both controlled directly or indirectly by one person or group of persons who are closely associated in their business dealings or act in concert. It does not include an organization controlled by a company subject to the Bank Holding Company Act or the Savings and Loan Holding Company Act or where one institution is a subsidiary of the other. Control may exist if a person or group of persons controls 10 percent or more of any class of voting shares of the depository institutions.

The guidance describes various risks that may be increased because of the structure of parallel-owned banking organizations, including engaging in transactions that prefer the foreign bank member of the group over the U.S. depository institution. The agencies will address these risks by coordinating their supervision of the U.S. operations of parallel-owned banking organizations. Enhanced communication and cooperation with foreign bank supervisors is also important to this process.

When an applicant proposes to acquire or establish a U.S. depository institution that will be part of a parallel-owned banking organization, the application will be reviewed on a case-by-case basis. In appropriate circumstances, special conditions may be imposed in a regulatory decision, including restrictions on the ability of the U.S. depository institution to engage in transactions with its foreign affiliates. In cases where a parallel-owned banking organization is formed in a way that does not require review by the banking agencies, the guidance recommends that a U.S. depository institution inform the appropriate federal banking agency prior to becoming part of a parallel-owned banking organization.

PUBLICATION OF THE ANNUAL REPORT AND BUDGET REVIEW

The *88th Annual Report, 2001*, of the Board of Governors of the Federal Reserve System, covering operations for the calendar year 2001, is now avail-

able from Publications Services, Mail Stop 127, Board of Governors of the Federal Reserve System, Washington, DC 20551, or phone 202-452-3244 or 3245. Also available from Publications Services is a separately printed companion document, *Annual Report, Budget Review, 2002*, which describes the budget expenses of the Federal Reserve Banks for 2002, the 2002 phase of the Board's current two-year (2002–03) budget, and income and expenses for 2000 and 2001. Both reports are also available on the Federal Reserve Board's web site: www.federalreserve.gov.

DISCONTINUANCE OF TEN STATISTICAL TABLES IN THE *FEDERAL RESERVE BULLETIN*

After this issue (June 2002), the *Federal Reserve Bulletin* will no longer publish ten statistical tables that have run in its "Financial and Business Statistics" section. Each table, plus information on where to obtain the data presented in that table, is listed below.

1.38: Federal Fiscal and Financing Operations. Monthly totals are from *Monthly Treasury Statements*, which are available on the web site of the U.S. Department of the Treasury at www.fms.treas.gov/mts/index.html or telephone (202) 874-9880. Fiscal year totals are from *The Budget of the U.S. Government*, which can be found on the web site of the U.S. Office of Management and Budget, at www.whitehouse.gov/omb/budget/index.html or telephone (202) 395-3080.

1.39: U.S. Budget Receipts and Outlays. Fiscal year totals are from *The Budget of the U.S. Government*, which is available on the web site of the Office of Management and Budget, at www.whitehouse.gov/omb/budget/index.html or telephone (202) 395-3080. Monthly and half-year totals are from the *Monthly Treasury Statements*, www.fms.treas.gov/mts/index.html or telephone (202) 874-9880.

1.48: Corporate Profits and Their Distribution. Data are from the *Survey of Current Business*, which is available on the web site of the U.S. Department of Commerce, Bureau of Economic Analysis, at www.bea.gov/bea/pubs.htm or telephone (202) 606-5304.

2.10: Nonfinancial Business Activity. Data for lines 1–9 are available in the *Federal Reserve Bulletin*,

tables 2.13 (lines 1–8) and 2.12 (line 9). Current data are available in the Board's monthly statistical release G.17 "Industrial Production and Capacity Utilization" at www.federalreserve.gov/releases/G17/. Historical data are also available on the Board's web site: www.federalreserve.gov/releases/G17/download.htm. Data for the remaining lines of the table are available from the following sources:

- Line 10, McGraw-Hill Construction Information Group: <http://dodge.construction.com/Analytics/default1.jsp> or telephone (800) 591-4462.

- Lines 11–15, data are from *Employment and Earnings*. The U.S. Bureau of Labor Statistics, National Employment, Hours, and Earnings, Current Employment Statistics (CES): www.bls.gov/ces/ or telephone (202) 691-6555. For CES data questions, e-mail cesinfo@bls.gov.

- Lines 16–19, data are from the *Survey of Current Business*. Bureau of Economic Analysis: www.bea.gov/bea/pubs.htm or telephone: (202) 606-5304.

- Line 20, data are from the Advance Monthly Sales release. The U.S. Department of Commerce, Bureau of the Census: www.census.gov/svsd/www/advtable.html.

- Line 21, data are from *Employment and Earnings*. The U.S. Bureau of Labor Statistics, Division of Consumer Prices and Price Indexes: www.bls.gov/CPI or telephone (202) 691-7000. For CPI data questions, e-mail cpi_info@bls.gov.

- Line 22, data are from *Employment and Earnings*. The U.S. Bureau of Labor Statistics, Producer Price Index: www.bls.gov/PPI or telephone (202) 691-7705. For PPI data questions, e-mail ppi-info@bls.gov.

2.11: Labor Force, Employment, and Unemployment. Data are from *Employment and Earnings* and are available on the web site of the U.S. Bureau of Labor Statistics:

- Lines 1–5, www.bls.gov/cps or telephone Labor Force Statistics, Current Population Survey (CPS): (202) 691-6378. For CPS data questions, e-mail cpsinfo@bls.gov.

- Lines 6–14, www.bls.gov/ces or telephone National Employment, Hours, and Earnings, Current Employment Statistics (CES): (202) 691-6555. For CES data questions, e-mail cesinfo@bls.gov.

2.14: Housing and Construction. Data are available from the U.S. Bureau of the Census and the National Association of Realtors, as follows:

- Lines 1–13, new residential construction, www.census.gov/ftp/pub/const/www/newresconstindex.html.

- Lines 14–17, new residential sales, www.census.gov/ftp/pub/const/www/newressalesindex.html.

For further information, contact the Residential Construction Branch, telephone (301) 763-5160.

- Lines 18–20, existing home sales, www.REALTOR.org/Research.nsf/Pages/EHSdata. Telephone (202) 383-7518 or e-mail eresearch@realtors.org

- Lines 21–33, www.census.gov/ftp/pub/const/www/c30index.html or telephone (301) 763-4673.

2.15: Consumer and Producer Prices. Data are available on the web site of the U.S. Bureau of Labor Statistics:

- Lines 1–6, consumer price index, www.bls.gov/CPI or telephone the Bureau of Labor Statistics, Division of Consumer Prices and Price Indexes (202) 691-7000. For CPI data questions, e-mail cpi_info@bls.gov.

- Lines 7–16, producer price index, www.bls.gov/PPI or telephone the Bureau of Labor Statistics, Producer Price Index (202) 691-7705. For PPI data questions, e-mail ppi-info@bls.gov.

2.16: Gross Domestic Product and Income. Data are from the *Survey of Current Business*, which is available on the web site of the Bureau of Economic Analysis at www.bea.gov/bea/pubs.htm or telephone (202) 606-5304.

2.17: Personal Income and Saving. Data are from the *Survey of Current Business*, which is available on the web site of the Bureau of Economic Analysis at www.bea.gov/bea/pubs.htm or telephone (202) 606-5304.

3.11: U.S. Foreign Trade. Data are available in the FT900 release on the web site of the U.S. Bureau of the Census, Foreign Trade Division, at www.census.gov/foreign-trade/Press-Release/current_press_release/exh1.txt.

Print copies of several publications in which source data appear are available from the Government Printing Office at (202) 512-1800 or toll free (866) 512-1800. Orders may also be made on line at bookstore.gpo.gov. The publications that may be ordered through GPO are the following:

- *The Budget of the U.S. Government*
- *Monthly Treasury Statements*
- *Survey of Current Business*
- *Construction Reports (Housing Starts, New Residential Construction, and Value of Construction Put in Place)*

In addition, print copies or Excel files of history tables of new residential construction and sales data from the U.S. Bureau of the Census may be ordered. Subscriptions to monthly news releases for many series from the Bureau of Labor Statistics may be requested from the offices listed for specific table data.

ENFORCEMENT ACTION

The Federal Reserve Board announced on April 26, 2002, the issuance of a consent order of assessment of a civil money penalty against the Community Bank of Granbury, Granbury, Texas, a state member bank.

The Community Bank of Granbury, 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 the Community Bank of Granbury to pay a civil money penalty of \$10,000, which will be remitted to the Federal Emergency Management Agency for deposit into the National Flood Mitigation Fund. □

Legal Developments

FINAL RULE—AMENDMENT TO RISK-BASED CAPITAL STANDARDS: CLAIMS ON SECURITIES FIRMS

The Office of the Comptroller of the Currency, Treasury (OCC); Board of Governors of the Federal Reserve System (Board); Federal Deposit Insurance Corporation (FDIC); and Office of Thrift Supervision, Treasury (OTS), (collectively, the Agencies) are amending their respective risk-based capital standards for banks, bank holding companies, and savings associations (collectively, institutions or banking organizations) with regard to the risk weighting of claims on, and claims guaranteed by, qualifying securities firms. This rule reduces the risk weight applied to certain claims on, and claims guaranteed by, qualifying securities firms incorporated in the United States and in other countries that are members of the Organization for Economic Cooperation and Development (OECD) from 100 percent to 20 percent under the Agencies' risk-based capital rules. In addition, consistent with the existing rules of the FRB and the OCC, the FDIC and OTS are amending their risk-based capital standards to permit a zero percent risk weight for certain claims on qualifying securities firms that are collateralized by cash on deposit in the lending institution or by securities issued or guaranteed by the United States or other OECD central governments.

The text of the other Agencies' final rules can be found in 12 C.F.R. Parts 3, 325, and 567, and was published in the *Federal Register* on April 9, 2002 (67 *Federal Register* 16971–16980 (2002)). The Board adopted the amendment to Regulation H, Membership of State Banking Institutions in the Federal Reserve System, and Regulation Y, Bank Holding Companies and Change in Bank Control, 12 C.F.R. Parts 208 and 225, on March 27, 2002.

Effective July 1, 2002, 12 C.F.R. Parts 208 and 225 are amended as follows. The Agencies will not object if an institution wishes to apply the provisions of this final rule beginning on April 9, 2002.

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

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

Authority: 12 U.S.C. 24, 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, 1835(a), 1882, 2901-2907, 3105, 3310, 3331-3351, and 3906-3909; 15 U.S.C. 78b, 15 U.S.C. 715 U.S.C.(b), 781(g), 781(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. In Appendix A to Part 208, the following amendments are made:
 - a. In sections III. and IV., footnotes 38 through 54 are redesignated as footnotes 41 through 57;
 - b. In section III.C.2. under the title Category 2: 20 percent, the three existing paragraphs are designated as 2.a. through 2.c., and a new paragraph 2.d. is added with new footnotes 38, 39, and 40;
 - c. In section III.C.4.b., a new sentence is added at the end of the paragraph; and
 - d. In Attachment III, under Category 2, new paragraphs 12 and 13 are added.

The revision and additions read as follows:

Appendix A to Part 208—Capital Adequacy Guidelines for State Member Banks: Risk-Based Measure

* * * * *

III. * * *

C. * * *

2. * * *

- d. This category also includes claims³⁸ on, or guaranteed by, a qualifying securities firm incorporated in the United States or other member of the OECD-based group of countries³⁹ provided that: the qualifying securities firm has a long-term issuer credit rating, or a rating on at least one issue of long-term debt, in one of the three highest investment grade rating categories from a nationally recognized statistical rating organization; or the claim is guaranteed by the firm's parent company and the parent

38. Claims on a qualifying securities firm that are instruments the firm, or its parent company, uses to satisfy its applicable capital requirements are not eligible for this risk weight.

39. With regard to securities firms incorporated in the United States, qualifying securities firms are those securities firms that are broker-dealers registered with the Securities and Exchange Commission (SEC) and are in compliance with the SEC's net capital rule, 17 C.F.R. 240.15c3-1. With regard to securities firms incorporated in any other country in the OECD-based group of countries, qualifying securities firms are those securities firms that a bank is able to demonstrate are subject to consolidated supervision and regulation (covering their direct and indirect subsidiaries, but not necessarily their parent organizations) comparable to that imposed on banks in OECD countries. Such regulation must include risk-based capital requirements comparable to those applied to banks under the Accord on International Convergence of Capital Measurement and Capital Standards (1988, as amended in 1998) (Basel Accord).

company has such a rating. If ratings are available from more than one rating agency, the lowest rating will be used to determine whether the rating requirement has been met. This category also includes a collateralized claim on a qualifying securities firm in such a country, without regard to satisfaction of the rating standard, provided that the claim arises under a contract that:

- (1) Is a reverse repurchase/repurchase agreement or securities lending/borrowing transaction executed using standard industry documentation;
- (2) Is collateralized by debt or equity securities that are liquid and readily marketable;
- (3) Is marked-to-market daily;
- (4) Is subject to a daily margin maintenance requirement under the standard industry documentation; and
- (5) Can be liquidated, terminated, or accelerated immediately in bankruptcy or similar proceeding, and the security or collateral agreement will not be stayed or avoided, under applicable law of the relevant jurisdiction.⁴⁰

* * * * *

4. * * *

- b. * * * This category also includes claims representing capital of a qualifying securities firm.

* * * * *

Attachment III—Summary of Risk Weights and Risk Categories for State Member Banks

* * * * *

Category 2: 20 Percent * * *

12. Claims on, and claims guaranteed by, qualifying securities firms incorporated in the United States or other member of the OECD-based group of countries provided that:

- a. The qualifying securities firm has a rating in one of the top three investment grade rating categories from a nationally recognized statistical rating organization; or
- b. The claim is guaranteed by a qualifying securities firm's parent company with such a rating.

13. Certain collateralized claims on qualifying securities firms in the United States or other member of the OECD-based group of countries, without regard to satisfaction of the rating standard, provided that the claim arises under a contract that:

- a. Is a reverse repurchase/repurchase agreement or securities lending/borrowing transaction executed using standard industry documentation;
- b. Is collateralized by liquid and readily marketable debt or equity securities;
- c. Is marked to market daily;
- d. Is subject to a daily margin maintenance requirement under the standard industry documentation; and
- e. Can be liquidated, terminated, or accelerated immediately in bankruptcy or similar proceeding, and the security or collateral agreement will not be stayed or avoided, under applicable law of the relevant jurisdiction.

* * * * *

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

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

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

- 2. In Appendix A to Part 225, the following amendments are made:
 - a. In sections III. and IV., footnotes 42 through 58 are redesignated as footnotes 45 through 61;
 - b. In section III.C.2. under the title Category 2: 20 percent, the three existing paragraphs are designated as 2.a. through 2.c., and a new paragraph 2.d. is added with new footnotes 42, 43, and 44;
 - c. In section III.C.4.b., a new sentence is added at the end of the paragraph; and
 - d. In Attachment III, under Category 2, new paragraphs 12 and 13 are added.

The revision and additions read as follows:

Appendix A to Part 225—Capital Adequacy Guidelines for Bank Holding Companies: Risk-Based Measure

* * * * *

III. * * *

C. * * *

2. * * *

- d. This category also includes claims⁴² on, or guaranteed by, a qualifying securities firm⁴³ incorporated

40. For example, a claim is exempt from the automatic stay in bankruptcy in the United States if it arises under a securities contract or a repurchase agreement subject to section 555 or 559 of the Bankruptcy Code, respectively (11 U.S.C. 555 or 559), a qualified financial contract under section 11(e)(8) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)), or a netting contract between financial institutions under sections 401–407 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4401-4407), or the Board's Regulation EE (12 C.F.R. Part 231).

42. Claims on a qualifying securities firm that are instruments the firm, or its parent company, uses to satisfy its applicable capital requirement are not eligible for this risk weight.

43. With regard to securities firms incorporated in the United States, qualifying securities firms are those securities firms that are broker-

in the United States or other member of the OECD-based group of countries provided that: the qualifying securities firm has a long-term issuer credit rating, or a rating on at least one issue of long-term debt, in one of the three highest investment grade rating categories from a nationally recognized statistical rating organization; or the claim is guaranteed by the firm's parent company and the parent company has such a rating. If ratings are available from more than one rating agency, the lowest rating will be used to determine whether the rating requirement has been met. This category also includes collateralized claims on, or guaranteed by, a qualifying securities firm in such a country, without regard to satisfaction of the rating standard, provided the claim arises under a contract that:

- (1) Is a reverse repurchase/repurchase agreement or securities lending/borrowing transaction executed under standard industry documentation;
- (2) Is collateralized by debt or equity securities that are liquid and readily marketable;
- (3) Is marked-to-market daily;
- (4) Is subject to a daily margin maintenance requirement under the standard industry documentation; and
- (5) Can be liquidated, terminated, or accelerated immediately in bankruptcy or similar proceeding, and the security or collateral agreement will not be stayed or avoided, under applicable law of the relevant jurisdiction.⁴⁴

* * * * *

4. * * *

- b. * * * This category also includes claims representing capital of a qualifying securities firm.

* * * * *

dealers registered with the Securities and Exchange Commission and are in compliance with the SEC's net capital rule, 17 C.F.R. 240.15c3-1. With regard to securities firms incorporated in other countries in the OECD-based group of countries, qualifying securities firms are those securities firms that a banking organization is able to demonstrate are subject to consolidated supervision and regulation (covering their direct and indirect subsidiaries, but not necessarily their parent organizations) comparable to that imposed on banks in OECD countries. Such regulation must include risk-based capital requirements comparable to those applied to banks under the Accord on International Convergence of Capital Measurement and Capital Standards (1988, as amended in 1998) (Basel Accord).

44. For example, a claim is exempt from the automatic stay in bankruptcy in the United States if it arises under a securities contract or repurchase agreement subject to section 555 or 559 of the Bankruptcy Code, respectively (11 U.S.C. 555 or 559), a qualified financial contract under section 11(e)(8) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)), or a netting contract between financial institutions under sections 401-407 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4401-4407), or the Board's Regulation EE (12 C.F.R. Part 231).

Attachment III—Summary of Risk Weights and Risk Categories for Bank Holding Companies

* * * * *

Category 2: 20 Percent * * *

12. Claims on, and claims guaranteed by, qualifying securities firms incorporated in the United States or other member of the OECD-based group of countries provided that:
 - a. The qualifying securities firm has a rating in one of the top three investment grade rating categories from a nationally recognized statistical rating organization; or
 - b. The claim is guaranteed by a qualifying securities firm's parent company with such a rating.
13. Certain collateralized claims on qualifying securities firms in the United States or other member of the OECD-based group of countries, without regard to satisfaction of the rating standard, provided that the claim arises under a contract that:
 - a. Is a reverse repurchase/repurchase agreement or securities lending/borrowing transaction executed under standard industry documentation;
 - b. Is collateralized by liquid and readily marketable debt or equity securities;
 - c. Is marked to market daily;
 - d. Is subject to a daily margin maintenance requirement under the standard industry documentation; and
 - e. Can be liquidated, terminated, or accelerated immediately in bankruptcy or similar proceeding, and the security or collateral agreement will not be stayed or avoided, under applicable law of the relevant jurisdiction.

* * * * *

4. * * *

- b. * * * This category also includes claims representing capital of a qualifying securities firm.

* * * * *

FINAL RULE—AMENDMENT TO REGULATION Z

The Board of Governors is amending 12 C.F.R. Part 226, its Regulation Z (Truth in Lending). The Board is publishing revisions to the official staff commentary to Regulation Z, which implements the Truth in Lending Act. The commentary applies and interprets the requirements of Regulation Z. The revisions clarify how creditors that place Truth in Lending Act disclosures on the same document with the credit contract may satisfy the requirement for providing the disclosures, in a form the consumer may keep, before consummation. In addition, the revisions provide guidance on disclosing costs for certain credit insurance policies and on the definition of "business day" for purposes of the right to rescind certain home-secured loans.

The Board is also publishing technical corrections to the commentary and regulation.

Effective April 9, 2002, 12 C.F.R. Part 226 is amended as follows:

Part 226—Truth in Lending (Regulation Z)

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

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

Section 226.17—[Amended]

2. Section 226.17, in paragraph (a)(1), footnote 38, is amended by removing “ § 226.18(f)(4)” and adding “ § 226.18(f)(1)(iv)” in its place.

3. In Supplement I to Part 226:

- a. Under *Section 226.2—Definitions and Rules of Construction*, under 2(a)(6) *Business Day*, paragraph 2. is revised.
- b. Under *Section 226.4—Finance Charge*, under 4(d) *Insurance and Debt Cancellation Coverage*, paragraph 12. is revised.
- c. Under *Section 226.6—Initial Disclosure Requirements*, under *Paragraph 6(b)*, paragraph 1.vi. is amended by removing “comment 4(a)-5” and adding “comment 4(a)-4” in its place.
- d. Under *Section 226.17—General Disclosure Requirements*, under 17(b) *Time of Disclosures*, a new paragraph 3. is added.
- e. Under *Section 226.32—Requirements for Certain Closed-End Home Mortgages*, under *Paragraph 32(c)(3)*, paragraph 1. is revised; and under *Paragraph 32(c)(4)*, paragraph 1. is amended by removing “ § 226.19(b)(2)(x)” and adding “ § 226.19(b)(2)(viii)(B)” in its place.

Supplement I to Part 226—Official Staff Interpretations

* * * * *

Subpart A—General

* * * * *

Section 226.2—Definition and Rules of Construction

* * * * *

2(a)(6) *Business day.*

* * * * *

2. *Rescission rule.* A more precise rule for what is a business day (all calendar days except Sundays and

the federal legal holidays listed in 5 U.S.C. 6103(a)) applies when the right of rescission or mortgages subject to section 226.32 are involved. (*See also* comment 31(c)(1)-1.) Four federal legal holidays are identified in 5 U.S.C. 6103(a) by a specific date: New Year’s Day, January 1; Independence Day, July 4; Veterans Day, November 11; and Christmas Day, December 25. When one of these holidays (July 4, for example) falls on a Saturday, federal offices and other entities might observe the holiday on the preceding Friday (July 3). The observed holiday (in the example, July 3) is a business day for purposes of rescission or the delivery of disclosures for certain high-cost mortgages covered by Section 226.32.

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Section 226.4—Finance Charge

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4(d) *Insurance and debt cancellation coverage.*

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12. *Initial term; alternative.* i. *General.* A creditor has the option of providing cost disclosures on the basis of an assumed initial term of one year of insurance or debt- cancellation coverage instead of a longer initial term (provided the premium or fee is clearly labeled as being for one year) if:

- A. The initial term is indefinite or not clear, or
- B. The consumer has agreed to pay a premium or fee that is assessed periodically but the consumer is under no obligation to continue the coverage, whether or not the consumer has made an initial payment.

ii. *Open-end plans.* For open-end plans, a creditor also has the option of providing unit-cost disclosure on the basis of a period that is less than one year if the consumer has agreed to pay a premium or fee that is assessed periodically, for example monthly, but the consumer is under no obligation to continue the coverage.

iii. *Examples.* To illustrate: A. A credit life insurance policy providing coverage for a 30-year mortgage loan has an initial term of 30 years, even though premiums are paid monthly and the consumer is not required to continue the coverage. Disclosures may be based on the initial term, but the creditor also has the option of making disclosures on the basis of coverage for an assumed initial term of one year.

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Subpart C—Closed-End Credit

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Section 226.17—General Disclosure Requirements

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17(b) Time of disclosures.

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3. *Disclosures provided on credit contracts.* Creditors must give the required disclosures to the consumer in writing, in a form that the consumer may keep, before consummation of the transaction. See section 226.17(a)(1) and (b). Sometimes the disclosures are placed on the same document with the credit contract. Creditors are not required to give the consumer two separate copies of the document before consummation, one for the consumer to keep and a second copy for the consumer to execute. The disclosure requirement is satisfied if the creditor gives a copy of the document containing the unexecuted credit contract and disclosures to the consumer to read and sign; and the consumer receives a copy to keep at the time the consumer becomes obligated. It is not sufficient for the creditor merely to show the consumer the document containing the disclosures before the consumer signs and becomes obligated. The consumer must be free to take possession of and review the document in its entirety before signing.

- i. *Example.* To illustrate:
 - A. A creditor gives a consumer a multiple-copy form containing a credit agreement and TILA disclosures. The consumer reviews and signs the form and returns it to the creditor, who separates the copies and gives one copy to the consumer to keep. The creditor has satisfied the disclosure requirement.

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Subpart E—Special Rules for Certain Home Mortgage Transactions

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Section 226.32—Requirements for Certain Closed-End Home Mortgages

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Paragraph 32(c)(3) Regular payment; balloon payment.

- 1. *General.* The regular payment is the amount due from the borrower at regular intervals, such as monthly, bimonthly, quarterly, or annually. There must be at least two payments, and the payments must be in an amount and at such intervals that they fully amortize the amount owed. In disclosing the regular payment,

creditors may rely on the rules set forth in section 226.18(g); however, the amounts for voluntary items, such as credit life insurance, may be included in the regular payment disclosure only if the consumer has previously agreed to the amounts.

- i. If the loan has more than one payment level, the regular payment for each level must be disclosed. For example:
 - A. In a 30-year graduated payment mortgage where there will be payments of \$300 for the first 120 months, \$400 for the next 120 months, and \$500 for the last 120 months, each payment amount must be disclosed, along with the length of time that the payment will be in effect.
 - B. If interest and principal are paid at different times, the regular amount for each must be disclosed.
 - C. In discounted or premium variable-rate transactions where the creditor sets the initial interest rate and later rate adjustments are determined by an index or formula, the creditor must disclose both the initial payment based on the discount or premium and the payment that will be in effect thereafter. Additional explanatory material which does not detract from the required disclosures may accompany the disclosed amounts. For example, if a monthly payment is \$250 for the first six months and then increases based on an index and margin, the creditor could use language such as the following: “Your regular monthly payment will be \$250 for six months. After six months your regular monthly payment will be based on an index and margin, which currently would make your payment \$350. Your actual payment at that time may be higher or lower.”

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ORDERS ISSUED UNDER BANK HOLDING COMPANY ACT

Orders Issued Under Section 3 of the Bank Holding Company Act

*Charter One Financial, Inc.
Cleveland, Ohio*

*Charter-Michigan Bancorp, Inc.
Dearborn, Michigan*

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

Charter One Financial, Inc. (“Charter One Financial”), a bank holding company within the meaning of the Bank

Holding Company Act (“BHC Act”), has requested the Board’s approval under section 3 of the BHC Act (12 U.S.C. § 1842) for several applications related to the conversion of Charter One Bank, F.S.B., Cleveland, Ohio (“Charter One FSB”), a thrift institution, to a national bank charter. On its conversion, Charter One FSB would become Charter One Bank, N.A., Cleveland, Ohio (“National Bank”); and Charter-Michigan Bancorp, Inc. (“Charter-Michigan”), a wholly owned subsidiary of Charter One Financial, would become a bank holding company.

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (67 *Federal Register* 1979 (2002)). The time for filing comments has expired, and the Board has considered the proposal and all comments received in light of the factors set forth in section 3 of the BHC Act.

Charter One Financial, with total consolidated assets of \$38.2 billion, is the 28th largest commercial banking organization in the United States, controlling less than 1 percent of total assets of insured depository institutions in the United States.¹ Charter One Financial operates depository institutions in Illinois, Massachusetts, Michigan, New York, Ohio, and Vermont. Charter One Financial is headquartered in Ohio, where it is the ninth largest banking organization, controlling deposits of \$5.7 billion in the state, representing approximately 3.2 percent of total deposits in insured depository institutions in the state.²

Competitive Considerations

The BHC Act prohibits the Board from approving an application under section 3 of the BHC Act if the proposal would result in a monopoly or would be in furtherance of any attempt to monopolize the business of banking. The BHC Act also prohibits the Board from approving a proposed combination that would substantially lessen competition or tend to create a monopoly 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 effects of the proposal in meeting the convenience and needs of the community to be served.³

The proposal represents the conversion of Charter One Financial’s subsidiary savings association into a national bank and does not involve the acquisition of any depository institution not already controlled by Charter One Financial. Accordingly, and based on all the facts of record, the Board concludes that consummation of the proposal would not have a significantly adverse effect on competition or on the concentration of banking resources in any relevant banking market and that competitive considerations are consistent with approval.⁴

Convenience Needs Considerations

In acting on proposals under section 3 of the BHC Act, the Board is required to consider the effects of the proposal on the convenience and needs of the communities to be served and take into account the records of the relevant depository institutions under the Community Reinvestment Act (“CRA”).⁵ The CRA requires the federal financial supervisory agencies to encourage financial institutions to help meet the credit needs of local communities in which they operate, consistent with safe and sound operation, and requires the appropriate federal supervisory agency to take into account an institution’s record of meeting the credit needs of its entire community, including low- and moderate-income (“LMI”) neighborhoods, in evaluating bank expansion proposals. The Board has carefully considered the convenience and needs factor and the CRA performance records of the subsidiary depository institutions of Charter One Financial in light of all the facts of record, including public comments received on the effect of the proposal.

A. Summary of Public Comments

The Board received comments from three commenters who opposed the proposal and expressed concerns about the CRA performance record of Charter One Financial and Charter One FSB. Commenters generally criticized Charter One FSB’s record of home mortgage lending to LMI and minority residents and in LMI communities and communities with predominantly minority populations (“minority communities”) in the Chicago and Cleveland areas. The commenters alleged or expressed concern that data submitted under the Home Mortgage Disclosure Act (“HMDA”)⁶ demonstrated that Charter One FSB engaged in disparate treatment of LMI or minority individuals in Chicago and Cleveland. One commenter expressed concern about the level of Charter One FSB’s community development and outreach activity in the Cleveland area.⁷

cantly adverse competitive effects in any relevant markets. The Office of the Comptroller of the Currency (“OCC”) and the Federal Deposit Insurance Corporation (“FDIC”) have been afforded an opportunity to comment and have not objected to consummation of the proposal.

5. 12 U.S.C. § 2901 *et seq.*

6. 12 U.S.C. § 2801 *et seq.*

7. This commenter also criticized Charter One FSB’s management for not reaching an agreement with some local community groups and for management’s waning responsiveness to requests for meetings with these community groups. The Board notes that the CRA requires that in considering an acquisition proposal, the Board carefully reviews the actual performance records of the relevant depository institutions in helping to meet the credit needs of the communities. Neither the CRA nor the federal banking agencies’ CRA regulations require depository institutions to make pledges concerning future performance under the CRA, confer authority on the agencies to enforce pledges made to third parties, or require depository institutions to meet with particular persons. The Board also notes that future activities of Charter One’s subsidiary depository institutions will be considered by the Board in any subsequent applications by Charter One Financial to acquire a depository institution.

1. Asset and ranking data are as of December 31, 2001.

2. Deposit data are as of June 30, 2001. In this context, depository institutions include commercial banks, savings banks, and savings associations.

3. 12 U.S.C. § 1842(c).

4. The Department of Justice has reviewed the proposal and advised the Board that its consummation would not likely have any signifi-

B. CRA Performance Evaluations

As provided in the CRA, the Board has evaluated the convenience and needs factor in light of examinations of the CRA performance records by the appropriate federal supervisors of the relevant insured depository institutions. An institution's most recent CRA performance evaluation is a particularly important consideration in the applications process because it represents a detailed, on-site evaluation of the institution's overall record of performance under the CRA by its appropriate federal supervisor.⁸

Charter One Financial's two subsidiary depository institutions received "satisfactory" ratings at their most recent CRA evaluations. Charter One FSB, which currently accounts for almost all of Charter One Financial's total consolidated assets, received a "satisfactory" rating from its primary federal supervisor, the Office of Thrift Supervision ("OTS"), at its most recent CRA evaluation, as of May 14, 2001 (the "Charter One FSB Examination"). Charter One Commercial, Albany, New York ("Charter One Commercial"), received a "satisfactory" rating from the FDIC at its most recent CRA evaluation, as of March 27, 2001.⁹

Examiners found no evidence of prohibited discrimination or other illegal credit practices at either of Charter One Financial's insured depository institutions and no violations of substantive provisions of the fair lending laws. Examiners also reviewed the assessment areas delineated by Charter One Financial's subsidiary depository institutions and did not report that these assessment areas were unreasonable or arbitrarily excluded LMI areas.

C. Charter One's CRA Performance Record

Overview. Examiners rated the thrift "satisfactory" overall based on its total performance in community lending, investment, and services throughout its assessment areas. In particular, examiners reported that Charter One FSB's responsiveness to the credit needs in its assessment areas was generally good, noting that lending activity levels were excellent in four out of Charter One FSB's six assessment areas in Ohio, and good or better in most of Charter One FSB's assessment areas in Michigan and New York.¹⁰ Examiners noted that the distribution of loans by Charter One FSB among borrowers at all income levels was adequate or better in all major Metropolitan Statistical Area ("MSA") markets in which Charter One FSB operated. According to the Charter One FSB Examination, the thrift had certain weaknesses in its geographic distribution of loans. Examiners stated that geographic distribution of

loans by Charter One FSB reflected a poor distribution in large assessment areas, including the Cleveland-Akron, Ohio; Detroit-Ann Arbor, Michigan; Rochester, New York; and Buffalo, New York MSAs. Examiners noted that the geographic distribution of loans by Charter One FSB was adequate in non-MSA areas of Ohio, Michigan, and Vermont and excellent in New York non-MSA areas.

Examiners reported that Charter One FSB offered a variety of products and programs to assist in meeting the housing-related credit needs of LMI individuals and communities, including government-sponsored home mortgage loan programs, such as those sponsored by the Federal Housing Authority ("FHA") and the Veterans Administration ("VA"). Charter One FSB has also created a "core city delivery channel" for its affordable housing loan products through community-based loan originators. The loan originators operate primarily out of branches in central cities and/or LMI neighborhoods and provide expanded services, including loan counseling, free mortgage loan preapprovals and prequalifications, confidential credit counseling services, and workshops for first-time home buyers. Examiners also noted a flexible home loan program developed by Charter One FSB, the Central City Home Ownership Programs ("CCHAP").¹¹

Examiners commended Charter One FSB for its high level of community development lending. Examiners also determined that Charter One FSB had a significant level of qualified community development investments, including a significant volume of investments qualifying for low-income housing tax credits.

Examiners found that Charter One FSB provided a good level of banking services in many of its assessment areas. For example, examiners noted that Charter One FSB was a leader in providing community development services in the Cleveland-Akron and Detroit-Ann Arbor assessment areas. Examiners found that Charter One FSB's services did not vary in a way that inconvenienced any portion of its assessment areas.

Chicago. Examiners noted that Charter One FSB did not have a significant presence in the Chicago Primary Metropolitan Statistical Area ("PMSA") before its merger with St. Paul Bancorp, Inc. in October 1999. Examiners also noted that the Chicago assessment area of Charter One FSB was a highly competitive market and although Charter One FSB had increased its market share of deposits since October 1999, it remained a relatively small market participant with 1.9 percent of total deposits in the Chicago assessment area, as of June 30, 2000. Examiners reported that in view of these facts, Charter One FSB demonstrated an adequate responsiveness to the credit needs of the assessment area.

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

9. Charter One Commercial is a limited purpose bank offering commercial loan products in the Albany, New York, banking market. See 12 C.F.R. 345.25.

10. The Charter One FSB Examination focused primarily on Charter One FSB's performance in Michigan, New York, and Ohio because the majority of Charter One FSB's resources and business activity is in those states.

11. Examiners noted that the CCHAP program permits down payments as low as 5 percent. Points are not required and, depending on the program selected, borrowers benefit from reduced closing costs, higher permitted debt ratios, and interest rates as low as 5 percent less than Charter One FSB's conventional loan programs. CCHAP programs are available for one- or two-family home loans, and borrower income cannot exceed 115 percent of the MSA median family income.

From January 1, 2000, to March 21, 2001 (the “Chicago review period”), Charter One FSB originated or purchased 6,329 HMDA-reportable loans, totaling \$1.2 billion, compared with approximately \$3.7 billion in deposits that Charter One FSB held in the Chicago assessment area, as of June 30, 2001. Approximately 11.7 percent of Charter One FSB’s HMDA-reportable loans were originated to borrowers in LMI census tracts, compared with 16.7 percent of the HMDA-reportable loans by Chicago-assessment-area lenders in the aggregate in 1999. Although examiners noted that Charter One FSB’s penetration in LMI census tracts lagged the percentage achieved by all HMDA reporters in 1999, examiners considered Charter One FSB’s lending to borrowers of different income levels to be good. During the Chicago review period, Charter One FSB made 26.3 percent of its HMDA-reportable loans to LMI borrowers, compared with 27.5 percent of the HMDA-reportable loans by lenders in the aggregate in 1999.

Examiners noted that Charter One FSB made good use of flexible lending practices to help meet the Chicago assessment area’s credit needs. In addition to the FHA, VA, and CCHAP flexible lending programs that the thrift offers in all its assessment areas, Charter One FSB offers five other programs in Illinois.¹² In 2000, Charter One FSB originated 212 loans in the Chicago PMSA under its various flexible lending programs, totaling almost \$22 million. Examiners also noted that, during the Chicago review period, Charter One FSB made three community development loans, totaling more than \$1.9 million, to nonprofit organizations that provided LMI housing in the Chicago assessment area.

Charter One FSB received a “High Satisfactory” for its investment activities in Illinois. Examiners noted that Charter One FSB had a significant level of innovative complex qualified investments, totaling more than \$2.8 million during the Chicago review period, and noted that Charter One FSB made grants and donations totaling \$337,475 to organizations that provided community development services in the Chicago assessment area.

Examiners reported that Charter One FSB’s banking services were reasonably accessible to all residents of the assessment area and that services did not vary in a way that

inconvenienced portions of the assessment area. Examiners also noted that Charter One FSB maintained alternative delivery systems, including 24-hour telephone banking, internet banking, and automated teller machines (“ATMs”) with bilingual instructions. In addition, bilingual employees and brochures were available to assist customers.

Cleveland. Charter One FSB received a “High Satisfactory” for its lending activities in Ohio, based primarily on its performance in the Cleveland-Akron assessment area.¹³ Examiners found that Charter One FSB’s high overall volume of home lending in the Cleveland-Akron assessment area reflected an excellent responsiveness to the areas credit needs and noted that Charter One FSB was a market leader in providing home purchase and refinance loans in the area. Based on 1999 aggregate HMDA data, Charter One FSB ranked second with a 5.3 percent market share of the number of HMDA-reportable loans made in the Cleveland-Akron CMSA.

From April 1, 1998, to March 31, 2001 (the “Cleveland review period”), Charter One FSB originated or purchased 17,678 HMDA-reportable loans, totaling \$2 billion. During the Cleveland review period, 8.9 percent of its HMDA-reportable loans were to borrowers residing in LMI census tracts, compared with 20.1 percent of the HMDA-reportable loans by lenders in the aggregate in 1999. Although examiners noted that Charter One FSB’s level of penetration in LMI census tracts was poor compared with the level achieved by all HMDA reporters in 1999 (it ranked fifth in market share in LMI census tracts), examiners considered Charter One FSB’s lending to borrowers of different income levels to be good. During the Cleveland review period, Charter One FSB made 27.3 percent of its HMDA-reportable loans to LMI borrowers, compared with 29.8 percent of the HMDA-reportable loans by lenders in the aggregate in 1999.

Examiners noted that Charter One FSB made good use of flexible lending practices to help meet the Cleveland-Akron assessment area’s credit needs. From April 1, 1998, to December 31, 2000, Charter One FSB originated 761 loans in the Cleveland-Akron assessment area under its FHA, VA, and CCHAP flexible lending programs, totaling more than \$51.5 million. In addition to the FHA, VA, and CCHAP flexible lending programs, Charter One FSB offers two other flexible lending programs in the Cleveland-Akron assessment area: the Cleveland Down Payment Match Program, in which Charter One FSB provides matching down-payment grants of up to \$2,000 applied to a 5-percent down payment for home purchases in LMI census tracts in Cleveland; and the City of Akron Refinance/Rehabilitation Program, a program coordinated with the City of Akron in which Charter One FSB provides financing for home rehabilitation for homes in neighborhoods that the City of Akron has identified as LMI neighborhoods in Akron’s inner city.

12. These programs are:

- (1) The City of Chicago Department of Housing Programs, a partnership between Charter One FSB and the City of Chicago to assist LMI first-time home buyers;
- (2) The Assist Program, which provides closing costs and down-payment funding to LMI borrowers who occupy their home as a primary residence;
- (3) The Chicago Public Schools Program, a program for LMI employees of the Chicago Public Schools that provides a credit toward closing costs and a .25-percent discount off market rates;
- (4) The New Cities Program, which provides LMI borrowers with counseling and financial assistance in the purchase of a primary residence; and
- (5) The Illinois Housing Development Authority Program, which helps LMI residents become homeowners through education, below-market interest rates, and down-payment grants.

13. Charter One FSB’s Cleveland-Akron assessment area includes most of the Cleveland-Akron Consolidated Metropolitan Statistical Area (“CMSA”).

Examiners also noted favorably that during the Cleveland review period, Charter One FSB made twelve community development loans in the Cleveland-Akron assessment area, totaling \$32.7 million. Examiners reported that these loans funded twelve projects that primarily benefited LMI residents, including six multifamily housing projects and six projects that provided multiple-site, single-family home financing.

Charter One FSB also received a "High Satisfactory" rating for its investment activities in Ohio. Examiners noted that Charter One FSB had a significant level of innovative complex qualified investments in the Cleveland-Akron assessment area, totaling more than \$603 million during the Cleveland review period. Examiners noted that these qualified investments included low-income housing tax credits, such as National Equity Fund Limited Partnerships, which channeled corporate equity investments into low-income housing developments, and Enterprise Social Investment Corporation Limited Partnerships, which provided funds to develop inner city affordable housing projects. In addition to these investments, examiners noted that Charter One FSB and its affiliates maintained \$650,000 in deposits with a community development financial institution that specialized in urban revitalization loan programs in LMI neighborhoods in Cleveland. During the Cleveland review period, Charter One FSB made grants and donations totaling \$265,475 to organizations that provided community development services in the Cleveland-Akron assessment area.

Charter One FSB also received a "High Satisfactory" rating for its retail banking services in Ohio. As of May 14, 2001, Charter One FSB operated 72 full-service retail offices in the Cleveland-Akron assessment area. Examiners reported that 15.2 percent of these offices were in LMI census tracts. Although examiners noted that the percentage of offices in LMI census tracts was lower than the percentage of LMI census tracts in the assessment area, and that individuals in LMI census tracts had limited access to Charter One FSB's offices in Cleveland, examiners reported that individuals residing in LMI census tracts had good access to Charter One FSB offices in Akron. Examiners noted that Charter One FSB's Cleveland-Akron assessment area branches offered a full array of bank products and services and maintained branch hours that did not inconvenience any portion of Charter One FSB's Cleveland-Akron assessment area or any group of individuals. In addition, examiners cited the bank's alternative delivery systems, including ATMs with bilingual instructions on some machines, 24-hour telephone banking, and free internet banking.

Examiners commended Charter One FSB for its leadership in providing community development services to its Cleveland-Akron assessment area. Charter One FSB provided support through employee involvement with organizations that promoted affordable housing for LMI individuals, provided community services targeted to LMI individuals, or conducted activities that revitalized or stabilized LMI areas. For instance, Charter One FSB provided community development services through its participation

in several projects to construct new homes and rental units in LMI areas of Cleveland.

D. HMDA Data

The Board has considered Charter One FSB's record in light of comments received relating to the HMDA data reported by the thrift and its subsidiaries.¹⁴ In its Chicago assessment area, Charter One FSB's percentage of HMDA-reportable loans to African-American and Hispanic applicants, as well as to borrowers in predominantly minority census tracts, lagged the percentage for lenders in the aggregate from 1999 to 2000. Charter One FSB's denial disparity ratios for African-American and Hispanic individuals were higher than the denial disparity ratios of lenders in the aggregate in its Chicago assessment area in 1999 and 2000.¹⁵

The Board also notes that Charter One FSB only recently entered the Chicago market with the acquisition of St. Paul Bancorp, Inc. in October 1999. Data for 1999 through 2000 indicate that Charter One FSB's HMDA lending volume increased significantly in its Chicago assessment area from 1999 to 2000. By comparison, lending volume for lenders in the aggregate decreased in Chicago in 2000. Moreover, Charter One FSB's origination rates to African-American and Hispanic applicants in its Chicago assessment area significantly exceeded the levels for lenders in the aggregate.¹⁶

In its Cleveland-Akron assessment area, the HMDA data show that Charter One FSB's denial disparity ratios for African-American and Hispanic individuals were higher than the denial disparity ratios for lenders in the aggregate in its Cleveland-Akron assessment area in 1999 and 2000. Data for 1998 through 2000 indicate that Charter One's percentage of HMDA-reportable loans to African-American applicants and to borrowers in predominantly minority census tracts lagged the corresponding percentages for lenders in the aggregate, while Charter One FSB's lending percentage to Hispanic applicants approximated the aggregate during the same period. Charter One FSB's origination rate to Hispanic applicants slightly lagged the area's aggregate levels, but its origination rate to African-American applicants and to borrowers residing in predominantly minority census tracts significantly exceeded the area's aggregate levels.¹⁷

14. Commenters criticized Charter One FSB's record of home mortgage lending to LMI and minority individuals or in LMI and predominantly minority communities in the Chicago and Cleveland MSAs.

15. The denial disparity ratio compares the denial rate for minority loan applicants with the denial rate for nonminority applicants.

16. In 2000, 52.2 percent of the HMDA-reportable loan applications Charter One FSB received from African-American applicants and 68.2 percent from Hispanic applicants in its Chicago assessment area resulted in originations, while the aggregate origination rate in the Chicago assessment area for the same period was 39.2 percent African-American applicants and 57.3 percent for Hispanic applicants.

17. In 2000, 50 percent of the HMDA-reportable loan applications Charter One FSB received from African-American applicants,

The Board is concerned when the record of an institution indicates disparities in lending and believes that all banks are obligated to ensure that their lending practices are based on criteria that ensure not only safe and sound lending, but also equal access to credit by creditworthy applicants regardless of their race or income level. The Board recognizes, however, that HMDA data alone provide an incomplete measure of an institution's lending in its community because these data cover only a few categories of housing-related lending. HMDA data, moreover, provide only limited information about the covered loans.¹⁸ HMDA data, therefore, have limitations that make them an inadequate basis, absent other information, for concluding that an institution has not assisted adequately in meeting its community's credit needs or has engaged in illegal lending discrimination.

Because of the limitations of HMDA data, the Board has considered these data carefully in light of other information. As a result of the disparities noted in Charter One FSB's HMDA data, examiners specifically conducted a thorough on-site fair lending exam and found no evidence of prohibited discrimination or other illegal credit practices at Charter One FSB or any of its affiliates or subsidiaries. In addition, the OCC conducted a preconversion examination of Charter One FSB in late February 2002 in connection with its application to convert to a national bank charter. The preconversion examination also included a fair lending review, which found no evidence of prohibited discrimination or other illegal credit practices.¹⁹ The record also indicates that Charter One FSB has taken a number of affirmative steps to ensure compliance with fair lending laws. Charter One FSB has instituted monthly reviews of denied, withdrawn, and approved loan application files, a second-review process for denied applications, regularly scheduled self-assessments, annual audits by its internal

audit department,²⁰ and annual training on applicable fair lending laws and regulations.²¹

The Board also has considered the HMDA data in light of Charter One Financial's overall lending record, which show that its subsidiary depository institutions significantly assist in helping to meet the credit needs of the communities served, including LMI areas.

E. Conclusion on Convenience and Needs

In reviewing the effects of the proposal on the convenience and needs of the communities to be served, the Board has carefully considered the entire record, including all the information provided by commenters and Charter One Financial, evaluations of the CRA performance of each of Charter One Financial's insured depository institution subsidiaries, and confidential supervisory information. As noted above, the CRA examination of Charter One FSB found some weaknesses in its lending performance. However, examiners also noted a number of strengths in Charter One FSB's lending, investment, and service activities and determined that the overall CRA performance record of Charter One FSB was "satisfactory." The Board also notes that Charter One has instituted steps to address weaknesses in its performance and has shown some improvement in its lending. The Board expects that Charter One will continue these efforts. Based on a review of all the facts of record, and for the reasons discussed above, the Board concludes that considerations relating to the convenience and needs factor, including the CRA performance records of Charter One FSB and Charter One Commercial, are consistent with approval of the proposal.

Financial, Managerial, and Other Supervisory Factors

The BHC Act also requires the Board, in acting on an application, to consider the financial and managerial resources and future prospects of the companies and banks involved in a proposal, and certain other supervisory factors. The Board has carefully considered the financial and

44.3 percent from Hispanic applicants, and 44.1 percent from borrowers in predominantly minority census tracts in its Cleveland- Akron assessment area resulted in originations, while the aggregate origination rate in the Cleveland-Akron assessment area for the same period for loan applications received from African American applicants was 36.2 percent for African-American applicants, 50.2 percent for Hispanic applicants, and 27.1 percent for borrowers in predominantly minority census tracts.

18. For example, the data do not account for the possibility that an institution's outreach efforts may attract a larger proportion of marginally qualified applicants than other institutions attract and do not provide a basis for an independent assessment of whether an applicant who was denied credit was, in fact, creditworthy. Credit history problems and excessive debt levels relative to income (reasons most frequently cited for a credit denial) are not available from HMDA data. HMDA data also may be incomplete and may not identify all applicants with regard to income level, ethnicity, or other demographic factors.

19. The OCC approved the proposed conversion on March 13, 2002.

20. The annual audits review compliance with applicable fair lending laws and regulations in each lending area of Charter One FSB. They also review the self-assessment programs and related procedures of the lending areas.

21. One commenter contended, based in part on HMDA data, that Charter One FSB, through its subsidiary, Charter One Credit Corp. ("Charter One Credit"), improperly markets higher-cost subprime loan products to LMI and predominantly minority communities in its Cleveland-Akron assessment area, while marketing lower-cost prime loan products to nonminority and more affluent communities.

The Board notes that subprime lending is a permissible activity and provides needed credit to consumers who have difficulty meeting conventional underwriting criteria. As discussed above, Charter One FSB has taken a number of affirmative steps to ensure compliance with fair lending laws, and examiners found no evidence of prohibited discrimination or other illegal credit practices at Charter One FSB or any of its affiliates or subsidiaries, including Charter One Credit. In addition, Charter One Credit has implemented a procedure for referring borrowers that appear to qualify for traditional "prime" home mortgage loans to Charter One Financial's prime lenders, Charter One FSB and Charter One Mortgage Company.

managerial resources and future prospects of Charter One Financial and its subsidiary depository institutions, and other supervisory factors in light of all the facts of record. As part of this consideration, the Board has reviewed relevant reports of examination and other supervisory information. Charter One Financial, Charter-Michigan, and their subsidiary depository institutions are well capitalized and are expected to remain so after consummation of the proposal. The Board also notes that this proposal represents a corporate reorganization and does not involve the acquisition of an additional institution.

Based on all the facts of record, the Board concludes that considerations relating to the financial and managerial resources and future prospects of Charter One Financial, Charter-Michigan, and their respective subsidiaries are consistent with approval of the proposal, as are the other supervisory factors that the Board must consider under section 3 of the BHC Act.

Conclusion

Based on the foregoing, and in light of all the facts of record, the Board has determined that the applications should be, and hereby are, approved.²² In reaching its conclusion, the Board has considered all the facts of record in light of the factors that it is required to consider under the BHC Act and all other applicable statutes. The Board's approval is specifically conditioned on compliance by Charter One Financial and Charter-Michigan with all the commitments made in connection with the proposal and with the conditions discussed in this order. These representations, commitments, and conditions are deemed to be conditions imposed in writing by the Board in connection with its findings and decision and, as such, may be enforced in proceedings under applicable law.

The transaction shall not be consummated before the fifteenth calendar day after the effective date of this order, of this, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Cleveland, acting pursuant to delegated authority.

22. Two commenters requested that the Board hold a public meeting or hearing on the proposal. Section 3(b) of the BHC Act does not require the Board to hold a public hearing on an application unless the appropriate supervisory authority for the bank to be acquired makes a timely written recommendation of denial of the application. The Board has not received such a recommendation from the appropriate supervisory authorities. Under its rules, the Board in its discretion also may hold a public meeting or hearing on an application to acquire a bank if a meeting or hearing is necessary or appropriate to clarify factual issues related to the application and to provide an opportunity for testimony. 12 C.F.R. 225.16(e). The Board has considered carefully the commenters' requests in light of all the facts of record. In the Board's view, commenters have had ample opportunity to submit their views, and commenters have submitted written comments that have been considered carefully by the Board in acting on the proposal. The commenters' requests fail to demonstrate why their written comments do not present their views adequately. For these reasons, and based on all the facts of record, the Board has determined that a public meeting or hearing is not required or warranted in this case. Accordingly, the requests for a public meeting or hearing on the proposal are denied.

By order of the Board of Governors, effective April 22, 2002.

Voting for this action: Chairman Greenspan, Vice Chairman Ferguson, and Governors Gramlich, Bies, and Olson.

ROBERT DEV. FRIERSON
Deputy Secretary of the Board

Chinatrust Financial Holding Company, Ltd.
Taipei, Taiwan

Order Approving the Formation of a Bank Holding Company

Chinatrust Financial Holding Company, Ltd. (In Formation) ("CFHC") has requested the Board's approval under section 3 of the Bank Holding Company Act (12 U.S.C. § 1842(a)(1)) ("BHC Act") to become a bank holding company by indirectly acquiring Chinatrust Bank (U.S.A.), Torrance, California ("Chinatrust USA"), as a result of acquiring all the voting shares of Chinatrust Commercial Bank, Ltd., also in Taipei ("CCB"), a registered bank holding company under the BHC Act and a foreign bank within the meaning of the International Banking Act ("IBA").¹ CFHC would be formed under the laws of Taiwan for the purpose of acquiring CCB.²

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (67 *Federal Register* 2662 (2002)). The time for filing comments has expired, and the Board has considered the proposal and all comments received in light of the factors set forth in section 3 of the BHC Act.

CCB, with total consolidated assets of \$26 billion, is the ninth largest bank in Taiwan. In the United States, CCB operates Chinatrust USA, which has branches in California, Maryland, New Jersey, and New York, and a loan production office in the State of Washington. CCB also maintains a state-licensed branch in New York, New York. Chinatrust USA is the 58th largest banking organization in California, controlling total deposits of \$780.9 million, representing less than 1 percent of total deposits in depository institutions in the state.³ After consummation of the proposal, CFHC's only assets and operations would consist of CCB's assets and operations.

1. CCB indirectly owns all the shares of Chinatrust USA through a wholly owned subsidiary, China Trust Holdings Corp., New York, New York ("Holdings"). Holdings is a registered bank holding company.

2. CFHC would be formed under the Financial Holding Company Law of Taiwan ("FHCL"), which was promulgated July 9, 2001, and became effective November 1, 2001. The formation would be effected through an exchange of shares with CCB. CFHC's corporate existence would begin on consummation of the exchange of shares, and CCB would be a direct, wholly owned subsidiary of CFHC. The transaction would not affect CCB's U.S. operations.

3. Deposit and ranking data are as of June 30, 2001. In this context, depository institutions include commercial banks, savings banks, and savings associations.

Competitive Considerations

The BHC Act prohibits the Board from approving any proposal under section 3 that would result in a monopoly or would be in furtherance of any attempt to monopolize the business of banking in any relevant banking 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 clearly are outweighed in the public interest by the probable effect of the proposal in meeting the convenience and needs of the community to be served.⁴

The proposal involves only the formation of a top-tier holding company under Taiwan law and does not involve the acquisition of a second bank in the United States. Accordingly, based on all the facts of record, the Board concludes that consummation of the proposal would not have any significantly adverse effects on competition or on the concentration of banking resources in any relevant banking market, and that competitive considerations are consistent with approval.

Financial, Managerial, and Supervisory Considerations

The BHC Act requires that the Board, in acting on an application, consider the financial and managerial resources and future prospects of the companies and banks involved in a bank acquisition proposal, the effect the proposed transaction would have on such resources, and other supervisory factors. In assessing the financial and managerial strength of CFHC and its affiliates, the Board has reviewed information from the home country authority responsible for supervising CCB and CFHC concerning the proposal and the condition of the parties; confidential financial information from CCB and CFHC; reports of examination from the appropriate federal and state supervisors of CCB's branch office and Chinatrust USA assessing the financial and managerial resources of the organization's U.S. operations; and publicly reported and other financial information, as well as public comments received on the proposal.⁵

The proposal is a corporate reorganization that involves only an exchange of shares. On consummation, CCB's capital levels would exceed the minimum levels that would be required under the Basel Capital Accord and are consid-

ered equivalent to the capital levels that would be required of a U.S. banking organization under similar circumstances. Based on all the facts of record, the Board concludes that the financial and managerial resources and future prospects of the organization involved are consistent with approval.

Under section 3 of the BHC Act, the Board may not approve an application involving a foreign bank unless the bank is "subject to comprehensive supervision or regulation on a consolidated basis by the appropriate authorities in the bank's home country."⁶ The Board previously has determined that CCB is subject to comprehensive consolidated supervision by its home country supervisors.⁷ No material changes have occurred in the manner of CCB's supervision that would alter the Board's previous determination. Based on all the facts of record, the Board has concluded that CCB continues to be subject to comprehensive supervision and regulation on a consolidated basis by its home country supervisors.⁸

The BHC Act also requires the Board to determine that CFHC has provided adequate assurances that it will make available to the Board such information on its operations and activities and those of its affiliates that the Board deems appropriate to determine and enforce compliance with the BHC Act.⁹ The Board has reviewed the restrictions on disclosure in jurisdictions where CFHC would have material operations and has communicated with relevant government authorities concerning access to information. CCB has committed that it will make available to the Board such information on its operations and the operations of any of its affiliates that the Board deems necessary to determine and enforce compliance with the BHC Act,

6. 12 U.S.C. § 1842(c)(3)(B). As provided in Regulation Y, the Board determines whether a foreign bank is subject to consolidated home country supervision under the standards set forth in Regulation K. See 12 C.F.R. 225.13(a)(4). Regulation K provides that a foreign bank may be considered subject to consolidated supervision if the Board determines that the bank is supervised or regulated in such a manner that its home country supervisor receives sufficient information on the worldwide operations of the foreign bank, including the relationships of the bank to its affiliates, to assess the foreign bank's overall financial condition and compliance with law and regulation. See 12 C.F.R. 211.24(c)(1)(ii).

7. See *Chinatrust Commercial Bank, Ltd.*, 84 *Federal Reserve Bulletin* 1121 (1998). Pursuant to delegated authority, the Federal Reserve Bank of New York ("Reserve Bank") approved CCB's application to acquire Chinatrust USA. See letter dated April 18, 2001, from the Reserve Bank to Barbara Mendelson, Esq.

8. Regarding the supervision of the new parent company of CCB, the Board has considered that the parent, CFHC, would be subject to supervision by the Ministry of Finance ("Ministry"). Under the FHCL, the supervisor of a financial holding company in Taiwan is the competent authority designated in the Taiwan Banking Law, which at present is the Ministry. The FHCL contains prudential restrictions on transactions with affiliates and imposes capital adequacy requirements on financial holding companies. The Ministry may order a financial holding company and its subsidiaries to provide financial statements, transaction information, or other related data for inspection, and may send internal or outside independent auditors to audit and inspect the operations and the financial records of the financial holding company or any of its subsidiaries.

9. See 12 U.S.C. § 1842(c)(3)(A).

4. 12 U.S.C. § 1842(c).

5. The Board received one comment on the proposal that cited press reports about the activities of CCB, its affiliates, and companies owned or controlled by officers or directors of CCB or their relatives. The issues raised in these press reports included investments in offshore companies made to avoid taxes in Taiwan or to engage in stock speculation outside Taiwan, and other financial and nonfinancial issues concerning the entities previously noted. In addition, the press reports described a credit rating agency's decision in August 2001 to downgrade the outlook on CCB's counterparty credit ratings. The press reports also noted allegations of underreporting of nonperforming loans by financial institutions generally in Taiwan. The Board has considered this information in the context of the supervisory and other information noted above, including information from the relevant home country authorities.

the IBA, and other applicable federal law. CCB also has committed to cooperate with the Board to obtain any waivers or exemptions that may be necessary to enable it to make such information available to the Board. CFHC, CCB's ultimate parent under the terms of the proposal, is in formation and, consequently, has not yet provided assurances of access to information. The Board's action on this proposal is subject to the condition that, immediately on its formation, CFHC will provide the Board with commitments as prescribed by the Board with respect to access to information and consent to jurisdiction. In light of the commitments provided by CCB, the condition stated above, and other facts of record, the Board has concluded that CFHC has provided adequate assurances of access to any appropriate information the Board may request. For these reasons, and based on all the facts of record, the Board has concluded that the supervisory factors it is required to consider under section 3(c)(3) of the BHC Act are consistent with approval.

Convenience and Needs Considerations

In acting on a proposal under section 3 of the BHC Act, the Board is required to consider the effects of the proposal on the convenience and needs of the communities to be served and take into account the records of the relevant insured depository institutions under the Community Reinvestment Act ("CRA").¹⁰ The CRA requires the federal financial supervisory agencies to encourage financial institutions to help meet the credit needs of local communities in which they operate, consistent with safe and sound operation, and requires the appropriate federal supervisory agency to take into account an institution's record of meeting the credit needs of its entire community, including low- and moderate-income ("LMI") neighborhoods, in evaluating bank expansion proposals. The Board has considered carefully the convenience and needs factor and the CRA performance record of Chinatrust USA in light of all the facts of record, including the public comment noted above.¹¹

As provided in the CRA, the Board has evaluated the convenience and needs factor in light of examinations by the appropriate federal supervisor of the CRA performance record of the relevant institution. An institution's most recent CRA performance evaluation is a particularly important consideration in the applications process because it represents a detailed, on-site evaluation of the institution's

overall record of performance under the CRA by its appropriate federal supervisor.¹²

Chinatrust USA received a "satisfactory" overall rating in the most recent examination of Chinatrust USA's CRA performance by the Federal Deposit Insurance Corporation ("FDIC"), as of May 29, 2001 ("2001 examination").¹³ Examiners found no substantive violations of antidiscrimination laws and, in general, commended Chinatrust USA for originating a high percentage of loans in its assessment areas. Examiners also reviewed the assessment areas delineated by Chinatrust USA, including in New York, and concluded that the assessment areas consist of whole census tracts, do not arbitrarily exclude any LMI census tracts, and reflect no illegal discrimination.

A. Lending

Chinatrust USA received a "high satisfactory" rating under the lending test in the 2001 examination, which covered the period from May 1999 through May 2001 ("examination period").¹⁴ Examiners concluded that Chinatrust USA's lending record during the examination period reflected a good response to community credit needs in light of Chinatrust USA's strategy, lending volume, and competition.¹⁵ Examiners noted that the geographic distribution of loans originated by Chinatrust USA reflected a good penetration throughout its assessment areas, and that Chinatrust USA's lending performance in LMI areas in 1999 was favorable compared with the aggregate data of all lenders in Chinatrust USA's delineated communities (the "aggregate").¹⁶

Examiners reported that Chinatrust USA originated 60 small business loans, totaling approximately \$22.9 million, in LMI census tracts in its assessment areas during the examination period.¹⁷ These small business loans represented more than 33 percent of Chinatrust USA's overall

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

13. The New York State Banking Department also rated Chinatrust USA "satisfactory" in its most recent assessment of Chinatrust USA's record of helping to meet the credit needs of its entire community, as of April 4, 1998, pursuant to section 28-b of New York Banking Law. See N.Y. Banking Law § 28-b (McKinney 2002).

14. The small business lending data reviewed in the 2001 examination included all small business loans originated by Chinatrust USA during 1999 and 2000.

15. Examiners noted that in 1999 Chinatrust USA discontinued offering all types of consumer loan products except as accommodations to existing customers but did not criticize this decision.

16. Based on information in the 2001 examination, the commenter argued that Chinatrust USA makes only limited use of innovative and flexible lending practices throughout its assessment areas and criticized Chinatrust USA's record for lending in LMI census tracts in its New York/New Jersey assessment area. However, examiners noted that Chinatrust USA offered flexible lending programs that benefited LMI individuals and small businesses throughout its assessment areas and concluded that Chinatrust USA's geographic distribution of loans in its New York/New Jersey assessment area reflected good penetration throughout the assessment area.

17. In this context, "small business loans" refers to loans of less than \$1 million to businesses.

10. 12 U.S.C. § 2901 *et seq.*

11. The commenter criticized Chinatrust USA's 1999 decision to discontinue its consumer loan products in favor of focusing on originating commercial loans; its omission of Bronx County, New York, from its New York/New Jersey assessment area; and its record of lending to small businesses, including in Kings and Bronx Counties, New York. The commenter also criticized Chinatrust USA's foreclosure policies in connection with a newspaper report suggesting that Chinatrust USA was considering foreclosing on property subject to a construction loan to a developer who is now in bankruptcy. This matter would be subject to applicable bankruptcy statutes and proceedings.

volume of business loans. Examiners observed that Chinatrust USA's level of penetration of small business loans in its assessment areas increased in 2000, and examiners commended Chinatrust USA's efforts to respond to small business credit needs in LMI areas. Examiners also commended Chinatrust USA's dispersion of its business loans among businesses of different sizes, noting that the number and dollar amount of loans to small businesses¹⁸ by Chinatrust USA during 1999 compared favorably with the aggregate in both its Los Angeles, California, and New York/New Jersey assessment areas.¹⁹ Examiners also noted that Chinatrust USA originated 18 community development loans, totaling \$13.3 million, which examiners found to represent an adequate level of community development loans.

B. Investment

Chinatrust USA also received a "high satisfactory" rating under the investment test in the 2001 examination. Examiners stated that Chinatrust USA made a significant level of qualified community development investments and grants during the examination period. Examiners observed that the 39 qualified investments by Chinatrust USA, totaling \$6.5 million, approximately doubled the number and volume of qualified investments made by Chinatrust USA during its previous examination period. Examiners concluded that Chinatrust USA's community development investments were responsive to the needs of the communities in its assessment areas, including LMI census tracts.

In the 2001 examination, Chinatrust USA's investment performance in its New York/New Jersey assessment area was considered adequate. Examiners noted that Chinatrust USA made 20 community development investments or grants in the assessment area, totaling approximately \$1.8 million, including a \$700,000 investment commitment to the Community Preservation Corporation ("CPC").²⁰ According to CFHC, these investments by Chinatrust USA included a purchase of almost \$480,000 in mortgage-backed securities guaranteed by government-sponsored entities, with underlying collateral primarily consisting of loans to individuals earning 80 percent or less of the median income in their respective communities.

C. Service

Chinatrust USA received a "high satisfactory" rating under the service test in the 2001 examination. Examiners

concluded that Chinatrust USA's banking services and delivery systems, including alternative delivery systems, are accessible to essentially all portions of Chinatrust USA's community, including LMI areas and individuals, and that Chinatrust USA's business hours are reasonable.

D. Montgomery County Assessment Area

Although Chinatrust USA received a "satisfactory" overall CRA rating, the commenter criticized Chinatrust USA's CRA performance, noting that examiners rated the bank "needs to improve" for Maryland in the 2001 examination. This rating was based on a review of Chinatrust USA's CRA activities in its Montgomery County, Maryland, assessment area.

Since the completion of the examination, Chinatrust USA has prepared an action plan to increase its lending in the assessment area. Chinatrust USA made a draft of this plan available for public comment in late 2001 but received no comments. The FDIC, the primary federal regulator of Chinatrust USA, has reviewed and approved the plan. The Board expects Chinatrust USA to implement its action plan, and has considered its activities in Maryland in the context of its overall CRA rating and the views of the FDIC on the adequacy of the plan for strengthening Chinatrust USA's CRA performance in Maryland.

E. Conclusion on Convenience and Needs

In reviewing the effects of the proposal on the convenience and needs of the communities to be served, the Board has carefully considered the entire record, including the information provided by the commenter and CFHC, evaluations of the CRA performance of Chinatrust USA, and confidential supervisory information. Based on all the facts of record and for the reasons discussed above, the Board concludes that considerations relating to the convenience and needs factor, including the CRA performance record of Chinatrust USA, are consistent with approval.

Conclusion

Based on the foregoing and all facts of record, the Board has determined that the application should be, and hereby is, approved, subject to all the terms and conditions in this order. In reaching its conclusion, the Board has considered all the facts of record in light of the factors that it is required to consider under the BHC Act and other applicable statutes.²¹

18. In this context, "loans to small businesses" refers to commercial loans to businesses with gross annual revenues of \$1 million or less.

19. Examiners noted that Chinatrust USA's levels of lending to small businesses declined in 2000, but attributed the decline to Chinatrust USA's decision to focus its lending strategy primarily on middle-sized businesses.

20. CPC is a mortgage lender specializing in the financing of housing for LMI families. CFHC has indicated that since the examination, Chinatrust USA has funded more than 23 percent of its commitment to CPC.

21. The commenter also requested that the Board hold a public hearing on the proposal. Section 3(b) of the BHC Act does not require the Board to hold a public hearing on an application unless the appropriate supervisory authority for the bank to be acquired makes a timely written recommendation of denial of the application. The Board has not received such a recommendation from the appropriate supervisory authority.

Under its rules, the Board also may, in its discretion, hold a public meeting or hearing on an application to acquire a bank if a meeting or hearing is necessary or appropriate to clarify factual issues related to

The Board's approval is specifically conditioned on compliance by CCB and CFHC with all the conditions set forth in this order and on all the representations and commitments made in connection with this application. The Board's approval also is conditioned specifically on the Board's receiving access to information on the operations or activities of CFHC and any of its affiliates that the Board determines to be appropriate to determine and enforce compliance by CFHC and its affiliates with applicable federal statutes.²² These representations, commitments, and conditions are deemed to be conditions imposed in writing by the Board in connection with its finding and decision and, as such, may be enforced in proceedings under applicable law.

The proposal 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 Reserve Bank, acting pursuant to delegated authority.

By order of the Board of Governors, effective April 19, 2002.

Voting for this action: Chairman Greenspan, Vice Chairman Ferguson, and Governors Gramlich, Bies, and Olson.

ROBERT DEV. FRIERSON
Deputy Secretary of the Board

SinoPac Holdings Taipei, Taiwan

Order Approving the Formation of a Bank Holding Company

SinoPac Holdings (In Formation) ("SPH") has requested the Board's approval under section 3 of the Bank Holding Company Act (12 U.S.C. § 1842) ("BHC Act") to become a bank holding company by indirectly acquiring Far East National Bank (U.S.A.), Los Angeles, California ("FENB"), as a result of acquiring all the voting shares of Bank SinoPac, also in Taipei ("Bank SinoPac"), a registered bank holding company under the BHC Act and a

the application and to provide an opportunity for testimony. 12 C.F.R. 225.16(e). The Board has considered carefully the commenter's request in light of all the facts of record. In the Board's view, the public has had ample opportunity to submit comments on the proposal, and in fact, the commenter has submitted written comments that the Board has considered carefully in acting on the proposal. The commenter's request fails to demonstrate why its written comments do not present its evidence adequately and fails to identify disputed issues of fact that are material to the Board's decision that would be clarified by a public meeting or hearing. For these reasons, and based on all the facts of record, the Board has determined that a public meeting or hearing is not required or warranted in this case. Accordingly, the request for a public meeting or hearing on the proposal is denied.

22. In addition, the Board's action on this proposal is subject to the condition that there be no change in the ownership structure of CFHC or its subsidiaries that would result in Chinatrust USA no longer being supervised as a subsidiary of CCB by the appropriate supervisory authority in Taiwan without the prior approval of the Board.

foreign bank within the meaning of the International Banking Act ("IBA").¹ The proposal involves the affiliation of Bank SinoPac with an unaffiliated nonbanking company in Taiwan and the creation under Taiwan law of SPH as the top-tier holding company of the newly combined organization.²

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (67 *Federal Register* 2662 (2002)). The time for filing comments has expired, and the Board has considered the proposal and all comments received in light of the factors set forth in section 3 of the BHC Act.

On consummation of the proposal, SPH would become the 14th largest banking organization in Taiwan, with total consolidated assets equivalent to approximately \$10.6 billion.³ Bank SinoPac operates a branch in Los Angeles. FENB is the 45th largest banking organization in California, controlling total deposits of \$946.5 million, representing less than 1 percent of total deposits in depository institutions in the state.⁴

Competitive and Convenience and Needs Considerations

The BHC Act prohibits the Board from approving an application under section 3 of the BHC Act if the proposal would result in a monopoly or 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 effects of the proposal in meeting the convenience and needs of the community to be served.⁵ The proposal involves the formation of a new top-tier holding company for the combined organization under Taiwan law and does not involve the acquisition of a second bank in the United States. Based on all the facts of record, the Board has

1. Bank SinoPac indirectly owns all the voting shares of FENB through a wholly owned subsidiary, SinoPac Bancorp, also in Los Angeles ("Bancorp"). Bancorp is a registered bank holding company.

2. SPH would be formed under the Financial Holding Company Law ("FHCL") of Taiwan, which was promulgated July 9, 2001, and became effective November 1, 2001. The formation would occur through an exchange of shares with Bank SinoPac; SinoPac Securities, Inc. ("SSI"), a majority-owned nonbanking subsidiary of Bank SinoPac that primarily engages in securities activities; and National Securities Corporation ("NSC"), an unaffiliated nonbanking company that also engages primarily in securities activities, all in Taipei. In the United States, NSC engages in minimal activities permissible under section 211.23(f) of Regulation K. 12 C.F.R. 211.23(f). SPH's corporate existence would begin on consummation of the exchange of shares, and Bank SinoPac, SSI, and NSC would be direct, wholly owned subsidiaries of SPH. After consummation of the transaction, SPH would merge SSI into NSC. The transaction would not affect Bank SinoPac's U.S. operations. FENB would be a wholly owned subsidiary of Bancorp directly and Bank SinoPac indirectly.

3. Asset data are as of December 31, 2001, and are based on exchange rates then in effect. Currently, Bank SinoPac is the 16th largest banking organization in Taiwan, with total consolidated assets equivalent to approximately \$9.3 billion.

4. Deposit and ranking data are as of June 30, 2001. In this context, depository institutions include commercial banks, savings banks, and savings associations.

5. 12 U.S.C. § 1842(c).

concluded that consummation of the proposal would not have a significantly adverse effect on competition or on the concentration of banking resources in any relevant banking market, and that competitive considerations are consistent with approval.

The Board also has considered the effect of the transaction on the convenience and needs of the communities to be served, including the performance record of FENB under the Community Reinvestment Act (“CRA”).⁶ In light of all the facts of record, the Board also has concluded that considerations related to the convenience and needs of the communities to be served are consistent with approval of this proposal.

Financial, Managerial, and Certain Supervisory Considerations

The BHC Act requires the Board to consider the financial and managerial resources and future prospects of the companies and banks involved in a bank acquisition proposal. In assessing the financial and managerial strength of SPH and its affiliates, the Board has reviewed information from the home country authority responsible for supervising Bank SinoPac and SPH concerning the proposal and the condition of the parties; confidential financial information from SPH, NSC, Bank SinoPac and FENB; and reports of examination from the appropriate federal and state supervisors of the affected organizations assessing the financial and managerial resources of the organizations’ U.S. operations. The Board notes that the proposal is intended to enhance the overall financial strength and future prospects of the combined organization. Bank SinoPac’s capital levels exceed the minimum levels that would be required under the Basel Capital Accord, and are considered equivalent to the capital levels that would be required of a United States banking organization under similar circumstances. Based on all the facts of record, the Board concludes that the financial and managerial resources and future prospects of the organizations involved are consistent with approval.

Section 3 of the BHC Act also provides that the Board may not approve an application involving a foreign bank unless the bank is “subject to comprehensive supervision or regulation on a consolidated basis by the appropriate authorities in the bank’s home country.”⁷ The Board previ-

ously has determined that Bank SinoPac is subject to comprehensive consolidated supervision by its home country authorities.⁸ No material changes have occurred in the manner of Bank SinoPac’s supervision that would alter the Board’s previous determination. Based on all the facts of record, the Board has concluded that Bank SinoPac continues to be subject to comprehensive supervision and regulation on a consolidated basis by its home country supervisors.⁹

The BHC Act also requires the Board to determine that the applicant has provided adequate assurances that it will make available to the Board such information on its operations and activities and those of their affiliates that the Board deems appropriate to determine and enforce compliance with the BHC Act.¹⁰ The Board has reviewed the restrictions on disclosures in jurisdictions where SPH would have material operations and has communicated with relevant government authorities concerning access to information. Bank SinoPac previously has committed that it will make available to the Board such information on its operations and the operations of any of its affiliates that the Board deems necessary to determine and enforce compliance with the BHC Act, the IBA, and other applicable federal law. Bank SinoPac also has committed to cooperate with the Board to obtain any waivers or exemptions that may be necessary to enable it to make such information available to the Board. SPH, Bank SinoPac’s ultimate parent under the terms of the proposal, is in formation and, consequently, has not yet provided assurances of access to information. The Board’s action on this proposal is subject to the condition that, immediately on its formation, SPH will provide the Board with commitments as prescribed by the Board with respect to access to information and consent to jurisdiction. In light of the commitments provided by Bank SinoPac, the condition stated above, and other facts of record, the Board has concluded that SPH has provided adequate assurances of access to any necessary information the Board may request. For these reasons, and based on all the facts of record, the Board has concluded that the supervisory factors it is required to consider under section 3(c)(3) of the BHC Act are consistent with approval.

6. 12 U.S.C. § 2901 *et seq.* FENB received a “satisfactory” CRA performance rating from the Office of the Comptroller of the Currency at its most recent examination in January 2001.

7. 12 U.S.C. § 1842(c)(3)(B). As provided in Regulation Y, the Board determines whether a foreign bank is subject to consolidated home country supervision under the standards set forth in Regulation K. 12 C.F.R. 225.13(a)(4). Regulation K provides that a foreign bank may be considered subject to consolidated supervision if the Board determines that the bank is supervised in such a manner that its home country supervisor receives sufficient information on the worldwide operations of the foreign bank, including the relationships of the bank to its affiliates, to assess the foreign bank’s overall financial condition and compliance with law and regulation. 12 C.F.R. 211.24(c)(1)(ii).

8. *See Bank SinoPac*, 83 *Federal Reserve Bulletin* 669 (1997).

9. Regarding the supervision of the new parent company of Bank SinoPac, the Board has considered that the parent, SPH, would be subject to supervision by the Ministry of Finance of Taiwan (“MOF”). Under the FHCL, the supervisor of a financial holding company in Taiwan is the competent authority designated in the Taiwan Banking Law, which at present is the MOF. The FHCL contains prudential restrictions on transactions with affiliates and imposes capital adequacy requirements on financial holding companies. The MOF may order a financial holding company and its subsidiaries to provide financial statements, transaction information, or other related data for inspection and may send internal or outside independent auditors to audit and inspect the operations and the financial records of the financial holding company or any of its subsidiaries.

10. *See* 12 U.S.C. § 1842(c)(3)(A).

Conclusion

Based on the foregoing, the Board has determined that this application should be, and hereby is, approved, subject to all the terms and conditions in this order. In reaching its conclusion, the Board considered all the facts of record in light of the factors that it is required to consider under the BHC Act and other applicable statutes.

The Board's approval is specifically conditioned on compliance by SPH and Bank SinoPac with all the conditions set forth in this order and on all the representations and commitments made or relied on in connection with this application. In addition, the Board's order is specifically conditioned on the Board's receiving access to information on the operations or activities of SPH and any of its affiliates that the Board determines to be appropriate to determine and enforce compliance by SPH or its affiliates with applicable federal statutes.¹¹ These representations,

commitments, and conditions are deemed to be conditions imposed in writing by the Board in connection with its findings and decision and, as such, may be enforced in proceedings under applicable law.

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

By order of the Board of Governors, effective April 11, 2002.

Voting for this action: Chairman Greenspan, Vice Chairman Ferguson, and Governors Gramlich, Bies, and Olson.

ROBERT DEV. FRIERSON
Deputy Secretary of the Board

11. The Board's action on this proposal also is subject to the condition that there will be no change in the ownership structure of

SPH and its subsidiaries that would result in FENB no longer being supervised as a subsidiary of Bank SinoPac by the appropriate supervisory authority in Taiwan without the prior approval of the Board.

*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
Banknorth Group, Inc., Portland, Maine	Ipswich Bancshares, Inc., Ipswich, Massachusetts Ipswich Savings Bank, Ipswich, Massachusetts	Boston	April 10, 2002
The Baraboo Bancorporation, Inc., Baraboo, Wisconsin	The Bancorp, Inc., Cedarburg, Wisconsin Northwoods State Bank, Elcho, Wisconsin	Chicago	April 5, 2002
Century Bancshares, Inc., Lawrenceburg, Kentucky	Century Bank of Kentucky, Inc., Lawrenceburg, Kentucky	St. Louis	March 27, 2002
Commercial Bancshares, Inc., Maryland Heights, Missouri	Commercial Bank, Maryland Heights, Missouri	St. Louis	April 5, 2002
CRSB Bancorp, Inc., Delano, Minnesota	Crow River State Bank, Delano, Minnesota	Minneapolis	April 3, 2002
Docking Bancshares, Inc., Arkansas City, Kansas	Union State Bank, Arkansas City, Kansas	Kansas City	April 5, 2002
EuroBancshares, Inc., Hato Rey, Puerto Rico	Eurobank, Hato Rey, Puerto Rico	New York	April 5, 2002
First Citizens Bancorporation of South Carolina, Inc., Columbia, South Carolina	Bank of Wilmington, Wilmington, North Carolina	Richmond	April 11, 2002

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
First Financial Corporation, Arthur, North Dakota	Omega City Holding Company, LaMoure, North Dakota First State Bank of LaMoure, LaMoure, North Dakota	Minneapolis	April 5, 2002
Florida Community Banks, Inc., Immokalee, Florida	Florida Community Bank, Immokalee, Florida	Atlanta	April 5, 2002
Gifford Bancorp, Inc. Employee Stock Ownership Plan, Gifford, Illinois	Gifford Bancorp, Inc., Gifford, Illinois The Gifford State Bank, Gifford, Illinois	Chicago	April 3, 2002
Hoosac Financial Services, Inc., North Adams, Massachusetts	Williamstown Mutual Holding Company, Williamstown, Massachusetts Williamstown Savings Bank, Williamstown, Massachusetts MountainOne Financial Partners, Inc., North Adams, Massachusetts	Boston	April 15, 2002
Legends Financial Holdings, Inc., Clarksville, Tennessee	Legends Bank, Clarksville, Tennessee	Atlanta	April 5, 2002
Liberty Bancshares, Inc., Jonesboro, Arkansas	Bank of Jonesboro, Jonesboro, Arkansas	St. Louis	April 9, 2002
THE BANKshares, Inc., Melbourne, Florida	The Bank Brevard, Melbourne, Florida	Atlanta	April 22, 2002

Section 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
Bayerische Hypo- und Vereinsbank AG, Munich, Germany Allianz AG, Munich, Germany Munchener Ruckversicherungs- Gesellschaft Aktiengesellschaft In Munich, Munich, Germany Identrus, LLC, New York, New York	Digital Signature Trust Company, Salt Lake City, Utah	New York	April 16, 2002
First Financial Bancorp, Hamilton, Ohio	First Financial Capital Advisors, LLC, Hamilton, Ohio	Cleveland	April 8, 2002

Sections 3 and 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
Outsource Holdings, Inc., Lubbock, Texas	First Citizens Bank, National Association, Dallas, Texas	Dallas	April 15, 2002
Outsource Delaware Holdings, Inc., Dover, Delaware	Jefferson Mortgage Services, Inc., Dallas, Texas		
	Orr Lease, Inc., Dallas, Texas		
Savanna-Thomson Investment, Inc., Fulton, Illinois	Thomson Investment, Inc., Savanna, Illinois Savanna State Bank, Savanna, Illinois Thomson State Bank, Thomson, Illinois Thomson LLC, Thomson, Illinois	Chicago	April 2, 2002

*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
Community Banks of Southern Colorado, Rocky Ford, Colorado	Rocky Ford Federal Savings and Loan Association, Rocky Ford, Colorado	Kansas City	April 22, 2002
State Bank of Howards Grove, Howards Grove, Wisconsin	Citizens Bank of Pennsylvania, Philadelphia, Pennsylvania	Chicago	April 16, 2002

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.

Caesar v. United States, No. 02-0612 (EGS) (D.D.C.), removed on April 1, 2002, from No. 02-1502 (D.C. Superior Court, originally filed March 1, 2002). Action seeking damages for personal injury.

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.

Laredo National Bancshares, Inc. v. Whalen v. Board of Governors, No. 01-CV-134 (S.D. Tex.), removed on September 5, 2001, from No. 99CVQ00940-D3 (District Court, 341st Judicial District, Webb County, Texas, originally filed July 26, 2001). Third-party petition seeking indemnification

or contribution from the Board in connection with a claim asserted against defendant Whalen alleging tortious interference with a contract.

Radfar v. United States, No. 1:01CV1292 (PLF) (D.D.C., complaint filed June 11, 2001). Action under the Federal Tort Claims Act for injury on Board premises.

Artis v. Greenspan, No. 01-CV-0400(ESG) (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.

Howe v. Bank for International Settlements, No. 00CV12485 RCL (D. Mass., filed December 7, 2000). Action seeking damages in connection with gold market activities and the repurchase by the Bank for International Settlements of its privately-owned shares. On March 26, 2002, the district court dismissed the action against all defendants.

Trans Union LLC v. Federal Trade Commission, et al., No. 01-5202 (D.C. Cir., filed June 4, 2001). Appeal of district court order entered April 30, 2001, upholding challenged provisions of an interagency rule regarding Privacy of Consumer Finance Information

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

employees. On March 30, 2001, the district court granted in part and denied in part the Board's motion to dismiss.

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

Financial and Business Statistics

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Discontinuation of Certain Statistical Tables in the *Federal Reserve Bulletin*

The following ten tables will be discontinued in the Financial and Business Statistics section of the *Federal Reserve Bulletin* after this issue (June 2002). Information on the sources of data in these tables appears in the Announcements section on page 290.

Discontinued tables and their page numbers in this issue:

1.38 (A25)	1.39 (A26)	1.48 (A32)	2.10 (A42)	2.11 (A42)
2.14 (A46)	2.15 (A47)	2.16 (A48)	2.17 (A49)	3.11 (A51)

Page numbers of the tables in the Financial and Business Statistics section will be revised in the July issue.

Guide to Tables

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 Agriculture 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.

A4 Domestic Financial Statistics □ June 2002

1.10 RESERVES, MONEY STOCK, AND DEBT MEASURES

Percent annual rate of change, seasonally adjusted¹

Monetary or credit aggregate	2001			2002	2001		2002		
	Q2	Q3	Q4	Q1	Nov.	Dec.	Jan.	Feb. [†]	Mar.
<i>Reserves of depository institutions²</i>									
1 Total	4.0	76.3	-30.2	-11.9	-124.9	5.7	12.0	-4.3	-11.3
2 Required	6.4	14.8	23.2	-11.5	-133.1	1.3	19.6	-3.5	-12.5
3 Nonborrowed	2.9	65.0	-20.4	-11.6	-124.1	6.2	12.5	-3.7	-12.7
4 Monetary base ³	6.2	14.8	6.5 ^r	8.8	-1.8 ^r	9.4	12.0	9.6	6.3
<i>Concepts of money and debt⁴</i>									
5 M1	6.0	16.5	1.5	5.1	2.2 ^r	15.0	3.1	1.3	2.1
6 M2	9.5 ^r	11.5 ^r	9.4 ^r	5.2	9.8	9.3	2.2	6.5	-1.4
7 M3	13.7 ^r	10.3	12.3 ^r	4.9	13.4	10.4	-1.1 ^r	6.2	.6
8 Debt	5.7	5.7	7.0 ^r	n.a.	7.3 ^r	6.3 ^r	2.1 ^r	5.1	n.a.
<i>Nontransaction components</i>									
9 In M2 ⁵	10.5 ^r	10.0 ^r	11.7	5.2	11.8 ^r	7.7	2.0	8.0	-2.4
10 In M3 only ⁶	23.1	7.9 ^r	18.7 ^r	4.1	21.3 ^r	12.7 ^r	-8.4 ^r	5.5	5.1
<i>Time and savings deposits</i>									
<i>Commercial banks</i>									
11 Savings, including MMDAs	20.1	19.7	23.3	20.2	28.3 ^r	23.0	18.8	21.9	5.1
12 Small time ⁷	-7.6	-10.4	-12.1	-16.1	-16.1	-18.7	-17.3	-14.5	-12.7
13 Large time ^{8,9}	-1.1	-8.2	-7.9	10.4	-10.3	7.2	20.9 ^r	4.6	17.6
<i>Thrift institutions</i>									
14 Savings, including MMDAs	22.0	25.2	27.1	27.3	26.1	14.1	24.2	41.7	30.0
15 Small time ⁷	4.1	-5.1	-11.8	-14.7	-14.4	-13.2	-19.8	-12.8	-8.1
16 Large time ⁸	11.5	14.9	3.3	-1.7	-15.5	-7.3	11.6	-6.3	-7.3
<i>Money market mutual funds</i>									
17 Retail	5.7 ^r	7.1 ^r	8.9 ^r	-12.1	3.7 ^r	2.2	-19.8 ^r	-15.3	-27.5
18 Institution-only	49.7	27.2	49.2	-9	33.0	26.2	-30.2	-8	1.6
<i>Repurchase agreements and eurodollars</i>									
19 Repurchase agreements ¹⁰	18.9	-9.0 ^r	-1.5 ^r	9.4	55.5 ^r	3.2 ^r	2.3 ^r	12.2	-7.3
20 Eurodollars ¹⁰	7.0	-1.0	-1.9 ^r	5.8	22.1	-16.7 ^r	-7.3 ^r	37.4	11.5
<i>Debt components⁴</i>									
21 Federal	-7.0	3.1	3.9	n.a.	-1	3.1	-5	7.5	n.a.
22 Nonfederal	8.6	6.3	7.6 ^r	n.a.	8.9 ^r	7.0 ^r	2.7 ^r	4.6	n.a.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10. Includes both overnight and term.

1.11 RESERVES OF DEPOSITORY INSTITUTIONS AND RESERVE BANK CREDIT¹

Millions of dollars

Factor	Average of daily figures			Average of daily figures for week ending on date indicated						
	2002			2002						
	Jan.	Feb.	Mar.	Feb. 13	Feb. 20	Feb. 27	Mar. 6	Mar. 13	Mar. 20	Mar. 27
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	631,094	631,364	636,572	627,817	636,437	631,999	636,235	634,241	637,270	635,201
U.S. government securities ²										
2 Bought outright—System account ³	558,206	564,721	573,087	562,646	565,884	567,332	568,510	571,914	574,098	575,740
3 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
Federal agency obligations										
4 Bought outright	10	10	10	10	10	10	10	10	10	10
5 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
6 Repurchase agreements—triparty ⁴	34,752	29,562	26,689	26,464	34,750	28,856	32,392	25,043	26,614	22,214
7 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions										
8 Adjustment credit	45	13	6	31	2	5	13	3	6	14
9 Seasonal credit	15	17	19	24	16	12	14	20	20	20
10 Special Liquidity Facility credit	0	0	0	0	0	0	0	0	0	0
11 Extended credit	0	0	0	0	0	0	0	0	0	0
12 Float	384	74	-38	9	-58	33	-374	727	-376	-171
13 Other Federal Reserve assets	37,683	36,967	36,799	38,633	35,833	35,752	35,671	36,524	36,897	37,374
14 Gold stock	11,045	11,044	11,044	11,044	11,044	11,044	11,044	11,044	11,044	11,044
15 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
16 Treasury currency outstanding	33,237 ⁵	33,503 ⁵	33,575	33,490 ⁵	33,510 ⁵	33,529 ⁵	33,549	33,563	33,577	33,591
ABSORBING RESERVE FUNDS										
17 Currency in circulation	634,083 ⁵	636,140 ⁵	640,031	635,017 ⁵	638,840 ⁵	637,836 ⁵	638,543	639,608	640,009	640,588
18 Reverse repurchase agreements—triparty ⁴	0	0	0	0	0	0	0	0	0	0
19 Treasury cash holdings	425	410	421	408	407	410	415	421	429	422
Deposits, other than reserve balances, with Federal Reserve Banks										
20 Treasury	6,999	4,906	5,551	4,976	4,892	4,696	5,473	4,801	6,511	5,198
21 Foreign	185	189	126	314	136	127	124	124	95	86
22 Service-related balances and adjustments	8,980	9,226	9,549	9,376	9,445	9,061	9,048	9,479	9,234	10,181
23 Other	241	229	218	222	219	218	248	229	207	205
24 Other Federal Reserve liabilities and capital	17,527	17,748	18,244	17,715	17,791	17,887	18,007	18,596	18,276	18,096
25 Reserve balances with Federal Reserve Banks ⁵	9,135	9,262	9,250	6,525	11,461	8,537	11,171	7,789	9,330	7,258
End-of-month figures			Wednesday figures							
	Jan.	Feb.	Mar.	Feb. 13	Feb. 20	Feb. 27	Mar. 6	Mar. 13	Mar. 20	Mar. 27
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	640,289	636,381	642,186	628,252	640,357	635,346	641,428	633,336	640,563	637,341
U.S. government securities ²										
2 Bought outright—System account ³	561,376	567,634	575,356	564,317	566,822	568,702	570,091	572,728	573,844	576,093
3 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
Federal agency obligations										
4 Bought outright	10	10	10	10	10	10	10	10	10	10
5 Held under repurchase agreements	0	0	0	0	0	0	0	0	0	0
6 Repurchase agreements—triparty ⁴	37,500	34,499	29,500	25,500	35,749	31,999	35,249	24,000	28,550	24,000
7 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions										
8 Adjustment credit	10	61	0	2	1	10	10	0	3	1
9 Seasonal credit	9	7	19	19	14	12	18	22	22	21
10 Special Liquidity Facility credit	0	0	0	0	0	0	0	0	0	0
11 Extended credit	0	0	0	0	0	0	0	0	0	0
12 Float	3,656	-1,232	-476	-497	2,244	-1,341	-58	-103	1,093	-343
13 Other Federal Reserve assets	37,728	35,402	37,776	38,901	35,517	35,954	36,108	36,679	37,041	37,559
14 Gold stock	11,045	11,044	11,044	11,044	11,044	11,044	11,044	11,044	11,044	11,044
15 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
16 Treasury currency outstanding	33,471 ⁵	33,549 ⁵	33,605	33,490 ⁵	33,510 ⁵	33,529 ⁵	33,549	33,563	33,577	33,591
ABSORBING RESERVE FUNDS										
17 Currency in circulation	631,141 ⁵	638,325 ⁵	641,848	637,408 ⁵	639,792 ⁵	638,893 ⁵	640,379	640,617	641,199	642,639
18 Reverse repurchase agreements—triparty ⁴	0	0	0	0	0	0	0	0	0	0
19 Treasury cash holdings	415	414	412	407	409	414	419	430	424	412
Deposits, other than reserve balances, with Federal Reserve Banks										
20 Treasury	13,688	5,752	5,692	4,108	4,946	4,908	5,410	4,997	5,600	5,009
21 Foreign	162	89	256	356	81	79	75	316	74	71
22 Service-related balances and adjustments	9,017	9,048	9,870	9,376	9,445	9,061	9,048	9,479	9,234	10,181
23 Other	286	254	181	212	241	212	241	205	219	203
24 Other Federal Reserve liabilities and capital	17,385	17,792	18,163	17,602	17,501	17,654	18,252	18,114	17,949	17,913
25 Reserve balances with Federal Reserve Banks ⁵	14,909	11,499	12,614	5,519	14,695	10,898	14,396	5,985	12,684	7,747

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

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

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

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

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

A6 Domestic Financial Statistics □ June 2002

1.12 RESERVES AND BORROWINGS Depository Institutions¹

Millions of dollars

Reserve classification	Prorated monthly averages of biweekly averages									
	1999	2000	2001	2001				2002		
	Dec.	Dec.	Dec.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb. ¹	Mar.
1 Reserve balances with Reserve Banks ²	5,262	7,022	9,059	25,633	12,552	8,944	9,059	10,009	9,277	9,134
2 Total vault cash ³	60,620	45,245	43,918	43,436	45,021	43,065	43,918	45,730 ⁴	45,697	42,634
3 Applied vault cash ⁴	36,392	31,451	31,896	31,934	32,509	31,214	31,896	33,465	33,119	31,124
4 Surplus vault cash ⁵	24,228	13,794	12,023	11,502	12,512	11,851	12,023	12,266	12,578	11,510
5 Total reserves ⁶	41,654	38,473	40,955	57,567	45,061	40,158	40,955	43,474	42,396	40,257
6 Required reserves	40,357	37,046	39,315	38,549	43,739	38,672	39,315	42,069	41,023	38,857
7 Excess reserve balances at Reserve Banks ⁷	1,297	1,427	1,641	19,019	1,321	1,487	1,641	1,405	1,373	1,401
8 Total borrowing at Reserve Banks	320	210	67	3,385	127	84	67	50	30	79
9 Adjustment	179	99	34	3,292	60	51	34	33	12	59
10 Seasonal	67	111	33	93	67	33	33	17	17	20
11 Special Liquidity Facility ⁸	74	0	0	0	0	0	0	0	0	0
12 Extended credit ⁹	0	0	0	0	0	0	0	0	0	0

Reserve classification	Biweekly averages of daily figures for two-week periods ending on dates indicated									
	2001			2002						
	Nov. 28	Dec. 12	Dec. 26	Jan. 9	Jan. 23	Feb. 6	Feb. 20	Mar. 6 ¹	Mar. 20	Apr. 3
1 Reserve balances with Reserve Banks ²	9,626	8,587	9,219	9,747	10,646	9,191	8,984	9,854	8,571	9,457
2 Total vault cash ³	42,766	42,081	45,197	44,748	43,723 ⁴	50,350 ⁴	45,420 ⁴	42,694	42,270	43,065
3 Applied vault cash ⁴	31,528	30,727	32,659	32,566	32,569	36,044	32,614 ⁴	31,809	30,564	31,462
4 Surplus vault cash ⁵	11,238	11,355	12,539	12,182	11,154 ⁴	14,306 ⁴	12,806 ⁴	10,885	11,706	11,602
5 Total reserves ⁶	41,154	39,314	41,878	42,313	43,215	45,235	41,598 ⁴	41,663	39,135	40,919
6 Required reserves	39,707	37,938	40,018	40,651	41,971	43,837	40,184	40,382	37,846	39,310
7 Excess reserve balances at Reserve Banks ⁷	1,447	1,375	1,860	1,662	1,243	1,398	1,414 ⁴	1,281	1,289	1,609
8 Total borrowing at Reserve Banks	53	60	60	105	28	26	37	22	24	180
9 Adjustment	22	26	24	83	15	8	17	9	4	157
10 Seasonal	32	34	36	22	14	18	20	13	20	23
11 Special Liquidity Facility ⁸	0	0	0	0	0	0	0	0	0	0
12 Extended credit ⁹	0	0	0	0	0	0	0	0	0	0

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

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

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

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

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

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

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

8. Borrowing at the discount window under the terms and conditions established for the Century Date Change Special Liquidity Facility in effect from October 1, 1999, through April 7, 2000.

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

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per year

Current and previous levels

Federal Reserve Bank	Adjustment credit ¹			Seasonal credit ²			Extended credit ⁴		
	On 5/10/02	Effective date	Previous rate	On 5/10/02	Effective date	Previous rate	On 5/10/02	Effective date	Previous rate
Boston	↑	12/11/01	↑	1.80	4/18/02	1.85	2.30	4/18/02	2.35
New York		12/11/01							
Philadelphia		12/11/01							
Cleveland		12/13/01							
Richmond		12/13/01							
Atlanta	12/13/01								
Chicago	↓	12/11/01	↓	1.80	4/18/02	1.85	2.30	4/18/02	2.35
St. Louis		12/12/01							
Minneapolis		12/13/01							
Kansas City		12/13/01							
Dallas		12/13/01							
San Francisco		12/11/01							

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, 1981	12	12	1991—Sept. 13	5–5.5	5	2001—May 15	3.50–4.00	3.50
1982—July 20	11.5–12	11.5	17	5	5	17	3.50	3.50
23	11.5	11.5	Nov. 6	4.5–5	4.5	June 27	3.25–3.50	3.25
Aug. 2	11–11.5	11	7	4.5	4.5	29	3.25	3.25
3	11	11	Dec. 20	3.5–4.5	3.5	Aug. 21	3.00–3.25	3.00
16	10.5	10.5	24	3.5	3.5	23	3.00	3.00
27	10–10.5	10	1992—July 2	3–3.5	3	Sept. 17	2.50–3.00	2.50
30	10	10	7	3	3	18	2.50	2.50
Oct. 12	9.5–10	9.5	1994—May 17	3–3.5	3.5	Oct. 2	2.00–2.50	2.00
13	9.5	9.5	18	3.5	3.5	4	2.00	2.00
Nov. 22	9–9.5	9	Aug. 16	3.5–4	4	Nov. 6	1.50–2.00	1.50
26	9	9	18	4	4	8	1.50	1.50
Dec. 14	8.5–9	9	Nov. 15	4–4.75	4.75	Dec. 11	1.25–1.50	1.25
15	8.5–9	8.5	17	4.75	4.75	13	1.25	1.25
17	8.5	8.5	1995—Feb. 1	4.75–5.25	5.25	In effect May 10, 2002	1.25	1.25
1984—Apr. 9	8.5–9	9	9	5.25	5.25			
13	9	9	1996—Jan. 31	5.00–5.25	5.00			
Nov. 21	8.5–9	8.5	Feb. 3	5.00	5.00			
26	8.5	8.5	1998—Oct. 15	4.75–5.00	4.75			
Dec. 24	8	8	16	4.75	4.75			
1985—May 20	7.5–8	7.5	Nov. 17	4.50–4.75	4.50			
24	7.5	7.5	19	4.50	4.50			
1986—Mar. 7	7–7.5	7	1999—Aug. 24	4.50–4.75	4.75			
10	7	7	26	4.75	4.75			
Apr. 21	6.5–7	6.5	Nov. 16	4.75–5.00	4.75			
23	6.5	6.5	18	5.00	5.00			
July 11	6	6	2000—Feb. 2	5.00–5.25	5.25			
Aug. 21	5.5–6	5.5	4	5.25	5.25			
22	5.5	5.5	Mar. 21	5.25–5.50	5.50			
1987—Sept. 4	5.5–6	6	23	5.50	5.50			
11	6	6	May 16	5.50–6.00	5.50			
1988—Aug. 9	6–6.5	6.5	19	6.00	6.00			
11	6.5	6.5	2001—Jan. 3	5.75–6.00	5.75			
1989—Feb. 24	6.5–7	7	4	5.50–5.75	5.50			
27	7	7	5	5.50	5.50			
1990—Dec. 19	6.5	6.5	31	5.00–5.50	5.00			
1991—Feb. 1	6–6.5	6	Feb. 1	5.00	5.00			
4	6	6	Mar. 20	4.50–5.00	4.50			
Apr. 30	5.5–6	5.5	21	4.50	4.50			
May 2	5.5	5.5	Apr. 18	4.00–4.50	4.00			
			20	4.00	4.00			

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

2. Available to help relatively small depository institutions meet regular seasonal needs for funds that arise from a clear pattern of 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; however, it is never less than the discount rate applicable to adjustment credit.

3. May be made available to depository institutions when similar assistance is not reasonably available from other sources, including special industry lenders. Such credit may be provided when exceptional circumstances (including sustained deposit drains, impaired access to money market funds, or sudden deterioration in loan repayment performance) or

practices involve only a particular institution, or to meet the needs of institutions experiencing difficulties adjusting to changing market conditions over a longer period (particularly at times of deposit disintermediation). The discount rate applicable to adjustment credit ordinarily is charged on extended-credit loans outstanding less than thirty days; however, at the discretion of the Federal Reserve Bank, this time period may be shortened. Beyond this initial period, a flexible rate somewhat above rates charged on market sources of funds is charged. The rate ordinarily is reestablished on the first business day of each two-week reserve maintenance period, but it is never less than the discount rate applicable to adjustment credit plus 50 basis points.

4. For earlier data, see the following publications of the Board of Governors: *Banking and Monetary Statistics, 1914–1941, and 1941–1970*; and the *Annual Statistical Digest, 1970–1979, and 1980–1989*. 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–\$41.3 million ³	3	12/27/01
2 More than \$41.3 million ⁴	10	12/27/01
3 Nonpersonal time deposits ⁵	0	12/27/90
4 Eurocurrency liabilities ⁶	0	12/27/90

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

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

3. The Monetary Control Act of 1980 requires that the amount of transaction accounts against which the 3 percent reserve requirement applies be modified annually by 80 percent of the percentage change in transaction accounts held by all depository institutions, determined as of June 30 of each year. Effective with the reserve maintenance period beginning December 27, 2001, for depository institutions that report weekly, and with the period beginning January 17, 2002, for institutions that report quarterly, the amount was decreased from \$42.8 million to \$41.3 million.

Under the Garn–St Germain Depository Institutions Act of 1982, the Board adjusts the amount of reservable liabilities subject to a zero percent reserve requirement each year for the

succeeding calendar year by 80 percent of the percentage increase in the total reservable liabilities of all depository institutions, measured on an annual basis as of June 30. No corresponding adjustment is made in the event of a decrease. The exemption applies only to accounts that would be subject to a 3 percent reserve requirement. Effective with the reserve maintenance period beginning December 27, 2001, for depository institutions that report weekly, and with the period beginning January 17, 2002, for institutions that report quarterly, the exemption was raised from \$5.5 million to \$5.7 million.

4. 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.

5. 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.

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

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS¹

Millions of dollars

Type of transaction and maturity	1999	2000	2001	2001					2002	
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
U.S. TREASURY SECURITIES²										
<i>Outright transactions (excluding matched transactions)</i>										
<i>Treasury bills</i>										
1 Gross purchases	0	8,676	15,503	2,899	348	772	3,075	812	2,772	1,042
2 Gross sales	0	0	0	0	0	0	0	0	0	0
3 Exchanges	464,218	477,904	542,736	55,231	42,268	44,132	59,292	43,771	55,521	54,619
4 For new bills	464,218	477,904	542,736	55,231	42,268	44,132	59,292	43,771	55,521	54,619
5 Redemptions	0	24,522	10,095	0	1,543	0	0	0	0	0
<i>Others within one year</i>										
6 Gross purchases	11,895	8,809	15,663	1,385	0	1,411	1,408	2,942	0	2,894
7 Gross sales	0	0	0	0	0	0	0	0	0	0
8 Maturity shifts	50,590	62,025	70,336	9,379	0	6,535	5,873	5,235	0	0
9 Exchanges	-53,315	-54,656	-72,004	-6,873	0	-11,809	-9,559	-6,666	0	0
10 Redemptions	1,429	3,779	16,802	1,055	0	473	0	0	0	0
<i>One to five years</i>										
11 Gross purchases	19,731	14,482	22,814	810	851	22	1,920	634	2,872	1,101
12 Gross sales	0	0	0	0	0	0	0	0	0	0
13 Maturity shifts	-44,032	-52,068	-45,211	-9,379	0	-2,164	-3,073	-5,235	0	0
14 Exchanges	42,604	46,177	64,519	5,290	0	11,809	7,967	6,666	0	0
<i>Five to ten years</i>										
15 Gross purchases	4,303	5,871	6,003	935	0	422	459	101	0	334
16 Gross sales	0	0	0	0	0	0	0	0	0	0
17 Maturity shifts	-5,841	-6,801	-21,063	1,043	0	-4,372	-1,824	0	0	0
18 Exchanges	7,583	6,585	6,063	1,043	0	0	1,592	0	0	0
<i>More than ten years</i>										
19 Gross purchases	9,428	5,833	8,531	720	0	1,184	0	448	582	1,054
20 Gross sales	0	0	0	0	0	0	0	0	0	0
21 Maturity shifts	-717	-3,155	-4,062	-1,043	0	0	-975	0	0	0
22 Exchanges	3,139	1,894	1,423	540	0	0	0	0	0	0
<i>All maturities</i>										
23 Gross purchases	45,357	43,670	68,513	6,749	1,199	3,811	6,862	4,937	6,226	6,425
24 Gross sales	0	0	0	0	0	0	0	0	0	0
25 Redemptions	1,429	28,301	26,897	1,055	1,543	473	0	0	0	0
<i>Matched transactions</i>										
26 Gross purchases	4,413,430	4,415,905	4,722,667	406,143	508,129	431,887	377,247	387,033	407,791	367,906
27 Gross sales	4,431,685	4,397,835	4,724,743	405,627	515,429	425,110	378,129	390,617	404,296	368,060
<i>Repurchase agreements</i>										
28 Gross purchases	281,599	0	0	0	0	0	0	0	0	0
29 Gross sales	301,273	0	0	0	0	0	0	0	0	0
30 Net change in U.S. Treasury securities	5,999	33,439	39,540	6,211	-7,645	10,114	5,980	1,354	9,720	6,271
FEDERAL AGENCY OBLIGATIONS										
<i>Outright transactions</i>										
31 Gross purchases	0	0	0	0	0	0	0	0	0	0
32 Gross sales	0	0	0	0	0	0	0	0	0	0
33 Redemptions	157	51	120	0	0	0	0	0	0	0
<i>Repurchase agreements</i>										
34 Gross purchases	360,069	0	0	0	0	0	0	0	0	0
35 Gross sales	370,772	0	0	0	0	0	0	0	0	0
36 Net change in federal agency obligations	-10,859	-51	-120	0	0	0	0	0	0	0
<i>Reverse repurchase agreements</i>										
37 Gross purchases	0	0	0	0	0	0	0	0	0	0
38 Gross sales	0	0	0	0	0	0	0	0	0	0
<i>Repurchase agreements</i>										
39 Gross purchases	304,989	890,236	1,497,713	105,000	406,930	110,885	121,530	117,650	118,550	101,749
40 Gross sales	164,349	987,501	1,490,838	101,595	388,805	113,715	130,080	103,900	131,300	104,750
41 Net change in triparty obligations	140,640	-97,265	6,875	3,405	18,125	-2,830	-8,550	13,750	-12,750	-3,001
42 Total net change in System Open Market Account	135,780	-63,877	46,295	9,616	10,480	7,284	-2,570	15,104	-3,030	3,270

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.

A10 Domestic Financial Statistics □ June 2002

1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements¹

Millions of dollars

Account	Wednesday					End of month		
	2002					2002		
	Feb. 27	Mar. 6	Mar. 13	Mar. 20	Mar. 27	Jan.	Feb.	Mar.
Consolidated condition statement								
ASSETS								
1 Gold certificate account	11,044	11,044	11,044	11,044	11,044	11,045	11,044	11,044
2 Special drawing rights certificate account	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
3 Coin	1,125	1,111	1,094	1,085	1,078	1,166	1,132	1,094
<i>Loans</i>								
4 To depository institutions	22	28	22	24	22	19	68	20
5 Other	0	0	0	0	0	0	0	0
6 Acceptances held under repurchase agreements	0	0	0	0	0	0	0	0
<i>Triparty obligations</i>								
7 Repurchase agreements—triparty ²	31,999	35,249	24,000	28,550	24,000	37,500	34,499	29,500
<i>Federal agency obligations³</i>								
8 Bought outright	10	10	10	10	10	10	10	10
9 Held under repurchase agreements	0	0	0	0	0	0	0	0
10 Total U.S. Treasury securities³	568,702	570,091	572,728	573,844	576,093	561,376	567,634	575,356
11 Bought outright ⁴	568,702	570,091	572,728	573,844	576,093	561,376	567,634	575,356
12 Bills	190,295	190,971	191,062	191,443	193,104	188,341	189,229	192,364
13 Notes	274,269	274,981	277,510	278,167	278,461	268,568	274,268	278,463
14 Bonds	104,138	104,138	104,156	104,235	104,528	104,467	104,137	104,530
15 Held under repurchase agreements	0	0	0	0	0	0	0	0
16 Total loans and securities	600,733	605,378	596,761	602,429	600,125	598,905	602,211	604,886
17 Items in process of collection	7,037	8,626	7,506	8,916	7,292	11,046	5,270	5,306
18 Bank premises	1,509	1,509	1,510	1,511	1,511	1,509	1,509	1,511
<i>Other assets</i>								
19 Denominated in foreign currencies ⁵	14,193	14,508	14,591	14,530	14,388	14,165	14,242	14,379
20 All other ⁶	20,262	20,103	20,576	21,003	21,453	22,070	19,653	21,681
21 Total assets	658,103	664,480	655,281	662,718	659,092	662,105	657,262	662,100
LIABILITIES								
22 Federal Reserve notes	606,904	608,361	608,578	609,132	610,539	599,252	606,322	609,749
23 Reverse repurchase agreements—triparty ²	0	0	0	0	0	0	0	0
24 Total deposits	26,014	29,562	20,819	28,039	23,382	38,695	26,965	28,544
25 Depository institutions	20,815	23,837	15,301	22,146	18,099	24,559	20,869	22,415
26 U.S. Treasury—General account	4,908	5,410	4,997	5,600	5,009	13,688	5,752	5,692
27 Foreign—Official accounts	79	75	316	74	71	162	89	256
28 Other	212	241	205	219	203	286	254	181
29 Deferred credit items	7,531	8,305	7,770	7,597	7,259	6,773	6,183	5,645
30 Other liabilities and accrued dividends ⁷	2,361	2,373	2,417	2,381	2,440	2,363	2,420	2,436
31 Total liabilities	642,810	648,601	639,584	647,149	643,619	647,084	641,890	646,373
CAPITAL ACCOUNTS								
32 Capital paid in	7,635	7,636	7,650	7,646	7,650	7,433	7,636	7,648
33 Surplus	7,266	7,273	7,274	7,273	7,270	7,250	7,266	7,270
34 Other capital accounts	392	970	772	649	552	338	469	809
35 Total liabilities and capital accounts	658,103	664,480	655,281	662,718	659,092	662,105	657,262	662,100
MEMO								
36 Marketable U.S. Treasury securities held in custody for foreign and international accounts	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Federal Reserve note statement								
37 Federal Reserve notes outstanding (issued to Banks)	750,901	750,375	750,373	749,676	748,344	750,502	750,608	747,765
38 Less: Held by Federal Reserve Banks	143,997	142,014	141,795	140,545	137,806	151,250	144,285	138,016
39 Federal Reserve notes, net	606,904	608,361	608,578	609,132	610,539	599,252	606,322	609,749
<i>Collateral held against notes, net</i>								
40 Gold certificate account	11,044	11,044	11,044	11,044	11,044	11,045	11,044	11,044
41 Special drawing rights certificate account	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
42 Other eligible assets	0	0	0	0	0	0	0	0
43 U.S. Treasury and agency securities	593,659	595,117	595,334	595,888	597,294	586,007	593,078	596,505
44 Total collateral	606,904	608,361	608,578	609,132	610,539	599,252	606,322	609,749

1. Some of the data in this table also appear in the Board's H.4.1 (503) weekly statistical release. For ordering address, see inside front cover.
 2. Cash value of agreements arranged through third-party custodial banks.
 3. Face value of the securities.
 4. Includes securities loaned—fully guaranteed by U.S. Treasury securities pledged with Federal Reserve Banks—and includes compensation that adjusts for the effects of inflation on the principal of inflation-indexed securities. Excludes securities sold and scheduled to be bought back under matched sale-purchase transactions.

5. Valued monthly at market exchange rates.
 6. Includes special investment account at the Federal Reserve Bank of Chicago in Treasury bills maturing within ninety days.
 7. Includes exchange-translation account reflecting the monthly revaluation at market exchange rates of foreign exchange commitments.

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holding

Millions of dollars

Type of holding and maturity	Wednesday					End of month		
	2002					2002		
	Feb 27	Mar. 6	Mar. 13	Mar. 20	Mar. 27	Jan.	Feb.	Mar.
1 Total loans	22	28	22	24	22	19	68	20
2 Within fifteen days ¹	22	15	7	24	22	17	64	18
3 Sixteen days to ninety days	0	14	16	0	0	2	-4	1
4 91 days to 1 year	0	0	0	0	0	0	0	0
5 Total U.S. Treasury securities²	568,702	570,091	572,728	573,844	576,093	561,376	567,634	575,355
6 Within fifteen days ¹	28,483	16,853	17,402	25,007	23,545	7,322	4,223	9,609
7 Sixteen days to ninety days	117,816	129,529	130,581	124,213	126,066	122,862	121,710	139,985
8 Ninety-one days to one year	132,889	133,416	133,362	132,506	133,777	142,024	152,122	133,054
9 One year to five years	157,109	157,379	158,466	159,197	159,198	157,648	157,174	159,198
10 Five years to ten years	51,446	51,953	51,955	51,957	52,249	51,627	51,446	52,250
11 More than ten years	80,959	80,960	80,962	80,965	81,259	79,894	80,958	81,259
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	0	0	0	0	0	0	0	0
16 One year to five years	10	10	10	10	10	10	10	10
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	1998 Dec.	1999 Dec.	2000 Dec.	2001 Dec.	2001					2002		
					Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb. ¹	Mar.
	Seasonally adjusted											
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ²												
1 Total reserves ¹	45.14	41.82	38.54	41.10	40.08	58.21	45.66	40.90	41.10	41.51	41.36	40.97
2 Nonborrowed reserves ²	45.02	41.50	38.33	41.03	39.90	54.83	45.53	40.82	41.03	41.46	41.33	40.90
3 Nonborrowed reserves plus extended credit ³	45.02	41.50	38.33	41.03	39.90	54.83	45.53	40.82	41.03	41.46	41.33	40.90
4 Required reserves	43.62	40.53	37.11	39.46	38.87	39.20	44.33	39.42	39.46	40.11	39.99	39.57
5 Monetary base ⁴	513.55	593.12	584.04	634.38 ⁵	616.03	639.69 ⁶	630.44 ⁷	629.47 ⁸	634.38 ⁹	640.70 ¹⁰	645.84	649.24
	Not seasonally adjusted											
6 Total reserves ⁷	45.31	41.89	38.53	41.07	39.76	57.68	45.19	40.29	41.07	43.46	42.38	40.23
7 Nonborrowed reserves	45.19	41.57	38.32	41.01	39.58	54.29	45.06	40.20	41.01	43.41	42.35	40.15
8 Nonborrowed reserves plus extended credit ⁵	45.19	41.57	38.32	41.01	39.58	54.29	45.06	40.20	41.01	43.41	42.35	40.15
9 Required reserves ⁸	43.80	40.59	37.10	39.43	38.55	38.66	43.87	38.80	39.43	42.06	41.00	38.83
10 Monetary base ⁹	518.27	600.72	590.06	639.89 ⁶	614.55	637.97 ⁷	628.27 ⁸	629.77 ⁹	639.89 ¹⁰	644.12 ¹¹	645.33	648.80
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ¹⁰												
11 Total reserves ¹¹	45.21	41.65	38.47	40.96	39.67	57.57	45.06	40.16	40.96	43.47	42.40	40.26
12 Nonborrowed reserves	45.09	41.33	38.26	40.89	39.48	54.18	44.93	40.07	40.89	43.42	42.37	40.18
13 Nonborrowed reserves plus extended credit ⁵	45.09	41.33	38.26	40.89	39.48	54.18	44.93	40.07	40.89	43.42	42.37	40.18
14 Required reserves	43.70	40.36	37.05	39.32	38.46	38.55	43.74	38.67	39.32	42.07	41.02	38.86
15 Monetary base ¹²	525.06	608.02	596.98	648.72 ⁶	622.04	645.73 ⁷	636.37 ⁸	637.74 ⁹	648.72 ¹⁰	653.13 ¹¹	654.55	658.35
16 Excess reserves ¹³	1.51	1.30	1.43	1.64	1.21	19.02	1.32	1.49	1.64	1.41	1.37	1.40
17 Borrowings from the Federal Reserve	.12	.32	.21	.07	.18	3.39	.13	.08	.07	.05	.03	.08

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

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

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

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

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

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

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

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

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

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

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

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

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

1.21 MONEY STOCK AND DEBT MEASURES¹

Billions of dollars, averages of daily figures

Item	1998 Dec.	1999 Dec.	2000 Dec.	2001 Dec. ^f	2001	2002		
					Dec. ^f	Jan. ^f	Feb. ^f	Mar.
Seasonally adjusted								
<i>Measures²</i>								
1 M1	1,096.5	1,124.4	1,088.9	1,178.1	1,178.1	1,181.1	1,182.4	1,184.5
2 M2	4,386.3	4,655.0	4,942.3	5,463.2	5,463.2	5,473.4	5,503.2	5,496.6
3 M3	6,042.1	6,541.7	7,116.0	8,031.9	8,031.9	8,024.3	8,065.8	8,069.9
4 Debt	16,277.3	17,360.8	18,278.3 ^f	19,375.5	19,375.5	19,410.0	19,493.1	n.a.
<i>M1 components</i>								
5 Currency ³	459.3	516.9	530.1	579.9	579.9	585.7	590.6	594.0
6 Travelers checks ⁴	8.2	8.3	8.0	7.8	7.8	7.8	7.8	7.7
7 Demand deposits ⁵	378.4	354.5	309.9	329.3	329.3	326.5	324.1	323.0
8 Other checkable deposits ⁶	250.5	244.7	240.9	261.2	261.2	261.1	259.9	259.8
<i>Nontransaction components</i>								
9 In M2 ⁷	3,289.8	3,530.7	3,853.5	4,285.0	4,285.0	4,292.2	4,320.8	4,312.0
10 In M3 only ⁸	1,655.8	1,886.7	2,173.6	2,568.8	2,568.8	2,550.9	2,562.5	2,573.3
<i>Commercial banks</i>								
11 Savings deposits, including MMDAs	1,187.5	1,289.1	1,423.7	1,746.0	1,746.0	1,773.3	1,805.6	1,813.2
12 Small time deposits ⁹	626.1	635.0	699.1	638.8	638.8	629.6	622.0	615.4
13 Large time deposits ^{10,11}	583.2	652.0	717.9	672.8	672.8	684.5	687.1	697.2
<i>Thrift institutions</i>								
14 Savings deposits, including MMDAs	414.7	449.7	452.1	561.4	561.4	572.7	592.6	607.4
15 Small time deposits ⁹	325.6	320.4	344.5	333.7	333.7	328.2	324.7	322.5
16 Large time deposits ¹⁰	88.6	91.1	102.9	113.9	113.9	115.0	114.4	113.7
<i>Money market mutual funds</i>								
17 Retail	736.0	836.6	934.0	1,005.1	1,005.1	988.5	975.9	953.5
18 Institution-only	538.2	633.6	792.5	1,197.2	1,197.2	1,167.1	1,166.3	1,167.9
<i>Repurchase agreements and eurodollars</i>								
19 Repurchase agreements ¹²	293.4	336.0	364.0	372.0	372.0	372.7	376.5	374.2
20 Eurodollars ¹²	152.5	174.0	196.4	212.9	212.9	211.6	218.2	220.3
<i>Debt components</i>								
21 Federal debt	3,751.1	3,660.1	3,400.4	3,381.4	3,381.4	3,380.1	3,401.2	n.a.
22 Nonfederal debt	12,526.3	13,700.7	14,877.9 ^f	15,994.1	15,994.1	16,029.9	16,091.9	n.a.
Not seasonally adjusted								
<i>Measures²</i>								
23 M1	1,120.4	1,148.3	1,112.3	1,202.3	1,202.3	1,184.1	1,169.7	1,186.5
24 M2	4,406.4	4,675.8	4,966.0	5,488.0	5,488.0	5,476.8	5,494.3	5,542.2
25 M3	6,070.9	6,573.3	7,151.1	8,070.0	8,070.0	8,051.7	8,096.8	8,151.8
26 Debt	16,264.9	17,352.9	18,270.1 ^f	19,363.8	19,363.8	19,407.0	19,483.5	n.a.
<i>M1 components</i>								
27 Currency ³	463.3	521.5	535.2	584.9	584.9	584.3	590.1	595.0
28 Travelers checks ⁴	8.4	8.4	8.1	7.9	7.9	8.0	8.0	7.9
29 Demand deposits ⁵	395.9	371.8	326.5	347.0	347.0	329.0	316.2	321.7
30 Other checkable deposits ⁶	252.8	246.6	242.5	262.5	262.5	262.9	255.4	262.0
<i>Nontransaction components</i>								
31 In M2 ⁷	3,286.0	3,527.6	3,853.7	4,285.7	4,285.7	4,292.7	4,324.6	4,355.6
32 In M3 only ⁸	1,664.5	1,897.5	2,185.1	2,582.0	2,582.0	2,574.9	2,602.5	2,609.7
<i>Commercial banks</i>								
33 Savings deposits, including MMDAs	1,186.0	1,288.8	1,426.9	1,750.4	1,750.4	1,766.2	1,795.5	1,824.0
34 Small time deposits ⁹	626.5	635.7	700.0	639.5	639.5	631.7	623.8	615.8
35 Large time deposits ^{10,11}	583.5	652.4	718.4	672.9	672.9	677.0	685.5	699.7
<i>Thrift institutions</i>								
36 Savings deposits, including MMDAs	414.2	449.6	453.1	562.8	562.8	570.4	589.3	611.0
37 Small time deposits ⁹	325.8	320.8	345.0	334.0	334.0	329.3	325.7	322.7
38 Large time deposits ¹⁰	88.6	91.2	103.0	113.9	113.9	113.8	114.1	114.1
<i>Money market mutual funds</i>								
39 Retail	733.5	832.8	928.7	999.0	999.0	995.3	990.3	982.1
40 Institution-only	547.5	643.2	801.4	1,208.3	1,208.3	1,198.8	1,204.2	1,198.3
<i>Repurchase agreements and eurodollars</i>								
41 Repurchase agreements ¹²	290.4	334.7	364.2	372.7	372.7	372.7	378.1	375.1
42 Eurodollars ¹²	154.5	176.0	198.2	214.1	214.1	212.6	220.6	222.5
<i>Debt components</i>								
43 Federal debt	3,754.9	3,663.2	3,403.5	3,384.0	3,384.0	3,372.0	3,396.3	n.a.
44 Nonfederal debt	12,510.0	13,689.8	14,866.6 ^f	15,979.8	15,979.8	16,035.1	16,087.2	n.a.

Footnotes appear on following page.

NOTES TO TABLE I.21

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12. Includes both overnight and term.

A16 Domestic Financial Statistics □ June 2002

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				
	2001	2001				2002			2002			
	Mar. ^f	Sept. ^f	Oct. ^f	Nov. ^f	Dec. ^f	Jan. ^f	Feb. ^f	Mar.	Mar. 6	Mar. 13	Mar. 20	Mar. 27
	Seasonally adjusted											
<i>Assets</i>												
1 Bank credit	4,666.3	4,833.9	4,837.4	4,861.3	4,857.3	4,847.0	4,848.5	4,835.3	4,833.4	4,821.7	4,838.1	4,843.6
2 Securities in bank credit	1,134.3	1,217.6	1,242.3	1,252.7	1,254.1	1,257.2	1,253.5	1,255.1	1,255.9	1,242.9	1,263.9	1,256.3
3 U.S. government securities	689.9	732.9	750.6	755.5	774.2	766.9	763.8	778.9	768.4	766.7	782.7	789.7
4 Other securities	444.4	484.7	491.7	497.2	479.9	490.3	489.7	476.1	487.6	476.2	481.1	466.6
5 Loans and leases in bank credit ²	3,532.0	3,616.3	3,595.1	3,608.6	3,603.1	3,589.8	3,595.1	3,580.3	3,577.5	3,578.8	3,574.3	3,587.3
6 Commercial and industrial	885.5	863.8	856.8	846.3	838.7	831.6	834.7	828.0	832.3	828.9	827.6	826.6
7 Real estate	1,669.6	1,707.9	1,734.7	1,754.7	1,767.6	1,763.9	1,770.0	1,766.8	1,766.9	1,768.1	1,766.2	1,767.2
8 Revolving home equity	132.4	142.7	148.9	150.7	154.0	157.2	160.5	165.9	163.6	164.9	165.7	167.4
9 Other	1,537.3	1,565.2	1,585.8	1,604.0	1,613.6	1,606.6	1,609.5	1,600.9	1,603.3	1,603.1	1,600.5	1,599.8
10 Consumer	544.0	551.8	552.1	559.6	558.4	561.2	563.8	561.7	561.3	558.6	563.0	563.7
11 Security ³	68.7	97.0	78.8	77.1	71.4	76.3	78.4	82.2	78.0	79.5	78.6	86.9
12 Other loans and leases	364.2	395.8	372.7	370.9	367.1	356.8	348.1	341.5	338.9	343.7	338.9	342.9
13 Interbank loans	246.0	320.9	278.2	261.1	272.1	267.1	256.5	247.2	239.6	248.2	246.6	255.8
14 Cash assets ⁴	245.4	283.5	263.5	258.6	258.5	259.7	255.9	255.8	264.1	247.7	255.5	258.2
15 Other assets ⁵	390.0	436.6	455.4	451.3	449.5	450.3	452.4	435.7	433.4	437.7	435.8	428.7
16 Total assets⁶	5,482.9	5,807.4	5,764.9	5,761.9	5,765.3	5,750.2	5,739.2	5,699.8	5,696.2	5,681.0	5,701.6	5,711.8
<i>Liabilities</i>												
17 Deposits	3,562.6	3,808.8	3,758.2	3,766.7	3,797.9	3,788.1	3,795.8	3,820.8	3,817.0	3,815.9	3,812.6	3,830.5
18 Transaction	595.3	678.2	630.1	624.7	629.5	624.8	614.8	611.8	593.9	601.4	622.6	644.9
19 Nontransaction	2,967.4	3,130.6	3,128.1	3,142.0	3,168.4	3,163.4	3,181.0	3,208.9	3,223.2	3,214.5	3,190.0	3,185.6
20 Large time	570.2	569.4	572.4	565.1	553.6	544.7	552.6	551.7	553.7	546.6	551.5	552.6
21 Other	2,397.1	2,561.2	2,555.7	2,576.9	2,614.9	2,618.6	2,628.4	2,657.2	2,669.5	2,667.9	2,638.5	2,633.0
22 Borrowings	1,012.3	1,071.2	1,061.5	1,042.7	1,047.6	1,050.0	1,043.4	1,018.0	1,013.9	1,002.5	1,020.1	1,031.3
23 From banks in the U.S.	369.2	420.1	401.4	389.4	391.2	391.1	384.3	372.9	374.5	371.7	371.0	372.7
24 From others	643.1	651.0	660.1	653.2	656.4	658.9	659.2	645.1	639.4	630.8	649.1	658.6
25 Net due to related foreign offices	211.9	189.2	193.4	189.1	193.6	183.2	172.9	175.6	170.8	168.9	186.9	175.0
26 Other liabilities	277.8	317.8	295.4	323.9	279.2	262.9	259.0	240.6	243.4	245.3	233.8	236.7
27 Total liabilities	5,064.6	5,387.0	5,308.5	5,323.3	5,318.4	5,284.2	5,271.2	5,255.0	5,245.1	5,232.7	5,253.3	5,273.5
28 Residual (assets less liabilities) ⁷	418.2	420.4	456.4	439.6	446.9	466.0	468.0	444.8	451.2	448.4	448.3	438.3
	Not seasonally adjusted											
<i>Assets</i>												
29 Bank credit	4,662.0	4,831.7	4,840.1	4,874.3	4,882.6	4,858.8	4,849.6	4,829.5	4,840.2	4,819.9	4,828.9	4,826.7
30 Securities in bank credit	1,139.4	1,214.4	1,242.0	1,256.4	1,261.5	1,265.3	1,260.9	1,260.8	1,266.3	1,252.3	1,266.9	1,257.8
31 U.S. government securities	695.6	730.0	747.4	756.2	779.1	772.1	770.8	785.2	777.9	774.2	787.7	793.2
32 Other securities	443.8	484.5	494.6	500.2	482.4	493.2	490.1	475.6	488.4	478.1	479.2	464.6
33 Loans and leases in bank credit ²	3,522.7	3,617.2	3,598.1	3,617.9	3,621.1	3,593.5	3,588.7	3,568.8	3,573.9	3,567.7	3,562.0	3,568.9
34 Commercial and industrial	885.7	861.8	857.6	846.2	836.8	826.4	832.0	828.1	832.0	827.0	828.5	826.6
35 Real estate	1,662.5	1,709.6	1,736.5	1,759.2	1,771.9	1,763.1	1,764.9	1,759.3	1,760.7	1,761.8	1,757.4	1,758.0
36 Revolving home equity	131.1	143.4	149.3	151.3	154.1	157.0	160.5	164.4	162.8	163.6	164.0	165.5
37 Other	1,531.4	1,566.2	1,587.1	1,607.9	1,617.8	1,606.1	1,604.4	1,594.9	1,597.9	1,598.2	1,593.4	1,592.5
38 Consumer	541.4	551.1	552.6	562.0	567.9	569.0	566.2	558.9	560.0	556.4	560.5	560.2
39 Credit cards and related plans	208.6	217.4	216.8	225.8	232.2	228.9	225.1	221.9	222.9	218.9	222.8	223.7
40 Other	332.7	333.7	335.7	336.2	335.7	340.0	341.0	337.0	337.0	337.6	337.7	336.5
41 Security ³	68.9	98.2	80.8	79.3	73.8	76.2	77.7	82.2	81.7	81.0	78.8	84.1
42 Other loans and leases	364.2	396.5	370.7	371.1	370.7	358.9	348.0	340.3	339.5	341.5	336.8	340.0
43 Interbank loans	251.3	312.9	273.2	264.7	278.4	265.3	255.2	252.1	250.2	253.3	247.7	252.5
44 Cash assets ⁴	236.9	280.2	264.5	265.5	275.9	270.5	256.3	247.1	256.2	240.3	243.9	245.0
45 Other assets ⁵	388.6	438.6	454.7	452.7	451.8	451.1	450.8	434.3	434.6	435.5	433.8	423.2
46 Total assets⁶	5,473.9	5,795.5	5,763.2	5,786.6	5,816.4	5,771.9	5,737.7	5,688.7	5,706.6	5,674.5	5,679.8	5,673.2
<i>Liabilities</i>												
47 Deposits	3,565.5	3,789.1	3,750.1	3,782.4	3,836.2	3,803.4	3,806.3	3,823.9	3,839.0	3,823.2	3,801.3	3,808.6
48 Transaction	590.8	671.0	624.3	630.6	657.3	637.5	609.4	607.1	591.7	597.0	610.9	633.3
49 Nontransaction	2,974.7	3,118.1	3,125.8	3,151.8	3,178.9	3,165.8	3,196.8	3,216.9	3,247.3	3,226.3	3,190.4	3,175.4
50 Large time	568.7	566.9	573.6	568.5	556.5	547.2	554.5	550.3	555.5	546.3	549.5	548.2
51 Other	2,406.0	2,551.1	2,552.2	2,583.3	2,622.4	2,618.7	2,642.3	2,666.6	2,691.8	2,680.0	2,640.9	2,627.1
52 Borrowings	1,010.8	1,066.2	1,063.1	1,045.4	1,047.6	1,063.5	1,046.7	1,016.5	1,017.2	1,000.2	1,024.3	1,022.5
53 From banks in the U.S.	374.0	411.2	399.4	386.6	392.9	396.4	389.5	377.4	380.8	375.8	376.2	375.1
54 From others	636.8	655.0	663.7	658.9	654.7	667.1	657.2	639.1	636.4	624.3	648.1	647.4
55 Net due to related foreign offices	210.3	188.7	194.2	193.8	197.6	187.4	176.7	174.1	171.3	168.4	184.2	174.5
56 Other liabilities	275.9	317.4	296.3	330.2	283.7	267.4	263.0	239.2	244.0	244.6	231.4	236.0
57 Total liabilities	5,062.4	5,361.4	5,303.8	5,351.7	5,365.1	5,321.7	5,292.6	5,253.8	5,271.5	5,236.4	5,241.2	5,241.6
58 Residual (assets less liabilities) ⁷	411.5	434.1	459.4	434.9	451.3	450.2	445.0	434.9	435.1	438.2	438.6	431.5

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	2001				2002			2002				
	Mar. ^f	Sept. ^f	Oct. ^f	Nov. ^f	Dec. ^f	Jan. ^f	Feb. ^f	Mar.	Mar. 6	Mar. 13	Mar. 20	Mar. 27	
	Seasonally adjusted												
<i>Assets</i>													
1 Bank credit	2,601.7	2,690.9	2,640.8	2,641.6	2,608.6	2,576.4	2,574.9	2,556.2	2,552.8	2,544.3	2,557.6	2,564.2	
2 Securities in bank credit	592.1	642.8	651.2	654.3	638.3	636.2	631.8	630.3	629.8	617.2	638.4	633.4	
3 U.S. government securities	344.2	367.1	369.7	370.2	378.9	366.7	359.8	367.6	357.9	355.6	370.2	379.1	
4 Trading account	35.4	37.9	35.8	40.5	33.9	32.6	33.6	32.7	32.1	29.6	32.1	34.6	
5 Investment account	308.7	329.3	334.0	329.7	345.0	334.2	326.2	334.9	325.8	325.9	338.1	344.6	
6 Other securities	247.9	275.6	281.5	284.1	259.5	269.5	272.0	262.7	271.9	261.6	268.1	254.2	
7 Trading account	131.9	160.8	165.7	165.4	130.0	128.4	130.0	122.5	130.4	120.0	124.1	117.5	
8 Investment account	116.0	114.9	115.8	118.7	129.5	141.1	142.0	140.3	141.5	141.6	144.0	136.8	
9 State and local government	28.0	27.4	26.8	27.1	27.3	27.5	28.0	28.0	27.9	27.7	28.2	28.2	
10 Other	88.1	87.5	89.0	91.6	102.1	113.6	114.0	112.3	113.7	113.9	115.8	108.6	
11 Loans and leases in bank credit ²	2,009.6	2,048.1	1,989.5	1,987.3	1,970.3	1,940.2	1,943.1	1,925.8	1,923.0	1,927.1	1,919.2	1,930.8	
12 Commercial and industrial	590.5	561.9	553.8	544.8	535.0	528.4	529.6	524.0	527.0	524.4	524.2	523.3	
13 Bankers acceptances .....	.8	.0	.0	.0	.0	.0	.0	.0	n.a.	n.a.	n.a.	n.a.
14 Other	589.7	561.9	553.8	544.8	535.0	528.4	529.6	524.0	527.0	524.4	524.2	523.3	
15 Real estate	843.1	847.3	846.5	856.4	858.6	846.0	847.0	840.3	840.9	842.1	839.0	840.0	
16 Revolving home equity	84.9	90.2	93.2	94.3	96.0	98.2	99.9	103.8	102.0	103.3	103.8	104.6	
17 Other	758.3	757.1	753.3	762.2	762.6	747.9	747.1	736.5	738.9	738.8	735.3	735.4	
18 Consumer	248.6	254.7	244.8	246.3	246.2	239.6	247.2	244.5	244.9	244.4	245.2	244.7	
19 Security ³	60.8	88.3	70.8	69.1	63.3	68.3	70.3	74.3	70.1	71.5	70.6	78.7	
20 Federal funds sold to and repurchase agreements with broker-dealers	45.1	61.7	57.2	54.5	48.4	54.9	57.4	61.1	58.2	58.7	56.2	65.5	
21 Other	15.8	26.6	13.6	14.6	14.9	13.4	12.9	13.1	11.9	12.9	14.4	13.2	
22 State and local government	13.1	14.4	15.3	15.7	15.0	14.6	14.6	14.6	14.6	14.7	14.6	14.5	
23 Agricultural	10.4	9.5	9.6	9.6	9.5	9.6	9.6	9.6	9.6	9.6	9.7	9.6	
24 Federal funds sold to and repurchase agreements with others	24.9	31.8	29.9	30.3	28.5	26.3	22.6	20.9	20.1	21.1	20.6	21.3	
25 All other loans	86.2	109.6	94.3	90.6	84.6	75.2	70.3	66.2	64.1	67.8	63.9	67.2	
26 Lease-financing receivables	131.9	130.7	124.7	124.4	129.6	132.1	131.9	131.4	131.6	131.5	131.4	131.3	
27 Interbank loans	141.2	201.8	173.1	152.4	160.6	168.3	153.0	145.8	140.2	146.5	143.1	150.9	
28 Federal funds sold to and repurchase agreements with commercial banks	73.7	126.7	93.0	90.0	96.8	92.0	79.6	75.0	69.5	76.5	73.9	77.7	
29 Other	67.5	75.1	80.1	62.4	69.7	76.2	73.3	70.8	70.7	70.0	69.2	73.2	
30 Cash assets ⁴	143.6	173.4	153.6	149.5	147.2	146.2	143.2	143.0	151.2	136.3	141.9	144.0	
31 Other assets ⁵	287.7	308.6	322.3	320.6	314.2	312.7	307.8	288.3	286.7	289.8	290.0	285.0	
32 Total assets⁶	3,136.3	3,336.6	3,250.3	3,224.3	3,195.3	3,160.4	3,135.1	3,089.5	3,087.1	3,072.9	3,088.6	3,099.9	
<i>Liabilities</i>													
33 Deposits	1,721.1	1,858.8	1,790.4	1,791.7	1,800.7	1,790.4	1,788.5	1,800.1	1,796.1	1,795.4	1,793.9	1,808.4	
34 Transaction	303.8	375.5	322.7	320.1	322.9	315.8	308.0	303.8	295.2	301.1	310.3	318.6	
35 Nontransaction	1,417.3	1,483.3	1,467.7	1,471.6	1,477.8	1,474.5	1,480.5	1,496.3	1,500.9	1,494.3	1,483.6	1,489.9	
36 Large time	269.2	264.4	261.0	253.4	248.3	242.0	249.7	248.7	250.4	243.3	249.2	249.8	
37 Other	1,148.1	1,218.9	1,206.7	1,218.2	1,229.6	1,232.6	1,230.8	1,247.6	1,250.6	1,251.0	1,234.4	1,240.1	
38 Borrowings	682.5	715.7	688.2	663.8	659.7	655.1	655.3	636.8	633.9	623.3	636.4	647.8	
39 From banks in the U.S.	220.0	264.3	233.5	219.7	218.8	213.7	209.1	202.9	202.1	202.1	198.9	203.0	
40 From others	462.6	451.4	454.7	444.1	440.9	441.4	446.2	433.8	431.0	421.2	437.5	444.8	
41 Net due to related foreign offices	196.5	178.7	184.0	178.8	183.6	174.3	162.1	166.6	161.2	161.0	176.7	166.1	
42 Other liabilities	224.7	255.4	230.4	258.5	213.9	194.0	188.4	170.1	172.9	174.4	162.8	166.4	
43 Total liabilities	2,824.8	3,008.6	2,892.9	2,892.9	2,857.9	2,813.8	2,794.2	2,773.6	2,764.1	2,754.1	2,769.9	2,788.8	
44 Residual (assets less liabilities) ⁷	311.5	328.0	357.4	331.4	337.4	346.6	340.9	315.9	323.0	318.8	318.8	311.1	

Footnotes appear on p. A21.

A18 Domestic Financial Statistics □ June 2002

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				
	2001	2001			2002			2002				
	Mar. ^f	Sept. ^f	Oct. ^f	Nov. ^f	Dec. ^f	Jan. ^f	Feb. ^f	Mar.	Mar. 6	Mar. 13	Mar. 20	Mar. 27
	Not seasonally adjusted											
Assets												
45 Bank credit	2,602.0	2,686.9	2,638.5	2,649.4	2,621.8	2,586.2	2,579.7	2,555.1	2,564.2	2,546.8	2,554.0	2,552.2
46 Securities in bank credit	595.2	640.5	651.9	658.2	643.2	643.2	637.6	633.8	638.8	624.0	639.3	631.8
47 U.S. government securities	347.9	365.1	367.5	371.1	381.3	370.8	365.1	371.6	366.1	360.6	373.1	379.6
48 Trading account	35.8	37.7	35.5	40.6	34.1	32.9	34.1	33.1	32.9	30.1	32.4	34.6
49 Investment account	312.0	327.4	332.0	330.5	347.1	337.9	331.0	338.5	333.2	330.5	340.7	345.0
50 Mortgage-backed securities	220.1	252.3	272.6	270.7	284.6	274.5	259.6	264.2	260.8	257.6	265.4	269.4
51 Other	91.9	75.1	59.4	59.8	62.5	63.4	71.4	74.3	72.4	72.9	75.3	75.6
52 One year or less	31.9	19.0	10.3	15.2	14.8	13.8	16.8	19.7	19.9	19.8	20.1	19.2
53 One to five years	34.5	34.6	32.0	30.4	35.3	36.7	43.1	42.9	41.3	42.0	43.2	44.2
54 More than five years	25.6	21.4	17.1	14.2	12.3	12.8	11.6	11.7	11.2	11.1	12.0	12.2
55 Other securities	247.3	275.4	284.4	287.1	262.0	272.4	272.4	262.2	272.8	263.5	266.2	252.3
56 Trading account	131.6	160.6	167.4	167.1	131.2	129.8	130.2	122.2	130.8	120.8	123.2	116.5
57 Investment account	115.8	114.8	117.0	120.0	130.7	142.6	142.3	140.0	142.0	142.6	143.0	135.7
58 State and local government	27.9	27.4	27.1	27.4	27.6	27.8	28.1	27.9	28.0	27.9	28.0	28.0
59 Other	87.9	87.4	89.9	92.5	103.2	114.8	114.2	112.1	114.0	114.8	115.0	107.7
60 Loans and leases in bank credit ²	2,006.8	2,046.4	1,986.6	1,991.2	1,978.5	1,943.0	1,942.2	1,921.4	1,925.4	1,922.7	1,914.7	1,920.3
61 Commercial and industrial	591.0	561.5	554.6	545.7	532.9	524.1	528.4	524.4	527.7	523.3	525.1	523.0
62 Bankers acceptances	.8	.0	.0	.0	.0	.0	.0	.0	n.a.	n.a.	n.a.	n.a.
63 Other	590.2	561.5	554.6	545.7	532.9	524.1	528.4	524.4	527.7	523.3	525.1	523.0
64 Real estate	838.6	847.5	845.5	858.2	860.4	845.6	843.8	835.7	837.3	838.4	833.9	833.8
65 Revolving home equity	84.1	90.5	93.2	94.4	95.7	97.8	100.0	102.8	101.5	102.4	102.6	103.3
66 Other	455.9	455.1	440.8	451.6	453.8	440.1	436.2	425.9	428.6	429.0	424.3	423.4
67 Commercial	298.6	301.9	311.4	312.3	310.9	307.7	307.6	307.0	307.2	307.0	307.0	307.0
68 Consumer	248.7	252.1	241.9	245.1	249.3	243.5	249.7	244.7	246.0	244.7	245.3	244.5
69 Credit cards and related plans	82.7	84.7	74.3	76.5	80.1	71.5	76.6	74.8	75.9	74.5	75.0	75.1
70 Other	166.0	167.5	167.7	168.6	169.2	172.1	173.0	169.9	170.1	170.2	170.3	169.4
71 Security ³	60.8	89.7	72.9	71.0	65.5	68.4	69.6	74.0	73.3	72.7	70.7	76.0
72 Federal funds sold to and repurchase agreements with broker-dealers	45.1	62.6	58.9	56.0	50.0	55.0	56.8	60.9	60.9	59.6	56.3	63.3
73 Other	15.7	27.1	14.0	15.0	15.4	13.4	12.8	13.1	12.4	13.1	14.4	12.7
74 State and local government	13.1	14.4	15.3	15.7	15.0	14.6	14.6	14.6	14.6	14.7	14.6	14.5
75 Agricultural	10.3	9.5	9.5	9.6	9.5	9.6	9.5	9.5	9.5	9.5	9.5	9.5
76 Federal funds sold to and repurchase agreements with others	26.3	32.6	28.8	30.6	29.3	28.0	24.0	20.9	20.6	21.2	20.4	21.0
77 All other loans	85.1	110.2	94.1	91.2	86.6	75.0	69.3	65.4	63.7	65.9	62.9	65.9
78 Lease-financing receivables	132.8	128.8	124.1	124.1	130.1	134.2	133.4	132.3	132.7	132.4	132.2	132.0
79 Interbank loans	141.4	196.3	168.9	154.0	170.4	167.7	151.2	146.0	141.6	146.4	142.6	148.4
80 Federal funds sold to and repurchase agreements with commercial banks	73.8	123.3	90.7	90.9	99.0	91.7	78.7	75.1	70.2	76.5	73.6	76.5
81 Other	67.6	73.0	78.2	63.1	71.3	75.9	72.5	70.9	71.4	69.9	69.0	72.0
82 Cash assets ⁴	138.6	170.4	154.2	152.6	158.3	154.4	143.9	138.1	145.3	132.3	136.2	136.3
83 Other assets ⁵	286.3	310.5	321.6	322.0	316.5	313.5	306.2	286.9	288.0	287.7	288.0	279.5
84 Total assets⁶	3,130.3	3,325.8	3,244.0	3,238.1	3,225.5	3,178.8	3,137.2	3,082.2	3,094.9	3,069.0	3,076.7	3,072.4
Liabilities												
85 Deposits	1,719.7	1,849.5	1,786.6	1,800.7	1,818.4	1,795.3	1,795.0	1,798.7	1,807.7	1,797.9	1,785.0	1,789.9
86 Transaction	300.9	370.1	318.1	323.6	340.8	324.5	304.6	300.8	291.9	298.0	303.9	312.0
87 Nontransaction	1,418.8	1,479.4	1,468.5	1,477.0	1,477.6	1,470.8	1,490.4	1,497.9	1,515.8	1,499.9	1,481.1	1,477.9
88 Large time	267.7	261.9	262.2	256.8	251.2	244.4	251.6	247.3	252.2	243.0	247.2	245.5
89 Other	1,151.1	1,217.4	1,206.3	1,220.2	1,226.4	1,226.4	1,238.8	1,250.7	1,263.6	1,256.8	1,233.9	1,232.4
90 Borrowings	681.0	710.8	689.8	666.6	659.7	668.6	658.6	635.2	637.3	620.9	640.6	639.0
91 From banks in the U.S.	224.8	255.4	231.5	216.9	220.4	219.0	214.3	207.4	209.3	206.2	204.2	205.4
92 From nonbanks in the U.S.	456.2	455.4	458.3	449.7	439.2	449.6	444.3	427.8	428.0	414.8	436.5	433.6
93 Net due to related foreign offices	194.9	178.2	184.8	183.5	187.6	178.5	165.8	165.1	161.7	160.4	174.0	165.6
94 Other liabilities	222.8	254.9	231.3	264.8	218.3	198.5	192.3	168.7	173.4	173.7	160.5	165.7
95 Total liabilities	2,818.4	2,993.4	2,892.5	2,915.6	2,884.0	2,840.9	2,811.7	2,767.8	2,780.1	2,752.9	2,760.1	2,760.2
96 Residual (assets less liabilities) ⁷	311.8	332.5	351.4	322.5	341.5	337.9	325.5	314.4	314.7	316.0	316.6	312.2

Footnotes appear on p. A21.

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

E. Foreign-related institutions

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2001	2001				2002			2002			
	Mar. ^r	Sept. ^r	Oct. ^r	Nov. ^r	Dec. ^r	Jan. ^r	Feb. ^r	Mar.	Mar. 6	Mar. 13	Mar. 20	Mar. 27
	Seasonally adjusted											
<i>Assets</i>												
1 Bank credit	621.5	595.5	591.2	597.9	594.3	588.5	588.5	590.2	587.7	588.3	587.9	596.4
2 Securities in bank credit	211.3	226.0	229.8	235.5	237.1	234.1	231.0	226.1	229.0	227.2	224.3	224.6
3 U.S. government securities	66.4	43.5	56.9	60.0	57.8	54.0	49.5	50.9	51.3	51.0	50.3	50.7
4 Other securities	144.9	182.5	172.9	175.5	179.3	180.0	181.6	175.2	177.7	176.2	173.9	173.9
5 Loans and leases in bank credit ²	410.2	369.5	361.5	362.5	357.2	354.4	357.5	364.1	358.7	361.1	363.6	371.8
6 Commercial and industrial	216.7	200.7	196.6	196.1	194.7	193.2	197.5	201.5	197.8	199.4	204.6	204.0
7 Real estate	17.9	18.7	18.7	18.9	19.0	18.9	18.6	18.8	18.5	18.3	19.0	19.2
8 Security ³	107.1	80.0	75.4	77.0	74.2	73.8	71.3	73.5	72.3	74.0	69.7	77.7
9 Other loans and leases	68.6	70.1	70.8	70.4	69.3	68.4	70.1	70.3	70.1	69.4	70.3	70.9
10 Interbank loans	29.3	25.8	23.8	25.0	20.5	25.3	20.0	21.1	25.9	18.6	18.2	22.0
11 Cash assets ⁴	39.3	43.6	39.0	38.1	39.0	39.4	39.6	40.0	39.8	39.0	41.4	39.8
12 Other assets ⁵	36.3	33.6	32.4	34.1	30.5	31.3	30.0	26.8	26.9	26.7	27.0	26.3
13 Total assets⁶	726.1	698.2	686.1	694.8	683.9	684.1	677.7	677.7	679.9	672.2	674.1	684.1
<i>Liabilities</i>												
14 Deposits	388.1	410.8	423.4	433.6	444.7	465.9	471.0	481.5	467.6	475.5	478.7	494.2
15 Transaction	9.7	12.5	10.9	10.9	11.2	11.2	10.6	10.4	10.7	10.0	10.1	11.2
16 Nontransaction	378.5	398.3	412.5	422.7	433.5	454.8	460.5	471.1	457.0	465.5	468.6	483.0
17 Borrowings	239.3	220.2	208.3	213.1	203.0	187.8	189.9	185.4	197.1	183.2	182.9	181.0
18 From banks in the U.S.	26.1	30.6	24.0	24.4	24.8	22.2	22.9	21.6	24.2	19.9	20.8	21.3
19 From others	213.2	189.6	184.3	188.7	178.2	165.6	166.9	163.8	172.9	163.4	162.1	159.7
20 Net due to related foreign offices	2.5	-16.4	-15.3	-29.1	-47.2	-57.5	-66.5	-66.9	-58.0	-61.5	-63.2	-77.0
21 Other liabilities	85.5	81.6	75.8	77.8	75.5	75.6	74.4	65.3	67.3	65.9	64.0	64.0
22 Total liabilities	715.4	696.3	692.1	695.4	676.0	671.8	668.7	665.3	674.0	663.1	662.5	662.3
23 Residual (assets less liabilities) ⁷	10.7	1.9	-6.0	-6	7.9	12.3	9.0	12.4	5.9	9.0	11.6	21.8
	Not seasonally adjusted											
<i>Assets</i>												
24 Bank credit	620.7	592.6	591.3	600.6	601.9	594.1	592.4	590.3	589.8	588.8	589.0	595.4
25 Securities in bank credit	211.3	226.0	229.8	235.5	237.1	234.1	231.0	226.1	229.0	227.2	224.3	224.6
26 U.S. government securities	66.4	43.5	56.9	60.0	57.8	54.0	49.5	50.9	51.3	51.0	50.3	50.7
27 Trading account	9.7	12.0	14.4	13.5	12.5	11.7	11.1	10.5	11.3	10.4	10.3	10.4
28 Investment account	56.6	31.5	42.5	46.5	45.3	42.4	38.4	40.4	40.0	40.6	40.1	40.2
29 Other securities	144.9	182.5	172.9	175.5	179.3	180.0	181.6	175.2	177.7	176.2	173.9	173.9
30 Trading account	98.8	108.1	107.0	107.5	107.5	103.8	101.3	95.0	97.9	95.6	94.3	93.6
31 Investment account	46.1	74.4	65.9	67.9	71.8	76.2	80.2	80.2	79.7	80.6	79.6	80.3
32 Loans and leases in bank credit ²	409.4	366.6	361.5	365.1	364.7	360.0	361.4	364.2	360.8	361.6	364.7	370.8
33 Commercial and industrial	218.2	200.6	197.3	197.7	196.4	194.0	199.0	202.9	199.4	200.4	206.6	205.2
34 Real estate	17.9	18.7	18.7	18.9	19.0	18.9	18.6	18.8	18.5	18.3	19.0	19.2
35 Security ³	104.0	77.6	75.5	78.0	78.2	77.9	73.6	71.4	71.9	73.0	67.9	74.4
36 Other loans and leases	69.4	69.7	70.0	70.5	71.1	69.2	70.2	71.1	71.1	69.9	71.2	72.0
37 Interbank loans	29.3	25.8	23.8	25.0	20.5	25.3	20.0	21.1	25.9	18.6	18.2	22.0
38 Cash assets ⁴	38.3	43.6	39.8	40.4	41.4	41.5	40.4	39.0	39.3	37.9	40.1	38.7
39 Other assets ⁵	37.4	34.3	31.9	33.9	31.3	32.2	30.6	27.6	28.1	28.1	27.6	26.6
40 Total assets⁶	725.3	695.9	686.4	699.5	694.6	692.6	683.0	677.6	682.7	673.1	674.5	682.4
<i>Liabilities</i>												
41 Deposits	389.8	400.9	416.7	437.1	457.1	476.6	476.5	483.7	468.0	475.9	479.3	500.5
42 Transaction	9.5	12.7	11.0	11.1	12.0	11.4	10.7	10.3	10.5	9.8	9.9	11.1
43 Nontransaction	380.3	388.2	405.7	426.1	445.1	465.1	465.7	473.4	457.6	466.1	469.4	489.4
44 Borrowings	239.3	220.2	208.3	213.1	203.0	187.8	189.9	185.4	197.1	183.2	182.9	181.0
45 From banks in the U.S.	26.1	30.6	24.0	24.4	24.8	22.2	22.9	21.6	24.2	19.9	20.8	21.3
46 From others	213.2	189.6	184.3	188.7	178.2	165.6	166.9	163.8	172.9	163.4	162.1	159.7
47 Net due to related foreign offices	5.6	-15.2	-16.8	-30.5	-44.5	-54.4	-63.8	-63.8	-56.4	-59.3	-59.0	-79.9
48 Other liabilities	86.9	82.2	75.2	77.3	76.7	76.9	75.5	66.4	67.9	66.7	65.5	66.2
49 Total liabilities	721.6	688.1	683.4	697.0	692.2	686.9	678.0	671.6	676.6	666.5	668.8	676.8
50 Residual (assets less liabilities) ⁷	3.7	7.8	3.0	2.5	2.4	5.7	5.0	6.0	6.2	6.5	5.7	5.5

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			
	2001	2001				2002			2002			
	Mar. ¹	Sept. ²	Oct. ³	Nov. ⁴	Dec. ⁵	Jan. ⁶	Feb. ⁷	Mar.	Mar. 6	Mar. 13	Mar. 20	Mar. 27
	Not seasonally adjusted											
MEMO												
<i>Large domestically chartered banks, adjusted for mergers</i>												
1 Revaluation gains on off-balance-sheet items ⁸	80.8	98.1	100.8	104.3	80.6	86.3	81.7	73.2	81.7	74.5	73.0	68.6
2 Revaluation losses on off-balance-sheet items ⁸	79.8	84.9	86.0	86.5	68.4	66.5	59.4	52.5	57.8	53.5	51.3	49.1
3 Mortgage-backed securities ⁹	242.0	275.7	299.6	298.8	320.3	318.0	301.1	301.9	300.5	298.5	306.4	301.3
4 Pass-through	176.7	212.4	230.9	213.7	217.9	219.3	205.4	205.3	203.5	201.2	210.3	205.6
5 CMO, REMIC, and other	65.3	63.3	68.7	85.1	102.4	98.7	95.7	96.6	97.0	97.3	96.1	95.8
6 Net unrealized gains (losses) on available-for-sale securities ¹⁰	3.6	7.1	9.2	9.7	4.6	2.9	4.4	4.3	5.5	5.1	4.5	4.4
7 Off-shore credit to U.S. residents ¹¹	22.6	20.3	20.0	19.2	19.1	19.4	19.7	19.6	19.8	19.7	19.8	19.3
8 Securitized consumer loans ¹²	79.9	97.1	97.8	99.3	99.4	94.7	92.8	94.2	93.8	95.1	94.4	93.4
9 Credit cards and related plans	70.4	87.2	87.8	88.3	88.7	84.3	82.6	82.4	81.8	83.1	82.6	81.6
10 Other	9.5	10.0	9.9	11.0	10.7	10.4	10.3	11.9	12.0	11.9	11.8	11.8
11 Securitized business loans ¹²	12.7	20.0	21.1	20.6	19.7	19.4	19.4	17.7	18.9	18.6	17.3	16.9
<i>Small domestically chartered commercial banks, adjusted for mergers</i>												
12 Mortgage-backed securities ⁹	216.8	251.3	261.4	268.9	280.9	281.5	283.9	286.5	286.3	287.3	286.9	285.6
13 Securitized consumer loans ¹²	235.1	240.1	243.7	246.5	251.9	259.3	253.8	251.0	252.4	252.3	248.4	250.2
14 Credit cards and related plans	227.1	232.4	236.3	238.7	244.3	251.9	246.6	243.9	245.2	245.1	241.3	243.1
15 Other	8.1	7.7	7.5	7.8	7.6	7.4	7.2	7.1	7.2	7.1	7.1	7.0
<i>Foreign-related institutions</i>												
16 Revaluation gains on off-balance-sheet items ⁸	56.0	54.8	56.8	55.5	55.1	52.3	52.8	47.0	49.5	47.9	45.9	45.9
17 Revaluation losses on off-balance-sheet items ⁸	54.2	50.5	49.1	48.7	49.3	49.3	49.2	41.7	43.8	42.3	41.0	40.8
18 Securitized business loans ¹²	34.8	26.6	27.1	26.4	25.2	25.5	25.1	24.1	24.7	24.3	24.1	23.8

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.

A22 Domestic Financial Statistics □ June 2002

1.32 COMMERCIAL PAPER OUTSTANDING

Millions of dollars, seasonally adjusted, end of period

Item	Year ending December					2001				2002	
	1997	1998	1999	2000	2001	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
1 All issuers	966,699	1,163,303	1,403,023	1,615,341	1,438,764	1,423,004	1,436,254	1,435,808	1,438,764	1,428,494	1,402,875
Financial companies ¹											
2 Dealer-placed paper, total ²	513,307	614,142	786,643	973,060	989,364	950,346	984,996	993,491	989,364	984,251	984,441
3 Directly placed paper, total ³	252,536	322,030	337,240	298,848	224,553	255,122	232,407	227,422	224,553	224,595	218,266
4 Nonfinancial companies ⁴	200,857	227,132	279,140	343,433	224,847	217,537	218,851	214,894	224,847	219,648	200,168

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
1999—Jan. 1	7.75	1999	8.00	2000—Jan.	8.50	2001—Jan.	9.05
July 1	8.00	2000	9.23	Feb.	8.73	Feb.	8.50
Aug. 25	8.25	2001	6.91	Mar.	8.83	Mar.	8.32
Nov. 17	8.50			Apr.	9.00	Apr.	7.80
		1999—Jan.	7.75	May	9.24	May	7.24
2000—Feb. 3	8.75	Feb.	7.75	June	9.50	June	6.98
Mar. 22	9.00	Mar.	7.75	July	9.50	July	6.75
May 17	9.50	Apr.	7.75	Aug.	9.50	Aug.	6.67
		May	7.75	Sept.	9.50	Sept.	6.28
2001—Jan. 4	9.00	June	7.75	Oct.	9.50	Oct.	5.53
Feb. 1	8.50	July	8.00	Nov.	9.50	Nov.	5.10
Mar. 21	8.00	Aug.	8.06	Dec.	9.50	Dec.	4.84
Apr. 19	7.50	Sept.	8.25			2002—Jan.	4.75
May 16	7.00	Oct.	8.25			Feb.	4.75
June 28	6.75	Nov.	8.37			Mar.	4.75
Aug. 22	6.50	Dec.	8.50			Apr.	4.75
Sept. 18	6.00						
Oct. 3	5.50						
Nov. 7	5.00						
Dec. 12	4.75						

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

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

1.35 INTEREST RATES Money and Capital Markets

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

Item	1999	2000	2001	2001	2002			2002, week ending				
				Dec.	Jan.	Feb.	Mar.	Mar. 1	Mar. 8	Mar. 15	Mar. 22	Mar. 29
MONEY MARKET INSTRUMENTS												
1 Federal funds ^{1,2,3}	4.97	6.24	3.88	1.82	1.73	1.74	1.73	1.75	1.74	1.71	1.76	1.70
2 Discount window borrowing ^{3,4}	4.62	5.73	3.40	1.33	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
<i>Commercial paper^{3,5,6}</i>												
<i>Nonfinancial</i>												
3 1-month	5.09	6.27	3.78	1.84	1.70	1.76	1.78	1.75	1.78	1.78	1.78	1.79
4 2-month	5.14	6.29	3.68	1.79	1.69	1.76	1.82	1.77	1.80	1.83	1.83	1.84
5 3-month	5.18	6.31	3.65	1.78	1.70	1.79	1.86	1.78	1.80	1.87	1.88	1.91
<i>Financial</i>												
6 1-month	5.11	6.28	3.80	1.83	1.72	1.77	1.80	1.77	1.79	1.81	1.80	1.79
7 2-month	5.16	6.30	3.71	1.81	1.71	1.78	1.82	1.79	1.80	1.83	1.83	1.82
8 3-month	5.22	6.33	3.65	1.81	1.72	1.80	1.87	1.80	1.84	1.88	1.89	1.90
<i>Certificates of deposit, secondary market^{3,7}</i>												
9 1-month	5.19	6.35	3.84	1.90	1.75	1.81	1.84	1.82	1.83	1.85	1.85	1.85
10 3-month	5.33	6.46	3.71	1.83	1.74	1.82	1.91	1.83	1.86	1.92	1.94	1.97
11 6-month	5.46	6.59	3.66	1.90	1.85	1.95	2.16	1.96	2.03	2.16	2.22	2.29
12 Eurodollar deposits, 3-month ^{3,8}	5.31	6.45	3.70	1.84	1.75	1.82	1.91	1.81	1.85	1.92	1.93	1.96
<i>U.S. Treasury bills</i>												
<i>Secondary market^{3,5}</i>												
13 3-month	4.64	5.82	3.40	1.69	1.65	1.73	1.79	1.74	1.76	1.81	1.82	1.79
14 6-month	4.75	5.90	3.34	1.78	1.73	1.82	2.01	1.85	1.91	2.01	2.07	2.07
15 1-year	4.81	5.78	3.84	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
U.S. TREASURY NOTES AND BONDS												
<i>Constant maturities⁹</i>												
16 1-year	5.08	6.11	3.49	2.22	2.16	2.23	2.57	2.28	2.41	2.58	2.66	2.70
17 2-year	5.43	6.26	3.83	3.11	3.03	3.02	3.56	3.08	3.34	3.58	3.70	3.71
18 3-year	5.49	6.22	4.09	3.62	3.56	3.55	4.14	3.61	3.89	4.16	4.32	4.31
19 5-year	5.55	6.16	4.56	4.39	4.34	4.30	4.74	4.30	4.55	4.77	4.84	4.88
20 7-year	5.79	6.20	4.88	4.86	4.79	4.71	5.14	4.73	4.97	5.18	5.23	5.26
21 10-year	5.65	6.03	5.02	5.09	5.04	4.91	5.28	4.90	5.13	5.34	5.37	5.38
22 20-year	6.20	6.23	5.63	5.76	5.69	5.61	5.93	5.61	5.80	5.98	6.00	6.00
23 30-year	5.87	5.94	5.49	5.48	5.45	5.40	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
STATE AND LOCAL NOTES AND BONDS												
<i>Moody's series¹⁰</i>												
24 Aaa	5.28	5.58	4.99	5.18	5.05	4.93	5.09	4.91	4.99	5.06	5.15	5.16
25 Baa	5.70	6.19	5.75	5.81	5.64	5.71	5.92	5.69	5.80	5.90	5.98	6.00
26 Bond Buyer series ¹¹	5.43	5.71	5.15	5.25	5.16	5.11	5.29	5.07	5.19	5.30	5.34	5.32
CORPORATE BONDS												
27 Seasoned issues, all industries ¹²	7.45	7.98	7.49	7.43	7.24	7.18	7.44	7.18	7.33	7.48	7.50	7.49
<i>Rating group</i>												
28 Aaa ¹³	7.05	7.62	7.08	6.77	6.55	6.51	6.81	6.53	6.69	6.85	6.88	6.87
29 Aa	7.36	7.83	7.26	7.19	7.03	6.95	7.22	6.96	7.12	7.26	7.28	7.26
30 A	7.53	8.11	7.67	7.70	7.50	7.37	7.62	7.35	7.51	7.67	7.67	7.66
31 Baa	7.88	8.37	7.95	8.05	7.87	7.89	8.11	7.88	8.00	8.13	8.17	8.16
MEMO												
32 Dividend-price ratio ¹⁴	1.25	1.15	1.32	1.36	1.38	1.43	1.37	1.42	1.36	1.37	1.37	1.38

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. Rate for the Federal Reserve Bank of New York.

5. Quoted on a discount basis.

6. Interest rates interpolated from data on certain commercial paper trades settled by the Depository Trust Company. The trades represent sales of commercial paper by dealers or direct issuers to investors (that is, the offer side). See 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. SOURCE: U.S. Department of the Treasury.

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

11. 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.

12. 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.

13. 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.

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

1.36 STOCK MARKET Selected Statistics

Indicator	1999	2000	2001	2001						2002		
				July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan	Feb.	Mar.
Prices and trading volume (averages of daily figures)												
<i>Common stock prices (indexes)</i>												
1 New York Stock Exchange (Dec. 31, 1965 = 50)	619.52	643.71	606.03	613.36	604.52	544.39	556.04	575.31	582.82	581.74	569.55	600.74
2 Industrial	775.29	809.40	749.46	756.04	748.65	672.89	688.35	715.98	727.67	723.56	715.80	751.79
3 Transportation	491.62	414.73	444.45	469.80	458.35	382.68	371.56	410.05	433.70	446.13	453.51	490.51
4 Utility	284.82	478.99	377.72	374.11	357.76	339.72	341.51	330.78	325.33	322.92	301.32	316.25
5 Finance	530.97	552.48	596.61	614.54	605.59	538.01	553.16	577.85	585.47	591.94	570.18	609.72
6 Standard & Poor's Corporation (1941-43 = 10) ¹	1,327.33	1,427.22	1,194.18	1,204.45	1,178.51	1,044.64	1,076.59	1,129.68	1,144.93	1,140.21	1,100.67	1,153.79
7 American Stock Exchange (Aug. 31, 1973 = 50) ²	770.90	922.22	879.08	892.74	883.01	823.78	825.91	814.78	828.19	835.02	845.81	891.08
<i>Volume of trading (thousands of shares)</i>												
8 New York Stock Exchange	799,554	1,026,867	1,216,529	1,120,074	1,012,907	1,666,980	1,293,019	1,242,965	1,240,245	1,401,913	1,362,830	1,321,351
9 American Stock Exchange	32,629	51,437	68,074	56,735	48,304	72,319	66,765	88,694	53,337	55,151	55,657	56,375
Customer financing (millions of dollars, end-of-period balances)												
10 Margin credit at broker-dealers ³	228,530	198,790	150,450	165,250	161,130	144,670	144,010	148,650	150,450	150,390	147,030	149,370
<i>Free credit balances at brokers⁴</i>												
11 Margin accounts ⁵	55,130	100,680	101,640	97,950	103,990	115,450	101,850	98,330	101,640	97,330	99,350	93,700
12 Cash accounts	79,070	84,400	78,040	73,490	73,710	74,220	69,550	72,090	78,040	75,110	72,730	69,790
Margin requirements (percent of market value and effective date) ⁶												
	Mar. 11, 1968		June 8, 1968		May 6, 1970		Dec. 6, 1971		Nov. 24, 1972		Jan. 3, 1974	
13 Margin stocks	70		80		65		55		65		50	
14 Convertible bonds	50		60		50		50		50		50	
15 Short sales	70		80		65		55		65		50	

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

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

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

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

5. Series initiated in June 1984.

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

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

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Fiscal year			Calendar year					
	1999	2000	2001	2001			2002		
				Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
<i>U.S. budget¹</i>									
1 Receipts, total	1,827,454	2,025,218	1,991,030	157,163	121,233	187,914	203,452	97,962	111,220
2 On-budget	1,382,986	1,544,634	1,483,511	122,004	83,375	150,941	153,541	57,087	65,624
3 Off-budget	444,468	480,584	507,519	35,159	37,858	36,973	49,911	40,875	45,596
4 Outlays, total	1,701,932	1,788,826	1,863,926	166,548	175,500	161,347	159,726	174,018	175,458
5 On-budget	1,381,154	1,458,061	1,516,933	134,014	140,388	162,916	127,001	137,713	138,167
6 Off-budget	320,778	330,765	346,993	32,534	35,112	-1,569	32,726	36,304	37,290
7 Surplus or deficit (-), total	125,522	236,392	127,104	-9,385	-54,267	26,567	43,726	-76,056	-64,238
8 On-budget	1,832	86,573	-33,422	-12,010	-57,013	-11,975	26,540	-80,626	-72,543
9 Off-budget	123,690	149,819	160,526	2,625	2,746	38,542	17,185	4,571	8,306
<i>Source of financing (total)</i>									
10 Borrowing from the public	-88,674	-222,807	-90,118	-3,695	72,036	-8,813	-15,240	63,882	2,128
11 Operating cash (decrease, or increase [-])	-17,580	3,799	8,440	16,612	-2,908	-21,837	-23,016	30,729	30,545
12 Other ²	-19,268	-17,384	-45,426	-3,532	-14,861	4,083	-5,470	-18,555	31,565
<i>MEMO</i>									
13 Treasury operating balance (level, end of period)	56,458	52,659	44,219	27,607	30,515	52,352	75,368	44,639	14,094
14 Federal Reserve Banks	6,641	8,459	9,796	5,112	6,219	6,645	13,688	5,752	5,692
15 Tax and loan accounts	49,817	44,199	34,423	22,495	24,295	45,707	61,680	38,887	8,403

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

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

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

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

Table 1.38 will no longer be published in the *Federal Reserve Bulletin* after this issue (June 2002). For information on where to obtain the data presented in this table, please see the "Announcements" section, pp. 290-91.

1.39 U.S. BUDGET RECEIPTS AND OUTLAYS¹

Millions of dollars

Source or type	Fiscal year		Calendar year						
	2000	2001	2000		2001		2002		
			H1	H2	H1	H2	Jan.	Feb.	Mar.
RECEIPTS									
1 All sources	2,025,218	1,991,030	1,089,763	953,667	1,120,040	875,322	203,452	97,962	111,220
2 Individual income taxes, net	1,004,462	994,339	550,208	458,679	580,632	420,105	112,095	35,745	25,022
3 Withheld	780,397	793,386	388,526	395,572	402,417	398,365	64,403	62,002	65,528
4 Nonwithheld	358,049	383,146	281,103	77,732	308,418	76,199	49,132	3,341	6,256
5 Refunds	134,046	182,251	119,477	14,628	130,256	54,461	1,442	29,607	46,778
Corporation income taxes									
6 Gross receipts	235,655	186,732	119,166	123,962	102,947	90,970	12,321	2,995	23,444
7 Refunds	28,367	35,657	13,781	15,776	20,262	21,945	3,071	4,935	8,117
8 Social insurance taxes and contributions, net	652,852	693,967	353,514	310,122	379,878	314,678	66,164	54,617	59,044
9 Employment taxes and contributions ²	620,451	661,442	333,584	297,665	359,648	302,518	64,593	52,243	58,335
10 Unemployment insurance	27,640	27,812	17,562	10,097	17,842	9,880	1,223	2,016	271
11 Other net receipts ³	4,761	4,713	2,368	2,360	2,387	2,281	348	358	438
12 Excise taxes	68,865	66,068	33,532	35,501	32,490	29,124	9,162	3,834	6,063
13 Customs deposits	19,914	19,369	9,218	10,676	9,370	10,032	1,562	1,351	1,219
14 Estate and gift taxes	29,010	28,400	15,073	13,216	15,471	12,643	2,389	1,881	2,074
15 Miscellaneous receipts ⁴	42,826	37,812	22,831	17,286	19,517	19,595	2,831	2,473	2,471
OUTLAYS									
16 All types	1,788,826	1,863,926	892,947	895,630	948,750	954,307	159,723⁵	174,018	175,458
17 National defense	294,494	308,533	143,476	147,651	153,154	160,877	24,693	27,391	31,545
18 International affairs	17,216	16,601	7,250	11,902	6,522	9,072	4,833	2,036	868
19 General science, space, and technology	18,637	19,896	9,601	10,389	10,073	10,868	1,523	1,689	1,716
20 Energy	-1,060	89	-893	130	-244	494	-409	-289	391
21 Natural resources and environment	25,031	26,335	10,814	12,907	11,059	13,310	2,067	1,916	2,288
22 Agriculture	36,641	26,553	11,164	20,977	10,832	19,954	2,727	1,856	2,291
23 Commerce and housing credit	3,211	6,030	-2,497	4,408	-1,539	6,941	1,411	-1,638	1,044
24 Transportation	46,854	55,220	21,054	25,841	23,810	33,006	4,539	4,387	4,399
25 Community and regional development	10,629	11,977	5,050	5,962	5,265	8,450	579	948	761
26 Education, training, employment, and social services	59,201	57,302	31,234	29,263	35,698	28,290	7,398	6,699	5,788
27 Health	154,534	172,634	75,871	81,413	87,427	92,411	16,718	14,699	15,768
28 Social security and Medicare	606,549	650,593	306,966	307,473	328,072	331,522	53,838	56,542	57,291
29 Income security	247,895	269,770	133,915	113,212	146,913	124,312	23,150	38,398	32,868
30 Veterans benefits and services	47,083	45,828	23,174	22,615	23,171	24,769	2,390	4,340	3,544
31 Administration of justice	27,820	30,443	13,981	14,635	14,694	16,209	2,451	2,503	2,977
32 General government	13,454	15,153	6,198	6,461	8,887	8,688	424	2,149	890
33 Net interest ⁵	223,218	206,199	115,545	104,685	107,824	89,692	15,095	14,282	14,523
34 Undistributed offsetting receipts ⁶	-42,581	-55,230	-19,346	-24,070	-22,865	-24,516	-3,700	-3,891	-3,494

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

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

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

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

5. Includes interest received by trust funds.

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

SOURCE: Fiscal year totals: U.S. Office of Management and Budget, *Budget of the U.S. Government, Fiscal Year 2003*; monthly and half-year totals: U.S. Department of the Treasury, *Monthly Treasury Statement of Receipts and Outlays of the U.S. Government*.

Table 1.39 will no longer be published in the *Federal Reserve Bulletin* after this issue (June 2002). For information on where to obtain the data presented in this table, please see the "Announcements" section, pp 290-91.

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars, end of month

Item	2000				2001				2002
	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31
1 Federal debt outstanding	5,801.5	5,714.2	5,701.9	5,689.6	5,800.6	5,753.9	5,834.5	5,970.3	n.a.
2 Public debt securities	5,773.4	5,685.9	5,674.2	5,662.2	5,773.7	5,726.8	5,807.5	5,943.4	6,006.0 ^f
3 Held by public	3,688.0	3,495.7	3,438.5	3,413.5	3,434.4	3,274.2	3,338.7	3,393.8	n.a.
4 Held by agencies	2,085.4	2,190.2	2,235.7	2,248.7	2,339.4	2,452.6	2,468.8	2,549.7	n.a.
5 Agency securities	28.1	28.3	27.7	27.4	26.8	27.1	27.0	26.8	n.a.
6 Held by public	27.8	28.2	27.6	27.3	26.8	27.1	27.0	26.8	n.a.
7 Held by agencies	.4	.1	.1	.1	.1	.0	.0	.0	n.a.
8 Debt subject to statutory limit	5,686.5	5,600.6	5,591.6	5,580.5	5,692.5	5,645.0	5,732.6	5,871.4	5,935.1^f
9 Public debt securities	5,686.3	5,600.5	5,591.4	5,580.2	5,692.3	5,644.8	5,807.5	5,943.4	6,006.0 ^f
10 Other debt ¹	.2	.2	.2	.2	.2	.2	.2	.3	.2 ^f
MEMO									
11 Statutory debt limit	5,950.0	5,950.0	5,950.0	5,950.0	5,950.0	5,950.0	5,950.0	5,950.0	5,950.0 ^f

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	1998	1999	2000	2001	2001			2002
					Q2	Q3	Q4	Q1
1 Total gross public debt	5,614.2	5,776.1	5,662.2	5,943.4	5,726.8	5,807.5	5,943.4	6,006.0
<i>By type</i>								
2 Interest-bearing	5,605.4	5,766.1	5,618.1	5,930.8	5,682.8	5,763.6	5,930.8	5,962.2
3 Marketable	3,355.5	3,281.0	2,966.9	2,982.9	2,822.3	2,897.3	2,982.9	3,003.3
4 Bills	691.0	737.1	646.9	811.3	620.1	734.9	811.3	834.4
5 Notes	1,960.7	1,784.5	1,557.3	1,413.9	1,441.0	1,399.6	1,413.9	1,411.7
6 Bonds	621.2	643.7	626.5	602.7	616.9	612.9	602.7	596.7
7 Inflation-indexed notes and bonds ¹	67.6	100.7	121.2	140.1	129.3	134.9	140.1	145.6
8 Nonmarketable ²	2,249.9	2,485.1	2,651.2	2,947.9	2,860.5	2,866.4	2,947.9	2,958.9
9 State and local government series	165.3	165.7	151.0	146.3	153.3	146.4	146.3	141.1
10 Foreign issues ³	34.3	31.3	27.2	15.4	24.0	18.3	15.4	14.6
11 Government	34.3	31.3	27.2	15.4	24.0	18.3	15.4	14.6
12 Public	.0	.0	.0	.0	.0	.0	.0	.0
13 Savings bonds and notes	180.3	179.4	176.9	181.5	178.4	179.6	181.5	183.6
14 Government account series ⁴	1,840.0	2,078.7	2,266.1	2,574.8	2,474.7	2,492.1	2,574.8	2,589.7
15 Non-interest-bearing	8.8	10.0	44.2	12.7	44.0	43.8	12.7	43.8
<i>By holder⁵</i>								
16 U.S. Treasury and other federal agencies and trust funds	1,828.1	2,064.2	2,249.0	2,572.2	2,469.1	2,493.7	2,572.2	n.a.
17 Federal Reserve Banks ⁶	452.1	478.0	511.7	551.7	535.1	534.1	551.7	575.4
18 Private investors	3,334.0	3,233.9	2,880.4	2,819.5	2,722.6	2,779.7	2,819.5	n.a.
19 Depository institutions	237.3	246.5	199.2	182.2	190.1	189.5	182.2	n.a.
20 Mutual funds	343.3	335.4	312.6	258.5	219.2	231.6	258.5	n.a.
21 Insurance companies	141.7	123.4	110.2	85.7	94.8	88.5	85.7	n.a.
22 State and local treasuries ⁷	269.3	266.8	236.2	205.4	224.0	208.9	205.4	n.a.
Individuals								
23 Savings bonds	186.6	186.4	184.8	190.3	185.5	186.4	190.3	n.a.
24 Pension funds	356.9	349.7	333.4	288.4	308.4	287.3	288.4	n.a.
25 Private	139.1	138.5	137.7	102.4	104.0	99.6	102.4	n.a.
26 State and Local	217.7	211.2	195.7	186.0	204.4	187.7	186.0	n.a.
27 Foreign and international ⁸	1,278.7	1,268.7	1,201.3	1,218.1	1,167.4	1,170.1	1,218.1	n.a.
28 Other miscellaneous investors ⁹	517.5	444.1	276.9	n.a.	210.5	279.4	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	2001	2002		2002, week ending								
	Dec.	Jan.	Feb.	Jan. 30	Feb. 6	Feb. 13	Feb. 20	Feb. 27	Mar. 6	Mar. 13	Mar. 20	Mar. 27
<i>By type of security</i>												
1 U.S. Treasury bills	37,927	37,522	42,233	40,004	37,395	41,228	42,734	46,041	45,570	40,283	44,145	45,143
<i>Treasury coupon securities by maturity</i>												
2 Three years or less	97,643	137,139	122,427	145,437	116,619	108,801	94,762	154,118	165,986	126,245	133,712	176,569
3 More than three but less than or equal to six years	74,502	80,482	82,210	101,788	91,706	80,396	70,507	82,332	99,504	98,852	83,989	84,674
4 More than six but less than or equal to eleven years	57,308	72,361	69,912	77,416	80,380	71,579	63,140	64,496	73,869	80,437	87,647	68,496
5 More than eleven years	18,470	18,413	15,747	21,583	17,776	15,597	13,833	15,490	17,318	23,711	24,174	20,340
6 Inflation-indexed ²	1,228	2,153	1,735	977	1,977	1,306	1,798	1,981	1,433	1,876	1,618	2,073
<i>Federal agency and government-sponsored enterprises</i>												
7 Discount notes	59,418	56,379	54,029	54,037	57,942	49,799	58,498	50,547	59,060	48,300	45,465	46,347
<i>Coupon securities by maturity</i>												
8 Three years or less	9,412	11,890	10,672	10,019	11,759	10,542	7,320	11,993	13,773	13,394	9,495	11,634
9 More than three years but less than or equal to six years	8,016	9,585	10,590	13,170	7,978	10,972	8,197	14,042	11,442	18,286	8,750	13,461
10 More than six years but less than or equal to eleven years	7,031	10,687	6,019	9,957	7,625	5,737	4,893	5,698	7,114	5,683	5,434	11,596
11 More than eleven years	1,435	980	1,473	995	1,421	1,049	2,755	930	1,384	1,116	1,543	886
12 Mortgage-backed	113,262	140,307	136,655	120,841	137,347	172,382	123,213	105,130	166,643	186,160	120,768	85,962
<i>Corporate securities</i>												
13 One year or less	71,082	75,514 ^r	102,218 ^r	78,578	106,206 ^r	101,309	106,007	96,351	104,988	103,347	119,179	111,132
14 More than one year	15,326	20,307 ^r	18,835 ^r	25,238	17,310 ^r	20,437	17,147	19,117	22,264	25,585	23,063	26,930
<i>By type of counterparty</i>												
<i>With interdealer broker</i>												
15 U.S. Treasury	127,310	155,689	156,162	171,019	159,212	151,247	133,799	170,629	185,646	163,503	165,508	187,493
<i>Federal agency and government-sponsored enterprises</i>												
17 Mortgage-backed	29,886	37,059	34,770	31,044	31,671	44,779	31,651	28,067	43,109	50,720	30,510	21,395
18 Corporate	382	568	536	607	517	511	500	592	608	638	635	634
<i>With other</i>												
19 U.S. Treasury	159,770	192,381	178,102	216,186	186,642	167,660	152,975	193,829	218,032	207,901	209,777	209,801
<i>Federal agency and government-sponsored enterprises</i>												
20 Mortgage-backed	75,549	77,175	71,811	75,318	75,379	67,326	71,966	71,692	79,940	73,186	60,578	70,562
21 Corporate	83,376	103,248	101,885	89,797	105,676	127,602	91,562	77,063	123,534	135,439	90,258	64,567
22 Corporate	86,026	95,252 ^r	120,517 ^r	103,209	122,999 ^r	121,235	122,655	114,876	126,644	128,294	141,607	137,429

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.

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/phome/statistics>) under the Primary Dealer heading.

1.43 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing¹

Millions of dollars

Item, by type of security	2001	2002		2002, week ending							
	Dec.	Jan. ¹	Feb.	Jan. 30 ¹	Feb. 6	Feb. 13	Feb. 20	Feb. 27	Mar. 6	Mar. 13	Mar. 20
Net Outright Positions ²											
1 U.S. Treasury bills	39,006	28,500	28,170	24,799	21,321	21,238	33,513	35,459	29,365	28,240	24,139
Treasury coupon securities by maturity											
2 Three years or less	-26,923	-27,102	-28,348	-29,185	-28,808	-29,054	-29,903	-26,162	-25,054	-25,831	-21,968
3 More than three years but less than or equal to six years	-23,893	-23,434	-23,482	-29,186	-25,085	-24,584	-20,171	-23,869	-26,630	-33,222	-34,689
4 More than six but less than or equal to eleven years	-16,503	-17,847	-13,477	-17,922	-12,857	-14,206	-13,088	-13,353	-15,694	-19,007	-15,430
5 More than eleven	4,361	9,521	12,230	12,145	12,228	12,804	12,277	11,791	10,973	9,360	5,014
6 Inflation-indexed	2,940	3,415	3,450	3,284	3,568	3,432	3,491	3,358	3,235	3,980	4,292
Federal agency and government- sponsored enterprises											
7 Discount notes	48,745	46,497	49,069	47,310	48,092	49,430	50,726	49,300	39,201	48,806	46,367
Coupon securities, by maturity											
8 Three years or less	10,803	13,976	11,856	14,926	11,943	12,148	12,102	11,775	8,144	9,985	8,167
9 More than three years but less than or equal to six years	-1,037	707	1,318	1,037	283	1,810	686	2,817	-1,979	248	-555
10 More than six but less than or equal to eleven years	1,788	472	1,111	1,181	1,108	1,410	711	1,248	869	1,601	1,637
11 More than eleven	3,373	3,443	3,479	3,635	3,065	3,411	3,855	3,571	3,155	3,006	2,123
12 Mortgage-backed	19,169	13,742	6,195	13,827	13,005	7,461	6,415	202	-3,110	7,207	9,355
Corporate securities											
13 One year or less	17,586	18,398	17,989	15,140	17,265	15,803	19,118	19,184	21,379	21,638	23,988
14 More than one year	39,165	39,681	36,235	38,054	34,047	35,251	37,845	37,172	38,416	41,053	43,072
Financing ³											
<i>Securities in, U.S. Treasury</i>											
15 Overnight and continuing	537,442	539,785	547,472	548,749	556,347	523,105	558,369	551,470	560,526	569,429	565,327
16 Term	714,984	642,804	656,569	671,119	698,290	715,048	586,616	635,463	634,291	687,783	704,872
Federal agency and government- sponsored enterprises											
17 Overnight and continuing	127,437	131,213	140,693	134,466	143,080	141,845	145,829	131,699	145,325	139,231	145,875
18 Term	241,111	224,528	224,572	231,744	227,156	228,523	213,966	228,884	225,458	237,047	225,112
Mortgage-backed securities											
19 Overnight and continuing	31,406	30,400	35,759	30,657	33,451	32,697	37,700	38,201	40,355	39,769	33,249
20 Term	224,217	212,612	217,733	214,710	215,615	222,147	216,347	216,524	217,717	220,960	217,599
Corporate securities											
21 Overnight and continuing	37,508	38,733	41,282	40,732	39,034	41,358	41,700	42,354	43,808	44,549	44,718
22 Term	18,653	19,861	22,077	21,499	22,255	22,074	22,562	21,483	21,788	21,594	24,156
MEMO											
Reverse repurchase agreements											
23 Overnight and continuing	350,965	356,539	381,084	375,740	381,637	350,895	393,304	395,633	401,710	404,460	399,789
24 Term	1,072,648	967,513	997,678	1,010,669	1,044,500	1,066,793	919,194	970,575	972,051	1,033,257	1,037,880
<i>Securities out, U.S. Treasury</i>											
25 Overnight and continuing	528,953	537,222	551,187	524,470	553,071	507,440	565,251	578,501	556,471	552,577	541,628
26 Term	662,681	572,591	580,525	614,564	627,275	647,568	505,379	551,633	559,003	612,452	639,945
Federal agency and government- sponsored enterprises											
27 Overnight and continuing	219,344	234,669	248,413	244,198	249,943	249,698	253,204	242,416	238,684	230,978	235,062
28 Term	194,382	167,974	167,477	170,989	166,411	174,082	160,571	168,268	170,434	182,742	172,942
Mortgage-backed securities											
29 Overnight and continuing	280,666	288,665	286,742	274,190	274,085	289,354	294,026	290,597	266,431	294,422	292,810
30 Term	130,237	122,101	127,225	123,855	121,904	134,011	125,271	126,382	131,224	133,294	134,162
Corporate securities											
31 Overnight and continuing	95,841	97,931	100,801	99,232	98,515	98,645	102,059	103,742	100,217	105,171	116,128
32 Term	10,774	14,398	17,993	17,705	17,413	16,365	19,887	18,234	17,913	19,233	17,016
MEMO											
Repurchase agreements											
33 Overnight and continuing	980,434	1,010,207	1,044,255	999,193	1,031,238	1,003,818	1,072,141	1,071,774	1,017,584	1,041,599	1,033,480
34 Term	976,295	854,628	872,476	905,362	914,919	949,954	790,127	843,039	857,963	926,003	944,365

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).

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.

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1998	1999	2000	2001	2001				2002
					Sept.	Oct.	Nov.	Dec.	Jan.
1 Federal and federally sponsored agencies	1,296,477	1,616,492	1,851,632	n.a.	2,071,164	26,781	n.a.	n.a.	n.a.
2 Federal agencies	26,502	26,376	25,666	276	27,017	6	275	276	290
3 Defense Department ¹	6	6	6	6	6	n.a.	6	6	6
4 Export-Import Bank ^{2,3}	n.a.	n.a.	n.a.	n.a.	n.a.	252	n.a.	n.a.	n.a.
5 Federal Housing Administration ⁴	205	126	255	26,828	231	n.a.	26,655	26,828	26,741
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.	26,775	n.a.	n.a.	n.a.
8 Tennessee Valley Authority	26,496	26,370	25,660	270	27,011	n.a.	269	270	284
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	1,269,975	1,590,116	1,825,966	2,120,781	2,044,147	2,053,686	2,071,168	2,120,781	n.a.
11 Federal Home Loan Banks	382,131	529,005	594,404	623,740	614,325	618,071	617,146	623,740	623,990
12 Federal Home Loan Mortgage Corporation	287,396	360,711	426,899	565,071	534,434	540,371	546,566	565,071	571,867
13 Federal National Mortgage Association	460,291	547,619	642,700	763,500	727,000	726,200	737,500	763,500	760,500
14 Farm Credit Banks ⁸	63,488	68,883	74,181	76,673	76,385	76,339	75,815	76,673	76,494
15 Student Loan Marketing Association ⁹	35,399	41,988	45,375	48,350	49,404	50,075	51,494	48,350	n.a.
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	44,129	42,152	40,575	39,096	42,825	40,574	40,485	39,096	38,140
<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	9,500	6,665	5,275	n.a.	4,375	n.a.	n.a.	n.a.	n.a.
26 Rural Electrification Administration	14,091	14,085	13,126	13,876	13,599	13,698	13,822	13,876	13,982
27 Other	20,538	21,402	22,174	25,220	30,851	26,876	26,663	25,220	24,158

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 Tax-Exempt State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1999	2000	2001	2001					2002		
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
1 All issues, new and refunding¹	215,427	180,403	270,566	21,152	13,159	30,446	30,105	28,363	20,523	20,175	23,842
<i>By type of issue</i>											
2 General obligation	73,308	64,475	100,519	8,796	3,926	14,302	10,163	9,218	8,157	8,652	10,269
3 Revenue	142,120	115,928	170,047	12,356	9,233	16,144	19,942	19,146	12,366	11,523	13,574
<i>By type of issuer</i>											
4 State	16,376	19,944	30,099	2,713	1,504	6,008	2,271	746	1,826	3,238	3,265
5 Special district or statutory authority ²	152,418	111,695	281,427	12,351	9,137	17,382	21,601	22,525	14,369	11,950	15,479
6 Municipality, county, or township	46,634	39,273	61,040	6,088	2,518	7,056	6,233	5,093	4,329	4,987	5,098
7 Issues for new capital	161,065	154,257	192,161	13,550	10,110	21,249	21,009	21,389	14,631	13,248	16,856
<i>By use of proceeds</i>											
8 Education	36,563	38,665	50,054	2,950	3,017	4,279	4,475	4,818	4,138	3,961	5,484
9 Transportation	17,394	19,730	21,411	1,669	1,195	1,587	2,882	1,349	1,079	613	1,633
10 Utilities and conservation	15,098	11,917	21,917	1,228	1,025	2,324	2,429	2,560	1,711	1,606	1,290
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	9,099	7,122	6,607	708	663	688	359	1,642	539	125	515
13 Other purposes	47,896	47,309	55,733	4,524	1,732	9,158	5,281	6,319	4,639	4,897	4,894

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	1999	2000	2001	2001					2002		
				July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
1 All issues¹	1,072,866	942,198	1,382,003	93,451	97,944	89,855	139,181	123,517	96,576	102,688	86,090
2 Bonds²	941,298	807,281	1,253,449	84,872	89,990	84,509	123,346	110,888	81,339	88,241	79,515
<i>By type of offering</i>											
3 Sold in the United States	818,683	684,484	1,197,060	79,508	86,759	80,223	120,162	106,563	79,636	79,472	73,474
4 Sold abroad	122,615	122,798	56,389	5,364	3,231	4,286	3,185	4,326	1,703	8,770	6,041
MEMO											
5 Private placements, domestic	24,703	18,370	8,734	12	48	0	224	4,936	2,880	0	0
<i>By industry group</i>											
6 Nonfinancial	293,963	242,207	445,930	18,904	28,546	31,920	43,830	42,189	21,647	18,894	30,770
7 Financial	647,335	565,074	807,519	65,968	61,443	52,589	79,517	68,699	59,692	69,348	48,746
8 Stocks³	223,968	283,717	128,554	8,579	7,954	5,346	15,835	12,629	15,237	14,447	6,575
<i>By type of offering</i>											
9 Public	131,568	134,917	128,554	8,579	7,954	5,346	15,835	12,629	15,237	14,447	6,575
10 Private placement ⁴	92,400	148,800	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<i>By industry group</i>											
11 Nonfinancial	110,284	118,369	77,577	4,237	5,487	81	7,611	7,592	7,771	9,579	4,024
12 Financial	21,284	16,548	50,977	4,342	2,467	5,265	8,224	5,037	7,466	4,868	2,551

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

2. Monthly data include 144(a) offerings.

3. Monthly data cover only public offerings.

4. Data are not available.

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

A32 Domestic Financial Statistics □ June 2002

1.47 OPEN-END INVESTMENT COMPANIES Net Sales and Assets¹

Millions of dollars

Item	2000	2001	2001					2002		
			Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb. ²	Mar.
1 Sales of own shares ²	2,279,315	1,806,474	142,577	105,038	153,827	147,192	151,779	171,499	141,463	171,298
2 Redemptions of own shares	2,057,277	1,677,266	131,408	127,995	137,837	124,060	149,705	138,773	123,013	131,828
3 Net sales ³	222,038	129,208	11,169	-22,957	15,990	23,132	2,074	32,726	18,450	39,470
4 Assets ⁴	5,123,747	4,689,624	4,635,477	4,253,850	4,376,923	4,625,601	4,689,624	4,667,688	4,623,041	4,816,572
5 Cash ⁵	277,386	219,620	240,329	223,077	229,576	239,671	219,620	240,141	234,510	241,236
6 Other	4,846,361	4,470,004	4,395,148	4,030,773	4,147,347	4,385,930	4,470,004	4,427,547	4,388,531	4,575,336

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

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

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

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

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

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

1.48 CORPORATE PROFITS AND THEIR DISTRIBUTION

Billions of dollars; quarterly data at seasonally adjusted annual rates

Account	1999	2000	2001	2000				2001			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1 Profits with inventory valuation and capital consumption adjustment	825.2	876.4	767.1	870.3	892.8	895.0	847.6	789.8	759.8	697.0	822.0
2 Profits before taxes	776.3	845.4	698.5	844.9	862.0	858.3	816.5	755.7	738.3	680.6	619.4
3 Profits-tax liability	253.0	271.5	216.0	277.0	280.4	274.9	253.5	236.8	228.0	204.9	194.1
4 Profits after tax	523.3	573.9	482.5	567.8	581.6	583.4	563.0	518.9	510.3	475.6	425.2
5 Dividends	343.5	379.6	416.6	361.5	373.7	386.2	397.0	405.2	412.3	420.4	428.7
6 Undistributed profits	179.8	194.3	65.9	206.3	207.9	197.2	165.9	113.7	98.0	55.2	-3.5
7 Inventory valuation	-2.9	-12.4	2.2	-23.8	-14.8	-3.6	-7.3	-1.9	-8.8	3.1	16.6
8 Capital consumption adjustment	51.7	43.4	66.4	49.2	45.5	40.4	38.4	36.0	30.3	13.4	186.1

SOURCE: U.S. Department of Commerce, *Survey of Current Business*. Table 1.48 will no longer be published in the *Federal Reserve Bulletin* after this issue (June 2002).

For information on where to obtain the data presented in this table, please see the "Announcements" section, pp. 290-91.

1.51 DOMESTIC FINANCE COMPANIES Assets and Liabilities¹

Billions of dollars, end of period; not seasonally adjusted

Account	1999	2000	2001	2000		2001				2002
				Q3	Q4	Q1	Q2	Q3	Q4		Q1
ASSETS										
1 Accounts receivable, gross ²	845.4	958.6	970.9	939.9	958.6	954.4	988.7	967.7	970.9	n.a.
2 Consumer	304.4	327.9	340.2	331.5	327.9	319.2	324.5	329.2	340.2	n.a.
3 Business	395.1	458.4	447.0	443.0	458.4	459.1	481.9	451.1	447.0	n.a.
4 Real estate	145.8	172.3	183.7	165.4	172.3	176.1	182.3	187.4	183.7	n.a.
5 Less: Reserves for unearned income	61.4	69.7	60.7	68.3	69.7	69.9	61.5	60.8	60.7	n.a.
6 Reserves for losses	14.7	16.7	20.2	15.6	16.7	17.2	17.4	18.0	20.2	n.a.
7 Accounts receivable, net	769.3	872.2	890.1	856.1	872.2	867.3	909.7	888.9	890.1	n.a.
8 All other	406.6	461.5	500.1	442.3	461.5	474.8	459.0	478.8	500.1	n.a.
9 Total assets	1,175.9	1,333.7	1,390.1	1,298.4	1,333.7	1,342.1	1,368.7	1,367.7	1,390.1	n.a.
LIABILITIES AND CAPITAL										
10 Bank loans	35.4	35.9	49.4	35.7	35.9	41.6	45.3	44.5	49.4	n.a.
11 Commercial paper	230.4	238.8	157.3	218.8	238.8	180.9	181.6	171.0	157.3	n.a.
<i>Debt</i>										
12 Owed to parent	87.8	102.5	99.5	100.0	102.5	97.2	93.4	91.7	99.5	n.a.
13 Not elsewhere classified	429.9	502.2	564.1	507.3	502.2	533.8	542.1	555.8	564.1	n.a.
14 All other liabilities	237.8	301.8	330.8	288.1	301.8	325.1	336.3	327.6	330.8	n.a.
15 Capital, surplus, and undivided profits	154.5	152.5	189.1	148.5	152.5	163.5	170.0	177.2	189.1	n.a.
16 Total liabilities and capital	1,175.9	1,333.7	1,390.1	1,298.4	1,333.7	1,342.1	1,368.7	1,367.7	1,390.1	n.a.

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	1999	2000	2001	2001				2002	
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
Seasonally adjusted									
1 Total	1,031.2	1,186.9	1,251.6	1,246.7	1,255.3	1,262.0	1,251.6	1,236.2²	1,243.3
2 Consumer	410.2	465.2	513.9	496.0	499.4	511.0	513.9	511.5 ²	518.8
3 Real estate	174.0	198.9	211.6	213.1	219.7	213.1	211.6	205.3	205.6
4 Business	446.9	522.8	526.2	537.6	536.1	537.9	526.2	519.4 ²	519.0
Not seasonally adjusted									
5 Total	1,036.4	1,192.1	1,256.9	1,239.5	1,250.1	1,256.3	1,256.9	1,240.2²	1,244.5
6 Consumer	412.7	468.3	517.4	498.0	501.1	514.2	517.4	512.2 ²	517.1
7 Motor vehicle loans	129.2	141.6	173.9 ³	151.6	164.6	177.2 ²	173.9 ²	168.9 ²	172.6
8 Motor vehicle leases	102.9	108.2	103.5	108.3	107.3	105.5	103.5	102.4 ²	101.2
9 Revolving ²	32.5	37.6	31.5	35.9	28.5	30.2	31.5	29.9 ²	29.2
10 Other ³	39.8	40.7	31.1	33.4	31.2	31.4	31.1	31.3 ²	31.6
Securitized assets ⁴									
11 Motor vehicle loans	73.1	97.1	131.9 ³	117.5	124.3	125.0 ²	131.9 ²	135.1 ¹	136.8
12 Motor vehicle leases	9.7	6.6	6.8	7.0	6.9	7.0	6.8	6.7 ²	6.6
13 Revolving	6.7	19.6	24.3	29.3	23.5	23.4	24.3	23.9	25.3
14 Other	18.8	17.1	14.3	15.0	14.8	14.5	14.3	13.8	13.9
15 Real estate	174.0	198.9	211.6	213.1	219.7	213.1	211.6	205.3	205.6
16 One- to four-family	108.2	130.6	142.5	144.8	150.1	142.9	142.5	118.3	118.7
17 Other	37.6	41.7	41.2	42.6	44.1	44.9	41.2	41.0	41.1
Securitized real estate assets ⁴									
18 One- to four-family	28.0	24.7	22.2	22.8	22.7	22.4	22.2	40.3	40.1
19 Other	.2	1.9	5.7	2.9	2.9	2.9	5.7	5.7	5.7
20 Business	449.6	525.0	527.9	528.4	529.3	529.0	527.9	522.7 ²	521.8
21 Motor vehicles	69.4	75.5	54.0	57.8	52.7	52.9	54.0	52.0 ²	54.5
22 Retail loans	21.1	18.3	16.1	16.7	16.8	16.2	16.1	16.4	17.0
23 Wholesale loans ⁵	34.8	39.7	20.3	23.6	18.7	19.5	20.3	18.0 ²	20.1
24 Leases	13.6	17.6	17.6	17.5	17.2	17.2	17.6	17.6	17.5
25 Equipment	238.7	283.5	289.4	288.2	294.4	291.8	289.4	287.4	285.7
26 Loans	64.5	70.2	77.8	76.8	80.2	76.7	77.8	75.9	74.8
27 Leases	174.2	213.3	211.6	211.4	214.1	215.1	211.6	211.5	210.9
28 Other business receivables ⁶	87.0	99.4	103.5	105.1	108.3	110.8	103.5	103.8 ²	100.9
Securitized assets ⁴									
29 Motor vehicles	31.5	37.8	50.1	48.0	45.3	43.9	50.1	49.1	46.7
30 Retail loans	2.9	3.2	5.1	2.6	2.4	3.0	5.1	4.7	4.6
31 Wholesale loans	26.4	32.5	42.5	42.8	40.3	38.3	42.5	41.9	39.6
32 Leases	2.1	2.2	2.5	2.7	2.7	2.7	2.5	2.5	2.5
33 Equipment	14.6	23.1	23.2	23.1	22.5	23.4	23.2	22.7	26.2
34 Loans	7.9	15.5	16.4	15.1	14.5	15.5	16.4	15.9	19.4
35 Leases	6.7	7.6	6.8	8.0	8.0	7.9	6.8	6.8	6.7
36 Other business receivables ⁶	8.4	5.6	7.7	6.1	6.1	6.2	7.7	7.7	7.8

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

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

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

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

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

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

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

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

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

1.53 MORTGAGE MARKETS Mortgages on New Homes

Millions of dollars except as noted

Item	1999	2000	2001	2001				2002		
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Terms and yields in primary and secondary markets										
PRIMARY MARKETS										
<i>Terms¹</i>										
1 Purchase price (thousands of dollars)	210.7	234.5	245.0	246.6	242.9	252.2	253.0	245.8	250.6	255.6
2 Amount of loan (thousands of dollars)	161.7	177.0	184.2	184.3	181.2	189.1	190.0	186.7	190.1	193.3
3 Loan-to-price ratio (percent)	78.7	77.4	77.3	77.1	76.9	77.2	77.2	78.1	78.2	78.2
4 Maturity (years)	28.8	29.2	28.8	29.0	28.5	28.6	28.9	28.8	28.8	29.1
5 Fees and charges (percent of loan amount) ²	.77	.70	.67	.61	.67	.63	.69	.66	.62	.62
<i>Yield (percent per year)</i>										
6 Contract rate ³	6.94	7.41	6.90	6.80	6.63	6.54	6.68	6.77	6.72	6.66
7 Effective rate ^{3,4}	7.06	7.52	7.00	6.89	6.73	6.63	6.79	6.87	6.82	6.76
8 Contract rate (HUD series) ⁴	7.45	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	7.74	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
10 GNMA securities ⁶	7.03	7.57	6.36	6.03	5.86	5.96	6.43	6.32	6.13	6.50
Activity in secondary markets										
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
<i>Mortgage holdings (end of period)</i>										
11 Total	523,941	610,122	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
12 FHA/VA insured	55,318	61,539	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
13 Conventional	468,623	548,583	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
14 Mortgage transactions purchased (during period)	195,210	154,231	270,384	16,016	20,020	25,389	36,769	36,392	33,249	21,305
<i>Mortgage commitments (during period)</i>										
15 Issued ⁷	187,948	163,689	304,084	16,650	35,275	49,909	19,867	n.a.	n.a.	n.a.
16 To sell ⁸	5,900	11,786	7,586	261	1,676	807	2,083	n.a.	n.a.	n.a.
FEDERAL HOME LOAN MORTGAGE CORPORATION										
<i>Mortgage holdings (end of period)⁸</i>										
17 Total	324,443	385,693	491,719	470,850	477,588	483,911	491,719	508,238	522,886	526,107
18 FHA/VA insured	1,836	3,332	3,506	2,597	2,553	3,562	3,506	3,447	3,387	3,332
19 Conventional	322,607	382,361	488,213	468,253	475,035	480,349	488,213	504,791	519,499	522,775
<i>Mortgage transactions (during period)</i>										
20 Purchases	239,793	174,043	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
21 Sales	233,031	166,901	389,611	32,666	31,646	38,958	50,532	49,031	47,473	42,545
22 Mortgage commitments contracted (during period) ⁹	228,432	169,231	417,434	31,140	41,346	42,619	51,456	47,076	41,442	41,561

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	1998	1999	2000	2000	2001			
				Q4	Q1	Q2	Q3	Q4
1 All holders	5,722,564	6,360,244	6,934,256	6,934,256	7,056,489	7,266,508	7,465,623	7,658,000
<i>By type of property</i>								
2 One- to four-family residences	4,368,902	4,804,019	5,224,846	5,224,846	5,318,138	5,476,209	5,622,701	5,757,906
3 Multifamily residences	333,969	376,771	413,358	413,358	421,532	433,213	446,925	460,605
4 Nonfarm, nonresidential	923,186	1,076,492	1,187,217	1,187,217	1,206,945	1,244,035	1,281,332	1,324,179
5 Farm	96,506	102,962	108,836	108,836	109,873	113,050	114,666	115,310
<i>By type of holder</i>								
6 Major financial institutions	2,195,869	2,396,265	2,620,886	2,620,886	2,664,837	2,716,269	2,737,607	2,792,020
7 Commercial banks ²	1,338,273	1,496,844	1,661,411	1,661,411	1,688,673	1,727,463	1,740,321	1,793,061
8 One- to four-family	798,009	880,208	966,502	966,502	978,144	999,396	989,081	1,024,842
9 Multifamily	54,174	67,666	77,821	77,821	79,890	80,542	84,051	84,981
10 Nonfarm, nonresidential	457,054	517,130	583,071	583,071	596,405	612,366	631,757	647,669
11 Farm	29,035	31,839	34,016	34,016	34,234	35,159	35,432	35,569
12 Savings institutions ³	643,957	668,634	723,534	723,534	741,114	751,660	758,343	758,109
13 One- to four-family	533,895	549,046	595,053	595,053	608,289	616,506	620,882	620,975
14 Multifamily	56,847	59,168	61,094	61,094	62,666	63,193	64,193	64,323
15 Nonfarm, nonresidential	52,798	59,945	66,852	66,852	69,589	71,378	72,695	72,275
16 Farm	417	475	535	535	569	583	574	536
17 Life insurance companies	213,640	230,787	235,941	235,941	235,050	237,146	238,943	240,850
18 One- to four-family	6,590	5,934	4,903	4,903	4,877	5,003	5,085	5,187
19 Multifamily	31,522	32,818	33,681	33,681	33,557	33,842	33,842	33,947
20 Nonfarm, nonresidential	164,004	179,048	183,757	183,757	183,078	184,634	186,235	187,673
21 Farm	11,524	12,987	13,600	13,600	13,538	13,667	13,781	14,043
22 Federal and related agencies	293,602	322,132	343,962	343,962	346,276	355,218	360,906	373,050
23 Government National Mortgage Association	7	7	6	6	6	6	9	8
24 One- to four-family	7	7	6	6	6	6	9	8
25 Multifamily	0	0	0	0	0	0	0	0
26 Farmers Home Administration ⁴	40,851	73,871	73,323	73,323	73,361	73,206	72,118	72,452
27 One- to four-family	16,895	16,506	16,372	16,372	16,297	16,153	15,916	15,824
28 Multifamily	11,739	11,741	11,733	11,733	11,725	11,720	11,710	11,712
29 Nonfarm, nonresidential	7,705	41,355	41,070	41,070	41,247	41,262	40,470	40,965
30 Farm	4,513	4,268	4,148	4,148	4,093	4,072	4,023	3,952
31 Federal Housing and Veterans' Administrations	3,674	3,712	3,507	3,507	2,873	2,918	3,155	3,290
32 One- to four-family	1,849	1,851	1,308	1,308	1,276	1,267	1,251	1,260
33 Multifamily	1,825	1,861	2,199	2,199	1,597	1,651	1,904	2,031
34 Resolution Trust Corporation	24	-10	-892	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	361	152	45	45	50	24	26	13
40 One- to four-family	58	25	7	7	8	4	4	2
41 Multifamily	70	29	9	9	10	5	5	3
42 Nonfarm, nonresidential	233	98	29	29	32	15	17	8
43 Farm	0	0	0	0	0	0	0	0
44 Federal National Mortgage Association	157,675	151,500	155,363	155,363	156,294	159,221	163,592	167,121
45 One- to four-family	147,594	141,195	144,150	144,150	145,014	147,730	151,786	155,060
46 Multifamily	10,081	10,305	11,213	11,213	11,280	11,491	11,806	12,061
47 Federal Land Banks	32,983	34,187	36,326	36,326	37,072	38,686	39,722	39,722
48 One- to four-family	1,941	2,012	2,137	2,137	2,181	2,276	2,337	2,337
49 Farm	0	0	0	0	0	0	0	0
50 Federal Home Loan Mortgage Corporation	57,085	56,676	59,240	59,240	60,110	61,542	59,638	62,793
51 One- to four-family	49,106	44,321	42,871	42,871	42,771	42,537	39,217	40,310
52 Multifamily	7,979	12,355	16,369	16,369	17,339	20,421	22,448	22,483
53 Mortgage pools or trusts ⁵	2,581,395	2,948,294	3,231,426	3,231,426	3,301,680	3,438,372	3,593,772	3,717,398
54 Government National Mortgage Association	537,446	582,263	611,553	611,553	601,523	595,679	603,798	589,458
55 One- to four-family	522,498	565,189	592,624	592,624	581,743	574,888	582,408	567,550
56 Multifamily	14,948	17,074	18,929	18,929	19,780	20,792	21,391	21,908
57 Federal Home Loan Mortgage Corporation	646,459	749,081	822,310	822,310	833,616	873,750	927,490	948,409
58 One- to four-family	643,465	744,619	816,602	816,602	827,769	867,924	921,709	940,933
59 Multifamily	2,994	4,462	5,708	5,708	5,847	5,826	5,781	7,476
60 Federal National Mortgage Association	834,517	960,883	1,057,750	1,057,750	1,099,049	1,163,978	1,228,131	1,290,351
61 One- to four-family	804,204	924,941	1,016,398	1,016,398	1,055,412	1,116,534	1,177,995	1,238,125
62 Multifamily	30,313	35,942	41,352	41,352	43,637	47,444	50,136	52,226
63 Farmers Home Administration ⁴	1	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	1	0	0	0	0	0	0	0
68 Private mortgage conduits	562,972	656,067	739,813	739,813	767,492	804,965	834,353	889,180
69 One- to four-family ⁶	405,153	455,021	499,834	499,834	523,300	539,200	550,021	574,500
70 Multifamily	33,784	42,293	48,786	48,786	49,026	51,662	54,522	60,158
71 Nonfarm, nonresidential	124,035	158,754	191,193	191,193	195,166	214,103	229,810	254,522
72 Farm	0	0	0	0	0	0	0	0
73 Individuals and others ⁷	651,697	693,553	737,983	737,983	743,696	756,649	773,337	775,532
74 One- to four-family	436,684	471,348	510,148	510,148	514,759	527,387	542,568	543,553
75 Multifamily	77,684	80,826	84,243	84,243	84,961	85,827	86,950	87,087
76 Nonfarm, nonresidential	117,355	120,162	121,244	121,244	121,428	120,276	120,348	121,067
77 Farm	19,974	21,217	22,348	22,348	22,547	23,160	23,471	23,825

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

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

3. Includes savings banks and savings and loan associations.

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

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

6. Includes securitized home equity loans.

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

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

1.55 CONSUMER CREDIT¹

Millions of dollars, amounts outstanding, end of period

Holder and type of credit	1999	2000	2001 ¹	2001				2002	
				Sept.	Oct.	Nov.	Dec. ²	Jan. ²	Feb.
Seasonally adjusted									
1 Total	1,416,316	1,560,571	1,655,295	1,620,752	1,633,515	1,653,474	1,655,295	1,662,312	1,669,391
2 Revolving	597,669	666,544	692,395	691,122	690,749	698,049	692,395	693,758	694,509
3 Nonrevolving	818,647	894,027	962,900	929,630	942,765	955,426	962,900	968,555	974,882
Not seasonally adjusted									
4 Total	1,446,127	1,593,051	1,688,894	1,619,109	1,633,430	1,661,001	1,688,894	1,675,362	1,666,625
<i>By major holder</i>									
5 Commercial banks	499,758	541,470	557,099	535,254	540,498	550,072	557,099	556,714	550,875
6 Finance companies	201,549	219,783	236,511	220,884	224,260	238,850 ³	236,511	230,180	233,404
7 Credit unions	167,921	184,434	186,286	185,732	185,523	186,070	186,286	184,836	183,287
8 Savings institutions	61,527	64,557	68,028	68,535	68,364	68,199	68,028	68,729	69,430
9 Nonfinancial business	80,311	82,662	67,939	60,204	58,763	60,383	67,939	63,148	58,974
10 Pools of securitized assets ³	435,061	500,145	573,032	548,499	556,023	557,427 ³	573,032	571,755	570,656
<i>By major type of credit⁴</i>									
11 Revolving	621,914	692,955	719,524	686,173	684,685	697,677	719,524	705,161	695,358
12 Commercial banks	189,352	218,063	224,470	202,924	209,697	219,555	224,470	218,099	215,987
13 Finance companies	32,483	37,561	31,484	35,901	28,489	30,245	31,484	29,932	29,168
14 Credit unions	20,641	22,226	22,819	21,879	21,666	22,044	22,819	22,051	21,656
15 Savings institutions	15,838	16,560	16,979	16,915	16,936	16,957	16,979	16,970	16,962
16 Nonfinancial business	42,783	42,430	29,790	25,207	23,709	24,463	29,790	26,280	23,016
17 Pools of securitized assets ³	320,817	356,114	393,983	383,346	384,187	384,413	393,983	391,830	388,569
18 Nonrevolving	824,213	900,095	969,370	932,936	948,745	963,324	969,370	970,201	971,267
19 Commercial banks	310,406	323,407	332,629	332,330	330,800	330,517	332,629	338,616	334,888
20 Finance companies	169,066	182,221	205,027	184,983	195,771	208,605 ³	205,027	200,248	204,235
21 Credit unions	147,280	162,208	163,467	163,853	163,857	164,026	163,467	162,785	161,631
22 Savings institutions	45,689	47,997	51,049	51,620	51,428	51,242	51,049	51,759	52,468
23 Nonfinancial business	37,528	40,232	38,148	34,997	35,054	35,921	38,148	36,868	35,958
24 Pools of securitized assets ³	114,244	144,031	179,049	165,153	171,836	173,014 ³	179,049	179,926	182,087

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	1999	2000	2001	2001					2002	
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
INTEREST RATES										
<i>Commercial banks²</i>										
1 48-month new car	8.44	9.34	8.50	8.31	n.a.	n.a.	7.86	n.a.	n.a.	7.50
2 24-month personal	13.39	13.90	13.22	13.25	n.a.	n.a.	12.62	n.a.	n.a.	11.72
<i>Credit card plan</i>										
3 All accounts	15.21	15.71	14.89	14.60	n.a.	n.a.	14.22	n.a.	n.a.	13.65
4 Accounts assessed interest	14.81	14.91	14.44	14.64	n.a.	n.a.	13.88	n.a.	n.a.	12.98
<i>Auto finance companies</i>										
5 New car	6.66	6.61	5.65	6.41	5.42	2.71	2.89	3.31	4.02	n.a.
6 Used car	12.60	13.55	12.18	12.06	12.01	11.41	10.96	10.89	10.84	n.a.
OTHER TERMS³										
<i>Maturity (months)</i>										
7 New car	52.7	54.9	55.1	57.7	57.2	53.7	51.0	48.6	48.8	56.4
8 Used car	55.9	57.0	57.5	57.6	57.6	57.2	56.7	56.5	57.3	57.8
<i>Loan-to-value ratio</i>										
9 New car	92	92	91	91	92	94	92	91	90	89
10 Used car	99	99	100	100	101	100	100	100	100	100
<i>Amount financed (dollars)</i>										
11 New car	19,880	20,923	22,822	22,591	23,049	24,443	24,934	24,812	24,137	22,741
12 Used car	13,642	14,058	14,416	14,321	14,408	14,627	14,669	14,653	14,355	14,049

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	1996	1997	1998	1999	2000	2000			2001			
						Q2	Q3	Q4	Q1	Q2	Q3	Q4
Nonfinancial sectors												
1 Total net borrowing by domestic nonfinancial sectors . . .	733.7	804.7	1,046.9	1,100.6	871.6	976.1	815.1	766.1	991.9	981.3	1,297.4	1,141.4
<i>By sector and instrument</i>												
2 Federal government	145.0	23.1	-52.6	-71.2	-295.9	-408.7	-226.2	-331.3	-4.3	-256.0	255.7	-17.6
3 Treasury securities	146.6	23.2	-54.6	-71.0	-294.9	-410.5	-223.8	-330.2	-2.1	-257.1	256.0	-16.9
4 Budget agency securities and mortgages	-1.6	-1	2.0	-2	-1.0	1.8	-2.4	-1.2	-2.2	1.1	-4	-7
5 Nonfederal	588.6	781.6	1,099.5	1,171.8	1,167.4	1,384.8	1,041.4	1,097.5	996.2	1,237.3	1,041.7	1,159.0
<i>By instrument</i>												
6 Commercial paper	-9	13.7	24.4	37.4	48.1	110.4	56.1	-4.0	-199.2	-133.4	-66.1	45.5
7 Municipal securities and loans	2.6	71.4	96.8	68.2	35.3	30.1	60.1	110.7	112.4	56.0	203.2	203.2
8 Corporate bonds	116.3	150.5	218.7	229.9	171.1	153.8	168.8	175.6	399.5	419.5	187.9	305.9
9 Bank loans n.e.c.	70.4	106.4	108.1	82.6	103.1	166.5	47.0	59.3	-5.9	-153.2	-10.8	-180.2
10 Other loans and advances	28.7	59.5	82.1	57.1	101.5	124.2	16.5	125.2	-12.6	118.2	81.9	-110.7
11 Mortgages	280.4	322.5	494.4	597.1	569.4	655.9	568.2	550.5	559.8	798.2	768.3	758.3
12 Home	245.7	258.3	388.7	435.0	422.2	490.1	441.6	395.6	434.0	613.1	555.8	528.3
13 Multifamily residential	9.4	7.5	23.5	40.5	36.1	47.6	26.8	40.9	35.4	41.2	55.6	54.0
14 Commercial	22.6	53.5	75.6	115.8	104.6	108.1	93.3	112.1	86.2	131.6	150.1	169.8
15 Farm	2.7	3.1	6.5	5.8	6.5	10.1	6.5	2.0	4.2	12.4	6.8	6.1
16 Consumer credit	91.3	57.5	75.0	99.5	139.0	143.7	153.8	130.7	144.0	75.5	24.4	137.0
<i>By borrowing sector</i>												
17 Household	343.8	332.7	466.0	516.8	554.6	625.6	579.9	508.8	538.3	663.4	629.7	609.9
18 Nonfinancial business	251.6	392.8	553.2	602.6	585.7	741.0	437.8	535.0	354.1	465.3	369.0	377.5
19 Corporate	179.4	291.9	405.5	441.7	429.1	546.7	301.5	388.0	226.7	324.9	257.1	262.7
20 Nonfarm noncorporate	67.3	94.7	139.7	155.4	145.7	184.5	129.1	134.2	121.3	130.6	108.6	104.8
21 Farm	4.9	6.2	8.0	5.5	10.9	9.7	7.2	12.8	6.0	9.8	3.4	10.0
22 State and local government	-6.8	56.1	80.3	52.3	27.2	18.2	23.8	53.7	103.9	108.7	43.0	171.5
23 Foreign net borrowing in United States	88.4	71.8	43.4	27.9	67.0	-7.9	88.6	66.8	-8.0	-52.8	-102.8	-4.1
24 Commercial paper	11.3	3.7	7.8	16.3	31.7	12.0	7.0	50.1	-26.5	-6.7	-27.6	3.9
25 Bonds	67.0	61.4	34.9	16.8	25.2	-27.3	71.4	9.0	17.1	-15.9	-78.8	6.1
26 Bank loans n.e.c.	9.1	8.5	6.7	.5	11.3	5.7	11.9	12.2	13.0	-31.0	4.4	-16.3
27 Other loans and advances	1.0	-1.8	-6.0	-5.7	-1.3	1.7	-1.7	-4.6	-11.6	.7	-8	2.1
28 Total domestic plus foreign	822.0	876.5	1,090.2	1,128.5	938.5	968.1	903.8	832.9	983.9	928.4	1,194.6	1,137.3
Financial sectors												
29 Total net borrowing by financial sectors	550.1	662.2	1,087.2	1,084.4	815.6	897.1	794.0	963.1	864.2	786.1	1,084.8	928.7
<i>By instrument</i>												
30 Federal government-related	231.4	212.9	470.9	592.0	433.5	381.1	514.8	613.6	432.6	665.2	830.2	584.0
31 Government-sponsored enterprise securities	90.4	98.4	278.3	318.2	234.1	248.9	278.1	304.5	262.3	268.3	326.2	308.8
32 Mortgage pool securities	141.0	114.6	192.6	273.8	199.4	132.2	236.7	309.1	170.3	396.9	504.0	275.2
33 Loans from U.S. government . . . . .	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
34 Private	318.7	449.3	616.3	492.5	382.1	516.1	279.2	349.5	431.7	120.9	254.6	344.7
35 Open market paper	92.2	166.7	161.0	176.2	127.7	136.7	106.5	153.2	-134.6	-85.4	-85.6	58.2
36 Corporate bonds	178.1	218.9	310.1	218.2	205.9	243.3	205.0	203.7	438.9	186.8	291.4	288.1
37 Bank loans n.e.c.	12.6	13.3	30.1	-14.2	-3	6.9	-6.7	-4.4	27.1	14.3	-7.3	12.2
38 Other loans and advances	27.9	35.6	90.2	107.1	42.5	119.2	-31.6	-4.8	107.8	-11.0	58.0	-15.3
39 Mortgages	7.9	14.9	24.8	5.1	6.2	10.0	6.0	1.8	-7.5	16.2	-1.9	1.5
<i>By borrowing sector</i>												
40 Commercial banking	13.0	46.1	72.9	67.2	60.0	99.3	43.4	18.8	148.3	-15.8	59.0	25.6
41 Savings institutions	25.5	19.7	52.2	48.0	27.3	69.0	-37.9	20.4	62.5	16.1	19.2	-72.5
42 Credit unions . . . . .	.1	.1	.6	2.2	.0	.9	1.1	1.0	-6	.8	1.5	4.4
43 Life insurance companies	1.1	.2	.7	.7	-.7	-1.1	-.3	-.7	-2.4	.1	3.5	1.4
44 Government-sponsored enterprises	90.4	98.4	278.3	318.2	234.1	248.9	278.1	304.5	262.3	268.3	326.2	308.8
45 Federally related mortgage pools	141.0	114.6	192.6	273.8	199.4	132.2	236.7	309.1	170.3	396.9	504.0	275.2
46 Issuers of asset-backed securities (ABSs)	150.8	202.2	321.4	223.4	196.3	146.0	156.2	307.9	295.8	172.3	289.1	364.4
47 Finance companies	50.6	57.8	57.1	70.3	81.2	139.4	98.1	26.1	-72.8	64.1	21.5	-40.6
48 Mortgage companies	4.1	-4.6	1.6	.2	.1	2.7	-3	1.0	.7	.6	.8	.6
49 Real estate investment trusts (REITs)	11.9	39.6	62.7	6.3	2.7	9.8	-2.4	-8.1	-6.1	10.5	-2.4	9.1
50 Brokers and dealers	-2.0	8.1	7.2	-17.2	15.6	-7	25.4	-6.6	-23.9	35.7	12.6	-19.0
51 Funding corporations	63.8	79.9	40.0	91.5	-4	50.6	-4.2	-10.4	30.1	-163.6	-150.2	71.3

A38 Domestic Financial Statistics □ June 2002

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

Billions of dollars; quarterly data at seasonally adjusted annual rates

Transaction category or sector	1996	1997	1998	1999	2000	2000			2001			
						Q2	Q3	Q4	Q1	Q2	Q3	Q4
All sectors												
52 Total net borrowing, all sectors	1,372.1	1,538.7	2,177.4	2,212.9	1,754.1	1,865.3	1,697.8	1,796.0	1,848.1	1,714.6	2,279.5	2,065.9
53 Open market paper	102.6	184.1	193.1	229.9	207.5	259.1	169.7	199.3	-360.2	-225.5	-179.3	107.6
54 U.S. government securities	376.4	236.0	418.3	520.7	137.6	-27.6	288.6	282.2	428.2	409.2	1,085.9	566.4
55 Municipal securities	2.6	71.4	96.8	68.2	35.3	30.1	31.0	60.1	110.7	112.4	56.0	203.2
56 Corporate and foreign bonds	361.3	430.8	563.7	465.0	402.2	369.8	445.2	388.3	855.5	590.5	400.5	600.1
57 Bank loans n.e.c.	92.1	128.2	145.0	68.9	114.1	179.2	52.2	67.1	34.1	-170.0	-13.6	-184.3
58 Other loans and advances	57.7	93.2	166.3	158.5	142.7	245.1	-16.8	115.8	83.6	107.9	139.2	-123.8
59 Mortgages	288.2	337.4	519.2	602.2	575.6	665.9	574.2	552.4	552.2	814.4	766.4	759.8
60 Consumer credit	91.3	57.5	75.0	99.5	139.0	143.7	153.8	130.7	144.0	75.5	24.4	137.0
Funds raised through mutual funds and corporate equities												
61 Total net issues	232.9	185.2	113.7	156.6	189.7	181.0	221.1	-38.7	234.4	415.0	83.4	344.5
62 Corporate equities	-4.7	-79.9	-165.8	-34.6	-45.3	-22.7	-54.0	-188.2	137.6	132.1	-79.0	80.2
63 Nonfinancial corporations	-69.5	-114.4	-267.0	-143.5	-159.7	-245.7	-87.8	-367.5	-25.3	-71.5	-120.8	-5.1
64 Foreign shares purchased by U.S. residents	82.8	57.6	101.3	114.4	99.7	185.9	61.1	89.4	109.2	220.3	23.0	36.9
65 Financial corporations	-18.1	-23.1	-.1	-5.6	14.7	37.2	-27.3	89.9	53.7	-16.7	18.8	48.5
66 Mutual fund shares	237.6	265.1	279.5	191.2	235.0	203.6	275.1	149.5	96.8	283.0	162.5	264.3

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	1996	1997	1998	1999	2000	2000			2001			
						Q2	Q3	Q4	Q1	Q2	Q3	Q4
NET LENDING IN CREDIT MARKETS²												
1 Total net lending in credit markets	1,372.1	1,538.7	2,177.4	2,212.9	1,754.1	1,865.3	1,697.8	1,796.0	1,848.1	1,714.6	2,279.5	2,065.9
2 Domestic nonfederal nonfinancial sectors	74.0	-22.2	177.2	216.2	-154.9	111.8	-250.5	-232.9	-198.8	-242.6	-36.9	-214.0
3 Household	113.7	-12.6	40.5	168.5	-174.6	9.5	-216.8	-209.7	-210.8	-224.0	-1.1	-261.4
4 Nonfinancial corporate business	-10.2	-12.7	-16.0	-2.8	12.6	62.0	-13.3	-32.6	-24.7	11.3	-19.1	-2.0
5 Nonfarm noncorporate business	4.2	3.0	18.1	7.1	-2.1	4	-4.0	-2.7	-4.8	-5.2	-6.2	-7.2
6 State and local governments	-33.7	.1	134.5	43.4	9.2	39.9	-16.4	12.1	41.5	-24.8	-10.4	56.6
7 Federal government	-7.2	5.1	13.5	5.8	7.3	7.7	4.5	10.6	4.6	9.4	3.6	12.0
8 Rest of the world	414.4	311.3	254.2	208.8	279.3	197.9	216.2	387.8	410.6	349.2	387.5	556.8
9 Financial sectors	890.9	1,244.5	1,732.5	1,782.0	1,622.3	1,547.8	1,727.6	1,630.5	1,631.7	1,598.6	1,925.3	1,711.1
10 Monetary authority	12.3	38.3	21.1	25.7	33.7	-5.4	39.1	6.9	53.7	26.4	8.7	70.5
11 Commercial banking	187.5	324.3	305.2	308.2	358.4	497.4	363.2	157.0	152.8	133.9	234.8	284.5
12 U.S.-chartered banks	119.6	274.9	312.0	317.6	339.8	510.9	324.8	75.3	107.9	179.7	213.4	246.5
13 Foreign banking offices in United States	63.3	40.2	-11.9	-20.1	24.0	-22.3	32.8	81.1	41.3	-48.6	16.5	6.2
14 Bank holding companies	3.9	5.4	-.9	6.2	-12.2	3.5	-6.7	-3.2	7.3	-2.8	-1.4	12.2
15 Banks in U.S.-affiliated areas	-.7	3.7	6.0	4.4	6.7	5.4	12.3	3.8	-3.6	5.6	4.2	19.6
16 Savings institutions	19.9	-4.7	36.1	68.6	56.5	65.0	62.7	42.5	52.5	57.3	8.3	60.1
17 Credit unions	25.5	16.8	19.0	27.5	30.5	31.6	21.2	33.6	23.2	7.6	61.7	61.8
18 Bank personal trusts and estates	-7.7	-25.0	-12.8	27.8	17.1	13.8	17.6	18.1	10.7	13.4	8.8	8.6
19 Life insurance companies	69.6	104.8	76.9	53.5	57.9	52.9	74.8	38.8	95.3	124.9	179.3	129.8
20 Other insurance companies	22.5	25.2	5.8	-3.0	-9.7	-18.1	6.2	-11.7	2.1	-.1	5.1	12.9
21 Private pension funds	-4.1	47.6	-22.8	25.4	39.9	20.6	56.8	26.1	23.1	25.7	-16.7	39.9
22 State and local government retirement funds	35.8	67.1	72.1	46.9	54.6	31.5	37.6	86.1	-70.7	77.0	-74.2	7.3
23 Money market mutual funds	88.8	87.5	244.0	182.0	143.0	-118.2	236.1	272.7	326.7	166.2	379.1	112.2
24 Mutual funds	48.9	80.9	127.3	48.4	21.0	39.4	50.2	57.8	78.1	165.7	103.7	156.8
25 Closed-end funds	4.6	-2.6	5.5	7.4	8.4	-8.4	-8.4	-8.4	-8.4	-8.4	-8.4	-8.4
26 Government-sponsored enterprises	97.4	106.6	314.6	291.7	250.9	250.9	228.6	318.8	327.8	316.2	265.9	275.1
27 Federally related mortgage pools	141.0	114.6	192.6	273.8	199.4	132.2	236.7	309.1	170.3	396.9	504.0	275.2
28 Asset-backed securities issuers (ABSs)	120.5	163.8	281.7	205.2	166.4	111.4	120.9	278.9	269.8	150.0	262.3	342.1
29 Finance companies	18.9	23.1	7.3	97.0	108.0	147.6	102.8	36.2	-.9	126.7	-42.0	-17.9
30 Mortgage companies	8.2	-9.1	3.2	-.3	-.2	5.5	-.5	2.0	1.4	1.1	1.7	29.0
31 Real estate investment trusts (REITs)	4.4	20.2	-5.1	-2.6	-6.3	-2.5	-3.6	-2.8	4.0	1.1	7.8	29.0
32 Brokers and dealers	-15.7	14.9	6.8	-34.7	68.9	89.8	152.1	-69.0	289.5	35.4	236.0	-170.4
33 Funding corporations	12.6	50.4	-15.8	133.0	39.4	210.9	-86.5	45.7	-169.5	-218.6	-184.0	40.9
RELATION OF LIABILITIES TO FINANCIAL ASSETS												
34 Net flows through credit markets	1,372.1	1,538.7	2,177.4	2,212.9	1,754.1	1,865.3	1,697.8	1,796.0	1,848.1	1,714.6	2,279.5	2,065.9
<i>Other financial sources</i>												
35 Official foreign exchange	-6.3	.7	6.6	-8.7	-.4	-8.8	-.7	4.9	-1.5	4.7	19.1	-3.4
36 Special drawing rights certificates	-.5	-.5	.0	-3.0	-4.0	-8.0	-4.0	-4.0	.0	.0	.0	.0
37 Treasury currency	.5	.5	.6	1.0	2.4	3.2	4.2	.0	-1.1	1.1	.0	.0
38 Foreign deposits	85.9	107.7	6.5	61.0	120.8	3.4	-40.8	207.4	235.5	-170.2	83.5	100.0
39 Net interbank transactions	-51.6	-19.7	-32.3	18.4	13.6	275.4	24.4	18.0	-181.0	19.0	20.2	188.6
40 Checkable deposits and currency	15.7	41.2	47.4	151.4	-71.5	-33.8	5.0	-50.2	186.9	90.7	235.0	287.5
41 Small time and savings deposits	97.2	97.1	152.4	44.7	190.7	123.0	224.5	310.8	288.3	194.2	229.1	328.4
42 Large time deposits	114.0	122.5	92.1	130.6	118.4	101.2	152.9	65.2	130.6	51.9	16.3	56.7
43 Money market fund shares	145.4	155.9	287.2	249.1	233.3	71.5	250.9	371.0	621.5	322.5	367.7	402.7
44 Security repurchase agreements	41.4	120.9	91.3	169.7	110.7	155.1	277.1	-265.4	-109.5	187.9	242.3	-196.3
45 Corporate equities	-4.7	-79.9	-165.8	-34.6	-45.3	-22.7	-54.0	-188.2	137.6	132.1	-79.0	80.2
46 Mutual fund shares	237.6	265.1	279.5	191.2	235.0	203.6	275.1	149.5	96.8	283.0	162.5	264.3
47 Trade payables	123.3	139.7	109.2	222.3	166.8	212.9	138.8	121.8	25.1	-96.2	-13.4	-20.6
48 Security credit	52.4	111.0	103.3	104.3	146.1	-95.3	97.5	74.4	-140.9	-28.5	547.2	-412.2
49 Life insurance reserves	44.5	59.3	48.0	50.8	50.2	45.6	53.0	47.3	52.7	53.2	80.2	69.2
50 Pension fund reserves	148.3	201.4	227.6	196.1	217.2	266.2	220.7	151.8	257.2	165.6	205.4	189.9
51 Taxes payable	19.5	22.3	21.3	22.3	21.7	26.5	4.1	25.4	6.9	17.1	95.4	-66.6
52 Investment in bank personal trusts	-5.3	-49.9	-41.8	-6.5	-29.7	-33.1	-29.2	-28.0	-26.1	-22.7	-28.2	-28.2
53 Noncorporate proprietors' equity	5.8	-40.2	-52.3	-15.5	12.8	13.8	32.2	11.6	5.2	29.5	-9.7	18.7
54 Miscellaneous	526.1	493.6	949.1	719.3	1,016.6	893.6	1,478.3	713.5	485.4	890.3	940.8	717.1
55 Total financial sources	2,961.4	3,287.5	4,307.3	4,476.6	4,259.5	4,058.7	4,809.2	3,532.9	3,917.6	3,839.6	5,393.8	4,042.0
<i>Liabilities not identified as assets (-)</i>												
56 Treasury currency	-4.4	-2.2	-.1	-.7	-1.2	-.7	.9	-3.3	-3.6	-.5	-1.4	-.7
57 Foreign deposits	59.4	106.2	-8.5	45.8	70.9	-82.2	-90.8	193.4	180.8	-150.2	78.8	46.4
58 Net interbank liabilities	-3.3	-19.9	3.4	3.5	17.4	5.4	-12.1	51.1	16.7	13.6	7.2	33.3
59 Security repurchase agreements	2.4	63.2	57.7	36.1	115.8	58.2	170.3	-300.3	-265.7	189.5	25.7	-210.5
60 Taxes payable	23.1	28.0	19.7	6.5	14.1	4.8	-1.8	44.1	4.9	-12.0	-8.0	9.0
61 Miscellaneous	-184.5	-239.6	-154.6	-420.0	-284.8	-394.3	10.6	-312.9	-181.3	-526.8	125.0	-212.9
<i>Flows not included in assets (-)</i>												
62 Federal government checkable deposits	.5	-2.7	2.6	-7.4	9.0	16.3	3.0	-2.1	66.8	-.1	7.3	-58.5
63 Other checkable deposits	-4.0	-3.9	-3.1	-.8	1.7	1.4	1.9	2.4	3.8	3.9	5.1	5.5
64 Trade credit	-25.4	-29.2	-51.3	42.9	-29.5	-34.9	-10.6	21.5	27.9	-12.7	-23.1	34.4
65 Total identified to sectors as assets	3,093.9	3,385.5	4,441.6	4,770.7	4,346.2	4,484.7	4,737.7	3,839.1	4,067.2	4,335.1	5,177.2	4,395.9

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.

A40 Domestic Financial Statistics ☐ June 2002

1.59 SUMMARY OF CREDIT MARKET DEBT OUTSTANDING¹

Billions of dollars, end of period

Transaction category or sector	1997	1998	1999	2000	2000			2001			
					Q2	Q3	Q4	Q1	Q2	Q3	Q4
Nonfinancial sectors											
1 Total credit market debt owed by domestic nonfinancial sectors	15,244.3	16,291.1	17,426.4	18,317.0	17,837.0	18,034.7	18,317.0	18,557.9	18,729.4	19,036.4	19,420.6
<i>By sector and instrument</i>											
2 Federal government	3,804.9	3,752.2	3,681.0	3,385.2	3,464.0	3,410.2	3,385.2	3,408.8	3,251.4	3,320.1	3,379.6
3 Treasury securities	3,778.3	3,723.7	3,652.8	3,357.8	3,435.7	3,382.6	3,357.8	3,382.1	3,224.4	3,293.1	3,352.8
4 Budget agency securities and mortgages	26.5	28.5	28.3	27.3	28.2	27.6	27.3	26.8	27.0	27.0	26.8
5 Nonfederal	11,439.4	12,538.9	13,745.3	14,931.9	14,373.0	14,624.5	14,931.9	15,149.1	15,477.9	15,716.3	16,041.0
<i>By instrument</i>											
6 Commercial paper	168.6	193.0	230.3	278.4	296.8	307.0	278.4	253.2	223.3	201.3	190.1
7 Municipal securities and loans	1,367.5	1,464.3	1,532.5	1,567.8	1,551.6	1,550.3	1,567.8	1,597.5	1,629.8	1,635.3	1,688.4
8 Corporate bonds	1,610.9	1,829.6	2,059.5	2,230.6	2,144.5	2,186.7	2,230.6	2,330.4	2,433.3	2,482.3	2,558.8
9 Bank loans n.e.c.	1,040.4	1,148.5	1,231.2	1,334.2	1,306.9	1,311.3	1,334.2	1,323.9	1,292.9	1,282.6	1,247.3
10 Other loans and advances	825.1	907.2	964.5	1,077.1	1,037.2	1,039.5	1,077.1	1,083.2	1,110.6	1,116.8	1,096.4
11 Mortgages	5,155.4	5,649.8	6,281.2	6,850.6	6,559.6	6,710.3	6,850.6	6,975.6	7,177.8	7,378.9	7,571.8
12 Home	3,978.3	4,367.0	4,802.0	5,224.2	5,003.5	5,122.6	5,224.2	5,317.6	5,473.6	5,621.6	5,757.0
13 Multifamily residential	285.7	309.2	350.0	386.2	369.2	375.9	386.2	395.0	405.3	419.2	432.7
14 Commercial	801.4	877.0	1,026.9	1,131.4	1,080.1	1,103.4	1,131.4	1,153.0	1,185.9	1,223.4	1,265.9
15 Farm	90.0	96.6	102.3	108.8	106.8	108.3	108.8	109.9	113.1	114.7	116.2
16 Consumer credit	1,271.6	1,346.6	1,446.1	1,593.1	1,476.5	1,519.6	1,593.1	1,585.3	1,608.1	1,619.1	1,688.3
<i>By borrowing sector</i>											
17 Households	5,556.9	6,022.9	6,540.1	7,113.7	6,771.3	6,937.2	7,113.7	7,184.5	7,358.6	7,526.3	7,724.1
18 Nonfinancial business	4,763.0	5,316.2	5,953.2	6,538.8	6,336.1	6,424.3	6,538.8	6,657.1	6,781.4	6,849.4	6,930.9
19 Corporate	3,383.1	3,788.6	4,264.7	4,893.8	4,560.8	4,616.0	4,693.8	4,782.0	4,868.4	4,909.6	4,962.2
20 Nonfarm noncorporate	1,224.0	1,363.7	1,519.1	1,664.8	1,599.1	1,630.3	1,664.8	1,695.5	1,727.9	1,753.9	1,781.1
21 Farm	155.9	163.9	169.4	180.2	176.2	177.9	180.2	179.7	185.2	185.8	187.5
22 State and local government	1,119.5	1,199.8	1,252.1	1,279.3	1,265.7	1,263.1	1,279.3	1,307.5	1,337.8	1,340.6	1,386.1
23 Foreign credit market debt held in United States	608.0	651.5	679.6	746.7	702.5	731.0	746.7	743.4	729.2	706.1	704.8
24 Commercial paper	65.1	72.9	89.2	120.9	101.2	109.8	120.9	112.8	110.1	106.3	106.7
25 Bonds	427.7	462.6	479.4	504.6	484.5	502.4	504.6	508.9	504.9	485.2	486.8
26 Bank loans n.e.c.	52.1	58.9	59.4	70.7	64.7	67.7	70.7	73.9	66.2	67.3	63.2
27 Other loans and advances	63.0	57.2	51.7	50.5	52.1	51.2	50.5	47.7	47.9	47.3	48.1
28 Total credit market debt owed by nonfinancial sectors, domestic and foreign	15,852.3	16,942.7	18,106.0	19,063.7	18,539.5	18,765.7	19,063.7	19,301.3	19,458.5	19,742.5	20,125.3
Financial sectors											
29 Total credit market debt owed by financial sectors	5,458.0	6,545.2	7,629.6	8,457.1	7,993.5	8,190.8	8,457.1	8,657.3	8,853.8	9,118.3	9,370.4
<i>By instrument</i>											
30 Federal government-related	2,821.1	3,292.0	3,884.0	4,317.4	4,035.3	4,164.0	4,317.4	4,422.9	4,589.2	4,796.8	4,942.8
31 Government-sponsored enterprise securities	995.3	1,273.6	1,591.7	1,825.8	1,680.2	1,749.7	1,825.8	1,888.7	1,955.8	2,037.4	2,114.5
32 Mortgage pool securities	1,825.8	2,018.4	2,292.2	2,491.6	2,355.2	2,414.3	2,491.6	2,534.2	2,633.4	2,759.4	2,828.2
33 Loans from U.S. government	0	0	0	0	0	0	0	0	0	0	0
34 Private	2,636.9	3,253.2	3,745.6	4,139.7	3,958.2	4,026.7	4,139.7	4,234.4	4,264.6	4,321.5	4,427.7
35 Open market paper	745.7	906.7	1,082.9	1,210.7	1,135.2	1,151.6	1,210.7	1,180.8	1,144.5	1,110.2	1,148.8
36 Corporate bonds	1,568.6	1,878.7	2,096.9	2,314.8	2,212.0	2,269.7	2,314.8	2,424.3	2,483.9	2,559.2	2,616.1
37 Bank loans n.e.c.	77.3	107.5	93.2	93.0	93.1	92.8	93.0	97.3	100.4	100.2	104.5
38 Other loans and advances	198.5	288.7	395.8	438.3	436.9	430.2	438.3	450.9	450.7	462.7	473.2
39 Mortgages	46.8	71.6	76.7	82.9	81.0	82.5	82.9	81.1	85.1	84.6	85.0
<i>By borrowing sector</i>											
40 Commercial banks	140.6	188.6	230.0	266.7	265.4	265.2	266.7	273.8	274.7	281.4	297.1
41 Bank holding companies	168.6	193.5	219.3	242.5	229.3	236.9	242.5	266.5	269.0	272.7	266.4
42 Savings institutions	160.3	212.4	260.4	287.7	280.7	276.0	287.7	295.1	294.4	305.6	294.0
43 Credit unions	.6	1.1	3.4	3.4	2.9	3.1	3.4	3.2	3.5	3.8	4.9
44 Life insurance companies	1.8	2.5	3.2	2.5	2.7	2.7	2.5	1.9	1.9	2.8	3.1
45 Government-sponsored enterprises	995.3	1,273.6	1,591.7	1,825.8	1,680.2	1,749.7	1,825.8	1,888.7	1,955.8	2,037.4	2,114.5
46 Federally related mortgage pools	1,825.8	2,018.4	2,292.2	2,491.6	2,355.2	2,414.3	2,491.6	2,534.2	2,633.4	2,759.4	2,828.2
47 Issuers of asset-backed securities (ABSs)	1,076.6	1,398.0	1,621.4	1,829.6	1,697.0	1,742.3	1,829.6	1,893.7	1,942.4	2,016.7	2,110.0
48 Brokers and dealers	35.3	42.5	25.3	40.9	36.2	42.6	40.9	35.0	43.9	47.1	42.3
49 Finance companies	568.3	625.5	695.7	776.9	740.8	761.8	776.9	756.2	769.0	771.2	770.0
50 Mortgage companies	16.0	17.7	17.8	17.9	17.8	17.7	17.9	18.1	18.2	18.5	18.6
51 Real estate investment trusts (REITs)	96.1	158.8	165.1	167.8	170.4	169.8	167.8	166.2	168.9	168.3	170.5
52 Funding corporations	372.6	412.6	504.0	503.7	515.0	508.7	503.7	524.7	478.6	433.6	450.6
All sectors											
53 Total credit market debt, domestic and foreign	21,310.3	23,487.8	25,735.6	27,520.8	26,533.0	26,956.5	27,520.8	27,958.6	28,312.4	28,860.8	29,495.8
54 Open market paper	979.4	1,172.6	1,402.4	1,610.0	1,533.3	1,568.3	1,610.0	1,546.8	1,477.9	1,417.8	1,445.6
55 U.S. government securities	6,626.0	7,044.3	7,565.0	7,702.6	7,499.3	7,574.2	7,702.6	7,831.7	7,840.6	8,116.8	8,322.4
56 Municipal securities	1,367.5	1,464.3	1,532.5	1,567.8	1,551.6	1,550.3	1,567.8	1,597.5	1,629.8	1,635.3	1,688.4
57 Corporate and foreign bonds	3,607.2	4,170.8	4,635.8	5,050.0	4,841.0	4,958.7	5,050.0	5,263.7	5,424.2	5,526.7	5,661.6
58 Bank loans n.e.c.	1,169.8	1,314.9	1,383.8	1,497.9	1,464.6	1,471.7	1,497.9	1,495.1	1,459.5	1,450.2	1,415.1
59 Other loans and advances	1,086.6	1,253.0	1,412.0	1,565.9	1,526.2	1,520.9	1,565.9	1,581.8	1,609.2	1,631.3	1,617.6
60 Mortgages	5,202.2	5,721.4	6,357.9	6,933.6	6,640.6	6,792.8	6,933.6	7,056.6	7,263.0	7,463.5	7,656.8
61 Consumer credit	1,271.6	1,346.6	1,446.1	1,593.1	1,476.5	1,519.6	1,593.1	1,585.3	1,608.1	1,619.1	1,688.3

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.

2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

Monthly data seasonally adjusted, and indexes 1992=100, except as noted

Measure	1999	2000	2001	2001						2002		
				July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. ^f	Feb. ^f	Mar. ^g
1 Industrial production¹	139.4	145.7	140.1	140.4	140.0	138.5	137.7	137.2	136.7^r	137.4	137.9	138.8
<i>Market groups</i>												
2 Products, total	129.6	133.5	129.4	130.3	129.4	127.7	126.8	126.7	126.5 ^r	126.5	126.8	127.5
3 Final, total	131.8	135.8	132.0 ^r	133.2	132.0	130.0	129.2	129.4	129.1 ^r	129.1	129.2	129.8
4 Consumer goods	119.9	121.9	120.7	122.2	121.4	119.9	119.6	120.0	120.6 ^r	120.5	121.0	121.7
5 Equipment	153.5	161.8	152.3	152.7	150.5	147.1	145.4	145.0	142.7 ^r	142.9	142.0	142.3
6 Intermediate	123.2	126.4	121.4	121.4	121.6	120.7	119.6	118.9	118.6 ^r	118.8	119.6	120.7
7 Materials	155.6	166.4	158.0 ^r	157.2	157.6	156.5	155.9	154.8	153.6 ^r	155.7	156.5	157.9
<i>Industry groups</i>												
8 Manufacturing	144.7	151.6	144.8	145.2	144.5	142.9	142.1	142.0	141.6 ^r	142.5	142.7	143.9
9 Capacity utilization, manufacturing (percent) ²	80.6	80.7	75.1	75.1	74.6	73.7	73.3	73.2	72.9	73.3	73.4	73.9
10 Construction contracts ³	114.9 ^r	129.6 ^r	138.1 ^r	138.0 ^r	134.0 ^r	142.0 ^r	136.0 ^r	134.0 ^r	150.0 ^r	141.0	139.0	147.0
11 Nonagricultural employment, total ⁴	118.7	121.3	121.8	122.0	121.9	121.8	121.4	121.0	120.9	120.8	120.8	120.9
12 Goods-producing, total	109.8	110.7	108.1	108.1	107.5	107.1	106.5	105.8	105.3	104.5	104.4	104.0
13 Manufacturing, total	102.5	102.0	97.7	97.7	96.8	96.4	95.7	94.8	94.1	93.5	93.2	93.0
14 Manufacturing, production workers	103.7	102.8	97.0	96.8	95.9	95.3	94.6	93.6	92.8	92.2	91.9	91.7
15 Service-producing	121.1	124.2	125.5	125.7	125.9	125.8	125.4	125.2	125.2	125.3	125.3	125.5
16 Personal income, total	144.3	154.3	161.8	162.7	162.8	162.7	162.5	162.5	163.0	163.8	164.7	n.a.
17 Wages and salary disbursements	149.9	162.2	170.9	171.8	171.8	171.7	171.3	171.4	172.2	172.1	172.8	n.a.
18 Manufacturing	134.0	142.3	144.3	144.9	144.1	143.4	142.1	140.9	140.7	140.3	140.2	n.a.
19 Disposable personal income ⁵	139.2	147.9	156.0	157.9	161.0	159.1	156.2	156.3	156.6	159.5	160.6	n.a.
20 Retail sales ⁶	155.1	167.0	172.6	172.6	172.9	169.2	180.8	174.9	174.5	174.7	175.0	175.5
<i>Prices⁶</i>												
21 Consumer (1982-84=100)	166.6	172.2	177.1	177.5	177.5	178.3	177.7	177.4	176.7	177.1	177.8	178.8
22 Producer finished goods (1982=100)	133.0	138.0	140.7	140.5	140.9	141.6	139.7	138.3 ^r	137.2	137.5	137.7	138.9

1. Data in this table appear in the Board's G.17 (419) monthly statistical release. The data are also available on the Board's web site, <http://www.federalreserve.gov/releases/g17>. The latest historical revision of the industrial production index and the capacity utilization rates was released in November 2001. The recent annual revision is described in the March 2002 issue of the *Bulletin*. For a description of the methods of estimating industrial production and capacity utilization, see "Industrial Production and Capacity Utilization: Historical Revision and Recent Developments," *Federal Reserve Bulletin*, vol. 83 (February 1997), pp. 67-92, and the references cited therein. For details about the construction of individual industrial production series, see "Industrial Production: 1989 Developments and Historical Revision," *Federal Reserve Bulletin*, vol. 76 (April 1990), pp. 187-204.

2. Ratio of index of production to index of capacity. Based on data from the Federal Reserve, U.S. Department of Commerce, and other sources.

3. Index of dollar value of total construction contracts, including residential, nonresidential, and heavy engineering, from McGraw-Hill Info. Systems Co., F.W. Dodge Division.

4. Based on data from the U.S. Department of Labor, *Employment and Earnings*. Series covers employees only, excluding personnel in the armed forces.

5. Based on data from U.S. Department of Commerce, *Survey of Current Business*.

6. Based on data not seasonally adjusted. Seasonally adjusted data for changes in the price indexes can be obtained from the U.S. Department of Labor, Bureau of Labor Statistics, *Monthly Labor Review*.

NOTE: Basic data (not indexes) for series mentioned in notes 4 and 5, and indexes for series mentioned in notes 3 and 6, can also be found in the *Survey of Current Business*.

Table 2.10 will no longer be published in the *Federal Reserve Bulletin* after this issue (June 2002). For information on where to obtain the data presented in this table, please see the "Announcements" section, pp. 290-91.

2.11 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

Thousands of persons; monthly data seasonally adjusted

Category	1999	2000	2001	2001					2002			
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan. ^f	Feb. ^f	Mar.	
HOUSEHOLD SURVEY DATA¹												
1 Civilian labor force ²	139,368	140,863	141,815	141,380	142,068	142,280	142,279	142,314	141,390	142,211	142,005	
2 Nonagricultural industries ³	130,207	131,903	131,929	131,282	131,823	131,412	131,099	130,809	130,195	131,073	130,768	
3 Agriculture	3,281	3,305	3,144	3,126	3,181	3,203	3,154	3,246	3,273	3,246	3,126	
4 Number	5,880	5,655	6,742	6,972	7,064	7,665	8,026	8,259	7,922	7,891	8,111	
5 Rate (percent of civilian labor force)	4.2	4.0	4.8	4.9	5.0	5.4	5.6	5.8	5.6	5.5	5.7	
ESTABLISHMENT SURVEY DATA												
6 Nonagricultural payroll employment ⁴	128,916	131,759	132,213	132,395	132,230	131,782	131,427	131,321	131,212	131,210	131,268	
7 Manufacturing	18,552	18,469	17,698	17,533	17,448	17,325	17,159	17,039	16,923	16,869	16,831	
8 Mining	539	543	563	569	569	569	567	564	563	557	555	
9 Contract construction	6,415	6,698	6,861	6,861	6,871	6,852	6,851	6,850	6,787	6,817	6,780	
10 Transportation and public utilities	6,834	7,019	7,070	7,082	7,070	7,016	6,952	6,915	6,898	6,898	6,892	
11 Trade	29,758	30,331	30,502	30,593	30,524	30,393	30,365	30,303	30,341	30,377	30,369	
12 Finance	7,555	7,560	7,624	7,623	7,633	7,634	7,638	7,632	7,638	7,624	7,618	
13 Service	39,055	40,460	41,024	41,129	41,134	40,995	40,889	40,957	40,992	40,983	41,101	
14 Government	20,206	20,681	20,873	21,005	20,981	20,998	21,006	21,061	21,070	21,085	21,122	

1. Beginning January 1994, reflects redesign of current population survey and population controls from the 1990 census.

2. Persons sixteen years of age and older, including Resident Armed Forces. Monthly figures are based on sample data collected during the calendar week that contains the twelfth day; annual data are averages of monthly figures. By definition, seasonality does not exist in population figures.

3. Includes self-employed, unpaid family, and domestic service workers.

4. Includes all full- and part-time employees who worked during, or received pay for, the

pay period that includes the twelfth day of the month; excludes proprietors, self-employed persons, household and unpaid family workers, and members of the armed forces. Data are adjusted to the March 1992 benchmark, and only seasonally adjusted data are available at this time.

SOURCE: Based on data from U.S. Department of Labor, *Employment and Earnings*.

Table 2.11 will no longer be published in the *Federal Reserve Bulletin* after this issue (June 2002). For information on where to obtain the data presented in this table, please see the "Announcements" section, pp. 290-91.

2.12 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION¹

Seasonally adjusted

Series	2001			2002	2001			2002	2001			2002	
	Q2	Q3	Q4 ^r	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 ^r	Q1	
	Output (1992=100)				Capacity (percent of 1992 output)				Capacity utilization rate (percent) ²				
1 Total industry	141.3	139.6	137.2	138.0	182.6	183.2	183.6	184.1	77.4	76.2	74.7	75.0	
2 Manufacturing	146.0	144.2	141.9	143.0	193.2	193.6	194.0	194.4	75.6	74.5	73.1	73.6	
3 Primary processing ³	168.9	167.1	164.5	167.8	223.0	223.8	224.5	225.3	75.8	74.7	73.3	74.5	
4 Advanced processing ⁴	133.3	131.5	129.3	129.4	176.6	176.9	177.2	177.4	75.5	74.3	73.0	72.9	
5 Durable goods	181.9	178.3	174.1	176.2	246.3	247.5	248.5	249.4	73.8	72.0	70.1	70.6	
6 Lumber and products	113.2	115.5	112.7	114.3	148.5	148.8	149.1	149.2	76.2	77.6	75.6	76.6	
7 Primary metals	120.5	117.8	109.1	112.7	150.8	150.6	150.4	149.4	79.9	78.2	72.6	75.5	
8 Iron and steel	117.3	115.7	104.0	109.6	147.4	146.8	146.2	144.4	79.6	78.8	71.2	75.9	
9 Nonferrous	124.6	120.6	115.3	116.8	155.3	155.6	155.8	155.9	80.2	77.5	74.0	74.9	
10 Industrial machinery and equipment	217.0	208.8	202.2	204.1	297.3	298.8	299.8	300.3	73.0	69.9	67.5	67.9	
11 Electrical machinery	509.2	485.3	485.7	498.9	735.6	745.4	752.5	763.3	69.2	65.1	64.6	65.4	
12 Motor vehicles and parts	166.8	169.5	165.1	172.6	220.1	221.5	222.9	224.1	75.8	76.5	74.1	77.0	
13 Aerospace and miscellaneous transportation equipment	99.0	95.9	91.2	86.1	135.3	135.2	135.1	135.1	73.2	71.0	67.5	63.7	
14 Nondurable goods	111.5	111.0	110.2	110.6	143.0	142.9	142.9	142.9	77.9	77.7	77.1	77.4	
15 Textile mill products	88.0	85.3	82.4	85.5	117.4	116.4	115.4	114.3	74.9	73.3	71.5	74.8	
16 Paper and products	108.9	108.5	105.8	104.8	138.7	138.8	139.0	139.0	78.5	78.1	76.1	75.4	
17 Chemicals and products	119.6	121.1	122.4	123.0	158.3	158.5	158.6	158.8	75.6	76.4	77.2	77.4	
18 Plastics materials	116.4	117.4	115.6	113.7	152.5	153.0	153.4	153.8	76.3	76.7	75.4	73.9	
19 Petroleum products	115.5	113.2	113.7	115.4	122.2	122.4	122.7	122.9	94.5	92.5	92.7	93.9	
20 Mining	102.9	101.8	98.6	96.3	112.0	112.2	112.6	112.9	91.8	90.7	87.6	85.4	
21 Utilities	120.0	119.1	116.9	117.8	136.2	138.1	139.9	141.6	88.1	86.3	83.6	83.2	
22 Electric	123.6	122.2	121.1	122.1	135.1	137.4	139.8	141.9	91.5	88.9	86.7	86.0	
	1973	1975	Previous cycle ⁵		Latest cycle ⁶		2001	2001			2002		
	High	Low	High	Low	High	Low	Mar.	Oct.	Nov.	Dec. ^f	Jan. ^f	Feb. ^f	Mar. ^g
	Capacity utilization rate (percent) ²												
1 Total industry	89.2	72.6	87.3	71.1	85.4	78.1	78.5	75.0	74.7	74.4	74.7	74.9	75.4
2 Manufacturing	88.5	70.5	86.9	69.0	85.7	76.6	76.7	73.3	73.2	72.9	73.3	73.4	73.9
3 Primary processing ³	91.8	67.3	88.6	65.7	88.3	76.7	76.8	73.9	73.2	72.7	73.9	74.4	75.1
4 Advanced processing ⁴	86.5	72.5	86.3	71.0	84.2	76.6	76.6	72.9	73.1	73.0	72.9	72.8	73.1
5 Durable goods	89.2	68.9	87.7	63.9	84.6	73.1	75.3	70.1	70.1	70.0	70.4	70.5	71.1
6 Lumber and products	88.7	61.2	87.9	60.8	93.6	75.5	75.4	75.7	75.4	75.7	75.4	76.4	78.0
7 Primary metals	100.2	65.9	94.2	45.1	92.7	73.7	77.9	75.5	73.3	68.9	74.6	75.4	76.4
8 Iron and steel	105.8	66.6	95.8	37.0	95.2	71.8	75.3	75.4	73.3	64.8	74.1	76.4	77.1
9 Nonferrous	90.8	59.8	91.1	60.1	89.3	74.2	80.7	75.5	73.3	73.3	74.9	74.3	75.6
10 Industrial machinery and equipment	96.0	74.3	93.2	64.0	85.4	72.3	76.2	67.7	67.9	66.8	68.0	67.6	68.2
11 Electrical machinery	89.2	64.7	89.4	71.6	84.0	75.0	73.6	64.6	64.5	64.5	64.9	65.3	65.9
12 Motor vehicles and parts	93.4	51.3	95.0	45.5	89.1	55.9	74.7	70.7	74.4	77.0	76.8	77.1	77.1
13 Aerospace and miscellaneous transportation equipment	78.4	67.6	81.9	66.6	87.3	79.2	74.1	69.4	67.3	65.8	64.6	63.8	62.8
14 Nondurable goods	87.8	71.7	87.5	76.4	87.3	80.7	78.6	77.5	77.1	76.8	77.2	77.3	77.7
15 Textile mill products	91.4	60.0	91.2	72.3	90.4	77.7	77.0	71.7	71.0	71.7	72.4	74.9	77.0
16 Paper and products	97.1	69.2	96.1	80.6	93.5	85.0	76.5	77.8	76.4	74.1	75.3	75.0	75.8
17 Chemicals and products	87.6	69.7	84.6	69.9	86.2	79.3	76.7	77.7	77.2	76.6	77.3	77.4	77.7
18 Plastics materials	102.0	50.6	90.9	63.4	97.0	74.8	78.9	77.7	75.6	72.9	72.8	73.5	75.5
19 Petroleum products	96.7	81.1	90.0	66.8	88.5	85.1	93.9	93.7	93.0	91.4	93.7	94.1	93.8
20 Mining	94.3	88.2	96.0	80.3	88.0	87.0	91.6	88.4	87.9	86.4	86.2	85.6	84.3
21 Utilities	96.2	82.9	89.1	75.9	92.6	83.4	90.2	85.7	83.0	82.0	81.4	83.6	84.6
22 Electric	99.0	82.7	88.2	78.9	95.0	87.1	93.3	88.0	87.1	84.8	84.8	85.9	87.4

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 November 2001. The recent annual revision is described in the March 2002 issue of the *Bulletin*. For a description of the methods of estimating industrial production and capacity utilization, see "Industrial Production and Capacity Utilization: Historical Revision and Recent Developments," *Federal Reserve Bulletin*, vol. 83 (February 1997), pp. 67-92, and the references cited therein. For details about the construction of individual industrial production series, see "Industrial Production: 1989 Developments and Historical Revision," *Federal Reserve Bulletin*, vol. 76 (April 1990), pp. 187-204.

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

3. Primary processing includes textiles; lumber; paper; industrial chemicals; synthetic materials; fertilizer materials; petroleum products; rubber and plastics; stone, clay, and glass; primary metals; fabricated metals; semiconductors and related electronic components; and motor vehicle parts.

4. Advanced processing includes foods, tobacco, apparel, furniture and fixtures, printing and publishing, chemical products such as drugs and toiletries, agricultural chemicals, leather and products, machinery except semiconductors and related electronic components, transportation equipment except motor vehicle parts, instruments, and miscellaneous manufacturing.

5. Monthly highs, 1978-80; monthly lows, 1982.

6. Monthly highs, 1988-89; monthly lows, 1990-91.

2.14 HOUSING AND CONSTRUCTION

Monthly figures at seasonally adjusted annual rates except as noted

Item	1999	2000	2001	2001								2002	
				May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
Private residential real estate activity (thousands of units except as noted)													
NEW UNITS													
1 Permits authorized	1,664	1,592	1,611	1,621	1,587	1,571	1,571	1,528	1,485	1,595	1,654	1,721	1,774
2 One-family	1,247	1,198	1,221	1,205	1,225	1,211	1,210	1,164	1,140	1,211	1,247	1,335	1,379
3 Two-family or more	417	394	390	416	362	360	361	364	345	384	407	386	395
4 Started	1,641	1,569	1,603	1,610	1,634	1,660	1,559	1,585	1,518	1,616	1,602	1,713'	1,785
5 One-family	1,302	1,231	1,273	1,285	1,292	1,290	1,271	1,265	1,225	1,244	1,312	1,346'	1,470
6 Two-family or more	339	338	329	325	342	370	288	320	293	372	290	367'	315
7 Under construction at end of period	953	934	959	1,016	1,012	1,019	1,009	1,015	1,009	1,008	998	1,005'	1,013
8 One-family	648	623	638	688	688	693	691	691	682	680	673	674'	682
9 Two-family or more	305	310	321	328	324	326	318	324	327	328	325	331'	331
10 Completed	1,605	1,574	1,571	1,499	1,643	1,583	1,620	1,543	1,577	1,574	1,703	1,594'	1,667
11 One-family	1,270	1,242	1,256	1,225	1,275	1,269	1,276	1,258	1,317	1,262	1,361	1,290'	1,376
12 Two-family or more	335	332	315	274	368	314	344	285	260	312	342	304'	291
13 Mobile homes shipped	348	250	193	186	198	193	199	206	207	203	206	195	182
Merchant builder activity in one-family units													
14 Number sold	880	877	908'	882	889	877	871	854	860	937	988'	853'	906
15 Number for sale at end of period	315	301	310'	296	301	307	309	310	308	309	307'	310	310
Price of units sold (thousands of dollars) ²													
16 Median	161.0	169.0	174.1	175.3	179.4	175.0	173.7	166.4	171.3	168.1	180.2'	185.1'	182.9
17 Average	195.8	207.2	211.9	211.4	211.7	209.3	207.5	203.3	207.1	206.9	228.7'	226.1'	223.8
EXISTING UNITS (one-family)													
18 Number sold	5,205	5,152	5,296	5,400	5,300	5,300	5,490	5,010	5,270	5,250	5,200	6,050	5,890
Price of units sold (thousands of dollars) ²													
19 Median	133.3	139.0	147.8	145.0	152.2	151.7	153.7	147.4	145.4	147.1	153.1	150.3	149.4
20 Average	168.3	176.2	185.3	183.6	191.1	190.6	193.5	185.2	181.8	182.9	192.2	190.6	189.6
Value of new construction (millions of dollars) ³													
CONSTRUCTION													
21 Total put in place	763,914	817,130	862,261	869,574	861,571	863,742	856,629	851,883	856,097	855,952	862,567	869,653	879,427
22 Private	595,667	641,269	667,012	670,838	665,322	667,765	663,108	660,249	656,913	651,509	654,297	649,853	660,676
23 Residential	349,560	375,268	395,608	394,330	391,508	395,668	399,558	398,136	400,147	396,518	399,241	402,828	416,687
24 Nonresidential	246,107	266,001	271,404	276,508	273,814	272,097	263,550	262,113	256,766	254,991	255,056	247,025	243,989
25 Industrial buildings	32,794	31,984	31,286	31,943	32,966	34,645	31,884	31,291	26,126	23,934	23,888	22,776	21,147
26 Commercial buildings	104,531	116,988	117,050	118,601	116,842	115,894	110,860	111,249	111,744	109,015	106,692	104,730	101,508
27 Other buildings	40,906	44,505	46,088	46,643	46,020	45,549	44,851	44,829	45,998	46,012	47,121	47,657	47,187
28 Public utilities and other	67,876	72,523	76,982	79,321	77,986	76,009	75,955	74,744	72,898	76,030	77,355	71,862	74,147
29 Public	168,247	175,861	195,249	198,736	196,249	195,977	193,521	191,635	199,184	204,443	208,270	219,800	218,751
30 Military	2,142	2,334	2,346	2,274	2,477	2,375	2,539	2,362	2,343	2,353	2,152	2,213	2,307
31 Highway	52,024	52,851	57,743	60,437	61,534	60,470	55,667	53,534	55,982	58,717	59,840	68,301	65,733
32 Conservation and development	5,995	6,043	7,169	7,216	6,592	6,063	7,265	7,344	7,489	7,392	7,548	8,571	8,465
33 Other	108,086	114,634	127,991	128,809	125,646	127,069	128,050	128,395	133,370	135,981	138,730	140,715	142,246

1. Not at annual rates.

2. Not seasonally adjusted.

3. Recent data on value of new construction may not be strictly comparable with data for previous periods because of changes by the Bureau of the Census in its estimating techniques. For a description of these changes, see *Construction Reports* (C-30-76-5), issued by the Census Bureau in July 1976.

SOURCE: Bureau of the Census estimates for all series except (1) mobile homes, which are private, domestic shipments as reported by the Manufactured Housing Institute and seasonally adjusted by the Census Bureau, and (2) sales and prices of existing units, which are

published by the National Association of Realtors. All back and current figures are available from the originating agency. Permit authorizations are those reported to the Census Bureau from 19,000 jurisdictions beginning in 1994.

Table 2.14 will no longer be published in the *Federal Reserve Bulletin* after this issue (June 2002). For information on where to obtain the data presented in this table, please see the "Announcements" section, pp. 290-91.

2.15 CONSUMER AND PRODUCER PRICES

Percent changes based on seasonally adjusted data except as noted

Item	Change from 12 months earlier		Change from 3 months earlier (annual rate)				Change from 1 month earlier					Index level, Mar. 2002 ¹
	2001 Mar.	2002 Mar.	2001			2002	2001		2002			
			June	Sept.	Dec.	Mar.	Nov.	Dec.	Jan.	Feb.	Mar.	
CONSUMER PRICES² (1982-84=100)												
1 All items	2.9	1.5	3.9	.7	-1.8	3.0	-1	-1	.2	.2	.3	178.8
2 Food	3.1	2.6	3.1	2.8	1.4	3.0	-1	.0	.3	.2	.2	176.1
3 Energy items	6.0	-10.7	20.3	-19.1	-43.4	16.5	-4.9	-3.0	.9	-8	3.8	115.6
4 All items less food and energy	2.7	2.4	2.4	2.6	2.6	2.1	.4	.1	.2	.3	.1	189.8
5 Commodities .....	.6	-1.1	-1.6	.6	-1.4	-1.9	.2	-4	-.3	.0	-1	144.6
6 Services	3.5	3.9	4.3	3.5	4.0	3.8	.5	.3	.4	.4	.1	215.9
PRODUCER PRICES (1982=100)												
7 Finished goods	3.0	-1.4	.0	-1.7	-9.6	5.6	-6	-5 ^r	.1	.2	1.0	138.9
8 Consumer foods	3.7	1.8	.6	1.7	-4.2	10.0	-8 ^r	-1 ^r	.8	1.0	.6	143.7
9 Consumer energy	8.9	-13.5	-6.9	-17.1	-43.4	26.3	-3.9 ^r	-3.3 ^r	.1	.4	5.5	85.6
10 Other consumer goods	1.8	.7	2.6	1.0	-.8	.0	.2	.0	-1	-1	.2	157.4
11 Capital equipment .....	.9	-.1	.3	1.2	-2.0	.3	-1	.0	-1	.1	.1	139.5
<i>Intermediate materials</i>												
12 Excluding foods and feeds	2.2	-3.4	-1.5	-5.6	-10.1	3.5	-7 ^r	-6 ^r	-1	-1	1.0	127.1
13 Excluding energy	1.0	-1.7	-.9	-3.5	-3.5	1.2	-2	-2	.0	.0	.3	135.1
<i>Crude materials</i>												
14 Foods	7.6	-5.7	-4.0	3.8	-34.7	21.6	-4.9 ^r	-2.1 ^r	4.0	2.3	-1.3	102.9
15 Energy	38.6	-38.6	-52.0	-63.7	-51.3	67.1	19.9 ^r	-15.2 ^r	5.6	-6.5	15.2	87.2
16 Other	-10.1	-6.6	-15.3	-2.4	-9.0	1.3	-3 ^r	-6 ^r	-5	1.5	-7	126.7

1. Not seasonally adjusted.

2. Figures for consumer prices are for all urban consumers and reflect a rental-equivalence measure of homeownership.

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics.

Table 2.15 will no longer be published in the *Federal Reserve Bulletin* after this issue (June 2002). For information on where to obtain the data presented in this table, please see the "Announcements" section, pp. 290-91.

2.16 GROSS DOMESTIC PRODUCT AND INCOME

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

Account	1999	2000	2001	2001				
				Q4	Q1	Q2	Q3	Q4
GROSS DOMESTIC PRODUCT								
1 Total	9,268.6	9,872.9	10,208.1	10,027.9	10,141.7	10,202.6	10,224.9	10,263.3
<i>By source</i>								
2 Personal consumption expenditures	6,250.2	6,728.4	7,064.5	6,871.4	6,977.6	7,044.6	7,057.6	7,178.2
3 Durable goods	760.9	819.6	858.3	818.7	838.1	844.7	840.6	909.8
4 Nondurable goods	1,831.3	1,989.6	2,055.1	2,025.1	2,047.1	2,062.3	2,057.5	2,053.5
5 Services	3,658.0	3,919.2	4,151.1	4,027.5	4,092.4	4,137.6	4,159.4	4,214.9
6 Gross private domestic investment	1,636.7	1,767.5	1,633.9	1,780.3	1,722.8	1,669.9	1,624.8	1,518.2
7 Fixed investment	1,578.2	1,718.1	1,692.4	1,741.6	1,748.3	1,706.5	1,682.6	1,632.1
8 Nonresidential	1,174.6	1,293.1	1,246.0	1,318.2	1,311.2	1,260.2	1,231.0	1,181.6
9 Structures	283.5	313.6	330.3	330.9	345.8	338.6	334.3	302.5
10 Producers' durable equipment	891.1	979.5	915.8	987.3	965.4	921.7	896.8	879.1
11 Residential structures	403.5	425.1	446.3	423.4	437.0	446.2	451.6	450.4
12 Change in business inventories	58.6	49.4	-58.4	38.7	-25.5	-36.6	-57.8	-113.9
13 Nonfarm	60.1	51.1	-56.8	37.8	-26.2	-35.3	-55.9	-109.7
14 Net exports of goods and services	-250.9	-364.0	-329.8	-390.6	-363.8	-347.4	-294.4	-313.5
15 Exports	989.8	1,102.9	1,050.4	1,121.0	1,117.4	1,079.6	1,020.6	983.8
16 Imports	1,240.6	1,466.9	1,380.1	1,511.6	1,481.2	1,427.0	1,315.0	1,297.3
17 Government consumption expenditures and gross investment	1,632.5	1,741.0	1,839.5	1,766.8	1,805.2	1,835.4	1,836.9	1,880.4
18 Federal	564.0	590.2	615.7	594.2	605.3	609.9	615.7	631.7
19 State and local	1,068.5	1,150.8	1,223.8	1,172.6	1,199.8	1,225.5	1,221.2	1,248.7
<i>By major type of product</i>								
20 Final sales, total	9,210.0	9,823.6	10,266.6	9,989.2	10,167.2	10,239.1	10,282.7	10,377.2
21 Goods	3,418.6	3,644.8	3,719.6	3,670.6	3,718.8	3,715.0	3,690.3	3,754.1
22 Durable	1,618.8	1,735.2	1,735.4	1,740.7	1,755.8	1,737.2	1,704.9	1,743.8
23 Nondurable	1,799.8	1,909.7	1,984.2	1,929.9	1,963.1	1,977.8	1,985.4	2,010.3
24 Services	4,939.1	5,268.5	5,580.3	5,393.0	5,482.8	5,547.7	5,626.5	5,666.2
25 Structures	852.4	910.3	966.7	925.6	965.6	978.4	965.9	956.9
26 Change in business inventories	58.6	49.4	-58.4	38.7	-25.5	-36.6	-57.8	-113.9
27 Durable goods	35.3	34.7	-54.8	31.5	-31.0	-42.3	-55.3	-90.5
28 Nondurable goods	23.3	14.7	-3.7	7.2	5.5	5.8	-2.5	-23.4
MEMO								
29 Total GDP in chained 1996 dollars	8,856.5	9,224.0	9,333.8	9,303.9	9,334.5	9,341.7	9,310.4	9,348.6
NATIONAL INCOME								
30 Total	7,462.1	7,980.9	8,217.5	8,124.0	8,169.7	8,207.9	8,189.6	8,302.6
31 Compensation of employees	5,310.7	5,715.2	6,010.0	5,868.9	5,955.7	6,010.8	6,037.7	6,035.7
32 Wages and salaries	4,477.4	4,837.2	5,098.2	4,973.2	5,049.4	5,099.8	5,123.4	5,120.0
33 Government and government enterprises	724.3	768.4	806.0	776.6	788.8	799.6	812.5	823.2
34 Other	3,753.1	4,068.8	4,292.2	4,196.6	4,260.6	4,307.2	4,311.0	4,296.9
35 Supplement to wages and salaries	833.4	878.0	911.8	895.7	906.3	911.0	914.2	915.6
36 Employer contributions for social insurance	323.6	343.8	358.0	350.8	357.1	358.8	358.8	357.2
37 Other labor income	509.7	534.2	553.8	544.9	549.3	552.2	555.4	558.5
38 Proprietors' income ¹	672.0	715.0	743.5	725.2	735.2	745.3	752.7	740.8
39 Business and professional ¹	645.4	684.4	715.9	693.5	705.4	716.6	720.5	721.2
40 Farm ¹	26.6	30.6	27.6	31.7	29.8	28.7	32.3	19.6
41 Rental income of persons ²	147.7	141.6	142.6	141.7	139.6	139.0	144.0	147.7
42 Corporate profits ¹	825.2	876.4	767.1	847.6	789.8	759.8	697.0	822.0
43 Profits before tax ³	776.3	845.4	698.5	816.5	755.7	738.3	680.6	619.4
44 Inventory valuation adjustment	-2.9	-12.4	2.2	-7.3	-1.9	-8.8	3.1	16.6
45 Capital consumption adjustment	51.7	43.4	66.4	38.4	36.0	30.3	13.4	186.1
46 Net interest	506.5	532.7	554.3	540.6	549.4	553.0	558.3	556.4

1. With inventory valuation and capital consumption adjustments.
 2. With capital consumption adjustment.
 3. For after-tax profits, dividends, and the like, see table 1.48.
 SOURCE: U.S. Department of Commerce, *Survey of Current Business*.

Table 2.16 will no longer be published in the *Federal Reserve Bulletin* after this issue (June 2002). For information on where to obtain the data presented in this table, please see the "Announcements" section, pp. 290-91.

2.17 PERSONAL INCOME AND SAVING

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

Account	1999	2000	2001	2000	2001				
				Q4	Q1	Q2	Q3	Q4	
PERSONAL INCOME AND SAVING									
1 Total personal income	7,777.3	8,319.2	8,723.5	8,519.6	8,640.2	8,714.6	8,771.8	8,767.2	
2 Wage and salary disbursements	4,472.2	4,837.2	5,098.2	4,973.2	5,049.4	5,099.8	5,123.4	5,120.0	
3 Commodity-producing industries	1,088.7	1,163.7	1,197.3	1,195.5	1,206.3	1,204.4	1,197.5	1,181.1	
4 Manufacturing	782.0	830.1	842.1	852.2	853.3	850.2	841.1	823.9	
5 Distributive industries	1,021.0	1,095.6	1,145.5	1,125.9	1,140.3	1,148.2	1,148.1	1,145.2	
6 Service industries	1,638.2	1,809.5	1,949.4	1,875.2	1,914.0	1,947.6	1,965.4	1,970.6	
7 Government and government enterprises	724.3	768.4	806.0	776.6	788.8	799.6	812.5	823.2	
8 Other labor income	509.7	534.2	553.8	544.9	549.3	552.2	555.4	558.5	
9 Proprietors' income ¹	672.0	715.0	743.5	725.2	735.2	745.3	752.7	740.8	
10 Business and professional ¹	645.4	684.4	715.9	693.5	705.4	716.6	720.5	721.2	
11 Farm ¹	26.6	30.6	27.6	31.7	29.8	28.7	32.3	19.6	
12 Rental income of persons ²	147.7	141.6	142.6	141.7	139.6	139.0	144.0	147.7	
13 Dividends	343.1	379.2	416.3	396.6	404.8	411.9	420.0	428.4	
14 Personal interest income	950.0	1,000.6	993.6	1,013.1	1,010.9	1,001.0	991.5	970.9	
15 Transfer payments	1,019.6	1,069.1	1,148.8	1,089.0	1,123.1	1,139.4	1,159.0	1,173.8	
16 Old-age survivors, disability, and health insurance benefits	588.0	617.3	664.4	626.5	651.4	660.1	670.8	675.2	
17 LESS: Personal contributions for social insurance	337.1	357.7	373.3	364.1	372.1	374.0	374.2	372.8	
18 EQUALS: Personal income	7,777.3	8,319.2	8,723.5	8,519.6	8,640.2	8,714.6	8,771.8	8,767.2	
19 LESS: Personal tax and nontax payments	1,159.2	1,288.2	1,306.2	1,329.8	1,345.2	1,351.4	1,195.5	1,332.7	
20 EQUALS: Disposable personal income	6,618.0	7,031.0	7,417.3	7,189.8	7,295.0	7,363.2	7,576.4	7,434.5	
21 LESS: Personal outlays	6,457.2	6,963.3	7,298.9	7,115.1	7,216.2	7,281.7	7,291.0	7,406.6	
22 EQUALS: Personal saving	160.9	67.7	118.4	74.7	78.8	81.5	285.3	27.9	
MEMO									
<i>Per capita (chained 1996 dollars)</i>									
23 Gross domestic product	32,441.9	32,652.6	32,646.2	32,779.0	32,800.7 ^a	32,729.9 ^a	32,512.9	32,542.7	
24 Personal consumption expenditures	21,862.6	22,152.4	22,560.8	22,340.5	22,448.7	22,522.8	22,502.8 ^a	22,766.9 ^a	
25 Disposable personal income	23,150.0	23,148.0	23,687.0	23,376.0	23,470.0	23,541.0	24,157.0	23,580.0	
26 Saving rate (percent)	2.4	1.0	1.6	1.0	1.1	1.1	3.8	4	
GROSS SAVING									
27 Gross saving	1,707.4	1,785.7	1,740.8	1,799.7	1,754.0	1,750.5	1,751.9	1,706.7	
28 Gross private saving	1,348.0	1,323.0	1,380.5	1,332.7	1,307.9	1,321.2	1,534.4	1,358.4	
29 Personal saving	160.9	67.7	118.4	74.7	78.8	81.5	285.3	27.9	
30 Undistributed corporate profits ¹	228.7	225.3	134.5	197.0	147.8	119.5	71.7	199.1	
31 Corporate inventory valuation adjustment	-2.9	-12.4	2.2	-7.3	-1.9	-8.8	3.1	16.6	
<i>Capital consumption allowances</i>									
32 Corporate	669.2	727.1	798.6	749.7	763.8	785.6	847.0	798.0	
33 Noncorporate	284.1	302.8	329.0 ^a	311.3	317.5	334.6	330.4	333.3	
34 Gross government saving	359.4	462.8	360.3	467.1	446.1	429.3	217.6	348.3	
35 Federal	210.9	315.0	218.6	320.5	303.7	286.2	86.2	198.3	
36 Consumption of fixed capital	91.7	96.4	99.6	97.9	98.4	99.4	99.8	100.9	
37 Current surplus or deficit (-), national accounts	119.2	218.6	119.0	222.5	205.3 ^a	186.7 ^a	-13.6 ^a	97.4 ^a	
38 State and local	148.5	147.8	141.8	146.6	142.5	143.2	131.4	150.0	
39 Consumption of fixed capital	106.4	114.9	124.2	118.0	120.2	121.9	129.5	125.2	
40 Current surplus or deficit (-), national accounts	42.1	32.8	17.6	28.6	22.3	21.3	1.9	24.8	
41 Gross investment	1,634.7	1,655.3	1,590.9	1,649.7	1,633.5	1,607.3	1,602.3	1,520.7	
42 Gross private domestic investment	1,636.7	1,767.5	1,633.9	1,780.3	1,722.8	1,669.9	1,624.8	1,518.2	
43 Gross government investment	304.6	318.3	341.1	322.8	330.9	344.0	331.9	357.7	
44 Net foreign investment	-306.6	-430.5	-384.1	-453.4	-420.2	-406.6	-354.5	-355.3	
45 Statistical discrepancy	-72.7	-130.4	-149.8	-150.0	-120.5	-143.2	-149.7	-186.0	

1. With inventory valuation and capital consumption adjustments.
2. With capital consumption adjustment.
SOURCE: U.S. Department of Commerce, *Survey of Current Business*.

Table 2.17 will no longer be published in the *Federal Reserve Bulletin* after this issue (June 2002). For information on where to obtain the data presented in this table, please see the "Announcements" section, pp. 290-91.

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars; quarterly data seasonally adjusted except as noted¹

Item credits or debits	1999	2000	2001	2000	2001			
				Q4	Q1	Q2	Q3	Q4
1 Balance on current account	-324,364	-444,667	-417,429	-116,324	-112,129	-107,932	-98,531	-98,835
2 Balance on goods and services	-261,838	-375,739	-347,810	-100,293	-95,312	-90,835	-78,450	-83,215
3 Exports	957,353	1,065,702	1,004,589	270,131	268,614	258,833	243,143	234,000
4 Imports	-1,219,191	-1,441,441	-1,352,399	-370,424	-363,926	-349,668	-321,593	-317,215
5 Income, net	-13,613	-14,792	-19,118	642	-4,991	-4,967	-7,412	-1,744
6 Investment, net	-8,511	-9,621	-13,754	1,971	-3,639	-3,637	-6,095	-378
7 Direct	67,044	81,231	95,221	25,703	22,698	23,451	21,974	27,102
8 Portfolio	-75,555	-90,852	-108,975	-23,732	-26,337	-27,088	-28,069	-27,480
9 Compensation of employees	-5,102	-5,171	-5,364	-1,329	-1,352	-1,330	-1,317	-1,366
10 Unilateral current transfers, net	-48,913	-54,136	-50,501	-16,673	-11,826	-12,130	-12,669	-13,876
11 Change in U.S. government assets other than official reserve assets, net (increase, -)	2,751	-944	-573	-359	21	-786	21	171
12 Change in U.S. official reserve assets (increase, -)	8,747	-290	-4,911	-1,410	190	-1,343	-3,559	-199
13 Gold	0	0	0	0	0	0	0	0
14 Special drawing rights (SDRs)	10	-722	-630	-180	-189	-156	-145	-140
15 Reserve position in International Monetary Fund	5,484	2,308	-3,600	-1,083	574	-1,015	-3,242	83
16 Foreign currencies	3,253	-1,876	-681	-147	-195	-172	-172	-142
17 Change in U.S. private assets abroad (increase, -)	-448,565	-579,718	-434,079	-179,779	-243,513	-70,228	-13,905	-106,432
18 Bank-reported claims ²	-76,263	-138,500	-104,332	-71,574	-109,789	-105	59,116	-53,554
19 Nonbank-reported claims	-85,700	-163,846	-76,067	-44,514	-61,011	22,232	-40,361	3,073
20 U.S. purchase of foreign securities, net	-131,217	-124,935	-97,661	-24,621	-31,591	-51,109	10,564	-25,525
21 U.S. direct investments abroad, net	-155,385	-152,437	-156,019	-39,070	-41,122	-41,246	-43,224	-30,426
22 Change in foreign official assets in United States (increase, +)	43,551	37,619	6,092	-3,573	4,898	-20,879	16,877	5,196
23 U.S. Treasury securities	12,177	-10,233	10,760	-13,436	-1,027	-20,783	15,810	16,760
24 Other U.S. government obligations	20,350	40,909	20,920	8,196	3,574	9,932	-216	7,630
25 Other U.S. government liabilities ²	-2,855	-1,987	-2,482	-293	-1,246	-926	119	-429
26 Other U.S. liabilities reported by U.S. banks ²	12,964	5,803	-28,825	980	2,594	-10,130	-817	-20,472
27 Other foreign official assets ³	915	3,127	5,719	980	1,003	1,028	1,981	1,707
28 Change in foreign private assets in United States (increase, +)	770,193	986,599	889,367	298,894	342,108	247,806	40,841	258,610
29 U.S. bank-reported liabilities ⁴	54,232	87,953	95,214	43,365	6,890	44,271	-59,350	103,403
30 U.S. nonbank-reported liabilities	69,075	177,010	98,222	48,344	130,624	3,375	-3,941	-31,836
31 Foreign private purchases of U.S. Treasury securities, net	-20,490	-52,792	15,779	-10,395	656	-8,678	-9,459	33,260
32 U.S. currency flows	22,407	1,129	23,783	6,230	2,311	2,772	8,203	10,497
33 Foreign purchases of other U.S. securities, net	343,963	485,644	498,433	126,643	148,809	140,512	82,777	126,335
34 Foreign direct investments in United States, net	301,006	287,655	157,936	84,707	52,818	65,554	22,611	16,951
35 Capital account transactions, net ⁵	-3,491	705	726	184	173	177	182	194
36 Discrepancy	-48,822	696	-39,193	2,367	8,252	-46,815	58,074	-58,705
37 Due to seasonal adjustment	.	.	.	3,856	9,008	-1,643	-8,580	1,214
38 Before seasonal adjustment	-48,822	696	-39,193	-1,489	-756	-45,172	66,654	-59,919
MEMO								
<i>Changes in official assets</i>								
39 U.S. official reserve assets (increase, -)	8,747	-290	-4,911	-1,410	190	-1,343	-3,559	-199
40 Foreign official assets in United States, excluding line 25 (increase, +)	46,406	39,606	8,574	-3,280	6,144	-19,953	16,758	5,625
41 Change in Organization of Petroleum Exporting Countries official assets in United States (part of line 22)	1,621	11,582	-1,851	164	589	-1,743	-4,045	3,348

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*.

3.11 U.S. FOREIGN TRADE¹

Millions of dollars; monthly data seasonally adjusted

Item	1999	2000	2001	2001					2002	
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan. ^r	Feb. ^p
1 Goods and services, balance	-261,838	-375,739	-347,461	-28,390	-19,388	-29,627	-28,514	-24,713	-28,245	-31,512
2 Merchandise	-345,434	-452,207	-426,266	-34,107	-35,566	-35,080	-34,271	-30,983	-33,779	-36,935
3 Services	83,596	76,468	78,805	5,717	16,178	5,453	5,757	6,270	5,534	5,423
4 Goods and services, exports	957,353	1,065,702	1,004,609	83,835	76,957	77,878	78,099	78,043	78,239	79,189
5 Merchandise	684,553	772,210	720,851	59,400	55,464	56,457	56,015	54,954	55,003	55,118
6 Services	272,800	293,492	283,758	24,435	21,493	21,421	22,084	23,089	23,236	24,071
7 Goods and services, imports	-1,219,191	-1,441,441	-1,352,070	-112,225	-96,345	-107,505	-106,613	-102,756	-106,484	-110,701
8 Merchandise	-1,029,987	-1,224,417	-1,147,117	-93,507	-91,030	-91,537	-90,286	-85,937	-88,782	-92,053
9 Services	-189,204	-217,024	-204,953	-18,718	-5,315	-15,968	-16,327	-16,819	-17,702	-18,648

1. Data show monthly values consistent with quarterly figures in the U.S. balance of payments accounts.

SOURCE: FT900, U.S. Department of Commerce, Bureau of the Census and Bureau of Economic Analysis.

Table 3.11 will no longer be published in the *Federal Reserve Bulletin* after this issue (June 2002). For information on where to obtain the data presented in this table, please see the "Announcements" section, pp. 290-91.

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Asset	1998	1999	2000	2001				2002			
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr. ^p
1 Total	81,761	71,516	67,647	70,963	69,707	69,158	68,654	67,532	67,357	67,574	67,844
2 Gold stock ¹	11,046	11,048	11,046	11,045	11,045	11,045	11,045	11,044	11,044	11,044	11,044
3 Special drawing rights ^{2,3}	10,603	10,336	10,539	10,919	10,827	10,864	10,774	10,657	10,763	10,809	10,988
4 Reserve position in International Monetary Fund ²	24,111	17,950	14,824	18,404	17,787	17,293	17,854	17,602	17,169	17,078	16,184
5 Foreign currencies ⁴	36,001	32,182	31,238	30,595	30,048	29,956	28,981	28,229	28,381	28,643	29,628

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	1998	1999	2000	2001				2002			
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr. ^p
1 Deposits	167	71	215	608	75	528	61	162	89	256 ^r	111
<i>Held in custody</i>											
2 U.S. Treasury securities ²	607,574	632,482	594,094	587,566	599,043	600,129	592,630	592,031	591,202	593,865	589,531
3 Earmarked gold ³	10,343	9,933	9,451	9,100	9,099	9,099	9,099	9,098	9,098	9,098	9,091

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	1999	2000	2001					2002	
			Aug. ^f	Sept. ^f	Oct.	Nov.	Dec.	Jan.	Feb. ^g
1 Total ¹	806,318	845,869	842,400	852,195	860,445 ^e	867,512 ^e	857,786 ^e	861,508 ^e	869,045
<i>By type</i>									
2 Liabilities reported by banks in the United States ²	138,847	144,593	137,759	143,632	140,003	130,661	123,125	122,181 ^f	133,846
3 U.S. Treasury bills and certificates ³	156,177	153,010	154,670	153,899	161,081	167,562	161,719	166,640	164,076
<i>U.S. Treasury bonds and notes</i>									
4 Marketable	422,266	415,964	407,323	409,872	412,111 ^f	418,377 ^f	419,438 ^f	416,438 ^f	414,261
5 Nonmarketable ⁴	6,111	5,348	4,805	4,036	3,520	3,398	3,411	3,433	3,138
6 U.S. securities other than U.S. Treasury securities ⁵	82,917	126,954	137,843	140,756	143,730	147,514	150,093	152,816	153,724
<i>By area</i>									
7 Europe ¹	244,805	253,592	260,829	262,503	263,750 ^f	262,119 ^f	256,404 ^f	262,573 ^f	256,502
8 Canada	12,503	12,394	12,037	11,299	11,780	12,589	12,107	12,421	13,126
9 Latin America and Caribbean	73,518	76,753	78,621	75,712	77,555	77,244	77,374	74,931	74,057
10 Asia	463,703	488,170	474,985	488,485	490,897	498,815	497,333	495,025 ^f	509,800
11 Africa	7,523	9,165	9,862	10,246	10,337	9,560	9,646	10,901	10,208
12 Other countries	4,266	5,795	6,066	3,950	6,126	7,185	4,922	5,657	5,352

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 department by banks (including Federal Reserve Banks) and securities dealers in the United States, and on the 1994 benchmark survey of foreign portfolio investment in the United States.

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

Payable in Foreign Currencies

Millions of dollars, end of period

Item	1998	1999	2000	2001			
				Mar.	June	Sept.	Dec.
1 Banks' liabilities	101,125	88,537	77,779	89,394	108,418	93,513	90,532
2 Banks' claims	78,162	67,365	56,912	73,179	77,400	69,068	75,846
3 Deposits	45,985	34,426	23,315	29,902	32,765	36,574	45,382
4 Other claims	32,177	32,939	33,597	43,277	44,635	32,494	30,464
5 Claims of banks' domestic customers ²	20,718	20,826	24,411	21,105	21,144	20,885	17,631

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	1999	2000	2001	2001					2002	
				Aug. ¹	Sept. ¹	Oct.	Nov.	Dec.	Jan.	Feb. ²
BY HOLDER AND TYPE OF LIABILITY										
1 Total, all foreigners	1,408,740	1,511,410	1,640,042³	1,512,566	1,503,862	1,585,457⁴	1,670,617	1,640,042⁴	1,583,211⁴	1,621,750
2 Banks' own liabilities	971,536	1,077,636	1,174,737 ⁵	1,078,889	1,071,272	1,133,038 ⁶	1,197,054	1,174,737 ⁶	1,109,709 ⁶	1,140,850
3 Demand deposits	42,884	33,365	33,582	33,698	35,785	29,730	34,709	33,582	31,690	33,407
4 Time deposits ²	163,620	187,883	154,667 ²	174,885	178,029	167,864 ⁴	155,997 ⁴	154,667 ⁴	152,661 ⁴	146,489
5 Other ³	155,853	171,401	201,093	205,288	197,782	207,758	220,824	201,093	210,042 ⁴	216,208
6 Own foreign offices ⁴	609,179	684,987	785,395 ⁵	665,018	659,676	727,686 ⁶	785,524 ⁶	785,395 ⁶	715,316 ⁶	744,746
7 Banks' custodial liabilities ⁵	437,204	433,774	465,305	433,677	432,590	452,419	473,563	465,305	473,502	480,900
8 U.S. Treasury bills and certificates ⁶	185,676	177,846	n.a.	185,925	174,269	173,237	182,927	191,048	185,925	187,733
9 Short-term agency securities ⁷	n.a.	n.a.	59,781	63,592	62,117	65,652	59,723	59,781	52,515 ⁸	66,056
10 Other negotiable and readily transferable instruments ⁸	132,617	145,840	80,026	75,309	75,332	77,465	79,074	80,026	80,270 ⁸	82,153
11 Other	118,911	110,088	139,573	120,507	121,904	126,375	143,718	139,573	150,684	144,958
12 Nonmonetary international and regional organizations ⁹	15,276	12,542	10,804	13,214	13,309	10,336 ⁶	11,168	10,804	17,155	15,453
13 Banks' own liabilities	14,357	12,140	10,166	12,983	13,075	9,773 ⁶	10,332	10,166	16,227	14,553
14 Demand deposits	98	41	34	21	36	40	21	34	35	31
15 Time deposits ²	10,349	6,246	3,755	2,738	2,299	2,827 ⁴	3,133	3,755	7,581 ⁴	5,482
16 Other ³	3,910	5,853	6,377	10,224	10,740	6,906	7,178	6,377	8,611 ⁴	9,040
17 Banks' custodial liabilities ⁵	919	402	638	231	234	563	836	638	928	900
18 U.S. Treasury bills and certificates ⁶	680	252	577	92	118	521	779	577	883	859
19 Short-term agency securities ⁷	n.a.	n.a.	40	117	102	18	36	40	24	24
20 Other negotiable and readily transferable instruments ⁸	233	149	21	21	13	13	17	21	21	17
21 Other	6	1	0	1	1	11	4	0	0	0
22 Official institutions ¹⁰	295,024	297,603	284,844	292,429	297,531	301,084	298,223	284,844	288,821 ⁴	297,922
23 Banks' own liabilities	97,615	96,989	83,524	94,056	101,420	96,143	92,346	83,524	87,346 ⁴	85,434
24 Demand deposits	3,341	3,952	2,988	2,934	3,038	2,496	3,336	2,988	2,877	2,442
25 Time deposits ²	28,942	35,573	19,471	26,442	31,997	24,275	18,348	19,471	15,141	16,265
26 Other ³	65,332	57,464	61,065	64,680	66,385	69,372	70,662	61,065	69,328 ⁴	66,727
27 Banks' custodial liabilities ⁵	197,409	200,614	201,320	198,373	196,111	204,941	205,877	201,320	201,475	212,488
28 U.S. Treasury bills and certificates ⁶	156,177	153,010	161,719	154,670	153,899	161,081	167,562	161,719	166,640	164,076
29 Short-term agency securities ⁷	n.a.	n.a.	36,351	41,133	39,961	41,078	35,037	36,351	31,445	45,085
30 Other negotiable and readily transferable instruments ⁸	41,182	47,366	2,180	2,384	2,230	1,946	1,715	2,180	2,191	2,307
31 Other	50	238	1,070	186	21	836	1,563	1,070	1,199	1,020
32 Banks ¹¹	900,379	972,932	1,065,965 ⁵	954,545	942,612	1,011,191 ⁴	1,084,114	1,065,965 ⁵	1,004,583 ³	1,035,034
33 Banks' own liabilities	728,492	821,306	907,869 ⁵	810,631	800,631	863,890 ⁶	921,782	907,869 ⁵	836,093 ³	872,563
34 Unaffiliated foreign banks	119,313	136,319	122,474 ⁴	145,613	140,955	136,204 ⁴	136,258 ⁴	122,474 ⁴	120,777 ⁴	127,817
35 Demand deposits	17,583	15,522	13,089	14,586	15,675	11,166	13,149	13,089	10,376	12,812
36 Time deposits ²	48,140	66,904	52,910 ²	64,347	64,335	61,244 ⁴	56,132 ⁴	52,910 ⁴	51,849 ⁴	47,784
37 Other ³	53,590	53,893	56,475	66,680	60,945	63,794	66,977	56,475	58,552	67,221
38 Own foreign offices ⁴	609,179	684,987	785,395 ⁵	665,018	659,676	727,686 ⁶	785,524 ⁶	785,395 ⁶	715,316 ⁶	744,746
39 Banks' custodial liabilities ⁵	171,887	151,626	158,096	143,914	141,981	147,301	162,332	158,096	168,490	162,471
40 U.S. Treasury bills and certificates ⁶	16,796	16,023	11,499	9,929	8,784	10,288	10,907	11,499	10,181	10,289
41 Short-term agency securities ⁷	n.a.	n.a.	2,078	2,328	2,629	2,868	2,470	2,078	2,525 ⁸	1,916
42 Other negotiable and readily transferable instruments ⁸	45,695	36,036	21,981	25,176	24,176	23,900	23,384	21,981	22,959 ⁸	24,117
43 Other	109,396	99,567	122,538	106,481	106,392	110,245	125,571	122,538	132,825	126,149
44 Other foreigners	198,061	228,333	278,429 ⁹	252,378	250,410	262,846	277,112	278,429 ⁹	272,652	273,341
45 Banks' own liabilities	131,072	147,201	173,178 ⁹	161,219	156,146	163,232	172,594	173,178 ⁹	170,043	168,300
46 Demand deposits	21,862	13,850	17,471	16,157	17,036	16,028	18,203	17,471	18,402	18,122
47 Time deposits ²	76,189	79,160	78,531 ¹	81,358	79,398	79,518	78,384	78,531 ¹	78,090	76,958
48 Other ³	33,021	54,191	77,176	63,704	59,712	67,686	76,807	77,176	73,551	73,220
49 Banks' custodial liabilities ⁵	66,989	81,132	105,251	91,159	94,264	99,614	104,518	105,251	102,609	105,041
50 U.S. Treasury bills and certificates ⁶	12,023	8,561	12,130	9,578	10,436	11,037	11,800	12,130	12,329	12,509
51 Short-term agency securities ⁷	n.a.	n.a.	21,312	20,014	19,425	21,688	22,180	21,312	18,521	19,031
52 Other negotiable and readily transferable instruments ⁸	45,507	62,289	55,844	47,728	48,913	51,606	53,958	55,844	55,099	55,712
53 Other	9,459	10,282	15,965	13,839	15,490	15,283	16,580	15,965	16,660	17,789
MEMO										
54 Negotiable time certificates of deposits in custody for foreigners	30,345	34,217	20,440	23,266	23,228	22,646	22,778	20,440	22,095 ⁴	22,831
55 Repurchase agreements ⁷	n.a.	n.a.	152,681	127,455	111,109	128,392 ⁴	136,459	152,681	130,178	132,753

1. Reporting banks include all types of depository institutions as well as some brokers and dealers. Excludes bonds and notes of maturities longer than one year.

2. Excludes negotiable time certificates deposit, which are included in "Other negotiable and readily transferable instruments."

3. Includes borrowing under repurchase agreements.

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

5. Financial claims on residents of the United States, other than long-term securities, held by or through reporting banks for foreign customers.

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

7. Data available beginning January 2001.

8. Principally bankers acceptances, commercial paper, and negotiable time certificates of deposit.

9. 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.

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

11. Excludes central banks, which are included in "Official institutions."

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	1999	2000	2001	2001					2002	
				Aug.	Sept. ^f	Oct. ^f	Nov. ^f	Dec. ^f	Jan. ^f	Feb. ^g
1 Total	944,937	1,095,869	1,255,031^f		1,136,410	.	.	1,255,031	.	.
2 Banks' claims	793,139	904,642	1,052,652 ^f	951,522 ^f	963,630	1,016,715	1,052,755	1,052,652	1,004,242	1,005,148
3 Foreign public borrowers	35,090	37,907	48,999	47,159 ^f	45,780	49,592	56,820	48,999	52,924	48,538
4 Own foreign offices ²	529,682	630,137	745,834 ^f	655,431 ^f	663,840	699,281	721,650	745,834	697,236	716,045
5 Unaffiliated foreign banks	97,186	95,243	100,575 ^f	84,348 ^f	92,533	95,647	100,608	100,575	98,381	91,992
6 Deposits	34,538	23,886	26,189 ^f	15,610 ^f	20,022	25,663	29,998	26,189	26,926	25,841
7 Other	62,648	71,357	74,386 ^f	68,738 ^f	72,511	69,984	70,610	74,386	71,455	66,151
8 All other foreigners	131,181	141,355	157,244 ^f	164,584 ^f	161,477	172,195	173,677	157,244	155,701	148,573
9 Claims of banks' domestic customers ³	151,798	191,227	202,379		172,780	.	.	202,379	.	.
10 Deposits	88,006	100,352	92,546		71,537	.	.	92,546	.	.
11 Negotiable and readily transferable instruments ⁴	51,161	78,147	94,016		91,408	.	.	94,016	.	.
12 Outstanding collections and other claims	12,631	12,728	15,817		9,835	.	.	15,817	.	.
MEMO										
13 Customer liability on acceptances	4,553	4,257	2,588		2,468			2,588		
14 Banks' loans under resale agreements ⁵	n.a.	n.a.	137,984	117,224	111,844	144,250	144,901	137,984	119,466	123,049
15 Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States ⁶	31,125	53,153	60,711	60,299	54,932	57,698	66,930	60,711	54,563	55,165

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

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

2. For U.S. banks, includes amounts due from own foreign branches and foreign subsidiaries consolidated in quarterly Consolidated Reports of Condition filed with bank regulatory agencies. For agencies, branches, and majority-owned subsidiaries of foreign banks, consists

principally of amounts due from the head office or parent foreign bank, and from foreign branches, agencies, or wholly owned subsidiaries of the head office or parent foreign bank.

3. Assets held by reporting banks in the accounts of their domestic customers.

4. Principally negotiable time certificates of deposit and bankers acceptances, and commercial paper.

5. Data available beginning January 2001.

6. Includes demand and time deposits and negotiable and nonnegotiable certificates of deposit denominated in U.S. dollars issued by banks abroad.

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

Payable in U.S. dollars

Millions of dollars, end of period

Maturity, by borrower and area ²	1998	1999	2000	2001			
				Mar.	June	Sept.	Dec.
1 Total	250,418	267,082	274,009	307,564	302,060	298,514	304,595
<i>By borrower</i>							
2 Maturity of one year or less	186,526	187,894	186,103	194,943	191,738	178,185	199,825
3 Foreign public borrowers	13,671	22,811	21,399	23,701	26,621	19,994	27,274
4 All other foreigners	172,855	165,083	164,704	171,242	165,117	158,191	172,551
5 Maturity of more than one year	63,892	79,188	87,906	112,621	110,322	120,329	104,770
6 Foreign public borrowers	9,839	12,013	15,838	24,991	25,018	24,903	21,064
7 All other foreigners	54,053	67,175	72,068	87,630	85,304	95,426	83,706
<i>By area</i>							
8 Maturity of one year or less							
9 Europe	68,679	80,842	142,464	89,553	80,682	70,700	83,087
10 Canada	10,968	7,859	8,323	7,050	8,624	7,897	10,062
11 Latin America and Caribbean	81,766	69,498	151,840	72,242	72,848	75,289	70,419
12 Asia	18,007	21,802	43,371	20,730	24,124	19,381	29,642
13 Africa	1,835	1,122	2,263	970	707	707	1,144
14 All other ³	5,271	6,771	11,717	4,398	4,489	4,211	5,471
15 Maturity of more than one year							
16 Europe	14,923	22,951	57,770	38,259	39,944	41,594	34,064
17 Canada	3,140	3,192	3,174	3,252	3,995	4,292	3,633
18 Latin America and Caribbean	33,442	39,051	82,684	50,151	47,068	52,517	47,237
19 Asia	10,018	11,257	19,536	17,187	15,240	17,491	15,185
20 Africa	1,232	1,065	1,567	763	774	798	769
21 All other ³	1,137	1,672	5,954	3,009	3,301	3,637	3,882

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

2. Maturity is time remaining until maturity.

3. Includes nonmonetary international and regional organizations.

3.21 CLAIMS ON FOREIGN COUNTRIES Held by U.S. and Foreign Offices of U.S. Banks¹

Billions of dollars, end of period

Area or country	1997	1998	1999					2000					2001				
			Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept. ²	Dec.	Mar.	June	Sept. ²	Dec.		
1 Total	721.8	1,051.6	945.5	955.0	991.0	954.4	1,027.3	1,149.3³	1,154.9³	1,303.3	989.4						
2 G-10 countries and Switzerland	242.8	217.7	243.4	272.4	313.6	280.3	300.7	340.7⁴	349.8⁴	306.8	479.9						
3 Belgium and Luxembourg	11.0	10.7	14.3	14.2	13.9	13.0	14.2	15.3	13.3 ⁴	14.6	19.4						
4 France	15.4	18.4	29.0	27.1	32.6	29.0	29.6	30.1 ⁴	36.3 ⁴	34.9	40.0						
5 Germany	28.6	30.9	38.7	37.3	31.5	37.6	45.1	48.7 ⁴	54.5 ⁴	43.9	45.2						
6 Italy	15.5	11.5	18.1	19.9	20.5	18.6	21.3	20.4	23.7	22.8	21.0						
7 Netherlands	6.2	7.8	12.3	17.0	16.0	17.5	18.4	22.3	18.7	20.9	19.5						
8 Sweden	3.3	2.3	3.0	3.9	3.5	4.3	3.6	4.7	4.7	5.2	5.4						
9 Switzerland	7.2	8.5	10.3	10.1	13.8	10.9	13.2	13.9	13.5	13.0	12.6						
10 United Kingdom	113.4	85.4	79.3	101.9	138.2	112.8	115.6	142.0 ⁴	129.5 ⁴	98.7	257.8						
11 Canada	13.7	16.8	16.3	17.3	18.2	18.5	16.7	15.4	22.0 ⁴	21.1	20.3						
12 Japan	28.6	25.4	22.1	23.5	25.4	18.1	23.0	28.0	33.6 ⁴	31.8	38.7						
13 Other industrialized countries	65.5	69.0	68.4	62.7	75.3	73.7	74.5	75.8⁴	70.4⁴	70.9	70.4						
14 Austria	1.5	1.4	3.5	2.6	2.8	3.5	4.1	3.9 ⁴	3.6	4.5	4.8						
15 Denmark	2.4	2.2	2.6	1.5	1.2	1.8	1.9	3.1	2.7	2.7	2.6						
16 Finland	1.3	1.4	.9	.8	1.2	2.8	1.5	1.4	1.2	1.3	1.1						
17 Greece	5.1	5.9	6.0	5.7	6.7	6.4	8.3	4.1	3.6	3.6	3.2						
18 Norway	3.6	3.2	3.3	3.0	4.6	8.5	8.3	10.2	7.9	6.2	8.1						
19 Portugal	.9	1.4	1.0	1.0	2.0	1.5	2.0	1.9	1.4	1.4	1.6						
20 Spain	12.6	13.7	12.1	11.3	12.2	10.5	10.3	12.7 ⁴	12.5 ⁴	13.8	12.2						
21 Turkey	4.5	4.8	4.8	5.1	5.6	5.6	5.9	5.1	4.5	4.1	3.9						
22 Other Western Europe	8.3	10.4	6.8	8.4	7.9	8.3	6.5	7.3	6.9	7.3	8.4						
23 South Africa	2.2	4.4	3.8	4.8	4.6	4.2	3.6	4.1	3.8	4.4	3.9						
24 Australia	23.1	20.3	23.5	18.6	26.3	20.5	22.1	21.9	22.1	21.7	20.6						
25 OPEC²	26.0	27.1	31.4	28.9	32.1	31.4	28.9	28.3³	27.2³	27.7	27.5						
26 Ecuador	1.3	1.3	.8	.7	.7	.6	.6	.6	.6	.6	.6						
27 Venezuela	2.5	3.2	2.8	3.0	2.9	2.9	2.5	2.7	2.7 ⁴	2.7	2.5						
28 Indonesia	6.7	4.7	4.2	3.9	4.1	4.4	4.6	4.4	4.2 ⁴	4.0	3.8						
29 Middle East countries	14.4	17.0	23.1	21.1	23.8	22.4	20.3	20.1	19.3	20.1	20.3						
30 African countries	1.2	1.0	.5	.2	.7	1.2	.8	.5	.4	.4	.3						
31 Non-OPEC developing countries	139.2	143.4	149.4	154.6	158.1	149.5	145.5	150.5⁴	160.0⁴	204.0	193.7						
<i>Latin America</i>																	
32 Argentina	18.4	23.1	23.2	22.4	21.6	21.4	21.4	20.9	20.1 ⁴	19.6	19.6						
33 Brazil	28.6	24.7	27.7	28.1	28.3	28.5	28.8	29.4 ⁴	31.2 ⁴	31.3	28.5						
34 Chile	8.7	8.3	7.4	8.2	8.1	7.3	7.6	7.3	7.4 ⁴	6.7	7.3						
35 Colombia	3.4	3.2	2.5	2.5	2.4	2.4	2.4	2.4	2.6 ⁴	2.6	2.6						
36 Mexico	17.4	18.9	18.7	18.3	20.4	17.5	15.7	16.7	16.8 ⁴	60.0	56.0						
37 Peru	2.0	2.2	1.7	1.9	2.1	2.1	2.0	2.0	2.0	1.9	1.9						
38 Other	4.1	5.4	5.9	6.5	6.7	6.2	6.3	8.7 ⁴	8.3 ⁴	8.2	9.0						
<i>Asia</i>																	
39 China																	
40 Mainland	3.2	3.0	3.6	4.6	3.8	3.4	2.9	3.2	6.7	5.9	5.0						
41 Taiwan	9.5	13.3	12.0	12.6	12.6	12.8	10.8	11.2 ⁴	10.7	10.9	12.3						
42 India	4.9	5.5	7.7	7.9	8.2	5.8	9.1	6.5	11.8	14.1	6.9						
43 Israel	.7	1.1	1.8	3.3	1.5	1.1	2.7	2.5 ⁴	2.6 ⁴	3.9	4.7						
44 Korea (South)	15.6	13.7	15.2	17.7	21.7	21.4	15.5	19.9 ⁴	19.3 ⁴	19.5	18.7						
45 Malaysia	5.1	5.6	6.1	6.5	6.8	6.9	7.1	6.5	6.8 ⁴	6.1	6.7						
46 Philippines	5.7	5.1	6.2	5.3	5.3	4.7	5.1	5.2	5.4	5.2	5.6						
47 Thailand	5.4	4.7	4.1	4.3	4.0	3.9	4.0	4.2	4.2	3.9	5.1						
48 Other Asia	4.3	2.9	2.9	2.0	1.9	1.7	1.9	1.7	1.8	1.6	1.9						
<i>Africa</i>																	
49 Egypt	.9	1.3	1.4	1.4	1.3	1.1	1.1	1.2	1.2	1.4	1.2						
50 Morocco	.6	.5	.4	.3	.3	.4	.3	.3	.3	.3	.1						
51 Zaire	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0						
52 Other Africa ⁵	.8	1.0	1.0	.9	.9	.8	.7	.7	.7	.8	.7						
52 Eastern Europe	9.1	5.5	5.2	6.3	9.4	9.0	10.1	9.5	9.5	10.2	10.1						
53 Russia ⁴	5.1	2.2	1.6	1.7	1.5	1.4	1.0	1.5	1.5	1.6	1.6						
54 Other	4.0	3.3	3.6	4.7	7.9	7.6	9.1	8.0	8.0	8.5	8.5						
55 Offshore banking centers	140.2	93.9	59.9	53.9	60.6	59.4	76.3	72.0	59.7⁶	75.7	73.7						
56 Bahamas	24.2	35.4	13.7	14.4	8.8	9.3	13.5	7.0	.0	1.1	7.5						
57 Bermuda	9.8	4.6	8.0	7.3	6.3	6.3	9.0	7.9	5.8 ⁶	7.6	7.7						
58 Cayman Islands and other British West Indies	43.4	12.8	1.3	.0	5.1	5.9	14.6	14.3	12.6	23.4	16.9						
59 Netherlands Antilles	14.6	2.6	1.7	2.5	2.6	1.9	1.9	2.9	1.7	5.8	3.0						
60 Panama ⁷	3.1	3.9	3.9	3.4	3.3	2.5	3.2	3.8	4.2 ⁴	4.4	4.1						
61 Lebanon	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1						
62 Hong Kong, China	32.2	23.3	21.0	22.2	20.7	20.6	18.7	21.5	22.4 ⁴	17.9	18.9						
63 Singapore	12.7	11.1	10.1	4.1	13.6	12.6	15.2	14.6 ⁴	12.9	15.3	15.5						
64 Other ⁴	.1	.2	.1	.1	.1	.1	.2	.1	.1	.0	.1						
65 Miscellaneous and unallocated ⁴	99.1	495.1	387.9	376.1	342.1	351.1	391.2	472.4	478.4	608.1	133.9						

1. The banking offices covered by these data include U.S. offices and foreign branches of U.S. banks, including U.S. banks that are subsidiaries of foreign banks. Offices not covered include U.S. agencies and branches of foreign banks. Beginning March 1994, the data include large foreign subsidiaries of U.S. banks. The data also include other types of U.S. depository institutions as well as some types of brokers and dealers. To eliminate duplication, the data are adjusted to exclude the claims on foreign branches held by a U.S. office or another foreign branch of the same banking institution.

These data are on a gross claims basis and do not necessarily reflect the ultimate country risk or exposure of U.S. banks. More complete data on the country risk exposure of U.S. banks are available in the quarterly Country Exposure Lending Survey published by the Federal Financial Institutions Examination Council.

2. Organization of Petroleum Exporting Countries, shown individually; other members of OPEC (Algeria, Gabon, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, and United Arab Emirates), and Bahrain and Oman (not formally members of OPEC).

3. Excludes Liberia. Beginning March 1994 includes Namibia.

4. As of December 1992, excludes other republics of the former Soviet Union.

5. Includes Canal Zone.

6. Foreign branch claims only.

7. Includes New Zealand, Liberia, and international and regional organizations.

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

Millions of dollars, end of period

Type of liability, and area or country	1998	1999	2000	2000		2001			
				Sept.	Dec.	Mar.	June	Sept.	Dec. ^P
1 Total	46,570	53,044	73,904	76,644	73,904	73,655	68,113	53,526	66,718
2 Payable in dollars	36,668	37,605	48,931	51,451	48,931	46,526	41,819	35,347	42,957
3 Payable in foreign currencies	9,902	15,415	24,973	25,193	24,973	27,129	26,294	18,179	23,761
<i>By type</i>									
4 Financial liabilities	19,255	27,980	47,419	49,895	47,419	47,808	41,908	27,502	41,034
5 Payable in dollars	10,371	13,883	25,246	26,159	25,246	23,201	17,655	11,415	18,763
6 Payable in foreign currencies	8,884	14,097	22,173	23,736	22,173	24,607	24,253	16,087	22,271
7 Commercial liabilities	27,315	25,064	26,485	26,749	26,485	25,847	26,205	26,024	25,684
8 Trade payables	10,978	12,857	14,293	13,918	14,293	12,481	13,213	11,740	11,820
9 Advance receipts and other liabilities	16,337	12,207	12,192	12,831	12,192	13,366	12,992	14,284	13,864
10 Payable in dollars	26,297	23,722	23,685	25,292	23,685	23,325	24,164	23,932	24,194
11 Payable in foreign currencies	1,018	1,318	2,800	1,457	2,800	2,522	2,041	2,092	1,490
<i>By area or country</i>									
Financial liabilities									
12 Europe	12,589	23,241	34,172	36,175	34,172	37,422	32,785	22,083	31,806
13 Belgium and Luxembourg	79	31	147	169	147	112	98	76	154
14 France	1,097	1,659	1,480	1,299	1,480	1,553	1,222	1,538	2,841
15 Germany	2,063	1,974	2,168	2,132	2,168	2,624	2,463	1,994	2,344
16 Netherlands	1,406	1,996	2,016	2,040	2,016	2,169	1,763	1,998	1,954
17 Switzerland	155	147	104	178	104	103	93	92	94
18 United Kingdom	5,980	16,521	26,362	28,601	26,362	28,812	25,363	14,819	22,852
19 Canada	693	284	411	249	411	718	628	436	955
20 Latin America and Caribbean	1,495	892	4,125	3,447	4,125	3,632	2,100	414	2,858
21 Bahamas	7	1	6	105	6	18	40	5	157
22 Bermuda	101	5	1,739	1,182	1,739	1,837	461	47	960
23 Brazil	152	126	148	132	148	26	21	22	35
24 British West Indies	957	492	406	501	406	1,657	1,508	243	1,627
25 Mexico	59	25	26	35	26	31	20	24	36
26 Venezuela	2	0	2	0	2	1	1	3	2
27 Asia	3,785	3,437	7,965	9,320	7,965	5,324	5,639	3,869	5,042
28 Japan	3,612	3,142	6,216	4,782	6,216	4,757	3,297	3,442	3,269
29 Middle Eastern oil-exporting countries ¹	0	4	11	7	11	15	8	9	10
30 Africa	28	28	52	48	52	38	61	59	53
31 Oil-exporting countries ²	0	0	0	0	0	0	0	5	5
32 All other ³	665	98	694	656	694	674	695	672	320
Commercial liabilities									
33 Europe	10,030	9,262	9,629	9,411	9,629	8,792	8,723	8,855	9,230
34 Belgium and Luxembourg	278	140	293	201	293	251	297	160	99
35 France	920	672	979	716	979	689	665	892	735
36 Germany	1,392	1,131	1,047	1,023	1,047	982	1,017	966	908
37 Netherlands	429	507	300	424	300	349	343	343	1,163
38 Switzerland	499	626	502	647	502	623	697	683	790
39 United Kingdom	3,697	3,071	2,847	2,951	2,847	2,542	2,706	2,296	2,280
40 Canada	1,390	1,775	1,933	1,889	1,933	1,625	2,043	1,569	1,633
41 Latin America and Caribbean	1,618	2,310	2,381	2,443	2,381	2,166	2,292	2,879	2,729
42 Bahamas	14	22	31	15	31	5	31	44	52
43 Bermuda	198	152	281	377	281	280	367	570	591
44 Brazil	152	145	114	167	114	239	279	312	290
45 British West Indies	10	48	76	19	76	64	21	28	45
46 Mexico	347	887	841	1,079	841	792	762	884	901
47 Venezuela	202	305	284	124	284	243	218	242	166
48 Asia	12,342	9,886	10,983	11,133	10,983	11,542	11,384	11,114	10,532
49 Japan	3,827	2,609	2,757	1,998	2,757	2,431	2,377	2,421	2,592
50 Middle Eastern oil-exporting countries ¹	2,852	2,551	2,832	3,706	2,832	3,359	3,087	3,053	2,642
51 Africa	794	950	948	1,220	948	1,072	1,115	938	836
52 Oil-exporting countries ²	393	499	483	663	483	566	539	471	436
53 Other ³	1,141	881	614	653	614	650	648	669	724

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	1998	1999	2000	2000		2001			
				Sept.	Dec.	Mar.	June	Sept.	Dec. ^P
1 Total	77,462	76,669	90,157	94,803	90,157	107,705	97,946	94,076	113,155
2 Payable in dollars	72,171	69,170	79,558	82,872	79,558	94,932	88,166	83,292	103,937
3 Payable in foreign currencies	5,291	7,472	10,599	11,931	10,599	12,773	9,780	10,784	9,218
<i>By type</i>									
4 Financial claims	46,260	40,231	53,031	58,303	53,031	74,255	61,891	60,015	81,287
5 Deposits	30,199	18,566	23,374	30,928	23,374	25,419	25,381	22,391	29,801
6 Payable in dollars	28,549	16,373	21,015	27,974	21,015	23,244	23,174	19,888	27,850
7 Payable in foreign currencies	1,650	2,193	2,359	2,954	2,359	2,175	2,207	2,503	1,951
8 Other financial claims	16,061	21,665	29,657	27,375	29,657	48,836	36,510	37,624	51,486
9 Payable in dollars	14,049	18,593	25,142	20,541	25,142	41,417	32,038	32,076	46,621
10 Payable in foreign currencies	2,012	3,072	4,515	6,834	4,515	7,419	4,472	5,548	4,865
11 Commercial claims	31,202	36,438	37,126	36,500	37,126	33,450	36,055	34,061	31,868
12 Trade receivables	27,202	32,629	33,104	31,530	33,104	28,958	31,107	29,328	27,586
13 Advance payments and other claims	4,000	3,809	4,022	4,970	4,022	4,492	4,948	4,733	4,282
14 Payable in dollars	29,573	34,204	33,401	34,357	33,401	30,271	32,954	31,328	29,466
15 Payable in foreign currencies	1,629	2,207	3,725	2,143	3,725	3,179	3,101	2,733	2,402
<i>By area or country</i>									
<i>Financial claims</i>									
16 Europe	12,294	13,023	23,136	23,706	23,136	31,855	23,975	23,069	26,118
17 Belgium and Luxembourg	661	529	296	304	296	430	262	372	625
18 France	864	967	1,206	1,477	1,206	3,142	1,376	1,682	1,450
19 Germany	304	504	848	696	848	1,401	1,163	1,112	1,068
20 Netherlands	875	1,229	1,396	2,486	1,396	2,313	1,072	954	2,138
21 Switzerland	414	643	699	626	699	613	653	665	589
22 United Kingdom	7,766	7,561	15,900	16,191	15,900	20,938	15,913	15,670	16,510
23 Canada	2,503	2,553	4,576	7,517	4,576	4,847	4,787	4,254	6,193
24 Latin America and Caribbean	27,714	18,206	19,317	21,691	19,317	28,791	24,403	26,099	41,201
25 Bahamas	403	1,593	1,353	1,358	1,353	561	818	649	976
26 Bermuda	39	11	19	22	19	1,729	426	80	918
27 Brazil	835	1,476	1,827	1,568	1,827	1,648	1,877	2,065	2,127
28 British West Indies	24,388	12,099	12,596	15,722	12,596	21,227	17,505	19,234	32,965
29 Mexico	1,245	1,798	2,448	2,280	2,448	2,461	2,633	2,910	3,075
30 Venezuela	55	48	87	101	87	38	66	80	83
31 Asia	3,027	5,457	4,697	4,002	4,697	7,215	6,829	5,274	6,430
32 Japan	1,194	3,262	1,631	1,726	1,631	3,867	1,698	1,761	1,604
33 Middle Eastern oil-exporting countries ¹	9	23	80	85	80	86	76	100	135
34 Africa	159	286	411	284	411	430	476	456	414
35 Oil-exporting countries ²	16	15	57	3	57	42	35	83	49
36 All other ³	563	706	894	1,103	894	1,117	1,421	891	931
<i>Commercial claims</i>									
37 Europe	13,246	16,389	15,938	16,486	15,938	13,775	14,582	14,381	14,036
38 Belgium and Luxembourg	238	316	452	393	452	395	404	354	268
39 France	2,171	2,236	3,095	2,921	3,095	3,479	3,192	3,062	2,922
40 Germany	1,822	1,960	1,982	2,159	1,982	1,586	1,993	1,977	1,662
41 Netherlands	467	1,429	1,729	1,310	1,729	757	863	844	529
42 Switzerland	483	610	763	684	763	634	472	514	611
43 United Kingdom	4,769	5,827	4,502	5,193	4,502	3,562	3,819	3,571	3,839
44 Canada	2,617	2,757	3,502	2,953	3,502	3,392	3,496	3,116	2,855
45 Latin America and Caribbean	6,296	5,959	5,851	5,788	5,851	5,144	6,107	5,590	4,874
46 Bahamas	24	20	37	75	37	20	39	35	42
47 Bermuda	536	390	376	387	376	407	650	526	369
48 Brazil	1,024	905	957	981	957	975	1,364	1,183	958
49 British West Indies	181	137	137	55	137	130	135	124	95
50 Mexico	1,545	1,678	1,507	1,612	1,507	1,350	1,416	1,442	1,401
51 Venezuela	401	439	328	379	328	292	321	301	288
52 Asia	7,192	9,165	9,630	8,986	9,630	8,985	9,692	8,704	7,855
53 Japan	1,681	2,074	2,796	2,074	2,796	2,560	3,154	2,438	2,007
54 Middle Eastern oil-exporting countries ¹	1,135	1,625	1,024	1,199	1,024	966	1,051	919	851
55 Africa	711	631	672	895	672	773	669	838	645
56 Oil-exporting countries ²	165	171	180	392	180	165	154	170	88
57 Other ³	1,140	1,537	1,572	1,392	1,572	1,381	1,509	1,432	1,603

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	2000	2001 ¹	2002		2001					2002	
			Jan.-Feb.	Aug. ¹	Sept. ¹	Oct. ¹	Nov. ¹	Dec. ¹	Jan. ¹	Feb. ¹	
U.S. corporate securities											
Stocks											
1 Foreign purchases	3,605,196	3,051,355	515,676	247,297	193,492	255,682	241,318	239,289	255,725	259,951	
2 Foreign sales	3,430,306	2,934,969	504,959	239,594	205,024	248,425	228,147	226,004	247,109	257,850	
3 Net purchases, or sales (-)	174,890	116,386	10,717	7,703	-11,532	7,257	13,171	13,285	8,616	2,101	
4 Foreign countries	174,903	116,183	10,840	7,704	-11,521	7,234	13,162	13,266	8,737	2,103	
5 Europe	164,656	88,098	13,172	9,199	-7,327	7,478	8,492	6,740	8,730	4,442	
6 France	5,727	5,914	1,606	623	-2,609	1,969	-845	101	1,302	304	
7 Germany	31,752	8,415	908	463	-435	825	698	688	479	429	
8 Netherlands	4,915	10,919	506	594	358	552	1,096	1,271	406	100	
9 Switzerland	11,960	3,456	1,036	-127	-688	352	326	854	470	566	
10 United Kingdom	58,736	38,492	5,295	6,164	-564	3,313	3,248	2,033	3,972	1,323	
11 Channel Islands and Isle of Man ¹	n.a.	-698	-184	24	-73	-23	-198	20	-81	-103	
12 Canada	5,956	10,984	1,048	-230	1,137	197	938	1,250	591	457	
13 Latin America and Caribbean	-17,812	-5,157	-5,942	-2,930	-4,780	-1,508	1,833	3,931	-1,447	-4,495	
14 Middle East ²	9,189	1,789	-69	826	664	-514	-105	249	96	-165	
15 Other Asia	12,494	20,727	2,207	619	-879	1,551	1,811	600	572	1,635	
16 Japan	2,070	6,788	-15	54	-806	1,148	414	65	-209	194	
17 Africa	415	-366	37	72	-37	-31	-9	-7	32	5	
18 Other countries	5	108	387	148	-299	61	202	503	163	224	
19 Nonmonetary international and regional organizations	-11	203	-123	-1	-11	23	9	19	-121	-2	
BONDS ³											
20 Foreign purchases	1,208,386	1,943,158	350,243	157,685	156,458	192,442	187,115	177,721	181,519	168,724	
21 Foreign sales	871,416	1,556,217	317,222	132,938	137,848	151,612	156,019	155,238	161,985	155,237	
22 Net purchases, or sales (-)	336,970	386,941	33,021	24,747	18,610	40,830	31,096	22,483	19,534	13,487	
23 Foreign countries	337,074	386,376	32,841	24,549	18,455	41,002	30,853	22,452	19,624	13,217	
24 Europe	180,917	195,798	12,509	9,675	9,659	15,513	16,172	8,077	7,890	4,619	
25 France	2,216	5,028	82	-1,035	-573	601	270	330	68	14	
26 Germany	4,067	12,362	-160	472	454	1,666	2,001	-12	93	-253	
27 Netherlands	1,130	1,538	-945	-297	457	83	-154	-637	-1,495	550	
28 Switzerland	3,973	5,721	969	628	-51	292	417	75	143	826	
29 United Kingdom	141,223	153,158	9,359	8,809	9,672	10,422	12,928	5,985	7,619	1,740	
30 Channel Islands and Isle of Man ¹	n.a.	2,000	144	106	93	355	69	404	130	14	
31 Canada	13,287	4,595	95	-1,434	-644	1,335	25	892	338	-243	
32 Latin America and Caribbean	59,444	77,217	10,732	8,961	2,519	2,270	7,838	5,765	4,655	6,077	
33 Middle East ¹	2,076	2,338	762	-22	8	307	432	455	420	342	
34 Other Asia	78,794	106,812	8,896	7,568	7,281	21,044	6,593	7,721	6,802	2,094	
35 Japan	39,356	34,099	-1,674	1,641	1,066	15,243	1,104	-810	-717	-957	
36 Africa	938	760	-8	135	-6	272	71	-45	-30	22	
37 Other countries	1,618	-1,144	-145	-334	-362	261	-278	-413	-451	306	
38 Nonmonetary international and regional organizations	-70	566	180	198	155	-172	243	31	-90	270	
Foreign securities											
39 Stocks, net purchases, or sales (-)	-13,088	-50,113	1,097	-2,105	2,331	-3,097	2,795	-8,955	3,817	-2,720	
40 Foreign purchases	1,802,185	1,397,664	198,699	96,415	99,588	105,799	108,043	88,033	103,336	95,363	
41 Foreign sales	1,815,273	1,447,777	197,602	98,520	97,257	108,896	105,248	96,988	99,519	98,083	
42 Bonds, net purchases, or sales (-)	-4,054	30,393	1,276	10,535	10,326	-754	-1,214	-945	-1,009	2,285	
43 Foreign purchases	958,932	1,159,155	182,778	88,714	87,083	94,591	95,672	69,504	93,549	89,229	
44 Foreign sales	962,986	1,128,762	181,502	78,179	76,757	95,345	96,886	70,449	94,558	86,944	
45 Net purchases, or sales (-), of stocks and bonds	-17,142	-19,720	2,373	8,430	12,657	-3,851	1,581	-9,900	2,808	-435	
46 Foreign countries	-17,278	-19,132	2,402	8,290	12,659	-3,657	1,587	-9,832	2,824	-422	
47 Europe	-25,386	-12,117	-1,849	6,243	5,993	-4,904	2,206	-9,831	-2,422	573	
48 Canada	-3,888	2,943	1,093	-1,516	1,297	-676	-470	1,010	1,381	-288	
49 Latin America and Caribbean	-15,688	4,245	1,173	1,226	2,663	-571	1,973	118	2,643	-1,470	
50 Asia	24,488	-11,869	1,707	1,987	2,534	3,070	-2,138	-1,494	1,072	635	
51 Japan	20,970	-20,116	-247	616	-391	1,441	-3,575	-1,924	400	-647	
52 Africa	943	-557	134	-25	-34	-565	191	134	72	62	
53 Other countries	2,253	-1,777	144	375	206	-11	-175	231	78	66	
54 Nonmonetary international and regional organizations	150	-587	-29	140	-2	-194	-6	-68	-16	-13	

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	2000	2001	2002		2001					2002	
			Jan.-Feb.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. ^a	Feb. ^b	
1 Total estimated	-54,032	18,472	-16,931	4,410	-1,990	14,969	12,676	10,497	-16,762	-169	
2 Foreign countries	-53,571	19,158	-17,520	4,590	-2,138	14,884	12,902	10,531	-17,027	-493	
3 Europe	-50,704	-20,510	-6,767	321	-782	2,339	-5,850	278	-6,688	-79	
4 Belgium ²	73	-598	-371	42	174	-146	-9	202	-108	-263	
5 Germany	-7,304	-1,668	-3,743	67	-113	-392	54	1,075	-3,466	-277	
6 Luxembourg ²	n.a.	462	-640	-64	-348	285	-5	-34	-514	-126	
7 Netherlands	2,140	-6,728	-1,286	2,437	-2,653	-1,336	-701	-948	-2,098	812	
8 Sweden	1,082	-1,190	-567	593	1,037	-109	268	-197	-337	-230	
9 Switzerland	-10,326	1,412 ^c	198	-45 ^c	979	-339	215	335	313	-115	
10 United Kingdom	-33,669	-7,185 ^c	1,852	-4,609 ^c	1,992	7,359	-7,374	2,007	-86	1,938	
11 Channel Islands and Isle of Man ³	n.a.	-179	44	11	-1	-34	7	-136	-3	47	
12 Other Europe and former U.S.S.R.	-2,700	-4,836	-2,254	1,889	-1,849	-2,949	1,695	-2,026	-389	-1,865	
13 Canada	-550	-4,136 ^c	-2,269	-357 ^c	-947	-3,091	-430	2,978	-3,473	1,204	
14 Latin America and Caribbean	-4,914	5,046	-3,591	3,711	-541	3,998	6,266	-6,368	2,603	-6,194	
15 Venezuela	1,288	290	21	-128	39	-129	103	3	33	-12	
16 Other Latin America and Caribbean	-11,581	15,500	-1,437	67	-524	4,065	8,393	-3,984	1,635	-3,072	
17 Netherlands Antilles	5,379	-10,744	-2,175	3,772	-56	62	-2,230	-2,387	935	-3,110	
18 Asia	1,639	37,992 ^c	-5,359	577 ^c	-150	11,755	11,820	14,423	-9,221	3,862	
19 Japan	10,580	17,774	-4,193	324	-3,329	16,640	1,737	4,379	-6,649	2,456	
20 Africa	-414	-880	69	-120	47	-396	53	-293	-65	134	
21 Other	1,372	1,646	397	458	235	279	1,043	-487	-183	580	
22 Nonmonetary international and regional organizations	-461	-686	589	-180	148	85	-226	-34	265	324	
23 International	-483	-290	190	103	-65	8	63	43	138	52	
24 Latin American Caribbean regional	76	41	14	-3	0	1	43	-25	-1	15	
MEMO											
25 Foreign countries	-53,571	19,158	-17,520	4,590	-2,138	14,884	12,902	10,531	-17,027	-493	
26 Official institutions	-6,302	3,474 ^c	-5,177	343	2,549	2,239	6,266	1,061	-3,000	-2,177	
27 Other foreign	-47,269	15,684 ^c	-12,343	4,247	-4,687	12,645	6,636	9,470	-14,027	1,684	
<i>Oil-exporting countries</i>											
28 Middle East ⁴	3,483	865	834	-308	-586	12	2,442	2,217	784	50	
29 Africa ⁵	0	-2	-1	-2	-2	0	0	0	0	-1	

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

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

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

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

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

3.28 FOREIGN EXCHANGE RATES AND INDEXES OF THE FOREIGN EXCHANGE VALUE OF THE U.S. DOLLAR¹

Currency units per U.S. dollar except as noted

Item	1999	2000	2001	2001		2002			
				Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
Exchange rates									
COUNTRY/CURRENCY UNIT									
1 Australia/dollar ²	64.54	58.15	51.69	51.65	51.38	51.70	51.28	52.56	53.52
2 Brazil/real	1.8207	1.8301	2.3527	2.5481	2.3635	2.3799	2.4242	2.3450	2.3227
3 Canada/dollar	1.4858	1.4855	1.5487	1.5922	1.5788	1.5997	1.5964	1.5877	1.5815
4 China, P.R./yuan	8.2783	8.2784	8.2770	8.2769	8.2761	8.2771	8.2767	8.2773	8.2772
5 Denmark/krone	6.9900	8.0953	8.3323	8.3832	8.3526	8.4183	8.5343	8.4795	8.4397
6 European Monetary Union/euro ³	1.0653	0.9232	0.8952	0.8883	0.8912	0.8832	0.8707	0.8766	0.8860
7 Greece/drachma	306.30	365.92	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
8 Hong Kong/dollar	7.7594	7.7924	7.7997	7.7996	7.7989	7.7989	7.7996	7.7997	7.8000
9 India/rupee	43.13	45.00	47.22	48.04	47.93	48.35	48.72	48.77	48.94
10 Japan/yen	113.73	107.80	121.57	122.41	127.59	132.68	133.64	131.06	130.77
11 Malaysia/ringgit	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8002	3.8000	3.8000
12 Mexico/peso	9.553	9.459	9.337	9.225	9.157	9.164	9.105	9.064	9.165
13 New Zealand/dollar ²	52.94	45.68	42.02	41.58	41.57	42.45	41.87	43.33	44.28
14 Norway/krone	7.8071	8.8131	8.9964	8.9296	8.9713	8.9684	8.9492	8.8072	8.6102
15 Singapore/dollar	1.6951	1.7250	1.7930	1.8295	1.8382	1.8394	1.8312	1.8295	1.8285
16 South Africa/rand	6.1191	6.9468	8.6093	9.7388	11.6761	11.6258	11.4923	11.4863	11.0832
17 South Korea/won	1,189.84	1,130.90	1,292.01	1,282.10	1,292.29	1,316.34	1,320.55	1,322.90	1,318.09
18 Sri Lanka/rupee	70.868	76.964	89.602	92.670	93.194	93.473	93.650	94.903	96.030
19 Sweden/krona	8.2740	9.1735	10.3425	10.6117	10.5753	10.4561	10.5501	10.3324	10.3070
20 Switzerland/franc	1.5045	1.6904	1.6891	1.6509	1.6566	1.6709	1.6970	1.6743	1.6542
21 Taiwan/dollar	32.322	31.260	33.824	34.498	34.682	35.027	35.073	35.020	34.917
22 Thailand/baht	37.887	40.210	44.532	44.411	43.952	44.036	43.854	43.415	43.442
23 United Kingdom/pound ²	161.72	151.56	143.96	143.56	144.13	143.22	142.27	142.30	144.29
24 Venezuela/bolivar	606.82	680.52	724.10	745.10	753.64	762.40	898.51	922.66	871.38
Indexes ⁴									
NOMINAL									
25 Broad (January 1997=100) ⁵	116.87	119.67	126.09	127.33	127.52	129.26	130.03	129.27	128.95
26 Major currencies (March 1973=100) ⁶	94.07	98.32	104.32	105.64	106.30	108.10	108.82	107.76	107.03
27 Other important trading partners (January 1997=100) ⁷	129.94	130.33	136.34	137.19	136.62	137.95	138.64	138.49	138.86
REAL									
28 Broad (March 1973=100) ⁵	100.78	104.32	110.41 ^r	111.18 ^r	111.05 ^r	112.52 ^r	113.10 ^r	112.79 ^r	112.73
29 Major currencies (March 1973=100) ⁶	97.06	103.17	110.73	112.47 ^r	112.66 ^r	114.66 ^r	115.65 ^r	114.60 ^r	114.15
30 Other important trading partners (March 1973=100) ⁷	114.25	114.53	119.20	118.77	118.23	119.15	119.26	119.86 ^r	120.27

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
40.3399	Belgian francs	40.3399
5.94573	Finnish markkas	2.20371
6.55957	French francs	200.482
1.95583	German marks	166.386
.787564	Irish pounds	340.750
	Italian lire	
	Luxembourg francs	
	Netherlands guilders	
	Portuguese escudos	
	Spanish pesetas	
	Greek drachmas	

4. Starting with the February 2002 *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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STAFF STUDIES: Only Summaries Printed in the BULLETIN

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

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Release number and title	Annual mail rate	Annual fax rate	Approximate release days ¹	Period or date to which data refer	Corresponding <i>Bulletin</i> table numbers ²
<i>Weekly Releases</i>					
H.2. Actions of the Board: Applications and Reports Received	\$55.00	n.a.	Friday	Week ended previous Saturday	...
H.3. Aggregate Reserves of Depository Institutions and the Monetary Base ³	\$20.00	n.a.	Thursday	Week ended previous Wednesday	1.20
H.4.1. Factors Affecting Reserve Balances of Depository Institutions and Condition Statement of Federal Reserve Banks ³	\$20.00	n.a.	Thursday	Week ended previous Wednesday	1.11, 1.18
H.6. Money Stock and Debt Measures ³	\$35.00	n.a.	Thursday	Week ended Monday of previous week	1.21
H.8. Assets and Liabilities of Commercial Banks in the United States ³	\$30.00	n.a.	Friday	Week ended previous Wednesday	1.26A–F
H.10. Foreign Exchange Rates ³	\$20.00	\$20.00	Monday	Week ended previous Friday	3.28
H.15. Selected Interest Rates ³	\$20.00	\$20.00	Monday	Week ended previous Friday	1.35
<i>Monthly Releases</i>					
G.5. Foreign Exchange Rates ³	\$ 5.00	\$ 5.00	First of month	Previous month	3.28
G.15. Research Library—Recent Acquisitions	No charge	N/A	First of month	Previous month	...
G.17. Industrial Production and Capacity Utilization ³	\$15.00	n.a.	Midmonth	Previous month	2.12, 2.13
G.19. Consumer Credit ³	\$ 5.00	\$ 5.00	Fifth working day of month	Second month previous	1.55, 1.56
G.20. Finance Companies	\$ 5.00	n.a.	End of month	Second month previous	1.51, 1.52

Release number and title	Annual mail rate	Annual fax rate	Approximate release days ¹	Period or date to which data refer	Corresponding <i>Bulletin</i> table numbers ²
<i>Quarterly Releases</i>					
E.2. Survey of Terms of Business Lending	\$ 5.00	n.a.	Midmonth of March, June, September, and December	February, May, August, and November	4.23
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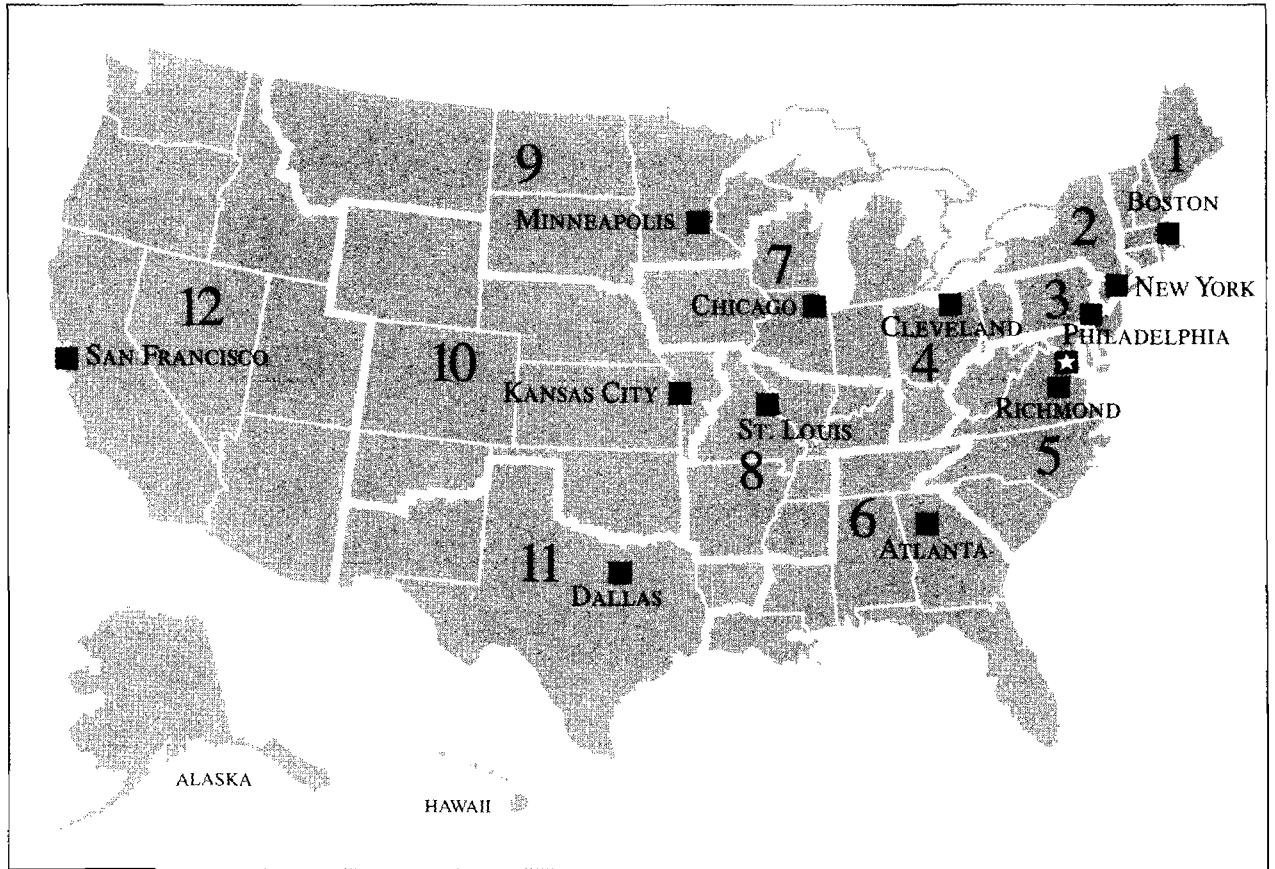
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2. The data in some releases are also reported in the *Bulletin* statistical appendix.

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n.a. Not available.

Maps of the Federal Reserve System



LEGEND

Both pages

- Federal Reserve Bank city
- ☒ Board of Governors of the Federal Reserve System, Washington, D.C.

Facing page

- Federal Reserve Branch city
- Branch boundary

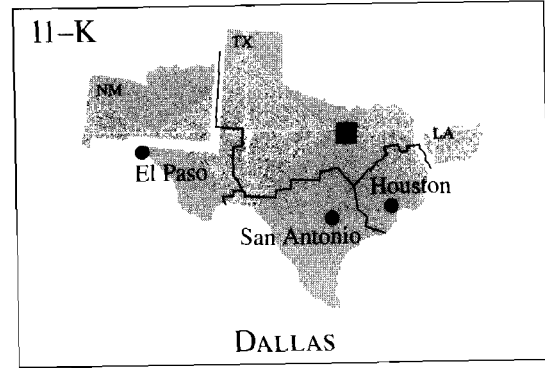
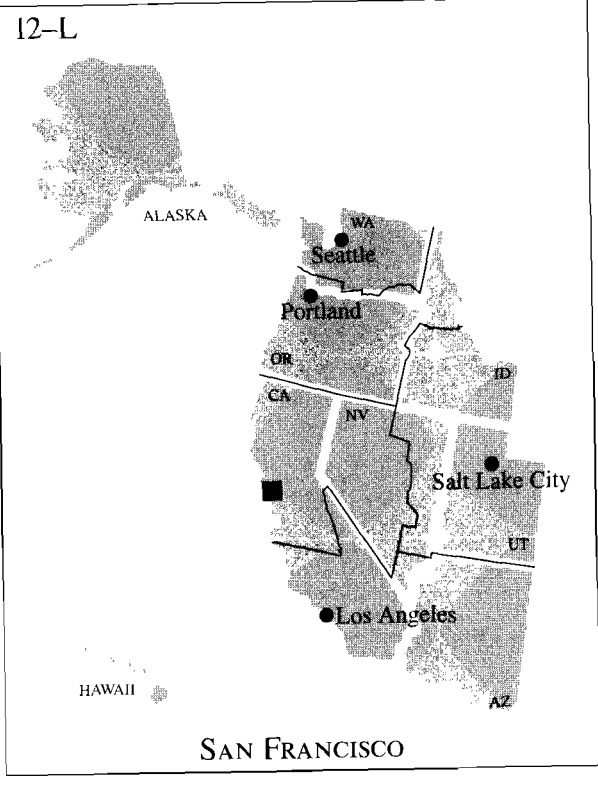
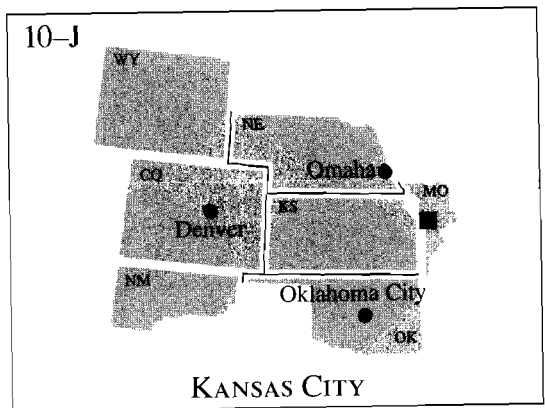
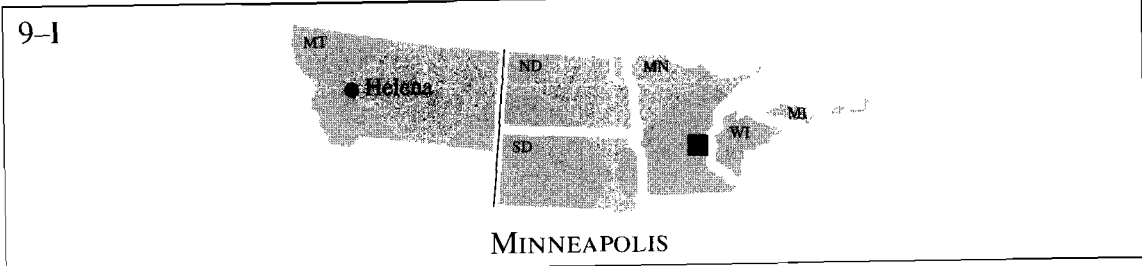
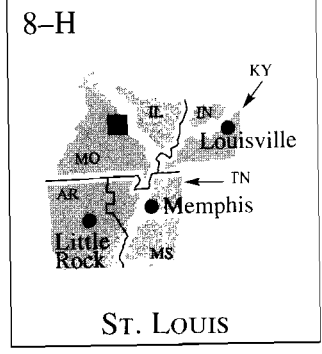
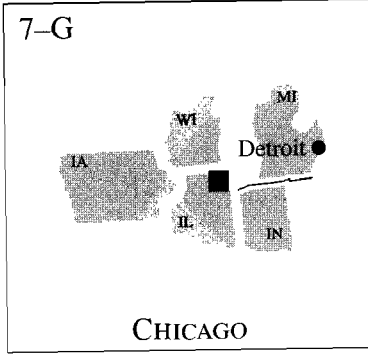
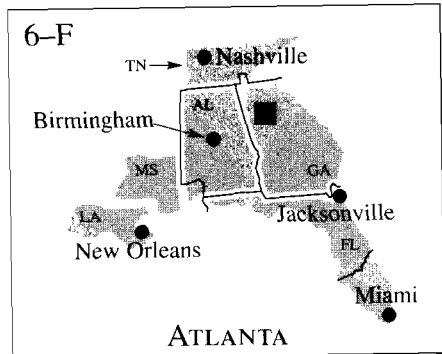
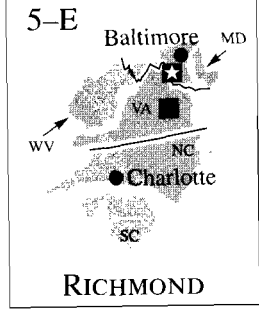
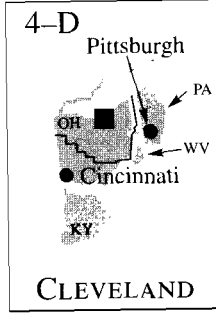
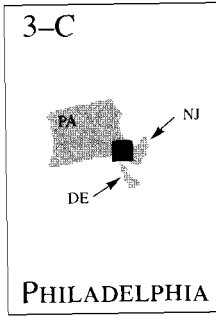
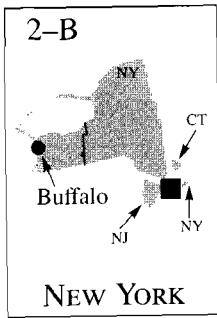
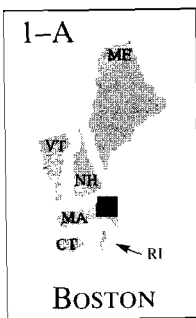
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The System serves commonwealths and territories as follows: the New York Bank serves the Commonwealth

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