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

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U.S. International Transactions in 1991

Kathryn A. Morisse, of the Board's Division of International Finance, prepared this article.

In 1991, for the fourth consecutive year, the U.S. current account deficit narrowed substantially. The largest changes reflected improvements in the merchandise trade balance and special transactions related to the war in the Persian Gulf. The sharp reduction in the recorded U.S. current account deficit was mirrored by changes in recorded capital inflows and the statistical discrepancy.

A \$27 billion increase in merchandise exports and an \$8 billion reduction in merchandise imports yielded a \$35 billion narrower trade deficit for the year (table 1); the trade deficit in 1991 was the smallest since 1983. Cash contributions by foreign governments to help pay costs of the Persian Gulf War reduced the size of the current account deficit \$43 billion in 1991; the amount of these grants received in 1991 was much larger than that received in 1990. In addition, net receipts from services expanded \$10 billion in 1991 because of a strengthening in such areas as travel, professional services, and royalties and license fees. Net investment income receipts changed little in 1991. As a

result of these changes, the U.S. current account deficit narrowed dramatically (chart 1). Even after excluding the special cash grants by foreign governments, the U.S. current account deficit narrowed sharply, from \$96 billion in 1990 to \$51 billion in 1991.

MAJOR INFLUENCES ON U.S. INTERNATIONAL TRANSACTIONS

Cyclical movements in economic activity at home and abroad and factors affecting U.S. international price competitiveness significantly influenced U.S. international transactions in 1991. The crisis in the Persian Gulf had large, but generally transitory, effects on the quarterly pattern of various components of U.S. international transactions.

Relative Growth Rates

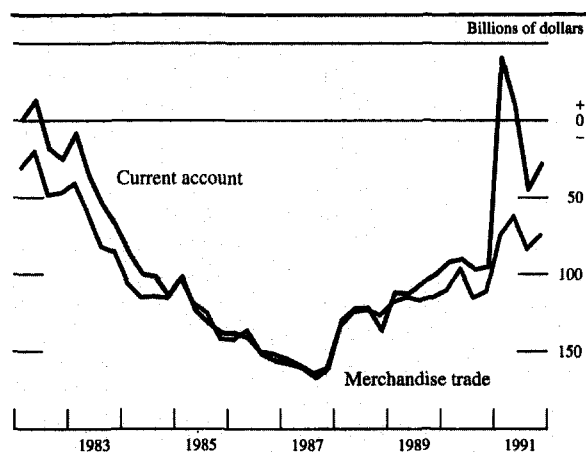
From 1989 through 1991, economic growth abroad, on average, exceeded growth in the United States, and this difference contributed to the narrowing of

1. U.S. current account, 1987-91
Billions of dollars

Item	1987	1988	1989	1990	1991	Changes, 1990-91
Goods and services, net	-153.2	-116.6	-93.5	-81.7	-37.7	44.0
Trade balance	-159.5	-127.0	-115.9	-108.1	-73.6	34.5
Services, net	6.3	10.3	22.4	26.4	35.9	9.5
Investment income, net	7.6	5.4	2.7	11.9	9.4	-2.6
Direct investment, net	33.4	36.8	42.5	52.7	51.4	-1.3
Portfolio investment, net	-25.8	-31.5	-39.8	-40.7	-42.0	-1.3
Unilateral transfers, net	-14.7	-14.9	-15.5	-22.3	19.7	42.1
Foreign cash grants to the United States .....	.0	.0	.0	4.3	42.5	38.2
Other transfers	-14.7	-14.9	-15.5	-26.6	-22.8	3.8
Current account balance	-160.2	-126.2	-106.3	-92.1	-8.6	83.5
MEMO:						
Current account balance excluding foreign cash grants	-160.2	-126.2	-106.3	-96.4	-51.2	45.2

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, U.S. international transactions accounts.

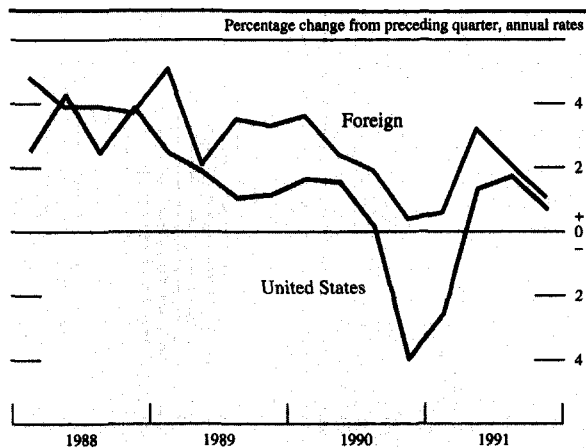
1. U.S. external balances, 1982-91



The data are quarterly at seasonally adjusted annual rates.
SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, U.S. international transactions accounts.

the external deficit (chart 2). With the U.S. economy moving further into recession in the first quarter of 1991, consumer and investment spending declining, and business inventories being drawn down, expenditures on imported goods and services fell. Even though growth in domestic spending turned positive in the second quarter, spending by consumers on goods and by producers on durable equipment remained weak. By the third quarter, increased spending both by consumers and by producers supported some growth in U.S. gross domes-

2. Growth of real GDP or GNP, 1988-91



The data are quarterly at seasonally adjusted annual rates. The GDP or GNP for foreign countries is the weighted average of the Group of Ten (G-10) countries, other industrial countries, and developing countries. The weights are based on U.S. bilateral nonagricultural exports.

tic product (GDP). Imports accelerated sharply, and were probably an important component of a runup in inventories when industrial production fell and overall activity flattened out in the fourth quarter. Over the entire year, U.S. real GDP grew about ¼ percent (fourth quarter over fourth quarter).

During 1991, economic growth in major U.S. export markets on average also slowed, although not as much as that in the United States. However, investment spending in key countries remained strong and was of particular importance to U.S. exports.

To some extent, the deceleration of economic activity in some foreign industrial economies was an ongoing response to tighter policies introduced earlier, which were designed to counter inflationary pressures and to bring economic activity to more sustainable, noninflationary levels. The general slowdown in the major industrial countries continued longer than had been expected, however. Declines in business confidence, the need for households and businesses to reduce high levels of debt, and concerns about the quality of assets on the balance sheets of banks also negatively affected economic activity in some countries. The pattern of growth varied considerably among major industrial countries (table 2). Pronounced recessions in Canada and the United Kingdom that began in 1990 extended into 1991, with only tentative signs of any recovery by year-end. In France and Italy, growth remained positive but sluggish. In Japan and western Germany, growth was brisk early in 1991, but slowed markedly later in the year. Among industrial countries, investment spending

2. Economic growth in selected foreign economies, 1990-91

Percent change, year over year

Country	GNP or GDP growth		Investment growth ¹	
	1990	1991 ²	1990	1991 ²
Canada	1	-2	-3	-4
United Kingdom	1	-2	-2	-11
France	3	1	4	-2
Italy	2	1	3	2
Germany (western) ..	5	3	9	7
Japan	5	4	10	3
Mexico	4	4	13	9
Argentina	0	5	-15	20
Korea	9	8	24	16
Hong Kong	3	4	8	10

1. Gross fixed capital formation.

2. Data for 1991 are partly estimated.

SOURCES: Various national sources.

was strong only in western Germany, mainly in response to tight capacity utilization in the manufacturing sector and opportunities and needs related both to unification and to developments in Eastern Europe.

Slowing growth, and in some cases actual declines, in overall output implied that several major industrial economies were operating below potential during 1991. Accordingly, inflation in those countries continued to moderate during the year, with average inflation as measured by the consumer price index (CPI) in the foreign Group of Ten (G-10) countries subsiding by the better part of a percentage point to near 4 percent (chart 3). Particularly large improvements were evident in the United Kingdom and Sweden. In addition, a drop in oil prices and the weakening of the dollar after midyear reduced the upward pressure on prices abroad. In contrast, upward pressure on prices continued in Germany during 1991 as the level of economic activity remained high.

Among U.S. trading partners in developing countries in 1991, economic performance was mixed, but on average growth was stronger than that in major foreign industrial countries. Investment expenditures, in particular, contributed to the strength of the expansion in key countries. In Mexico, growth of investment expenditures has been stronger than growth of overall GDP over the past two years (table 2); some of this strength may reflect anticipation of a North American Free Trade

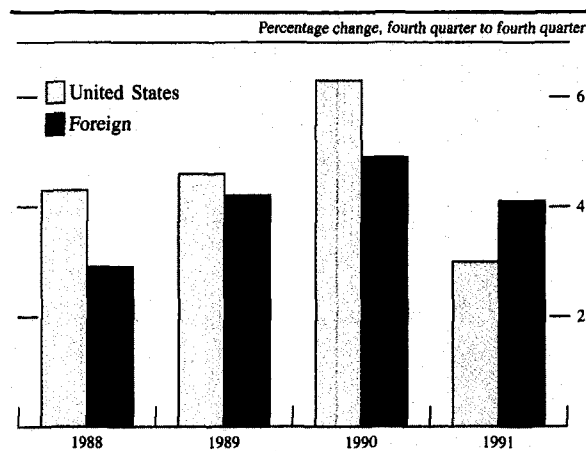
Agreement among the United States, Canada, and Mexico. Investment spending also expanded in 1991 in other Latin American countries, notably Venezuela and Argentina, and has been strong in economies such as Korea, Saudi Arabia, Thailand, and Hong Kong.

U.S. Price Competitiveness

Consumer prices in the United States rose less in 1991 than prices on average in foreign industrial countries (chart 3) and tended to improve the international competitive position for U.S. goods and services. Since the mid-1980s, the major factor contributing to gains in U.S. international price competitiveness, however, has been movements in exchange rates.

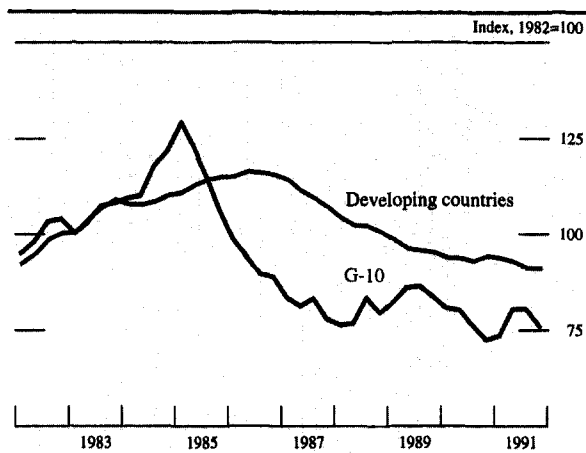
A broad measure of the price competitiveness of U.S. goods and services is the "real," or "CPI-adjusted," foreign exchange value of the dollar, which is computed as the ratio of U.S. consumer prices to foreign consumer prices translated into dollars at current nominal exchange rates. Two such measures of the dollar's real exchange rate are shown in chart 4. U.S. prices have trended down

3. Inflation as measured by increases in consumer prices, 1988-91



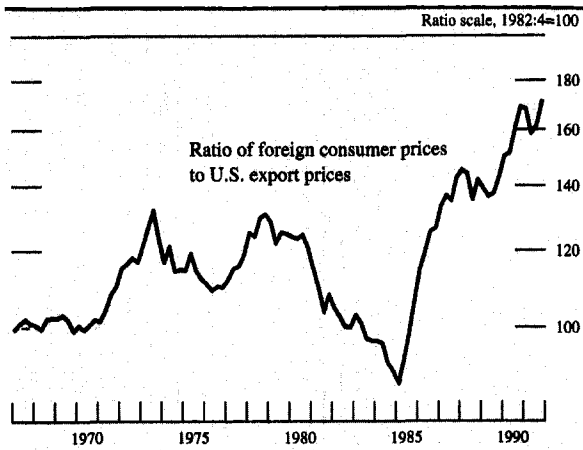
The CPI for foreign countries is the weighted average of the G-10 countries. The weights are shares in U.S. non-oil imports.

4. Real exchange value of the dollar against currencies of selected countries, 1982-91



The real exchange value of the dollar is calculated using weighted nominal exchange rates adjusted with weighted consumer prices. The weights in the indexes are proportional to each country's share in world exports plus imports during the years 1972-76. The countries in the G-10 index are Belgium-Luxembourg, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, Switzerland, and the United Kingdom; the developing-countries index is composed of Brazil, Hong Kong, Korea, Malaysia, Mexico, the Philippines, Singapore, and Taiwan. The data are quarterly.

5. U.S. price competitiveness, 1967-91



Foreign prices are the weighted average of the G-10 countries expressed in dollars. The data are quarterly.

relative to average prices in dollars in both foreign G-10 countries and in developing countries since the mid-1980s. The sharp decline relative to prices in other G-10 countries, in particular, largely reflected depreciations of the dollar's nominal foreign exchange value against the currencies of those countries.

In 1991, the dollar appreciated in CPI-adjusted terms over the first half of the year against foreign G-10 currencies. This appreciation, which indicated a temporary deterioration of U.S. price competitiveness, was largely reversed during the latter part of 1991. In the first quarter of 1992, the dollar moved up again. Against the currencies of developing countries, the dollar depreciated fairly steadily in real terms in 1991.

A consolidated measure of U.S. export price competitiveness is the ratio of average consumer prices in dollars in G-10 countries and developing

3. Index of unit labor costs in manufacturing in Japan and Germany relative to that in the United States, 1990
1990 U.S. level = 1.00

Item	United States	Japan	Germany
Compensation per hour	1.00	.87	1.47
Output per hour (productivity)	1.00	.71	.76
Unit labor costs (compensation divided by output)	1.00	1.20	1.93

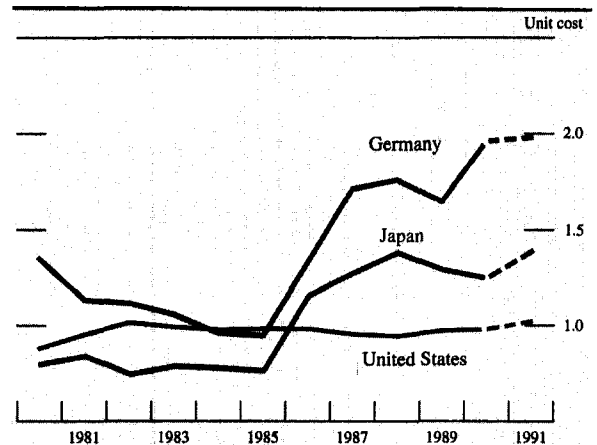
SOURCE: See note 1 in the text.

countries to U.S. export prices (chart 5). From the longer-term perspective shown in this chart, one can see that the fluctuations in exchange rates during 1991 did not significantly alter the improvement in U.S. price competitiveness, which has been a significant source of stimulus to U.S. exports for several years.

At current exchange rates, the United States appears to hold an edge in labor costs relative to those in Germany and Japan (table 3). In 1990, average labor compensation per hour in manufacturing in Japan was somewhat below the U.S. level, whereas that in Germany was significantly above the U.S. level. At the same time, according to rough estimates, labor productivity in the manufacturing sector in Japan and Germany was about 25 to 30 percent below that in the United States.¹ As a result, unit labor costs, that is, compensation divided by productivity, in Japan were somewhat above the U.S. level and in Germany were substantially above the U.S. level. Since 1985, German and Japanese unit labor costs have risen in comparison to U.S. costs (chart 6). This comparative rise can be attributed largely to the appreciation of the mark and the yen against the dollar over that period.

1. Peter Hooper and Kathryn A. Larin, "International Comparison of Unit Labor Costs in Manufacturing," *Review of Income and Wealth*, series 35 (December 1989), pp. 335-55, updated using the latest Bureau of Labor Statistics data. Measures of unit labor costs are based partly on data published by the BLS.

6. Unit labor costs in manufacturing, 1980-91



Dollars per unit of 1990 output; indexed to U.S. = 1.0 in 1990. Data for 1991 are estimated.

SOURCE: See note 1 in the text.

Special Factors

Besides the underlying factors just reviewed, the crisis in the Persian Gulf, which began in August 1990 and erupted briefly into war in the first quarter of 1991, strongly influenced the quarterly pattern of U.S. trade and current account developments during the year. For the most part, the disruptions were transitory. Oil prices, which had jumped in the fall of 1990, returned to pre-crisis levels by the second quarter of 1991; quantities of oil shipped were also disrupted over the same period. As a result, profits of U.S. oil companies on their overseas operations, which are part of the U.S. current account, gyrated sharply from late 1990 through the first part of 1991. Automotive exports to Saudi Arabia and Kuwait surged in the second and third quarters as vehicles and parts lost in the war were replaced. However, the war-related transactions with the greatest effect on the U.S. current account were cash contributions from foreign governments to offset some of the costs of the war. These cash contributions were recorded as positive unilateral transfers in the U.S. current account in the fourth quarter of 1990 and throughout 1991.

DEVELOPMENTS IN MERCHANDISE TRADE

The U.S. merchandise trade balance improved substantially in 1991. The deficit narrowed \$35 billion

in 1991 compared with an improvement of \$8 billion in 1990, as exports increased and imports declined (table 4).

Strong Expansion of Exports

Merchandise exports continued their strong expansion over the four quarters of 1991. In nominal terms, exports rose 7 percent, about the same pace of increase as that recorded in the preceding year. In real terms, the growth was even stronger—about 9 percent—as prices of exports on average declined slightly, reflecting in large part falling prices of exported industrial supplies.

The key element in export growth during 1991 was capital goods (chart 7). Nearly two-thirds of the increase in the value and quantity of exports (fourth quarter over fourth quarter) reflected strong growth in shipments of capital goods; two-thirds of that increase went to developing countries and one-third went to industrial countries.

Despite the sluggish overall economic growth recorded by many U.S. trading partners, high levels of investment expenditures in key countries, especially in developing countries in Latin America and Asia, boosted U.S. exports of capital equipment. Among developing countries, the largest increases in exports of U.S. capital equipment in 1991 (year over year) went to Mexico, Venezuela, Korea, and

4. U.S. merchandise trade, 1989–91

Billions of dollars, seasonally adjusted

Item	1989	1990	1991	1991				
				Q4	Q1	Q2	Q3	Q4
Trade balance	-116	-108	-74	-28	-19	-16	-21	-19
Exports	361	390	417	101	101	104	104	108
Agricultural	42	40	40	9	10	9	10	11
Nonagricultural	319	349	376	91	91	94	94	97
Capital goods	139	154	167	39	39	43	41	44
Automotive products	35	37	40	9	8	10	11	10
Consumer goods	37	43	46	11	11	11	11	12
Industrial supplies	92	97	102	26	26	25	25	25
All other exports	17	18	22	5	6	5	5	6
Imports	477	498	490	128	119	119	125	127
Petroleum and products	51	62	51	18	13	13	13	12
Nonpetroleum	426	436	439	110	106	107	112	115
Consumer goods	103	106	108	27	25	25	28	30
Automotive products	87	87	85	22	20	20	23	22
Computers	22	23	26	6	6	7	7	7
Other capital goods	91	93	95	24	24	24	24	24
Industrial supplies	84	83	81	21	20	20	20	21
Foods and other imports	39	44	44	11	11	11	11	11

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, U.S. international transactions accounts.

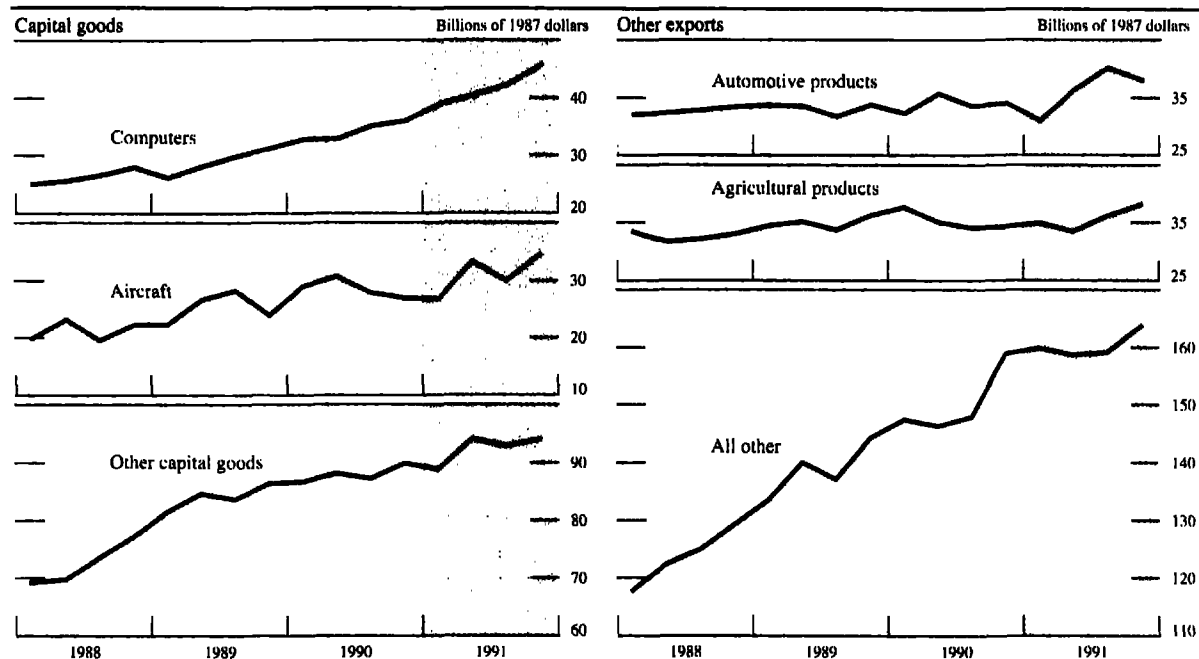
Saudi Arabia, countries recording strong investment growth. Among industrial countries, the largest increases went to Germany, also a country with strong investment growth in 1991. However, a decrease in shipments of capital goods to Canada and the United Kingdom in 1991 reflected recessions accompanied by a sharp drop in investment expenditures in both countries.

All major components of exported capital goods expanded strongly in 1991. The quantity of exported computers and parts increased steadily during the year (upper left panel of chart 7), with particularly strong increases in exports going to developing countries in Latin America. Substantial increases in exports of computers and parts also went to developing countries in Asia as well as to Germany and Canada. Deliveries of aircraft also rose sharply to both industrial and developing economies—especially France, Germany, Switzerland, Brazil, Singapore, Korea, and China. The quantity of all other capital goods exported also increased; most of the increase in shipments went to Mexico and Japan (especially industrial and service-industry machinery) and to Venezuela (oil drilling equipment).

Exports of items other than capital goods, which accounted for nearly 60 percent of the total quantity exported in 1991, grew more slowly on average but showed distinctly different patterns for different items. For automotive exports, a large part of the jump recorded in the second and third quarters was a surge in shipments to Kuwait and Saudi Arabia as these countries replaced vehicles and parts lost in the war. Agricultural exports picked up toward the end of 1991 as shipments of grain to Russia and other members of the Commonwealth of Independent States increased. Other exports, primarily nonagricultural industrial supplies and consumer goods, were flat on average until the fourth quarter. The quantity of exported nonagricultural industrial supplies, which was nearly 25 percent of all exports, grew only 2 percent in 1991 (fourth quarter over fourth quarter) compared with 11 percent in 1990. Exported consumer goods, which provided a noticeable boost to export growth in 1990 particularly to Europe, sagged during 1991 and rose above levels recorded at the end of 1990 only in the fourth quarter.

Overall, the quantity of U.S. merchandise exports grew at a healthy 9 percent rate in 1991,

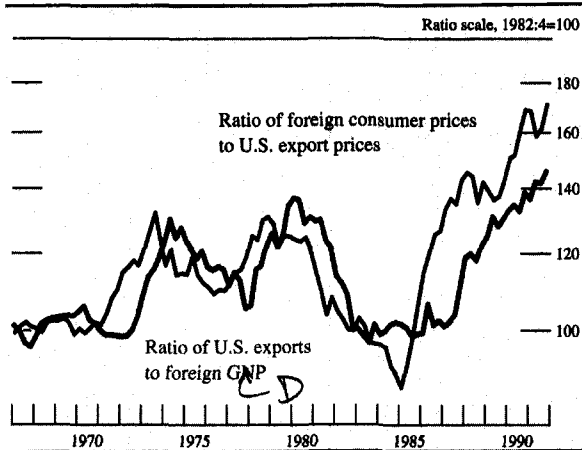
7. Quantity of U.S. exports, 1988–91



The data are quarterly at seasonally adjusted annual rates

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, national income and product accounts.

8. Exports and U.S. price competitiveness, 1967-91



Foreign prices are expressed in dollars. U.S. exports exclude computers and agricultural goods and are adjusted for dock strikes.

despite the substantial slowing of growth abroad, because of the positive influence of past gains in the price competitiveness of U.S. goods and the relative strength of investment demand. Comparing the curves plotted in chart 8 provides a historical perspective on the influence of changes in price competitiveness on U.S. exports. The ratio of U.S. real nonagricultural exports (excluding computers) to foreign GDP can be used as a rough way to show movements in exports that exclude the effects of changes in aggregate foreign spending. Movements in U.S. international price competitiveness are measured as the ratio of foreign consumer prices to U.S. export prices. From its low point in early 1985, which coincided with the peak in the dollar's foreign exchange value, U.S. price competitiveness has increased dramatically. That increase reflects a combination of a cumulative depreciation of the dollar and increases in average foreign prices in local currencies relative to U.S. export prices. As can be seen by the relationship of the two curves in the chart, increases in exports (excluding the effects of changes in foreign economic activity) have generally lagged improvement in U.S. price competitiveness by a year or more on average. This increase in competitiveness since the mid-1980s has resulted in a steady rise in the U.S. share of exports by the members of the Organisation for Economic Co-operation and Development to world markets (excluding exports to the United States). The U.S.

share increased in 1991 to levels that were last recorded a decade earlier.

Slower Growth of Imports

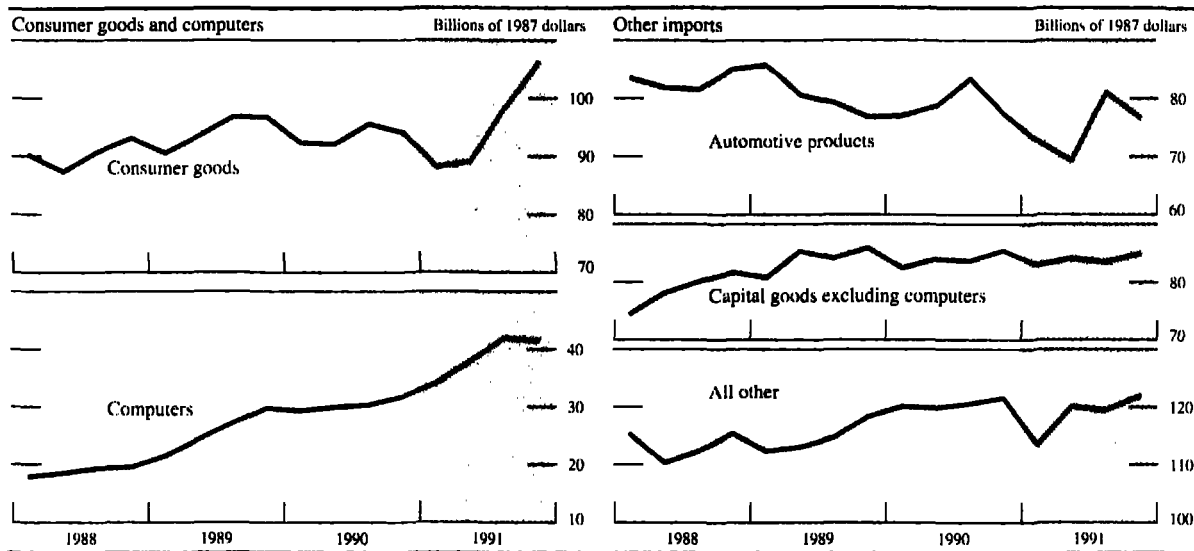
The value of U.S. merchandise imports declined slightly in 1991. All of the decrease in value resulted from a drop in prices of imported oil from the inflated levels recorded in the second half of 1990 after Iraq invaded Kuwait. Excluding oil, imports rose 1 percent both in value and in quantity (year over year), the slowest rate of increase since 1982.

The recession and expectations about economic recovery buffeted non-oil imports during the quarters of 1991. Imports declined early in the year, as weak domestic spending reduced the demand for foreign goods. As the likelihood of an economic recovery in the United States increased after the end of the Gulf War, imports turned up—especially imports of consumer goods, computers, and automotive products (chart 9)—and continued strong through the summer. The upturn in imports in the second quarter and especially in the third quarter was proportionally much steeper than the increase in domestic demand (chart 10). When spending was more sluggish than anticipated in the fourth quarter, some of the additional quantities of imports, particularly consumer goods, apparently remained in inventories, and import growth slowed considerably.

Two distinct trends developed in 1991 among categories of imports—sharp increases in imported consumer goods and computers and declines in other imports. The increase in imported consumer goods came largely from China, particularly in apparel and household goods, and to a lesser extent from Latin America. For computers, the increase in imports persisted throughout the year and came not only from Asia, especially Taiwan, Singapore, Malaysia, China, and Japan, but also from other industrial countries, particularly the United Kingdom, Ireland, Germany, and Canada, where some U.S. companies have increased operations.

All other non-oil imports on average declined in 1991, even though the quarterly pattern was uneven. This unevenness was especially evident for automotive imports (the upper right panel of chart 9), which were 3 percent lower in value and 5 per-

9. Quantity of U.S. non-oil imports, 1988-91



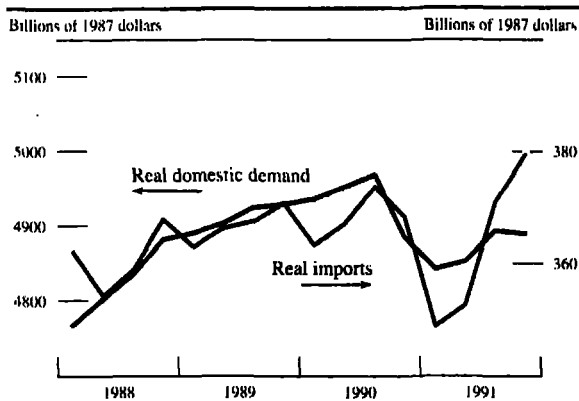
The data are quarterly at seasonally adjusted annual rates.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, national income and product accounts.

cent less in quantity in 1991 than in 1990. Sharp declines in the quantity imported from Europe reflected the effects of both the recession and the loss of price competitiveness. The value of automotive imports from Japan was about the same in 1991 as in 1990, because a steadily rising average unit value for imported cars about offset declines in quantity. Imports from Canada, largely from the U.S. Big Three producers operating in Canada

under the automotive free trade agreement, were also little different in 1991 than in 1990. On the other hand, imports of automotive products from Mexico jumped 13 percent and totaled \$8 billion in 1991. U.S. automotive producers dramatically increased the number of vehicles they assembled in Mexico for export, largely to the United States. Production of cars for export by Ford jumped 26 percent to 111,983 units in 1991, and production by Chrysler rose 22 percent. All of the increase in production for export by General Motors in 1991 was of Chevrolet Cavaliers that were shipped directly to Canada and therefore were not counted in U.S. trade statistics.

10. U.S. merchandise imports, 1988-91



Real domestic demand is gross domestic purchases. Real imports exclude oil and computers.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, national income and product accounts.

Prices of non-oil imports changed little in 1991 (fourth quarter over fourth quarter). Increases in the first and fourth quarters were about offset by declines in the second and third quarters. The declines in prices of non-oil imports resulted in large part from worldwide decreases in prices of primary commodities and the effect of the dollar's appreciation during the year on prices of finished manufactured goods. The increase in prices of non-oil imports in the fourth quarter of 1991 reflected primarily a turnaround in prices of imported consumer goods (partly in response to the decline of the dollar) and higher prices of imported automotive products at the beginning of a new model year.

Oil Imports

The value of oil imports fell more than 17 percent in 1991 (year over year), as the conclusion of the Persian Gulf War and the sluggish U.S. economy pushed down both the price and the quantity of imported oil.

The price of oil, which had been falling gradually from the peak level reached in October 1990 (chart 11), fell dramatically in January 1991 at the outset of Operation Desert Storm as it became apparent that reasonably ample supplies would be maintained. Through September 1991, prices in spot markets fluctuated between \$19 and \$22 per barrel. In October, heightened concerns over the availability of Russian supplies during the winter, coupled with the continued delay in the return of Iraqi production to the world oil market, pushed prices above \$24 per barrel. However, generally mild weather in the fourth quarter and sluggish economic activity in the industrial countries led to a decline in prices. At the year's end, the spot price for West Texas Intermediate hovered around \$19 per barrel. During the opening months of 1992, oil prices declined slightly on balance with the continuation of mild weather, sluggish economic activity, and strong OPEC production.

The quantity of oil imports, which had plunged after the sharp rise in oil prices in the fall of 1990, increased over the first three quarters of 1991 as inventories, which had been run down while oil

5. U.S. oil consumption, production, and imports, selected years, 1980-91

Millions of barrels per day

Item	1980	1985	1990	1991P
Consumption	17.1	15.7	17.0	16.6
Production	10.8	11.2	9.7	9.8
Imports	6.9	5.1	8.0	7.6

p Preliminary.

SOURCE: Department of Energy, Energy Information Administration.

prices were high, were rebuilt. In the fourth quarter, the quantity of imported oil turned down again, reflecting sluggish U.S. activity and unseasonably warm weather. For the year as a whole, the quantity of oil imported fell, largely as a result of a decline in oil consumption (table 5). Consumption of oil fell 0.4 million barrels per day in 1991 relative to 1990, largely as a result of weak economic activity. Moreover, the sharp price increases in late 1990 stimulated U.S. oil production in 1991 and resulted in the first annual increase in production since 1985. Finally, the drawdown in Strategic Petroleum Reserves that was announced at the outset of Operation Desert Storm also served to reduce imports.

NONTRADE CURRENT ACCOUNT TRANSACTIONS

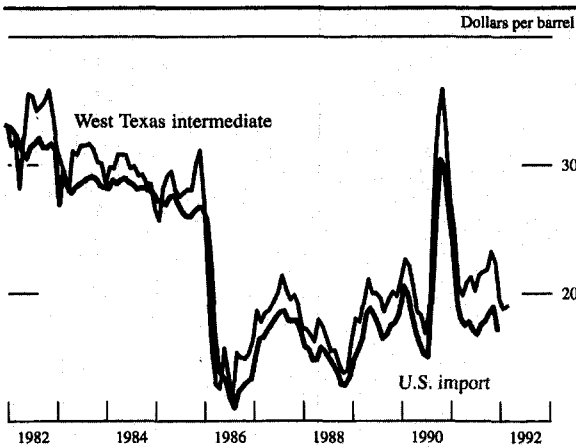
Aside from developments in merchandise trade, the U.S. current account in 1991 recorded a steady improvement in net service receipts, little change in net investment income receipts, and sharp swings in unilateral transfers.

Growing Net Service Receipts

Net receipts from service transactions increased \$10 billion in 1991 (table 6), continuing an upward trend that began in 1986. Almost all of the increase in 1991 was in payments by foreigners for services provided by U.S. residents. Payments by U.S. residents to foreigners for services were roughly the same in 1991 as in 1990.

More than half of the increase in service receipts from foreign residents was attributable to a 12 percent jump in receipts for travel and tourist expenditures in the United States. Receipts from overseas

11. Oil prices, 1982-92



SOURCE: *Petroleum Intelligence Weekly*, various issues; and U.S. Department of Commerce, Bureau of Economic Analysis.

6. Service transactions, 1988-91

Billions of dollars

Item	1988	1989	1990	1991
Service transactions, net	10	22	26	36
Receipts	102	116	133	145
Travel and passenger fares ..	38	46	53	59
Transportation	19	21	22	23
Royalties and license fees ...	11	12	15	16
Business, professional, and technical services	5	6	8	9
Education	4	5	5	6
Military sales	9	8	10	10
Other service receipts	16	19	20	21
Payments	92	94	107	109
Travel and passenger fares ..	41	43	48	49
Transportation	20	21	23	23
Telecommunications	5	5	6	7
Military payments	15	15	17	16
Other service payments	12	11	13	14

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, U.S. international transactions accounts.

visitors rebounded sharply after the Persian Gulf hostilities, and receipts from Canada and Mexico also rose, especially in border areas. The remaining increase in service receipts was spread among a wide range of private services, especially for royalties and license fees, and business, professional, and technical services.

While U.S. payments to foreigners for services were only slightly higher in 1991 than in 1990, there were largely offsetting movements among different items. Foreign expenditures by the U.S. military fell during 1991, after having peaked during the Persian Gulf crisis in the fourth quarter of 1990 and the first quarter of 1991. The rate of decline in military payments increased during the year as the number of troops stationed abroad, especially in Europe, was reduced. Expenditures by U.S. residents on travel abroad increased only marginally in 1991, reflecting the effects of both the sagging U.S. economy and the drop-off in travel early in the year associated with the war in the Persian Gulf. On the other hand, payments to foreigners for telecommunications services rose 17 percent in 1991.

Investment Income

On balance, net investment income receipts changed only marginally in 1991. Net income receipts from direct investments declined a bit, and-

net income payments on portfolio investments (private plus government) grew slightly (table 7).

Income received from U.S. direct investments abroad exceeded income paid to foreigners on their direct investments in the United States by \$51 billion in 1991. This difference was about the same as that recorded in 1990. Income earned abroad in 1991 by affiliates of U.S. companies dropped about \$4 billion, exclusive of capital gains and losses, from the amount recorded in 1990 as economic conditions weakened, especially in such key countries for U.S. investments as Canada and the United Kingdom. However, earnings by foreigners on their direct investments in the United States virtually collapsed. For 1991, earnings by foreign direct investors amounted to a net loss of \$2 billion, excluding capital gains and losses; this loss represented a fall of approximately \$6 billion from the 1990 level and a drop of more than \$10 billion from 1988 and 1989 levels. While foreign petroleum and manufacturing affiliates operating in the United States experienced cyclical declines in income, other foreign affiliates, in such industries as real estate, insurance, banking, and trade, experienced heavy losses that totaled about \$5 billion for the year.

Net income payments to foreigners on portfolio investments (private plus government) changed little between 1990 and 1991 despite a large decrease

7. U.S. net investment income, 1988-91

Billions of dollars

Item	1988	1989	1990	1991
Investment income, net	5	3	12	9
Direct investment income, net	37	42	53	51
Capital gains or losses (-), net ...	-1	-0	3	0
Other direct investment				
income, net	38	43	50	51
Receipts	50	54	54	52
Capital gains or losses (-) ..	0	2	1	2
Other direct investment				
income receipts	50	52	53	49
Payments	14	12	2	0
Capital gains or losses (-) ..	1	2	-2	2
Other direct investment				
income payments	13	10	4	-2
Portfolio income, net	-31	-40	-41	-42
Receipts	60	75	76	64
Private	54	69	66	56
Government	7	6	10	8
Payments	92	114	116	106
Private	62	79	78	67
Government	30	36	38	39

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, U.S. international transactions accounts.

in interest rates. Portfolio income receipts from foreigners amounted to \$64 billion in 1991, \$12 billion less than in 1990. Portfolio income payments to foreigners also declined in 1991, about the same amount that receipts declined. While a decrease in interest rates tends to reduce both portfolio income receipts and payments, for the United States the decline in interest rates reduces income payments more than income receipts because the United States has a net liability position in recorded portfolio capital. Had the U.S. net portfolio position been unchanged in 1991 from the level recorded at the end of 1990, the decline in interest rates during the year would have reduced net income payments roughly \$4 billion. But in 1991 there was a significant deterioration in the net portfolio position. Because most of this deterioration occurred in the second half of the year, the effect of this change on income payments for the year was relatively small. However, the negative effect of an increase in net liabilities about offset the positive effect of the decline in interest rates, and net portfolio income payments in 1991 were about the same as in 1990.

Unilateral Transfers

Transactions relating to the Persian Gulf War had a huge effect on unilateral transfers (table 8). The largest of the war-related transactions was the cash contribution made by foreign governments to the U.S. government to offset costs of the war. These cash grants were recorded as positive unilateral transfers in the fourth quarter of 1990 and in all four quarters of 1991, with the largest contribution occurring in the first quarter. The offset in the balance-of-payments accounts to cash grants received was a reduction in net foreign assets in the United States. The specific component reduced depended on whether the cash payments were financed by reduced holdings of official assets in the United States, by borrowing or drawdowns of official investments in the Euromarkets, or both.

The United States has made several large grants to foreign governments for debt forgiveness. In the fourth quarter of 1990, the United States granted Egypt \$7 billion in debt forgiveness, essentially making repayment on Egypt's behalf of principal (\$5 billion) and of interest (\$2 billion) owed to the U.S. government; an additional \$1 billion was pro-

8. Unilateral transfers, 1990-91

Billions of dollars

Year or quarter	Total transfers	Foreign cash grants	U.S. debt forgiveness	Other transfers
1990	-22.3	4.3	-7.2	-19.4
1991	19.7	42.5	-5.2	-17.6
1990:1	-4.0	.0	-.2	-3.9
2	-4.7	.0	.0	-4.7
3	-4.3	.0	.0	-4.3
4	-9.3	4.3	-7.0	-6.5
1991:1	16.9	22.7	-1.2	-4.5
2	7.1	11.6	-.1	-4.4
3	-2.9	4.6	-3.9	-3.6
4	-1.4	3.6	-.0	-5.1

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, U.S. international transactions accounts.

vided in the first quarter of 1991. Grants by the U.S. government to forgive outstanding debts also were provided during the year to Poland and to various developing countries, primarily in Latin America.

Other transfers reflect grants by the U.S. government for development and related assistance, for the financing of military purchases, and for private remittances and transfers. Grants financing military purchases dropped from \$6.1 billion in 1990 to \$3.7 billion in 1991; these grants had been boosted in 1990 when the United States assisted Israel, Egypt, and Turkey during military operations in the Persian Gulf. Private remittances to support the emigration of Soviet and Ethiopian Jews to Israel remained strong.

CAPITAL ACCOUNT TRANSACTIONS AND THE STATISTICAL DISCREPANCY

The sharp reduction in the U.S. current account deficit in 1991 was mirrored by changes in recorded capital inflows and the statistical discrepancy (table 9).

The statistical discrepancy in the international accounts, which had jumped to \$64 billion in 1990, declined to negative \$3 billion in 1991. While there are certainly errors and omissions in the recording of current account transactions, no obvious reasons were apparent as to why the statistical discrepancy should have increased so much in 1990; the jump was most likely the result of errors and omissions in the reporting of capital flows. Unfortunately, these doubts about the accuracy of the capital flow data in 1990 make it impossible to draw any useful

9. Composition of U.S. capital flows, 1987-91

Billions of dollars

Item	1987	1988	1989	1990	1991
Current account balance	-160	-126	-106	-92	-9
Official capital, net	56	39	-15	33	30
Foreign official assets in the United States	45	40	9	32	21
U.S. official reserve assets	9	-4	-25	-2	6
Other U.S. government assets	1	3	1	3	4
Private capital, net	111	97	103	-5	-18
Net inflows reported by U.S. banking offices	47	14	12	15	-12
Securities transactions, net	26	35	41	-30	6
Private foreign net purchases of the following:					
U.S. Treasury securities	-8	20	30	1	17
U.S. corporate bonds ¹	24	23	27	12	27
U.S. corporate stocks	16	-1	7	-15	9
U.S. net purchases of foreign securities	-5	-8	-23	-29	-46
Direct investment, net	30	45	42	8	-8
Foreign direct investment in the United States	58	59	71	37	22
U.S. direct investment abroad ¹	-28	-14	-29	-29	-30
Other	8	3	8	2	-5
Statistical discrepancy	-7	-9	18	64	-3

1. Transactions with finance affiliates in the Netherlands Antilles have been excluded from direct investment outflows and added to foreign purchases of U.S. securities.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, U.S. international transactions accounts.

conclusions from comparing recorded capital flows in 1990 with those in 1991.

Net inflows of official capital during 1991 were partially offset by net outflows of private capital. Net foreign official inflows amounted to \$21 billion despite net intervention sales of dollars in foreign exchange markets by the G-10 countries and despite the drawdown of the reserves held in the United States by certain countries to finance their transfers to the United States to cover the cost of Operation Desert Storm. Some countries financed part of their contributions to cover the cost of Operation Desert Storm by borrowing and liquidating investments in the Euromarkets rather than by drawing on their reserve holdings in the United States. Countries that were not members of the G-10 or OPEC recorded the largest increases in official reserve holdings in the United States.

Net private capital outflows were \$18 billion in 1991. Most of the outflows were from banks and probably in large part reflected three factors. As mentioned earlier, certain governments increased the net demand for funds in the Euromarkets by financing their contributions to Desert Storm there. Secondly, a shift in the pattern of funding by some U.S. agencies and branches of foreign banks occurred after the Federal Reserve eliminated certain reserve requirements in December 1990. These agencies and branches increased their issuance of large time deposits in the United States and re-

duced their reliance on borrowing from abroad. And finally, weak growth of bank credit in the United States in 1991 also reduced the need to borrow from abroad.

Securities transactions in 1991 reflected the continued internationalization of financial markets; although the net inflow was modest, private foreigners added substantially to their holdings of U.S. stocks and bonds, while U.S. residents bought net foreign stocks and bonds on a large scale. Reflecting interest rate developments that encouraged shifting from short- to long-term financing, issuance of foreign bonds in the United States and issuance of Eurobonds by U.S. corporations were both strong. In addition, investment funds located in the Caribbean were very active in the market for U.S. Treasury securities.

Capital outflows associated with U.S. direct investment abroad remained strong, at \$30 billion. The European Community received almost half of the outflow in 1991 as U.S. investors positioned themselves to take advantage of EC 1992. In addition, U.S. investors participated in the privatization of previously state-owned enterprises. One of the largest privatizations involved investment in Teléfonos de Venezuela by a GTE-led consortium. In contrast, foreign direct investment in the United States remained far below recent peaks, totaling \$22 billion in 1991 compared with \$37 billion in 1990 and \$71 billion in 1989. Foreign takeovers of

U.S. businesses declined, and reinvested earnings were depressed by the recession. Direct investment inflows from Japan fell to only \$4 billion in 1991 from \$17 billion in 1990.

PROSPECTS FOR 1992

Over the year ahead, U.S. imports of goods and services should grow more rapidly than last year as the domestic economy recovers from recession. At

the same time, exports should continue to expand and may grow at a somewhat faster rate later in the year in response to a gradual strengthening of economic growth in several key markets, especially if increases in investment expenditures in developing countries continue at last year's rate. However, the scope for further progress in narrowing the U.S. external deficit will depend on the ability of the U.S. economy to improve its productivity and price performance relative to trends in foreign countries.

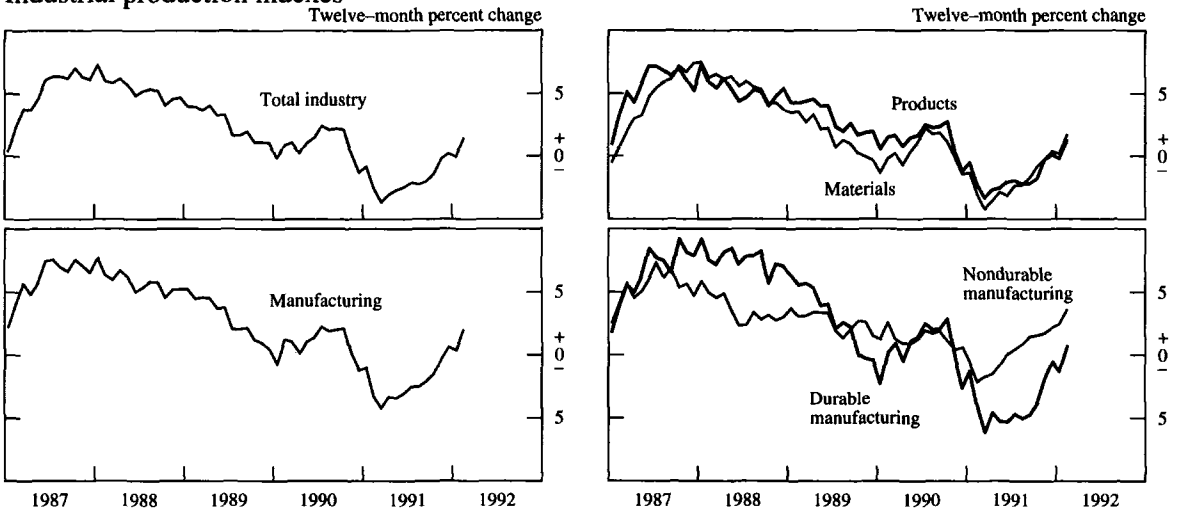
Industrial Production and Capacity Utilization

Released for publication March 17

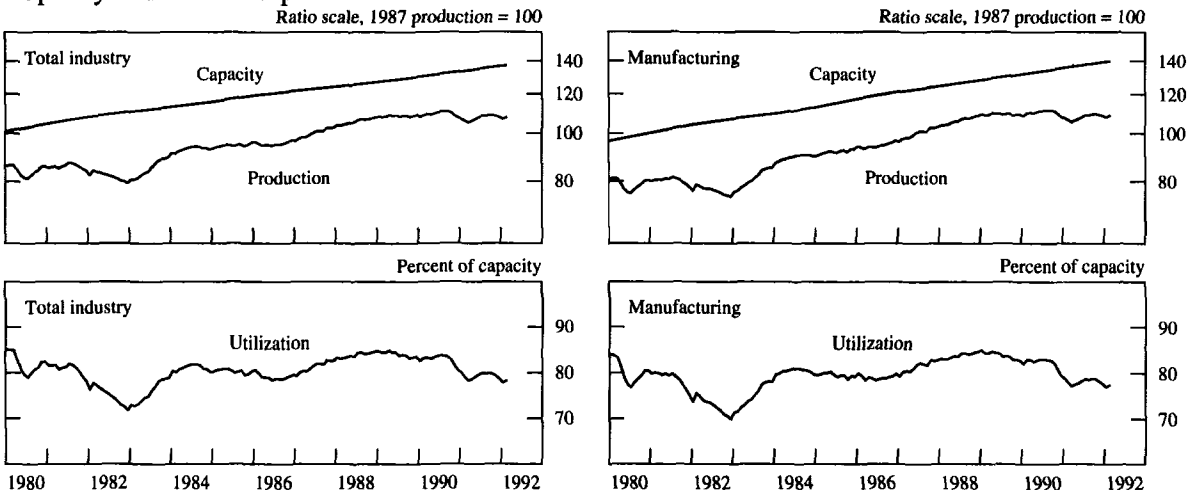
The index of industrial production rose 0.6 percent in February, after having declined in each of the three preceding months. Revised estimates for December and January show declines of 0.6 percent and 0.8 percent respectively. In February, a rebound in the output of motor vehicles and parts

accounted for about half of the rise in the total index. In other categories, overall production partially recovered last month, after a marked weakening in December and January. At 107.2 percent of its 1987 annual average, total industrial production in February was 1.4 percent above its year-ago level. Total industrial capacity utilization rose 0.3 percentage point in February, to 78.2 percent.

Industrial production indexes



Capacity and industrial production



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

Industrial production and capacity utilization

Category	Industrial production, index, 1987 = 100 ¹								
	1991		1992		Percentage change				
					1991 ²		1992 ²		Feb. 1991 to Feb. 1992
	Nov. ^r	Dec. ^r	Jan. ^p	Feb. ^p	Nov. ^r	Dec. ^r	Jan. ^p	Feb. ^p	
Total	108.1	107.4	106.6	107.2	-3	-6	-8	.6	1.4
Previous estimate	108.1	107.6	106.7	...	-3	-4	-9	...	...
<i>Major market groups</i>									
Products, total	109.0	108.5	107.6	108.2	.0	-5	-8	.6	1.2
Consumer goods	110.0	109.5	108.5	109.4	.3	-5	-9	.9	4.5
Business equipment	121.8	121.4	120.0	121.2	-4	-3	-1.2	1.0	.5
Construction supplies	95.9	95.2	95.3	95.5	.6	-8	.2	.2	-1.0
Materials	106.6	105.7	105.0	105.6	-8	-8	-7	.6	1.7
<i>Major industry groups</i>									
Manufacturing	108.6	108.1	107.4	108.1	-4	-4	-7	.7	2.0
Durable	107.8	106.9	105.8	106.8	-4	-8	-1.1	1.0	.7
Nondurable	109.6	109.7	109.4	109.8	-4	.0	-2	.3	3.6
Mining	99.6	98.7	97.1	97.4	-1.1	-9	-1.6	.3	-5.3
Utilities	111.0	107.9	107.3	106.7	1.5	-2.8	-6	-5	2.0
	Capacity utilization, percent								MEMO Capacity, per- centage change, Jan. 1991 to Jan. 1992
	Average, 1967-90	Low, 1982	High, 1988-89	1991			1992		
				Feb.	Nov. ^r	Dec. ^r	Jan. ^r	Feb. ^p	
Total	82.1	71.8	85.0	79.1	79.3	78.7	77.9	78.2	2.5
Manufacturing	81.4	70.0	85.1	78.0	78.2	77.7	77.0	77.4	2.8
Advanced processing	81.0	71.4	83.6	77.4	77.1	76.6	75.8	76.2	3.1
Primary processing	82.3	66.8	89.0	79.5	80.8	80.2	79.9	80.2	2.0
Mining	87.4	80.6	87.2	90.4	86.8	86.1	84.7	84.9	.8
Utilities	86.7	76.2	92.3	81.6	85.9	83.4	82.9	82.4	1.1

1. Seasonally adjusted.

2. Change from preceding month to month indicated.

r Revised.

p Preliminary.

When analyzed by market group, the data show that the output of durable consumer goods excluding automotive products rose 1.3 percent in February, although it remained below its level of late last summer; a rise in the production of appliances was the major source of the increase. The production of nondurable consumer goods edged up in February; gains in the indexes for food and consumer chemicals were nearly offset by declines in those for clothing, consumer paper products, and energy for residential use. The output of business equipment excluding motor vehicles rose 0.3 percent, with most major sectors posting gains. The index for construction supplies rose slightly for a second month in February but, on balance, has changed little since last fall.

The production of materials increased 0.6 percent last month after having declined sharply in each of the three preceding months. The gain in

durables was led by the increase in the output of parts and materials used by the motor vehicle industry; the production of equipment parts rose, but the output of basic metals, particularly steel, decreased. Within nondurables, the production of both paper and chemical materials posted sizable gains. By contrast, the output of energy materials remained weak, in part, because of the relatively mild winter.

When analyzed by industry group, the data show that manufacturing output increased 0.7 percent in February and that capacity utilization at factories rose 0.4 percentage point, to 77.4 percent. The level of utilization for manufacturing in February was still more than 1 percentage point below the rate of last summer. The operating rates for both advanced and primary processing industries rose in February, but within these sectors, over-the-month changes were mixed. Among primary processing

industries, output increased most in fabricated metals, in paper, and in stone, clay, and glass; however, the production of steel and lumber fell sharply. Despite their February gains, the utilization rates both in paper and in stone, clay, and glass were well below the levels of last summer. Within the advanced processing industries, motor vehicle and nonelectrical machinery production rose, but

the operating rates in these industries remained relatively low.

The output of mines rose 0.3 percent in February, and the output of utilities fell 0.5 percent. The utilization rates for both mining and utilities also were significantly below the rates posted during the middle of last year.

Statement to the Congress

Statement by Alan Greenspan, Chairman, Board of Governors of the Federal Reserve System, before the Joint Economic Committee, U.S. Congress, March 3, 1992

I am pleased to appear here today. Two weeks ago, the Federal Reserve submitted its semi-annual report on monetary policy to the Congress.¹ That report covered very specifically the System's expectations for money and credit growth in 1992, as well as our forecast for economic growth and inflation. Today, I would like to focus on some of the broad considerations bearing on the outlook.

The performance of the economy clearly has been disappointing. The recovery in business activity since last spring has been anemic, job losses have continued to mount, and confidence has sunk to depressed levels. As we look ahead, there are a few hopeful signs—but, at this stage, they are quite tentative. Anecdotal reports and the early data on activity since the turn of the year suggest that spending is starting to firm in some sectors. And, in the financial markets, the cumulative effects of the Federal Reserve's easing actions appear to be manifesting themselves in some strengthening of late in the money supply. These are the types of indications one looks for when business activity is picking up. But, as I have indicated previously, there are some extraordinary forces at work in the economy that add an exceptional measure of uncertainty to the current picture.

I refer, in particular, to the sizable adjustments to business and household balance sheets now under way. These adjustments, which are without parallel in the postwar period, are a consequence of the enormous accumulation during the

1980s of certain kinds of real assets and even faster growth of debt and leverage.

Rapid rates of debt-financed asset accumulation were widespread during the 1980s. In the business sector, a primary example is that of commercial real estate, where overbuilding was propelled by a combination of relatively low vacancy rates early in the decade and generous depreciation provisions. Meanwhile, a dramatic increase in leverage among corporations was associated with a wave of mergers and buyouts. The debt burdens of households also rose markedly over the course of the decade, as purchases of motor vehicles and other durables ran at high levels for an extended period and homebuying in some parts of the country soared.

To a degree, the increase in leverage was a natural and economically efficient outcome of deregulation and financial innovation. It also may have reflected a lingering inflation psychology from the 1970s—that is, people may have expected rapid increases in prices, especially those of specific real assets, that would make debt-financed purchases profitable. Many analysts were well aware at the time of the increasingly disturbing trends in debt and leverage. But in retrospect, as the values of real property and other assets stagnated or declined, the mismatch between debt, on the one hand, and the likely prospects for incomes and asset values, on the other, turned out to be even greater than many had perceived.

In part, our current economic adjustments can be seen as arising out of a process in which debt is being realigned with a more realistic outlook for incomes and asset values. Faced with mounting financial problems and uncertainty about the future, one's natural reaction is to withdraw from commitments when possible and to conserve and even build savings and capital. Not surprisingly, many households and businesses have taken measures over the past few years to reduce drains on their cash flow and to lower their

1. See "Monetary Policy Report to the Congress," *Federal Reserve Bulletin*, vol. 78 (April 1992), pp. 223-41.

exposures to further surprises. Part of the process has involved unusually conservative spending patterns, and part has involved the early stages of a restructuring of financial positions.

The monetary policy actions of recent quarters have helped to reduce the debt service burdens of households and businesses and are encouraging them to shore up their financial positions. Moreover, the recently announced cut in reserve requirements on transactions deposits should free up some funds for lending and should help—at least to some extent—to break the grip of the so-called “credit crunch,” which has imposed an undue financial constraint on the activities of many firms.

Businesses have been taking steps to reduce leverage, enhance liquidity, and cut down on interest obligations to lower their exposures to risk. In addition, they have been adjusting production promptly in an attempt to keep inventories in line and have cut back staffing levels and closed inefficient plants. Meanwhile, households have restrained their expenditures and have paid down debt to reduce interest expenses. Also, as long-term interest rates have declined, both businesses and households have refinanced mortgages and other loans.

Unfortunately, history provides little guidance in assessing how much additional adjustment to balance sheets is in store—and how fast it is likely to proceed. Our best guess is that this unusual restraint on economic activity should begin to dissipate in the reasonably near future. But the uncertainties in this regard are enormous and add significantly to the typical risks in the economic outlook.

In any event, the restructuring of financial positions is not the only restraint on economic activity in the near term. The activities of state and local governments have been atypically constrained by budget pressures. More important, we are concurrently coping with a sizable adjustment in the area of national defense. The cutbacks in military spending have been under way since the mid-1980s, when real budget authority turned down and orders for defense capital goods flattened out. All told, real budget authority for defense has fallen more than 20 percent from its 1985 peak. Similar trends have been evident in the data on industrial production, where the

index of defense and space output has fallen roughly 15 percent since 1987. As you know, the 1990 budget agreement established caps on defense funding that imply sizable further reductions over the next several years, and the end of the Cold War raises the prospect that even larger cuts could be made without undue risk to our national security.

From a longer-run perspective, the defense cutbacks carry substantial benefits for the U.S. economy. By freeing up resources that could then be devoted to improving the nation's stock of productive physical and human capital, these cutbacks should ultimately lead to better productivity performance over time. In the short run, of course, lower defense spending is a depressant on economic activity and on jobs and incomes. For industries and regions that depend heavily on military spending, the dislocations could well be sizable.

One sector that has been a bright spot as the recovery has struggled to take hold has been exports, which have benefited from both the cumulated gains in U.S. price competitiveness and income growth in our trading partners. The economies of Mexico, several of the other Latin American countries, and the newly industrialized nations in Asia have been notable areas of strength.

In contrast, the economic performances of the major foreign industrial countries in the second half of last year generally were disappointing. Real output in Germany and Japan, which had been growing extraordinarily rapidly earlier in the year, slowed sharply. Meanwhile, in Canada and Great Britain, recovery from recession is proving elusive. Several of these countries have been struggling with problems of debt burdens and excess leveraging similar to those in the United States.

Current economic indicators are lackluster in almost all the major industrial countries. Consumer spending is weak and confidence is low, while firms are continuing to run down inventories and appear to be hesitant to spend on new plant and equipment. Nonetheless, the odds are good that activity will strengthen over the course of the year. In Canada, the United Kingdom, and Japan, the central banks have eased monetary conditions. These actions not only should facili-

tate the portfolio adjustments under way in many countries but also should contribute to rebounds in interest-sensitive spending.

In Germany, monetary conditions remain tight as wage pressures threaten to add to inflation and money growth continues at rates above the Bundesbank's current targets. However, the ending of an income tax surcharge in the middle of this year should help to boost consumption. And in the five new states (former East Germany), construction and investment spending are vigorous and may well spark the turnaround in production in that region that has been anticipated since the Wall came down.

If, in fact, developments in the industrialized countries materialize along these lines—and if growth in our other trading partners remains robust—exports should continue to bolster production here at home. Such an outcome would elevate the likelihood of a moderate upturn in U.S. business activity in coming quarters.

The recent news on U.S. inflation has been quite favorable. Prices for a wide range of goods and services have decelerated notably over the past few quarters, and a further slowing in underlying price pressures is expected. Moreover, with appropriate economic policies, the improvement in the inflation trend should extend into 1993—even, I would hope, with stronger growth in real activity than now appears in prospect for the current year.

In formulating its objectives for monetary policy last month, the Federal Open Market Committee obviously had to grapple with the anomalous monetary behavior of the past two years and

the sizable uncertainties in the outlook for 1992. In particular, the ongoing process of balance sheet restructuring may affect spending, as well as the relationship of various measures of money and credit to spending, in ways we are not anticipating. Judging from the historical evidence, the adopted growth ranges for the monetary aggregates should support our projections for economic activity—and could accommodate an even stronger recovery. Nonetheless, we will remain sensitive to signs that the anticipated pickup in business activity is not emerging and will be prepared to adjust money growth, as well as our stance in reserve markets, should the need arise.

Our focus, quite naturally and appropriately, has been on the immediate situation—the causes of the recent slowdown and the prospects of returning to solid growth this year. However, as we move forward, we cannot lose sight of our longer-run objectives. Much of the current difficulty and dissatisfaction with the U.S. economy comes from a sense that it is not delivering the kind of long-term improvement in living standards we have come to expect. The Federal Reserve can help to address this deficiency by providing a stable financial background that fosters saving and investment and encourages sound balance sheet structures. The Congress can help by adopting a budget that is geared to the longer-run needs of the economy; at a minimum, that entails maintaining a commitment to the elimination of the structural budget deficit over the coming years. Together, we can achieve the strong economic performance that our fellow citizens rightly expect. □

Announcements

MEETING OF CONSUMER ADVISORY COUNCIL

The Federal Reserve Board announced that its Consumer Advisory Council held a meeting on Thursday, March 26. The council's function is to advise the Board on the exercise of the Board's responsibilities under the Consumer Credit Protection Act and on other matters on which the Board seeks its advice.

ISSUANCE OF POLICY STATEMENT

The Federal Reserve Board issued on March 6, 1992, a policy statement concerning the need for institutions to analyze the geographic distribution of their lending patterns as part of their responsibilities under the Community Reinvestment Act (CRA).

The policy statement had previously been approved by the Federal Financial Institutions Examination Council and adopted by the Federal Deposit Insurance Corporation, the Comptroller of the Currency, and the Office of Thrift Supervision.

According to the policy statement, analyzing the geographic distribution of credit applications, credit extensions, and credit denials is an integral part of effective CRA management.

RESCISSION OF POLICY STATEMENT

The Federal Reserve Board issued on March 19, 1992, an interpretation rescinding its policy statement requiring applications for relocations of a subsidiary bank to another state. Accordingly, the Board has determined not to require the filing of an application for Board approval under the Bank Holding Company Act (BHC Act) for national bank relocations, except in situations in which the Board has found an evasion of the BHC Act.

PROPOSED ACTIONS

The Federal Reserve Board on March 5, 1992, formally requested public comment on two proposals to change the way depository institutions compute and maintain their reserve requirements. Comments were requested by April 6.

ANNUAL REPORT: PUBLICATION

The *78th Annual Report, 1991*, of the Board of Governors of the Federal Reserve System, covering operations for the calendar year 1991, is available for distribution. Copies may be obtained on request to Publications Services, mail stop 138, Board of Governors of the Federal Reserve System, Washington, DC 20551. A separately printed companion document, entitled *Annual Report: Budget Review, 1991-92*, describes the budgeted expenses of the Federal Reserve System for 1992 and compares them with expenses for 1990 and 1991; it is also available from Publications Services.

CHANGES IN BOARD STAFF

The Board of Governors announced on March 9, 1992, the appointment of Lynn S. Fox and Winthrop P. Hambley as Special Assistants to the Board for Congressional Liaison.

Mr. Hambley joined the Board's staff in January 1989 as a Congressional Liaison Assistant. Before joining the Board, he served as legislative assistant for eight years to Senator Paul Trible. Mr. Hambley holds a degree in history from Columbia University and was in the doctoral program in economics at the University of Virginia.

Ms. Fox returns to the Board after having served as a Special Assistant to the Board in the Congressional Liaison Office from January 1986 to September 1988.

Legal Developments

FINAL RULE—AMENDMENT TO REGULATION D

The Board of Governors is amending 12 C.F.R. Part 204, its Regulation D (Reserve Requirements of Depository Institutions) to reduce the reserves required on net transaction account balances over \$42.2 million from the current level of 12 percent to 10 percent, based on a determination that the current level of reserves required on these liabilities is in excess of the level necessary for the conduct of monetary policy, and that a reduction in the level of required reserves will provide an impetus for bank lending and overall economic activity by freeing funds now held as reserves and facilitating depository institutions' access to the capital markets.

For depository institutions that report deposits weekly, this reduction will become effective for the reserve maintenance period beginning April 2, 1992. For depository institutions reporting quarterly, the reduction will be operative for the reserve maintenance period starting April 16, 1992.

Effective April 2, 1992, 12 C.F.R. Part 204 is amended as follows:

Part 204—Reserve Requirements of Depository Institutions

1. The authority citation for 12 C.F.R. Part 204 continues to read as follows:

Authority: Sections 11(a), 11(c), 19, 25, 25(a) of the Federal Reserve Act (12 U.S.C. 248(a), 248(c), 371a, 371b, 461, 601, 611); section 7 of the International Banking Act of 1978 (12 U.S.C. 3105); and section 411 of the Garn—St Germain Depository Institutions Act of 1982 (12 U.S.C. 461).

2. Section 204.9 is amended by revising paragraph (a)(1) to read as follows:

Section 204.9—Reserve requirement ratios.

(a)(1) *Reserve percentages.* The following reserve ratios are prescribed for all depository institutions, Edge and Agreement corporations, and United States branches and agencies of foreign banks:

Category	Reserve requirement
Net transaction accounts ¹ \$0 to \$42.2 million Over \$42.2 million	3 percent of amount \$1,226,000 plus 10 percent of amount over \$42.2 million
Nonpersonal time deposits	0 percent
Eurocurrency liabilities	0 percent

1. Dollar amounts do not reflect the adjustment to be made in the next paragraph.

ORDERS ISSUED UNDER BANK HOLDING COMPANY ACT

Orders Issued Under Section 3 of the Bank Holding Company Act

Morrill Bancshares, Inc.
Sabetha, Kansas

Morrill & Janes Bancshares, Inc.
Hiawatha, Kansas

Order Approving Acquisition of a Bank Holding Company

Morrill Bancshares, Inc., Sabetha, Kansas ("Morrill"), and its subsidiary, Morrill & Janes Bancshares, Inc., Hiawatha, Kansas ("M & J Bancshares"), both bank holding companies within the meaning of the Bank Holding Company Act ("BHC Act"), have applied under section 3 of the BHC Act (12 U.S.C. § 1842) to acquire Robinson Bancshares, Inc., Robinson, Kansas ("Robinson"), and thereby indirectly acquire Bank of Robinson, also of Robinson, Kansas.¹

Notice of the applications, affording interested persons an opportunity to submit comments, has been duly published (57 *Federal Register* 6504 (1992)). The time for filing comments has expired, and the Board has considered the applications and all comments received in light of the factors set forth in section 3(c) of the BHC Act.

1. Morrill will acquire Robinson through the bank subsidiary of M & J Bancshares, Morrill and Janes Bank and Trust Company, Hiawatha, Kansas ("Trust Company"). Trust Company will purchase all the shares of Robinson and immediately thereafter Robinson and its subsidiary bank will be merged with and into Trust Company. The merger is subject to the approval of the Federal Deposit Insurance Corporation under the Bank Merger Act (12 U.S.C. § 1828).

Morrill and M & J Bancshares (collectively "Applicants") constitute the 61st largest commercial banking organization in Kansas, controlling \$78.3 million in deposits in the state, representing less than 1 percent of total deposits in commercial banking organizations in Kansas.² Robinson is the 441st largest commercial banking organization in Kansas, controlling \$8.0 million in deposits in the state, representing less than 1 percent of total deposits in commercial banking organizations in the state. Upon consummation of this proposal, Applicants would become the 50th largest commercial banking organization in the state, controlling \$86.3 million in deposits, representing less than 1 percent of total deposits in commercial banking organizations in Kansas.

Applicants and Robinson operate in the Hiawatha, Kansas banking market.³ Applicants own the largest depository institution in that market, controlling deposits of \$78.3 million, representing approximately 32 percent of total deposits in depository institutions in the market.⁴ Robinson is the eighth largest depository institution in the market, controlling \$8.0 million in deposits, representing approximately 3.3 percent of total deposits in depository institutions in the market. Upon consummation of this proposal, Applicants would remain the largest depository institution in the market, controlling approximately 35.3 percent of total deposits in depository institutions in the market. The Hiawatha, Kansas banking market would remain highly concentrated upon consummation of this proposal and the Herfindahl-Hirschman Index ("HHI") for the market would increase by 210 points to 2227.⁵

A number of characteristics of the Hiawatha banking market indicate that the increase in concentration levels as measured by the HHI for this market overstates the effect of this proposal on competition in this market.

2. Data are as of September 30, 1991.

3. The Hiawatha, Kansas banking market is defined as Brown County, Kansas, plus the town of Sabetha in Nemaha County, Kansas.

4. In this context, depository institutions include commercial banks, savings banks and savings associations. Market share data are based on calculations in which the deposits of thrift institutions are included at 50 percent. The Board previously has indicated that thrift institutions have become, or have the potential to become, major competitors of commercial banks. See *Midwest Financial Group*, 75 *Federal Reserve Bulletin* 386 (1989); *National City Corporation*, 70 *Federal Reserve Bulletin* 743 (1984).

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

First, the market has experienced significant economic decline in recent years. The population of Brown County, Kansas, which comprises the bulk of the market, declined from approximately 14,250 to 13,470 between 1980 and 1990, the tenth largest decline in population of the 35 rural counties in Kansas with populations greater than 10,000 during that period. This decrease compares unfavorably with the state's overall population increase during the same period. In addition, a study commissioned by the state of Kansas shows a 20 percent drop in total employment in Brown County between 1980 and 1988 and ranks Brown County last of all the counties in the state in terms of overall economic health and prospects.⁶ These and other facts regarding the market suggest that the ability of the Hiawatha banking market to support a large number of competitors has deteriorated.⁷

The Board also has considered that seven commercial banking organizations and one savings association would continue to operate in the market upon consummation of this proposal. Based on these and the other facts of record, the Board has determined that consummation of the proposal is not likely to result in a significantly adverse effect on competition in the Hiawatha banking market.

The financial and managerial resources and future prospects of Applicants and their subsidiary banks, and Robinson and its subsidiary bank are consistent with approval, as are supervisory factors. The Board also finds that considerations relating to the convenience and needs of the communities to be served are consistent with approval.

Based on the foregoing and other facts of record, the Board has determined that the application should be, and hereby is, approved. The acquisition shall not be consummated before the thirtieth calendar day following the effective date of this Order, or later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Kansas City, acting pursuant to delegated authority.

By order of the Board of Governors, effective March 11, 1992.

Voting for this action: Chairman Greenspan and Governors Mullins, Angell, Kelley, LaWare, Lindsey, and Phillips.

JENNIFER J. JOHNSON
Associate Secretary of the Board

6. The 1989 study, *Rural Development Action Plan*, was prepared for the Kansas State Legislature by Kansas, Inc., a public-private partnership created by the Kansas State Legislature to advise it on the state's economic health.

7. See, e.g., *First Formoso, Inc.*, 76 *Federal Reserve Bulletin* 541 (1990).

Orders Issued Under Section 4 of the Bank Holding Company Act

First Union Corporation
Charlotte, North Carolina

Order Approving Application to Act as a Riskless Principal in Buying and Selling Securities

First Union Corporation, Charlotte, North Carolina ("First Union"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied for the Board's approval under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) for its indirect subsidiary, First Union Securities, Inc., Charlotte, North Carolina ("Company"), to buy and sell securities on the order of investors as a "riskless principal."

Notice of the application, affording interested persons an opportunity to submit comments on the proposal, has been published (56 *Federal Register* 27,754 (1991)). The time for filing comments has expired, and the Board has considered the application and all comments received in light of the public interest factors set forth in section 4(c)(8) of the BHC Act.

First Union has total consolidated assets of approximately \$46.1 billion.¹ It owns five bank subsidiaries in Florida, Georgia, South Carolina, North Carolina, and Tennessee. First Union has received Board approval to engage in a broad range of nonbanking activities, including engaging through Company in underwriting and dealing in, to a limited extent, debt and equity securities that are not eligible to be underwritten by a state member bank ("ineligible securities").² Company is and will continue to be a broker-dealer registered with the Securities and Exchange Commission and subject to the record-keeping, reporting, fiduciary standards, and other requirements of the Securities Exchange Act of 1934, the New York Stock Exchange, and the National Association of Securities Dealers.

"Riskless principal" is the term used in the securities business to refer to a transaction in which a broker-dealer, after receiving an order to buy (or sell) a security from a customer, purchases (or sells) the security for its own account to offset a contemporaneous sale to (or purchase from) the customer.³ Riskless principal transactions are understood in the industry to include only transactions in the secondary market.

First Union thus proposes that Company would not act as a riskless principal in selling securities at the order of a customer that is the issuer of the securities to be sold or in any transaction where Company has a contractual agreement to place the securities as agent of the issuer. Company also would not act as a riskless principal in any transaction involving a security for which it makes a market.

The Board has previously determined by order that, subject to certain prudential limitations established to address the potential for conflicts of interests, unsound banking practices or other adverse effects, the proposed riskless principal activities are so closely related to banking as to be a proper incident thereto within the meaning of section 4(c)(8) of the BHC Act. The Board also has determined that acting as agent in purchasing and selling securities on the order of investors as a riskless principal does not constitute underwriting and dealing in securities for purposes of section 20 of the Glass-Steagall Act, and that revenue derived from this activity is not subject to the 10 percent revenue limitation on ineligible securities underwriting and dealing. First Union has committed that Company will conduct its riskless principal activities using the same methods and procedures, and subject to all of the prudential limitations, approved by the Board in the *Bankers Trust* and *J.P. Morgan* orders,⁴ including the comprehensive framework of restrictions designed to avoid potential conflicts of interests, unsound banking practices and other adverse effects imposed by the Board in connection with underwriting and dealing in securities, as modified in part by the *J.P. Morgan* and *Bankers Trust* orders.⁵

In every case involving a nonbanking acquisition by a bank holding company under section 4 of the BHC Act, the Board considers the financial condition and resources of the applicant and its subsidiaries and the

4. See *J.P. Morgan and Company, Inc.*, 76 *Federal Reserve Bulletin* 26 (1990) ("*J.P. Morgan*"); *Bankers Trust New York Corporation*, 75 *Federal Reserve Bulletin* 829 (1989) ("*Bankers Trust*"). As detailed more fully in those orders, in addition to the commitments imposed by the Board in connection with underwriting and dealing in securities, Company will maintain specific records that will clearly identify all riskless principal transactions, and Company will not engage in any riskless principal transactions for any securities carried in its inventory. When acting as a riskless principal, Company will only engage in transactions in the secondary market, and not at the order of a customer that is the issuer of the securities to be sold, will not act as riskless principal in any transaction involving a security for which it makes a market, nor hold itself out as making a market in the securities that it buys and sells as a riskless principal. Moreover, Company will not engage in riskless principal transactions on behalf of its foreign affiliates that engage in securities dealing activities outside the United States.

5. See *Bankers Trust* at 834; *J.P. Morgan* at 27.

1. Data are as of December 31, 1991.

2. See *First Union Corporation*, 75 *Federal Reserve Bulletin* 645 (1989); 76 *Federal Reserve Bulletin* 174 (1990).

3. See Securities and Exchange Commission Rule 10b-10. 17 C.F.R. 240.10b-10(a)(8)(i).

effect of the transaction on these resources.⁶ Based on the facts of this case, the Board concludes that financial considerations are consistent with approval of this application. The managerial resources of First Union are also consistent with approval.

Consummation of this proposal would provide added convenience to First Union's customers by allowing the provision of a wider range of services by a single entity. In addition, the Board expects that the *de novo* entry of First Union into the market for these services would increase the level of competition among providers of these services. Under the framework established in this and prior decisions, consummation of this proposal is not likely to result in any significantly adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices. Accordingly, the Board has determined that the performance of the proposed activities by First Union can reasonably be expected to produce public benefits that would outweigh adverse effects under the proper incident to banking standard of section 4(c)(8) of the BHC Act.

Based on all the facts of record, including commitments made by First Union, and subject to all of the terms and conditions set forth above and in the above-noted Board orders, the Board has determined that First Union's application, should be, and hereby is, approved. The Board's decision is specifically conditioned on continued compliance with all of the commitments made in this case, including the commitments discussed in this Order. The Board's determination is also subject to all of the conditions set forth in the Board's Regulation Y, including those in sections 225.4(d) and 225.23(b), and to the Board's authority to require modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to assure compliance with, and to prevent evasion of, the provisions of the BHC Act and the board's regulations and orders issued thereunder. These commitments are conditions imposed in writing by the Board in connection with its findings and decision, and may be enforced in proceedings under applicable law.

This transaction shall not be consummated later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of Richmond, pursuant to delegated authority.

By order of the Board of Governors, effective March 17, 1992.

6. 12 C.F.R. 225.24; *The Fuji Bank, Limited*, 75 *Federal Reserve Bulletin* 94 (1989); *Bayerische Vereinsbank AG*, 73 *Federal Reserve Bulletin* 155, 156 (1987).

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

U.S. Trust Corporation
New York, New York

Order Approving Application to Provide Investment Advisory and Securities Brokerage Services Individually and on a Combined Basis, and to Act as a "Riskless Principal" in Buying and Selling Securities

U.S. Trust Corporation, New York, New York ("Applicant"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)), to acquire Delafield, Harvey, Tabell Inc., Princeton, New Jersey ("Company"),¹ and thereby engage, throughout the United States, in the following activities:

- (1) providing portfolio investment advice and management to individual, corporate and institutional investors, and furnishing general economic information and advice and general economic statistical forecasting services pursuant to sections 225.25(b)(4)(iii) and (iv) of the Board's Regulation Y;
- (2) providing securities brokerage services pursuant to section 225.25(b)(15) of Regulation Y;
- (3) providing investment advisory and securities brokerage services on a combined basis to institutional and retail customers ("full-service brokerage"); including exercising limited investment discretion on behalf of institutional customers; and
- (4) purchasing and selling all types of securities on the order of investors as a "riskless principal."

Notice of the application, affording interested persons an opportunity to submit comments, has been duly published (57 *Federal Register* 4632 (1992)). The time for filing comments has expired and the Board has considered the application and all comments received in light of the public interest factors set forth in section 4(c)(8) of the BHC Act.

Applicant, with approximately \$2.6 billion in consolidated assets, operates banking subsidiaries in New York and Texas. Applicant is the 19th largest banking

1. The acquisition will be accomplished through the merger of Applicant's wholly owned subsidiary, ACQ, Inc., into Company with Company surviving the merger.

organization in New York, and controls less than one percent of the total deposits in commercial banks in Texas.² Applicant engages directly and through subsidiaries in a variety of permissible nonbanking activities. Company is a registered investment advisor under the Investment Company Act of 1940, and a broker-dealer registered with the Securities Exchange Commission.

The Board previously has determined by regulation that the provision of the proposed investment advisory and securities brokerage services individually is a permissible nonbanking activity for bank holding companies under section 4(c)(8) of the BHC Act and sections 225.25(b)(4) and (b)(15) of Regulation Y. 12 C.F.R. 225.25(b)(4)(iii) and (iv); 225.25(b)(15). Applicant proposes that Company would provide these services subject to the limitations contained in Regulation Y.

The Board also has determined by order that full-service brokerage is a permissible nonbanking activity for bank holding companies.³ Applicant proposes to engage in full-service brokerage in accordance with all of the conditions set forth in these orders. In addition, Company would provide discretionary investment management services for institutional customers only, under terms and conditions previously approved by the Board.⁴

Applicant also proposes that Company act as a "riskless principal" in buying and selling securities. "Riskless principal" is the term used in the securities business to refer to a transaction in which a broker-dealer, after receiving an order to buy (or sell) a security from a customer, purchases (or sells) the security for its own account to offset a contemporaneous sale to (or purchase from) the customer.⁵ Riskless principal transactions are understood in the industry to include only transactions in the secondary market. Applicant thus proposes that Company would not act as a riskless principal in selling securities at the order of a customer that is the issuer of the securities to be sold or in any transaction where Company has a contractual agreement to place the securities as agent of the issuer.

The Board previously has determined by order that, subject to certain prudential limitations established to address the potential for conflicts of interests, unsound banking practices or other adverse effects, "riskless principal" activities are so closely related to banking as to be a proper incident thereto within the meaning of section 4(c)(8) of the BHC Act. The Board also has determined that acting as agent in purchasing and selling securities on the order of investors as a "riskless principal" does not constitute underwriting and dealing in securities for purposes of section 20 of the Glass-Steagall Act.⁶ Applicant has committed that Company will conduct its "riskless principal" activities using the same methods and procedures, and subject to all of the prudential limitations approved by the Board in the *Bankers Trust* and *J.P. Morgan* orders.⁷

Under section 4(c)(8) of the BHC Act, the Board is required to determine that the performance of the proposed activities by Applicant "can reasonably be expected to produce benefits to the public . . . that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices." 12 U.S.C. § 1843(c)(8).

Under the framework established in this and prior decisions, consummation of this proposal is not likely to result in any significantly adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices. Based on the foregoing and other facts of record, and subject to the commitments made by Applicant, the Board has determined that performance of the proposed activities by Applicant can reasonably be expected to produce public benefits which would outweigh adverse effects under the proper incident to banking standard of section 4(c)(8) of the BHC Act. The Board also concludes that the financial considerations and managerial resources of Applicant are consistent with approval.

6. See *J.P. Morgan and Company, Inc.*, 76 Federal Reserve Bulletin 26 (1990) ("J.P. Morgan"); *Bankers Trust New York Corporation*, 75 Federal Reserve Bulletin 829 (1989) ("Bankers Trust").

7. For the reasons discussed in these orders, Applicant has committed as follows: Company will maintain specific records that will clearly identify all riskless principal transactions, and Company will not engage in any riskless principal transactions for any securities carried in its inventory. When acting as a riskless principal, Company will only engage in transactions in the secondary market, and not at the order of a customer that is the issuer of the securities to be sold, will not act as riskless principal in any transaction involving a security for which it makes a market, nor hold itself out as making a market in the securities that it buys and sells as a riskless principal. Moreover, Company will not engage in riskless principal transactions on behalf of its foreign affiliates that engage in securities dealing activities outside the United States.

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

3. See *PNC Financial Corporation*, 75 Federal Reserve Bulletin 396 (1989); *Bankers Trust New York Corporation*, 74 Federal Reserve Bulletin 695 (1988).

4. See *The Chase Manhattan Corporation*, 74 Federal Reserve Bulletin 704 (1988); *J.P. Morgan and Company, Inc.*, 73 Federal Reserve Bulletin 810 (1987). Such discretionary investment management services will be provided for institutional customers only, as this term has been defined in previous Board orders relating to this activity. See *Bank of New England Corporation*, 74 Federal Reserve Bulletin 700 (1988).

5. See Securities and Exchange Commission Rule 10b-10, 17 C.F.R. 240.10b-10(a)(8)(i).

For these reasons, the Board has determined to, and hereby does, approve this application. The Board's decision is specifically conditioned upon compliance with all of the commitments made in this case, including the commitments discussed in this order and the conditions set forth in the above-noted Board orders. The Board's determination is also subject to all of the conditions set forth in Regulation Y, including those in sections 225.4(d) and 225.23(b), and to the Board's authority to require modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to assure compliance with, and to prevent evasion of, the provisions of the BHC Act and the Board's regulations and orders issued thereunder. The commitments and conditions relied on by the Board in this case are conditions imposed in writing by the Board in connection with its findings and decisions and may be enforced in proceedings under applicable law.

This transaction shall not be consummated later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of New York, pursuant to delegated authority.

By order of the Board of Governors, effective March 2, 1992.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

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

BankAmerica Corporation
San Francisco, California

Order Approving the Merger of Bank Holding Companies

BankAmerica Corporation, San Francisco, California ("BankAmerica"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied under section 3 of the BHC Act (12 U.S.C. § 1842) to merge with Security Pacific Corporation, Los Angeles, California ("Security Pacific"), also a bank holding company, and thereby to acquire the banking subsidiaries of Security Pacific listed in Appendix A.¹ BankAmerica also has applied

under section 4(c)(8) of the BHC Act to acquire the nonbanking subsidiaries of Security Pacific, including the subsidiaries listed in Appendix A.

In addition, BankAmerica has given notice pursuant to section 4(c)(13) of the BHC Act (12 U.S.C. § 1843(c)(13)) and section 211 of the Board's Regulation K (12 C.F.R. 211), to acquire all of the foreign subsidiaries, joint ventures and portfolio investments of Security Pacific held under section 4(c)(13) of the BHC Act. Bank of America National Trust and Savings Association, San Francisco, California ("Bank of America"), a subsidiary bank of BankAmerica, has provided notice pursuant to section 25A of the Federal Reserve Act (12 U.S.C. § 611 *et seq.*) and section 211.4 of Regulation K (12 C.F.R. 211.4), to acquire Security Pacific International Bank, New York, New York, and Security Pacific Overseas Corp., Los Angeles, California, both corporations chartered under section 25A of the Federal Reserve Act (the "Edge Act"), and all of their foreign subsidiaries, joint ventures and portfolio investments.

Bank of America also has provided notice pursuant to section 25 of the Federal Reserve Act (12 U.S.C. § 601 *et seq.*) and section 211.3(a)(3) of Regulation K of its intent to continue the operation of the foreign branch of Security Pacific National Bank located in Nassau, Bahamas, and, pursuant to section 211.5 of Regulation K, to continue the operation of the foreign subsidiaries of Security Pacific National Bank. Seattle First-National Bank, Seattle, Washington ("SeaFirst"), another subsidiary bank of BankAmerica, has provided notice, pursuant to section 25 of the Federal Reserve Act (12 U.S.C. § 601 *et seq.*) and section 211.3(a)(3) of Regulation K, to acquire the foreign branches of Security Pacific Bank Washington, N.A., located in Grand Cayman, Cayman Islands and Kaohsiung, Taiwan.

Notice of the applications, affording interested persons an opportunity to submit comments, has been published (56 *Federal Register* 67,622 (1991)). The Board extended the public comment period in this case, providing interested persons a total of over 77 days to submit written comments regarding this pro-

subsidiary of BankAmerica, has applied under section 3(a)(3) of the BHC Act to acquire Security Pacific Bank Nevada, N.A., Las Vegas, Nevada. In connection with the proposed merger of BankAmerica with Security Pacific, BankAmerica also has requested Board approval under section 3 of the BHC Act to acquire an option to purchase up to 19.9 percent of the voting shares of Security Pacific. Security Pacific has requested Board approval under section 3 of the BHC Act to acquire an option to purchase up to 9.95 percent of BankAmerica's voting shares. These options will become moot upon consummation of BankAmerica's application to merge with Security Pacific.

1. In connection with BankAmerica's application, First Nevada Development Corporation, San Francisco, California, a wholly owned

posal (Press Release dated January 28, 1992).² In light of the size and geographic scope of the resulting organization, and the extensive public interest in this proposal, the Board also held public meetings regarding these applications at four sites to permit interested persons an opportunity to present written information and oral testimony directly to members of the Federal Reserve System's staff. These meetings were held during the week of January 13, 1992, in Los Angeles, California; San Francisco, California; Seattle, Washington; and Phoenix, Arizona. The time for filing comments has expired, and the Board has considered the applications and all comments received in light of the factors set forth in sections 3(c) and 4 of the BHC Act, the Edge Act, and the Federal Reserve Act.³

BankAmerica, with consolidated assets of \$115.5 billion, controls 10 subsidiary banks that operate in Arizona, California, Idaho, Nevada, New Mexico, Oregon, Texas, Utah, and Washington, and hold approximately \$83 billion in total domestic deposits. Security Pacific, with consolidated assets of \$76.4 billion, controls 12 subsidiary banks that operate in Alaska, Arizona, California, Idaho, Nevada, New York, Oregon, Texas, and Washington, and hold approximately \$55 billion in total domestic deposits.⁴ Upon consummation of this proposal, BankAmerica would be the second largest commercial banking organization in the United States, with consolidated assets of \$191.9 billion and total domestic deposits of \$139.2 billion.⁵

Interstate Banking Provisions

Section 3(d) of the BHC Act (the "Douglas Amendment") prohibits a bank holding company from acquiring a bank located outside of its home state⁶ "unless

2. Several persons have requested an additional extension of the public comment period in this case. Each of these commenters has submitted written comments or oral testimony during the public comment period. In light of the extended period permitted for public comment in this case, the opportunity provided to submit oral testimony, the fact that the requesters were able to and did provide comments in this case, and the other facts of record, the Board has determined not to grant these requests for a further extension of the public comment period.

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

4. Pursuant to provisions of section 4(g) of the BHC Act, Security Pacific controls an insured depository institution with limited powers that operates in New York. BankAmerica has proposed to acquire this institution pursuant to section 3 of the BHC Act and operate it as a full-service bank.

5. Asset data are as of December 31, 1991. Deposit data are as of June 30, 1990, unless otherwise noted.

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

acquisition of . . . a State bank by an out-of-State bank holding company is specifically authorized by the statute laws of the State in which [the] bank is located, by language to that effect and not merely by implication."⁷ For purposes of the Douglas Amendment, the home state of BankAmerica is California. The Board has previously determined that the interstate statutes of Alaska, Arizona, Idaho, Nevada, New York, Oregon, Texas, and Washington permit a bank holding company located in California to acquire banking organizations in those states.⁸ In considering this proposal, the Board has reviewed the interstate banking statutes of all of the states involved and has concluded that BankAmerica is authorized under these statutes to acquire the banking subsidiaries of Security Pacific located in these states.⁹ In light of the foregoing, the Board has determined that its approval of this proposal is not prohibited by the Douglas Amendment. This finding, and the Board's action in this case, are conditioned upon BankAmerica receiving all required state regulatory approvals.

Competitive Considerations

As required by section 3 of the BHC Act, the Board has considered the effects of this proposal on competition in each relevant market. The Board has analyzed

company became a bank holding company, whichever is later. The operations of a bank holding company are considered principally conducted in that state in which the total deposits of all such banking subsidiaries are largest.

7. 12 U.S.C. § 1842(d).

8. See *Security Pacific Corporation*, 73 *Federal Reserve Bulletin* 746 (1987) (approving acquisition by Security Pacific of Ranier Bank Alaska, N.A., Anchorage, Alaska); Letter to David E. Weymouth, Vice President of BankAmerica, from William W. Wiles, Secretary of the Board (May 25, 1990)(acquisition by BankAmerica of Bank of America Arizona, Phoenix, Arizona); Letter to David E. Teitelbaum, Esq., Morrison & Foerster, from Jennifer J. Johnson, Associate Secretary of the Board (Jan. 11, 1991) (acquisition by BankAmerica of Bank of America Idaho, Coeur d'Alene, Idaho); *BankAmerica Corporation*, 75 *Federal Reserve Bulletin* 825 (1989) (acquisition by BankAmerica of Nevada First Bank and Silver State Thrift & Loan Association, both of Reno, Nevada); *Citicorp*, 77 *Federal Reserve Bulletin* 325 (1991) (acquisition by Citicorp, New York, New York, of De Anza Holding Corporation, Sunnyvale, California); *BankAmerica Corporation*, 76 *Federal Reserve Bulletin* 248 (1990) (acquisition by BankAmerica of Woodburn Bancorp and Woodburn State Bank, both of Woodburn, Oregon); *BankAmerica Corporation*, 77 *Federal Reserve Bulletin* 613 (1991) (acquisition by BankAmerica of Bank of America Texas, N.A., Houston, Texas); *BankAmerica Corporation*, 69 *Federal Reserve Bulletin* 568 (1983) (acquisition by BankAmerica of Seafirst Corporation, Seattle, Washington).

9. Each of these state statutes permits a bank holding company located in California to acquire a bank in each respective state. See Alaska Stat. § 06.05.235(e) (1991); Ariz. Rev. Stat. Ann. § 6-322(B) (Cum. Supp. 1991); Idaho Code § 26-503 (1990); Nev. Rev. Stat. Ann. § 666.315 (Cum. Supp. 1991); N.Y. Banking Law § 142-b(1) (McKinney 1990); Or. Rev. Stat. § 715.065 (1991); Tex. Rev. Civ. Stat. Ann. art. 342-912(4) (Supp. 1991); Wash. Rev. Code Ann. §§ 30.04.232 and 32.32.228 (West 1986).

information collected from a variety of sources to determine the size and scope of the relevant markets in this case, the effect of competition from other banks and from thrift institutions, and the likely effect of this merger on competition in these markets. This information included surveys of local markets, information obtained from competitors of BankAmerica and Security Pacific regarding their activities in various markets, and information provided by BankAmerica. The Board has also reviewed the substantial divestitures proposed by BankAmerica in California, Washington, Arizona, Nevada, and Oregon. In addition, the Board has carefully considered the comments from interested members of the public regarding the competitive effects of this proposal in particular banking markets, including comments alleging that the proposal would result in substantially anti-competitive effects in various markets in Arizona, California, Nevada, and Washington, or in other broadly defined geographic regions.

A number of the commenters have argued that the competitive effects of this merger should be analyzed on the basis of narrow product definitions, such as lending to small businesses, or on the basis of various geographic market definitions, such as states, regions, or individual neighborhoods. The Board and the courts have recognized that the cluster of products and services offered by banking institutions constitutes the appropriate product market for evaluating bank mergers and acquisitions.¹⁰ The Board and the courts have also recognized consistently that the geographic market for the cluster of products and services is local in nature.¹¹ On the basis of these precedents and the facts of record in this case, the Board believes that the analysis of the competitive effects of this proposal should be based on the availability of the cluster of banking products and services to a range of customers in local banking markets.

BankAmerica and Security Pacific both control insured depository institutions located in Arizona,¹² California, Idaho, Nevada, Oregon, Texas, and Washington, and compete directly in 116 banking markets in these states.¹³ The existing sizes of BankAmerica and

Security Pacific and the *pro forma* size of the consolidated organization in each of these states are described in Appendix B to this order.

Various measures of market concentration, including the Herfindahl-Hirschman Index ("HHI"), indicate that, absent divestitures of branches and offices, the proposal may result in significantly adverse competitive effects in a number of the banking markets in Arizona, California, Nevada, Oregon, and Washington.¹⁴ BankAmerica has proposed divestitures in order to mitigate the potentially anti-competitive effects of the proposal in these markets.¹⁵ In this regard, BankAmerica has committed to divest 49 branches in Arizona representing deposits of approximately \$2.4 billion; 44 branches in California representing deposits of approximately \$1.9 billion; 30 branches in Nevada representing deposits of approximately \$829 million; 87 branches in Washington representing deposits of approximately \$3.3 billion; and three branches in Oregon representing deposits of approximately \$65 million. These divestitures will include the sale of deposits, branch and other office premises, certain central lending offices, and other assets, including small business, middle market, and consumer loans. In addition, BankAmerica has committed to permit acquirors of the branches and offices to be divested to solicit for hire employees of those branches and offices. BankAmerica has also committed that all divestitures will be to competitively suitable acquirors whose acquisition of the divested assets and liabilities would not result in a substantial lessening of competition in relevant markets.

vada is analyzed on the basis of the market presence of Valley Capital. BankAmerica and Security Pacific also each have ownership interests in Emerald City Bank, Seattle, Washington, a minority-controlled bank. BankAmerica has committed that it will conform its ownership interests in this bank to section 3 of the BHC Act within two years of consummation of this proposal.

14. Deposit data are as of June 30, 1990, unless otherwise noted.

15. With respect to each market in which BankAmerica has committed to divest offices to mitigate potential anti-competitive effects of this proposal, BankAmerica has committed to execute sale agreements prior to consummation of the acquisition of Security Pacific (except in Fresno, California, as discussed below), and to consummate these divestitures within 180 days of consummation of the acquisition of Security Pacific. BankAmerica has committed that, in the event it is unsuccessful in completing any divestiture within 180 days of consummation of this proposal, BankAmerica will transfer the relevant office to an independent trustee that has been instructed to sell the office promptly. The Board has found in previous cases that this type of program for the divestiture of bank offices is appropriate to address the potential anti-competitive effects of bank acquisition proposals. See, e.g., *United New Mexico Financial Corporation*, 77 *Federal Reserve Bulletin* 484, 485 (1991); *First Union Corporation*, 76 *Federal Reserve Bulletin* 83 (1990). In order to meet the requirements of the California Attorney General, BankAmerica recently has agreed to divest certain offices in Fresno, California. With respect to these offices only, BankAmerica has committed to use its best efforts to execute a sale agreement prior to consummation of this proposal. BankAmerica has committed to complete these divestitures within the 180 day period and subject to the same procedure described above.

10. See, e.g., *First Hawaiian, Inc.*, 77 *Federal Reserve Bulletin* 51 (1991); *U.S. v. Philadelphia National Bank*, 374 U.S. 321 (1963).

11. *Id.*

12. BankAmerica's Arizona bank subsidiary operates a branch located in Utah.

13. The Board recently approved BankAmerica's proposal to acquire Valley Capital Corporation, Las Vegas, Nevada. *BankAmerica Corporation*, 78 *Federal Reserve Bulletin* 299 (1992). In connection with that acquisition, BankAmerica will retain Valley Capital but will divest all of the operations of BankAmerica Nevada, its current bank subsidiary in Nevada. Valley Capital is the second largest insured depository institution in Nevada. In light of the proposed acquisition of Valley Capital and divestiture of BankAmerica Nevada, the competitive effect of the BankAmerica/Security Pacific proposal in Ne-

With the exception of the Phoenix, Tucson, and Bullhead City, Arizona banking markets discussed below, after giving effect to the proposed divestitures and competition offered by thrift institutions in the market,¹⁶ the competitive effect of the transaction in each relevant market would be consistent with the merger guidelines established by the Department of Justice and parameters applied by the Board in previous decisions.¹⁷ Consummation of the proposal in the Arizona banking markets of Phoenix, Tucson and Bullhead City would result, after giving effect to proposed divestitures, in concentration measures that exceed the Department of Justice guidelines.¹⁸ A number of commenters also have expressed concern regarding the effect of the proposal on competition in the Seattle, Washington, and Los Angeles, California, banking markets.

Phoenix Banking Market

BankAmerica is the fourth largest of 38 insured depository institutions in the Phoenix banking market,¹⁹ holding \$3.7 billion in deposits, representing approximately 17.6 percent of the total deposits in insured depository institutions in the market ("market deposits"). Security Pacific is the second largest insured depository institution in the market, holding \$3.8 billion in deposits, representing approximately 18.2 percent of market deposits.

BankAmerica has committed to divest 28 branches in this market, representing approximately \$1.58 billion in market deposits. After giving effect to the

proposed divestitures, the HHI in this market would increase by 258 points to 1973.²⁰

At least 37 bank and thrift competitors would remain in the market following consummation. In addition, the Phoenix market is attractive for entry. Since 1986, eleven large bank holding companies have acquired insured depository institutions in the market. Two banks have entered the market *de novo* since June 1989.²¹ The Board also notes that BankAmerica acquired its offices in this market, as well as in the Tucson and Bullhead City markets, through the acquisition of failed or failing thrift institutions from the Resolution Trust Corporation. The record shows that BankAmerica has incurred significant run-off of deposits in these markets since these acquisitions, including a continued decline in deposits since June 30, 1991, that other competitors in these markets have not experienced. When compared to the growth experienced generally by these markets, the decline in deposits retained by BankAmerica indicates that the use of deposit figures to approximate the market share controlled by BankAmerica in these markets may overstate to some degree the actual market presence of BankAmerica in these markets.

Tucson Banking Market

BankAmerica is the fourth largest of twelve insured depository institutions in the Tucson banking market,²² holding \$784.8 million in deposits, representing approximately 15.9 percent of market deposits. Security Pacific is the second largest insured depository institution in the market, holding \$972.4 million in deposits, representing approximately 19.7 percent of market deposits.

BankAmerica has committed to divest nine branches in this market, representing approximately \$321.2 million in market deposits. After giving effect to the proposed divestitures, the HHI in this market would increase by 248 points to 1845.²³

16. The Board previously has indicated that thrift institutions have become, or have the potential to become, significant competitors of commercial banks. See, e.g., *First Union Corporation*, 76 *Federal Reserve Bulletin* 83 (1990). Thus, the Board has regularly included thrift deposits in the calculation of market share on a 50 percent weighted basis. See, e.g., *First Hawaiian, Inc.*, 77 *Federal Reserve Bulletin* 52 (1991). In considering the competition offered by thrifts in all banking markets in this case, thrift deposits are weighted at 50 percent, unless otherwise noted.

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

18. Deposit data for Arizona banking markets are as of June 30, 1991.

19. The Phoenix banking market is approximated by the Phoenix Ranally Metropolitan Area ("RMA"), with the addition of the towns of Buckeye, Carefree, and Cave Creek, Arizona.

20. Following this proposed divestiture, BankAmerica would be the second largest depository institution in the Phoenix market, controlling approximately \$6.1 billion in deposits, representing approximately 29.0 percent of market deposits.

21. In addition, between 1985 and 1990, the Phoenix population grew at annual rate of 3.2 percent, far greater than the national rate of 0.8 percent. Total personal income in Phoenix also grew faster than the national rate. Between 1984 and 1989, total personal income in Phoenix grew at an average annual rate of 9.4 percent, in comparison to the national rate of 7.1 percent for the same period.

22. The Tucson banking market is approximated by the Tucson RMA.

23. Following this proposed divestiture, BankAmerica would become the largest depository institution in the Tucson banking market, controlling approximately \$1.4 billion in deposits, representing approximately 29.1 percent of market deposits.

At least eleven bank and thrift competitors would remain in the market following consummation. In addition, the Tucson market is attractive for entry.²⁴

Bullhead City Banking Market

BankAmerica is the second largest of nine insured depository institutions in the Bullhead City banking market,²⁵ holding \$73.8 million in deposits, representing approximately 21.1 percent of market deposits. Security Pacific is the fourth largest insured depository institution in the market, holding \$38.5 million in deposits, representing approximately 11.0 percent of market deposits.

BankAmerica has committed to divest one branch in this market, representing approximately \$41.5 million in market deposits. After giving effect to the proposed divestiture, the HHI in this market would increase by 317 points to 2037.²⁶

At least eight bank and thrift competitors would remain in the market following consummation. In addition, the Bullhead City market is attractive for entry. One bank has entered the market on a *de novo* basis since 1987.²⁷

Seattle Banking Market

BankAmerica is the largest of 59 insured depository institutions in the Seattle banking market,²⁸ holding deposits of \$6.9 billion, representing 25.9 percent of market deposits. Security Pacific is the second largest insured depository institution in the market, holding deposits of \$4.9 billion, representing 18.3 percent of market deposits.

BankAmerica has committed to divest 46 branches in the Seattle banking market, representing approximately \$1.9 billion in market deposits. BankAmerica also has committed to divest certain corporate lending divisions of Security Pacific's Washington bank sub-

siary. After giving effect to the proposed divestitures, the Seattle banking market would remain moderately concentrated, with an HHI of 1766, representing an increase of 426 points. In addition, at least 58 bank and thrift competitors would remain in the market following consummation. The Seattle banking market is also attractive for entry. Since 1988, 12 banks have entered the Seattle banking market *de novo*.

Los Angeles Banking Market

BankAmerica is the second largest of 267 insured depository institutions in the Los Angeles banking market,²⁹ holding \$19.3 billion in deposits, representing approximately 12.2 percent of market deposits. Security Pacific is the largest insured depository institution in the market, holding \$24.4 billion in deposits, representing approximately 15.5 percent of market deposits.

Upon consummation of the proposal, the Los Angeles banking market would remain unconcentrated, with an HHI of 942, representing an increase of 377 points.³⁰ In addition, at least 266 bank and thrift competitors, including the largest banks and thrifts in the state, would remain in the market following consummation of the proposal. The Los Angeles banking market also is attractive for entry.

In light of the divestitures BankAmerica has proposed in this case in various markets, the resulting market concentration measures, competition offered by thrifts, the numbers of competitors remaining in the markets, the mitigating factors in the Phoenix, Tucson and Bullhead City banking markets discussed above, and other facts of record, the Board has concluded that the proposal would not result in a significantly adverse effect on competition in any of the 116 banking markets in which BankAmerica and Security Pacific compete.³¹

The Department of Justice has also reviewed the competitive effects of this proposal. The Department has indicated to the Board that, subject to completion of the divestitures proposed by BankAmerica, the proposal would not result in a significantly adverse effect on competition in any relevant market in which BankAmerica and Security Pacific compete directly. The Attorneys General of Arizona, California, and Washington have also reviewed the competitive ef-

24. Between 1985 and 1990, the population of the Tucson area grew at an annual average rate of 2.7 percent, in comparison with the national rate of 0.8 percent for same period. Between 1984 and 1989, total personal income in Tucson grew at an average annual rate of 7.7 percent, in comparison with the national rate of 7.1 percent for the same period.

25. The Bullhead City banking market is approximated by the cities and towns of Bullhead City, Mohave Valley, and Riviera, Arizona; Needles, California; and Laughlin, Nevada.

26. Following this proposed divestiture, BankAmerica would become the largest depository institution in the Bullhead City banking market, controlling approximately \$99.5 million in deposits, representing approximately 28.4 percent of market deposits.

27. In addition, since 1984, the population of Laughlin, Nevada, which is in the market, has grown from 95 to 6,200. The Laughlin Chamber of Commerce estimates that the Laughlin population will reach 15,000 by 1995.

28. The Seattle banking market is approximated by the Seattle RMA.

29. The Los Angeles banking market is approximated by the Los Angeles RMA.

30. Under the Department of Justice merger guidelines, a market in which the post-merger HHI is less than 1,000 is considered unconcentrated.

31. The effects of the proposal on competition in the relevant banking markets are described in Appendix C to this order.

fects of the proposal in their respective states, and have concluded that, subject to the completion of the proposed divestitures in their states, the proposal would not result in significantly adverse effect on competition in any banking market in their respective states.

The Board also has sought comments concerning the competitive effects of this proposal from the Office of the Comptroller of the Currency ("OCC") and the Federal Deposit Insurance Corporation ("FDIC"). Neither the OCC nor the FDIC has provided any objection to consummation of this proposal nor indicated that the proposal would have any significantly adverse competitive effects.

Based on all of the facts of record in this case, and subject to BankAmerica's compliance with all commitments relating to the proposed divestitures made as part of the application in this case, the Board concludes that consummation of this proposal would not have a significantly adverse effect on competition or the concentration of banking resources in any relevant market. BankAmerica must provide the Reserve Bank with details regarding the proposed divestitures, including identifying the proposed purchaser, prior to consummating these divestitures in order that the Reserve Bank may ensure that the divestitures comply with this order.

Financial and Managerial Factors

The Board has carefully considered the financial and managerial resources and future prospects of the companies and banks involved and the effect on those resources of the proposed acquisition.³² The Board has stated and continues to believe that capital adequacy is an especially important factor in the analysis of bank holding company expansion proposals, particularly in transactions, such as this, where a major acquisition is proposed.³³

In this regard, the Board expects banking organizations contemplating expansion proposals to maintain strong capital levels substantially above the minimum levels specified in the Board's Capital Adequacy

Guidelines.³⁴ The Board carefully analyzes the effect of expansion proposals on the preservation or achievement of strong capital levels and has adopted a policy that there should be no significant diminution of financial strength below these levels for the purpose of effecting major expansion proposals.³⁵

BankAmerica proposes to acquire all of the outstanding common and preferred shares of Security Pacific in a purchase transaction to be funded with the issuance of shares of BankAmerica stock. BankAmerica will not incur debt to fund the acquisition. The proposed transaction nevertheless represents a substantial acquisition for BankAmerica, and will increase the size of the organization by almost two-thirds.

In advance of this transaction, BankAmerica has accumulated significant capital. During 1991, BankAmerica increased its tier one capital by over \$1.6 billion through the retention of earnings as well as external capital issues, and augmented its total capital ratios by issuing over \$600 million of subordinated debt. BankAmerica's capital raising efforts have continued into 1992, with capital issues, to date, totalling \$915 million. As a result, and notwithstanding a substantial increase in intangible assets resulting from the accounting treatment of the transaction, the *pro forma* organization's capital ratios will be above the required minimum levels, without reliance on intangible assets. Financial projections submitted by BankAmerica indicate that the capital ratios for the resulting organization will remain above these levels, and that other measures to be taken by BankAmerica, including the achievement of cost savings, will result in a further strengthening of the capital position of the *pro forma* organization.

BankAmerica believes that it can achieve significant cost savings and operational efficiencies as a result of the transaction. Cost savings are expected to result from a number of factors, including consolidation of branches and office facilities, elimination of certain duplicative operational and administrative functions, and related staff reductions.³⁶ The achievement of these savings would enable the organization to operate more efficiently with a resulting strengthening of the organization's financial position and its ability to provide services to its communities. BankAmerica has committed to keep the Board apprised of its progress in meeting the projections with respect to cost savings, asset dispositions, capital ratios, asset quality, loan

32. The Board received a small number of comments regarding the financial aspects of this proposal. Most of these commenters believed that the proposal would result in a financially strong banking organization. Several expressed concern with the size of the resulting organization. The Board has taken these comments into account in its analysis of the financial factors.

33. *The Bank of New York Company, Inc.*, 74 *Federal Reserve Bulletin* 257 (1988); *Chemical New York Corporation*, 73 *Federal Reserve Bulletin* 378 (1987); *Citicorp*, 72 *Federal Reserve Bulletin* 497 (1986); *National City Corporation*, 70 *Federal Reserve Bulletin* 743 (1984); *Banks of Mid-America, Inc.*, 70 *Federal Reserve Bulletin* 460 (1984); *Manufacturers Hanover Corporation (CIT)*, 70 *Federal Reserve Bulletin* 452 (1984).

34. Capital Adequacy Guidelines, 12 C.F.R. Part 225, Appendices A, B, and D (1991).

35. *The Bank of New York Company, Inc.*, *Chemical New York Corporation*, *Citicorp*, and *National City Corporation*, all *supra*.

36. Several commenters maintained that no cost savings or efficiencies would be realized by this merger.

loss reserves, and the integration of management and operations.

The facts of record also demonstrate that BankAmerica has competent and experienced management.³⁷ BankAmerica has gained familiarity with the Security Pacific organization through extensive due diligence. The knowledge gained in the due diligence process in combination with BankAmerica's own experience in recovering from economic difficulties should facilitate the integration of the two organizations and strengthen its ability promptly and effectively to manage problem assets at the combined organization. Although BankAmerica will add fifteen of Security Pacific's directors to its existing board, current BankAmerica managers will fill a preponderance of the senior management positions in the merged organization. This should ensure that the credit policies and standards, and risk-identification systems of BankAmerica will remain in effect at the combined organization.

Based on these considerations, including the commitments made by BankAmerica and all the facts of record in this case, the Board concludes that the financial and managerial factors and future prospects of BankAmerica and its subsidiaries are consistent with approval of these applications. The Board conditions its action regarding this transaction on compliance by BankAmerica with its capital proposals and with the other representations affecting financial resources made in connection with this application.

Convenience and Needs Considerations

Section 3 of the BHC Act requires the Board, in every case involving the acquisition by a bank holding company of a bank or bank holding company, to consider the effects of the proposal on the convenience and needs of the community to be served. The Board has long held that this analysis of community convenience and needs considerations includes a review of the performance under the Community Reinvestment Act

37. Several commenters have alleged improper actions by BankAmerica or Security Pacific employees regarding individual loan or accounts transactions affecting these commenters, disclosure of financial information, and improper influence on lending decisions. In some cases, commenters offered no documentation to substantiate their allegations, and in other cases commenters indicated that they had referred their complaints to the primary banking supervisor and law enforcement agencies. Some commenters alleged that management will improperly benefit from the proposal. The Board has reviewed these comments in light of all of the facts of record in this case, including information responding to these comments provided by BankAmerica and information contained in examination reports provided by other federal bank supervisory agencies. Based on this review and all of the facts of record in this case, the Board concludes that these comments do not provide a basis for disapproval of this transaction.

(12 U.S.C. § 2901 *et seq.*) ("CRA") of the banks involved in the transaction. The CRA requires the federal financial supervisory agencies to encourage financial institutions to help meet the credit needs of the local communities in which they operate consistent with the safe and sound operation of such institutions. To accomplish this end, the CRA requires the appropriate federal supervisory authority to "assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of such institution," and to take that record into account in its evaluation of bank expansion proposals.³⁸

In this case, the Board has carefully reviewed the CRA performance record of BankAmerica and Security Pacific, and their subsidiary banks, the comments and testimony presented at the public meetings and in written submissions, and BankAmerica's responses to those comments, in light of the CRA, the Board's regulations, and the Statement of the Federal Financial Supervisory Agencies Regarding the Community Reinvestment Act ("Agency CRA Statement").³⁹

Public Comments on Convenience and Needs

As noted above, the Board invited public comment over an extended period of time in this case and held four public meetings at which interested persons could present testimony. The Board has received approximately 343 comments on this proposal. These commenters included individuals, representatives of community groups, churches, city and state government officials, small businesses, and several members of Congress. Of these commenters, approximately 176 provided testimony at the four public meetings in California, Washington, and Arizona sponsored by the Board in order to collect information concerning the convenience and needs factors and the CRA performance records of the institutions in this case. Written comments were received from 166 commenters who did not appear at the public meetings, and from 24 commenters who testified at these meetings.

Approximately 152 of the comments supported the proposal or spoke favorably about the CRA performance records of BankAmerica or Security Pacific. The remaining 191 commenters either opposed the merger, requested the Board to approve the merger subject to conditions proposed by the commenter, or raised concerns about the CRA performance of Bank-

38. 12 U.S.C. § 2903.

39. 54 *Federal Register* 13,742 (1989).

America or Security Pacific ("Protestants").⁴⁰ Commenters presented information regarding a number of aspects of the CRA performance record of the banks involved, including the following:

Ascertainment and marketing efforts. A number of commenters believe that BankAmerica has effective ascertainment and marketing programs. These commenters noted numerous examples of BankAmerica employees and officers who served as members of community and nonprofit organizations and who provided leadership on the boards of directors of these organizations. Commenters also praised special educational initiatives by BankAmerica including its consumer education projects and programs for housing development. Several commenters noted the efforts made by BankAmerica to reach non-English speaking customers through foreign language ATMs, foreign language videos describing various products, and published promotional materials.

Protestants maintained that BankAmerica has not taken sufficient steps to understand the credit needs of communities it serves, particularly outside of its home state of California. These commenters alleged that outreach efforts to low- and moderate-income and minority neighborhoods are inadequate and suggested that BankAmerica improve its efforts by a variety of means, including using churches and special consultants. BankAmerica's outreach efforts to rural areas were also criticized. A few Protestants suggested that BankAmerica should improve its consumer education and counseling services and target these efforts at various minority groups.

Several Protestants, citing housing-related loan origination data, maintained that BankAmerica's marketing programs were ineffective in penetrating low- and moderate-income and minority neighborhoods. Other commenters alleged that BankAmerica did not advertise in media targeted to minority customers.⁴¹

Lending and other activities. A number of commenters applauded BankAmerica's lending programs and its support for community and nonprofit organiza-

tions, economic development corporations, small businesses and agricultural interests. These commenters related specific instances in which BankAmerica supported their activities through loans, flexible or creative financing packages, technical assistance, or charitable donations. Commenters who indicated that BankAmerica had a strong record of helping to meet local credit needs included individual and small business customers of BankAmerica, local housing and community development departments, representatives of the Small Business Administration, large nonprofit affordable housing organizations, community reinvestment corporations, housing finance commissions, groups representing ethnic minority interests, educational and religious organizations, and charitable foundations. BankAmerica also entered into agreements with several community groups and community development agencies to improve certain types of lending in various communities and BankAmerica's efforts in addressing other CRA-related concerns of these groups.

Other commenters alleged that BankAmerica did not make sufficient funding available for affordable housing, including single-family and multi-family dwellings, for low- and moderate-income and minority residents in California, Washington, Nevada, and Arizona, and that BankAmerica's special mortgage programs did not serve the housing credit needs of these borrowers.⁴² Protestants also maintained that BankAmerica's consumer loan programs for low- and moderate-income individuals were inadequate to meet the credit needs of these consumers. Some Protestants in Washington and Arizona contended that BankAmerica will reinvest local deposits in out-of-state service areas to the detriment of the credit needs of their states. Of special concern were the basic banking services offered by BankAmerica, which a number of Protestants alleged were too expensive or had burdensome requirements that effectively limited their availability to low-income customers. Commenters also recommended changes to BankAmerica's government check cashing policies such as reducing fees and eliminating a requirement for multiple personal identifications.⁴³

BankAmerica's small business lending efforts in low- and moderate-income areas and to small businesses owned by minorities and women were also considered inadequate by some Protestants. Several of these commenters believed that BankAmerica also

40. Several Protestants alleged that their individual loan denials by BankAmerica evidence a failure to comply with the CRA. BankAmerica has provided financial information regarding some of these transactions. The Board believes that the decision whether to grant credit in an individual case rests with the lending institution. In making this decision, the Board expects the institution to abide by safe and sound banking practices and to provide equal opportunity for credit to all applicants. After careful consideration of the comments and all the evidence in the record, including relevant examination reports, the Board concludes that the comments regarding individual loan denials do not indicate that BankAmerica has engaged in any unsafe or unsound lending practice or refused to extend credit in violation of the Equal Credit Opportunity Act or other relevant statutes.

41. Protestants in Washington and California also believed that BankAmerica had inadequate bilingual facilities to accommodate Hispanic and Asian consumers.

42. Some Protestants maintained that BankAmerica's housing-related lending statistics were inflated by including loans made to high-income borrowers who are acquiring housing in certain low- and moderate-income neighborhoods.

43. These commenters maintained low-income individuals are forced to pay higher fees to check cashing centers and retail stores in order to obtain check cashing services.

lacked an appreciation for the special financing needs of non-profit organizations and churches. Other Protestants, especially in Washington and California, criticized the community development activities by BankAmerica.

Branch locations and closings. Comments supporting the proposal noted that BankAmerica has and continues to discuss branch closings with community groups in order to minimize the impact of the proposal on low- and moderate-income neighborhoods. However, many Protestants were concerned about the number of BankAmerica branches available to serve these areas now and in the future. These commenters alleged that BankAmerica does not currently have sufficient branch offices in low- and moderate-income areas in California (especially in South Central Los Angeles), Washington (especially in rural areas), Arizona or Nevada. Protestants also believed that BankAmerica should not be permitted to close branches in already underserved low- and moderate-income areas and minority communities as part of its planned divestitures or cost reductions.

HMDA data and lending practices. Several Protestants analyzed the data collected under the Home Mortgage Disclosure Act ("HMDA") for BankAmerica and Security Pacific. Others sponsored formal and informal surveys of mortgage lending practices. A number of these commenters alleged that these analyses and surveys showed patterns of inadequate lending in low- and moderate-income areas. Several Protestants contended that these surveys suggested illegal discriminatory lending practices in California, Washington, Nevada, and Arizona. Of particular concern to these commenters were disparities between the rejection rates for minorities and non-minorities and the level of withdrawals of applications by minorities in certain communities. These commenters believed that BankAmerica's actual record of lending undermined its CRA performance ratings by banking supervisory agencies.

Other comments. Some commenters maintained that the merger would result in a large, financially strong institution that would have the resources to provide enhanced services to individual and small business customers. Other commenters believed that a large out-of-state bank would eliminate local lending decisions by loan officers who understood the special circumstances and credit needs of low- and moderate-income areas, and that the merger would result in inflexible underwriting criteria for local loans and delays in decisions on loan applications.

Protestants also were concerned that agreements negotiated between Security Pacific and community groups to improve CRA performance in their neigh-

borhoods would not be honored by BankAmerica.⁴⁴ Several Protestants suggested that BankAmerica should not terminate the beneficial CRA programs of Security Pacific, and in particular, Security Pacific's tax-exempt bond financing and underwriting activities, which support affordable housing initiatives in Washington. Protestants also requested assurances that the commitments made by BankAmerica to improve its CRA performance, including its 10-year CRA lending goals, would be closely monitored and receive input from community groups.

Protestants also raised issues that are not related to BankAmerica's record of performance under the CRA. For example, some Protestants asserted that minorities and women were under-represented in senior management and on boards of directors of both institutions and alleged that certain employment practices involving BankAmerica staff and services from third-party contractors were improper.⁴⁵ In addition, a number of Protestants expressed concern that the proposal would cause significant loss of employment opportunities both at the combined organization and more generally in the communities the organization would serve. Other commenters in favor of the proposal believed that the steps initiated by BankAmerica would minimize any disruption resulting from any reductions in its employment force.⁴⁶

44. Since the time these comments were filed, BankAmerica has committed to honor all existing CRA programs and agreements negotiated between community groups and Security Pacific.

45. BankAmerica disputes these allegations, and notes that each organization follows a policy of equal employment opportunity throughout the respective organization. While the Board fully supports affirmative programs designed to promote equal opportunity in every aspect of a bank's personnel policies and practices in the employment, development, advancement, and treatment of employees and applicants for employment, the Board believes that the alleged deficiencies in the banks' general personnel and employment practices, including third-party contractors, are beyond the scope of factors that may be assessed under the CRA or the convenience and needs factor.

46. As a general matter, BankAmerica expects that a substantial number of jobs will be eliminated through attrition and through the sale of branch offices to acquirors that may continue to employ most branch personnel. In addition, BankAmerica and Security Pacific have adopted a merger transition program to assist employees who are displaced as a result of the proposal. Under this program, BankAmerica will generally provide employees with two months notice prior to separation. Employees who are separated will be entitled to salary benefits based on number of years of service; continued health benefits; immediate vesting for retirement plans; outplacement and career transition assistance through resource centers in several metropolitan areas, including tuition assistance for retraining employees with at least one year of service; small business loans for employees establishing their own businesses; and retention of advantageous employee rates for loans and banking services. BankAmerica has also committed to continue established employment goals for women and minorities at all levels within the consolidated organization in order to minimize the potential that job reductions would have a disproportionate impact on women and minority employees.

Records of Performance Under the CRA

A. CRA Performance Examinations

The Board has reviewed the actual overall records of performance under the CRA of these institutions, as well as the programs and policies that BankAmerica and Security Pacific have in place to fulfill their CRA responsibilities on an ongoing basis, in light of the information provided and views expressed by the commenters in this case. The Board has also reviewed the CRA examination records of these institutions.⁴⁷

Initially, the Board notes that all of BankAmerica's subsidiary banks have received at least a "satisfactory" rating from their primary regulator in their most recent examination for CRA performance. Bank of America, which is BankAmerica's lead bank and accounts for approximately 86 percent of the assets of BankAmerica, received an "outstanding" performance rating from the OCC as of October 1990. Bank of America State Bank, Concord, California ("State Bank"), also received an "outstanding" CRA performance rating from the FDIC as of June 1991.⁴⁸

Security Pacific National Bank, Los Angeles, California, Security Pacific's lead bank, has received a "satisfactory" performance rating from the OCC as of April 1991. Security Pacific's remaining banking subsidiaries, or their predecessors, also have satisfactory CRA performance ratings in their most recent examinations by their primary regulators.⁴⁹ BankAmerica

47. The Agency CRA Statement explains that decisions by agencies to allow financial institutions to expand will be made pursuant to an analysis of the institution's overall CRA performance and will be based on the actual record of performance of the institution. The Agency CRA Statement provides that a CRA examination is an important and often controlling factor in the consideration of an institution's CRA record and that these reports will be given great weight in the applications process. 54 *Federal Register* 13,742, 13,745 (1989).

48. BankAmerica's Washington subsidiary, SeaFirst, received a "satisfactory" performance rating from the OCC as of April 1991, and Bank of America Arizona, Phoenix, Arizona, received a "satisfactory" performance rating from the FDIC as of November 1991. BankAmerica's subsidiary banks and thrifts in Oregon and Nevada each received satisfactory ratings from the FDIC, although Bank of America Nevada (formerly Nevada First Bank) and Silver State Thrift and Loan Association, both of Reno, Nevada, were not BankAmerica subsidiaries at the time of the examinations in 1988. The BankAmerica subsidiaries in New Mexico, Idaho and Texas were formed recently to acquire several failed institutions from the Resolution Trust Corporation and the FDIC. As new institutions, these BankAmerica subsidiaries have not been examined for CRA compliance by their primary regulators.

49. Security Pacific's subsidiary national banks each received a satisfactory CRA performance rating from the OCC in the following examinations: Security Pacific Bank, N.A., Tempe, Arizona (July 1990); Security Pacific State Bank, Irvine, California (February 1989); Security Pacific Bank Alaska, N.A., Anchorage, Alaska (March 1989); Security Pacific Bank Washington, N.A., Seattle, Washington (December 1989); Security Pacific Bank Nevada, N.A., Las Vegas, Nevada (May 1989). Security Pacific's subsidiary state banks each

has established as an internal policy the goal that all of its domestic banking subsidiaries achieve and maintain an "outstanding" performance rating under the CRA from their primary regulators.

B. Corporate Policies

BankAmerica, Security Pacific and their subsidiary banks have in place the types of policies and procedures that the Board and other federal bank supervisory agencies have indicated contribute to an effective CRA program. Bank of America's Corporate Community Development Department ("Community Development Department"), managed by a BankAmerica Executive Vice President, is responsible for overall CRA compliance within the organization and for assisting BankAmerica bank subsidiaries in achieving their CRA goals and implementing their CRA program. For example, the Community Development Department performs an initial evaluation of CRA programs and resources for each subsidiary bank and recommends to the subsidiary's management and board of directors an action plan designed to improve CRA performance for its subsidiary banks. The Community Development Department also provides ongoing consulting and technical assistance, monitors and reports progress of each subsidiary's program to BankAmerica management on a quarterly basis, and makes annual on-site evaluations of each subsidiary bank's CRA program. Special programs developed by Bank of America are made available to each subsidiary bank for purposes of adapting these programs to local credit needs. In addition, the specialized community development services of State Bank will be available to all bank subsidiaries.⁵⁰

Security Pacific has a Public Policy Committee by the boards of directors of Security Pacific and Security Pacific National Bank that provides direct board of director oversight of CRA performance. The CRA Administrator for Security Pacific is an Executive

received a satisfactory CRA performance rating from the FDIC in the following examinations: Security Pacific State Bank, Costa Mesa, California (February 1989); Security Pacific Savings Bank, Tacoma, Washington (April 1990); Security Pacific Bank Oregon, Portland, Oregon (June 1988); and Security Pacific Bank Arizona (formerly The Arizona Bank), Phoenix, Arizona (October 1988). Security Pacific Bank Idaho, Coeur d'Alene, Idaho, received a satisfactory CRA performance rating from the Office of Thrift Supervision (March 1990).

50. State Bank was created in 1990 for the primary purpose of coordinating BankAmerica's community development activities in both rural and urban areas through programs for affordable low-income housing, government-guaranteed small business lending, and economic development. State Bank provides these services in delineated communities where a BankAmerica subsidiary bank does not engage in community development activities. State Bank also provides technical assistance to affiliates regarding community development activities.

Vice President responsible for CRA activities throughout the organization and reports to the Security Pacific Public Policy Committee. CRA officers at Security Pacific and the individual subsidiary banks report directly to the Executive Vice President. Each Security Pacific subsidiary has established Community Involvement Program goals in the areas of affordable housing, small business lending and community development activities.

Under the proposal, CRA activities at all of the merged banks will be coordinated by the Executive Vice President in charge of CRA performance at Bank of America who will report directly to BankAmerica's Chairman and Chief Executive Officer. This officer will also serve as Chairman of the Board of State Bank, Chairman of Bank of America's Social Policy Committee,⁵¹ and secretary of the BankAmerica's Public Policy Committee.

CRA compliance will also be coordinated by the Executive Vice President as manager of the Community Development Department that will oversee the CRA Compliance units at each subsidiary bank. In this regard, the Community Development Department will assist each bank in the BankAmerica organization in adopting a CRA action plan approved by the Social Policy Committee and the Public Policy Committee. The Community Development Department will also monitor compliance with the CRA programs of all BankAmerica banks and report periodically to BankAmerica's management and board of directors.

C. Ascertainment and Marketing Efforts

In addition to these functions, the Community Development Department has implemented techniques for gathering information to identify the credit needs of BankAmerica's communities. For example, this department conducts demographic analyses of lending patterns, tracks the volume of lending through special programs, and maintains a dialogue with community organizations in part through its membership in a number of community development organizations.⁵²

After discussions with community groups and civic officials, the Community Development Department performed detailed studies of targeted low-income areas, such as South Central Los Angeles, to identify and assist in meeting credit needs. These ascertainment efforts resulted in the development of two credit programs, the B*A*S*I*C consumer lending program and the Neighborhood Advantage home loan program, both of which offer more flexible underwriting standards to make loans more widely available in low-income neighborhoods or to low-income customers.

BankAmerica also ascertains the credit needs of communities through direct contacts by employees of its subsidiary banks. Branch managers have established goals for calls to be made on public officials, business associations, and community organizations knowledgeable about local credit needs.⁵³ Information gathered through these contacts is summarized in questionnaires completed periodically for each branch service area, and is used by the Community Development Department and other departments in devising techniques to target outreach efforts. As part of this application, Bank of America will establish an advisory board of community representatives that will meet regularly with the Social Policy Committee.⁵⁴

As a result of this needs assessment process, BankAmerica created State Bank with its focus on community development activities. State Bank supplements the ascertainment efforts of the BankAmerica subsidiary banks. For example, State Bank employees' calls target lending opportunities in low-income housing, economic development, and small business. State Bank also maintains ongoing contact with the community on ways to assist in meeting the credit needs for California's low-income housing construction and small business lending through its advisory committee of community representatives.

SeaFirst branch managers also complete an annual needs assessment survey and bank staff reports quarterly on its CRA outreach activities. In addition to call programs and membership in community organizations, SeaFirst's ascertainment efforts have included

51. The Social Policy Committee is a subcommittee of Bank of America's Managing Committee which has oversight of CRA activities. The Social Policy Committee and Managing Committee also have responsibility for administering BankAmerica's Minority Purchasing Program. Some Protestants allege that purchases by Bank of America from minority and women-owned businesses are insufficient. According to Bank of America, 10 percent of all purchases from vendors in 1991, totalling \$60.6 million, were from minority and women-owned businesses. Bank of America also maintains that it supports local and regional minority purchasing councils and that it is committed to increasing its purchases under this program.

52. The Community Development Department's memberships include the California Community Economic Development Association, National Congress of Community Economic Development, National Association of Affordable Housing Lenders, Council for Community-

Based Development, Northern California Association for Non-Profit Housing, Southern California Association for Non-Profit Housing, and the Community Reinvestment Institute.

53. Branch staff receive required training before the calls are made. In addition, Bank of America encourages community contacts by its branch officers through membership on boards and committees of nonprofit organizations. Bank of America's officers reported 907 memberships in such organizations in the bank's last formal survey in November 1989.

54. This advisory committee is in response to several suggestions by Protestants for improving the new organization's community outreach efforts and ensuring that the views of the community are taken into account in formulating community development activities.

several third-party needs assessments of community credit needs and a demographic assessment of ethnic populations in Washington's two most populated counties.⁵⁵ SeaFirst's marketing division also regularly analyzes state and local demographic and census information through surveys, focus groups, and test markets.

The BankAmerica subsidiary banks use a variety of marketing strategies to reach low-income and minority consumers. These efforts include multimedia advertising for special credit products that target Hispanic, black and Asian communities. For example, Bank of America conducted a major Spanish-language marketing campaign in consultation with a Hispanic advertising agency using Spanish-language television, radio and outdoor advertising in 1989.⁵⁶ In the fourth quarter of 1991, Bank of America initiated an advertising campaign using brochures, posters, print, outdoor, and radio media targeted to black customers developed by a black advertising agency.⁵⁷ In addition, Bank of America has prepared marketing materials for one of its special mortgage loan products, the Neighborhood Advantage program, in Spanish, Vietnamese, and Chinese, and has produced a video in Spanish on how to buy an affordable home. Community and ethnic newspapers are also used by Bank of America to advertise its special loan products. SeaFirst also advertises in media targeted to ethnic communities and, in 1990, established a language bank of employees who are conversant in 30 different languages and dialects to serve non-English-speaking customers.

To supplement its media advertising, staff at Bank of America's subsidiary branches are assigned goals for special CRA-related marketing and outreach calls designed to increase loan originations in low- and moderate-income neighborhoods.⁵⁸ SeaFirst and a number of BankAmerica's other subsidiary banks, including those in Nevada and Arizona, have adopted Bank of America's marketing call program. Marketing activities for State Bank are conducted directly through calls on non-profit and local and state government

agencies involved in the low-income housing and government-guaranteed small business/economic development loans. In addition, prospective developers of low-income housing and community development projects identified through Bank of America's branch systems are referred to State Bank as part of its call program.

Bank of America has also instituted a number of programs to market products and services for small businesses. The bank's "Small Business Alliance" campaign which began in mid-1989 offers a panel of advisors to help small-business owners and publishes a quarterly newsletter exploring trends in small business markets. Bank of America's Government Guaranteed Loan Specialists make presentations at trade shows and small business conferences and to merchant and trade groups, local economic development agencies, and loan packagers. Bank of America placed small business specialists in the field to assist branch officers with loan applications and to develop needs assessments for small and minority businesses in late 1990.

D. Lending and Other Activities

The Board has reviewed BankAmerica's loan products and community development activities in light of the Protestants' comments on a state-by-state basis. In each of these states, BankAmerica has put in place a number of programs designed to help meet the credit needs of the communities in which BankAmerica is located, including the following.

California. Total lending for home mortgage loans by Bank of America in low- and moderate-income areas in California exceeded \$482 million in 1990 and \$329 million in the first three quarters of 1991. Bank of America also finances the development of housing for low- and moderate-income individuals. In 1991, it loaned \$21 million for the development of single family housing units for low- and very low-income households and \$86.3 million for affordable multifamily rental housing primarily through State Bank.

Bank of America offers several mortgage loan programs specifically designed to address the credit needs of low- and moderate-income borrowers. For example, Neighborhood Advantage⁵⁹ is a home loan product requiring approximately 30 percent less qualifying

55. SeaFirst has developed a CRA action plan for Bank of America Idaho, which has already made initial calls on targeted community groups. BankAmerica's other subsidiary banks in Arizona, Oregon, New Mexico and Nevada have also adopted similar call programs.

56. Staff at Bank of America branches, especially in urban areas like Los Angeles, are ethnically diverse and many staffers are bilingual. Bank of America also introduced a Spanish-language option at all ATMs throughout California in April 1991.

57. Bank of America also provided support to an association of black real estate brokers for the computerization of its membership directory and through this support has developed access to direct mailings of marketing materials to the membership. In addition, Bank of America participates in various job fairs attended by minority real estate brokers.

58. Bank of America reports over 8,000 marketing and outreach calls were made in the first three quarters of 1991.

59. Neighborhood Advantage is a BankAmerica program available in all metropolitan statistical areas in California, Arizona, New Mexico, Nevada, Oregon, and Washington. In California, Neighborhood Advantage loans are offered at more than 800 branches of Bank of America, through more than 200 mortgage brokers certified to sell home loans to Bank of America, and through a separate network of realty/sales officers serving the real estate and builder community.

income than standard home mortgage loans.⁶⁰ In addition, borrowers may qualify under this program with credit histories based on rents, utility payments or other sources. Bank of America has also allocated \$30 million for loans that do not meet the flexible underwriting criteria for the Neighborhood Advantage program, with \$20 million of this amount allocated for the Los Angeles/Long Beach and Oakland metropolitan statistical areas.⁶¹ Bank of America offers both FHA and VA mortgage loans.⁶²

Bank of America also assists in meeting the housing credit needs of low- and moderate-income borrowers through a variety of community lending programs. Bank of America is a founding member of the California Community Reinvestment Corporation, a nonprofit mortgage banking consortium that makes available \$100 million for long-term financing for new or rehabilitated multi-unit rental properties throughout California designed to be affordable for very low- to moderate-income households. It is the largest participant in this program and has committed to fund 17 percent of each loan made by the Corporation.⁶³ Administrative leadership for this program is provided through an executive vice president of Bank of America who serves as chairman of the organization. Bank of America also supports the rehabilitation of multi-unit residential properties through the publicly-funded City Improvement and Restoration Program.⁶⁴

Bank of America expects to complete a \$70 million investment in low-income housing tax credits through the Local Initiatives Support Corporation ("LISC").⁶⁵ In addition, Bank of America has made equity investments in a variety of limited partnerships created to invest in local projects that meet federal guidelines for

federal low-income housing tax credits. For example, Bank of America invested \$750,000 in the California Equity Fund Limited Partnership in 1989 and an additional \$1 million in 1991. The Oakland Housing Partnership Associates Limited Partnership received \$600,000 in 1989 from Bank of America and an additional \$500,000 in 1991. BankAmerica has authorized additional investments of up to approximately \$10 million per year for five years for the acquisition of interests in other limited partnerships that utilize low-income housing tax credits.

BankAmerica has committed to establish a series of revolving loan funds totaling \$3 million for "predevelopment" expenses incurred by nonprofit developers, public corporations and public housing authorities in providing technical assistance and training. For example, one fund will assist tenants to purchase projects in which they live under various HUD program guidelines.⁶⁶ Bank of America or the BankAmerica Foundation made 28 grants and contributions totaling \$266,500 to 25 organizations supporting affordable housing in 1990.⁶⁷

Bank of America also assists in meeting the need of low- and moderate-income borrowers for consumer credit through a loan program called B*A*S*I*C. B*A*S*I*C offers the following types of consumer loans: automobile, home equity, personal and manufactured homes.⁶⁸ Loans made under this program typically have smaller loan amounts and longer maturities than conventional loans, and can be made on the basis of alternative sources of credit histories such as rent receipts and utility bills. Since the beginning of this program in 1989, Bank of America has made approximately \$31.1 million in loans, with approximately \$9.7 million in home improvement and manufactured home loans.⁶⁹ Bank of America also provides

60. The Neighborhood Advantage program offers loans with loan-to-value ratios higher than conventional financing thereby permitting low- and moderate-income residents to borrow more funds based on the value of the property. In addition, cash reserves required under conventional financing at closing are waived.

61. By the end of 1991 Bank of America exceeded its allocation by \$4.3 million and allocated an additional \$30 million for loans that do not meet the criteria for the Neighborhood Advantage program.

62. Bank of America lent \$38.4 million under these programs in 1990 and \$21.1 million in the first three quarters of 1991. Protestants maintain that Bank of America's participation in these programs is inadequate. According to Bank of America, FHA and VA lending in urban areas in California is limited because the prices of homes in those areas are generally higher than the maximum loan amount for FHA- and VA-insured loans. To help meet the credit needs for mortgage financing in these areas, Bank of America introduced the Neighborhood Advantage program.

63. As a participant in this program, Bank of America lent \$1.6 million in 1990 and \$2.5 million in the first three quarters of 1991. It is promoting similar programs in other states with BankAmerica subsidiary banks, including Washington, Oregon, Nevada, and Arizona.

64. Bank of America loaned \$1.1 million through this program in 1990 and \$400,000 in the first three quarters of 1991.

65. Bank of America invested \$50 million in 1991 and has committed to purchase at least \$5 million annually in low-income housing tax credits from LISC over the next four years.

66. Grants from these predevelopment funds are recoverable from the developer as the project proceeds. The BankAmerica Foundation also provides predevelopment funds through grants to intermediaries involved in similar recoverable grants.

67. Nonprofit housing organizations supported by loans or grants from BankAmerica include the Northern California Community Loan Fund and the Low Income Housing Fund.

68. Bank of America also has a program for commercial loans to finance the conversion of manufactured home parks from investor-owned to resident-owned.

69. As of year-end 1991, Bank of America had approximately \$18 million in B*A*S*I*C loans outstanding. According to BankAmerica, lending under this program has decreased somewhat in 1990 and 1991 because of poor economic conditions and a high rate of delinquency in these loans, leading Bank of America to decrease its lending. BankAmerica has made several commitments to improve Bank of America's consumer lending to low- and moderate-income customers. For example, Bank of America has committed to expand its lending on manufactured homes located in designated low-income areas through a \$10 million, three-year pilot program offering the B*A*S*I*C product. BankAmerica has also committed to allocate additional funds annually over a 10-year period to target consumer credit for lower-income customers.

government-guaranteed student loans, and made student loans totaling \$303 million in 1990 and \$228.8 million during the first three quarters of 1991.⁷⁰

Bank of America's small business lending is coordinated through special loan centers that support its entire branch network.⁷¹ Bank of America originated small business loans in California totalling over \$350 million in 1990 and \$404 million in 1991. Over 50 percent of small business (a business with annual sales of \$5 million or less) conventional loans made by Bank of America in 1990 and 1991 were for amounts of \$50,000 or less.⁷² State Bank estimates that in 1991, 43 percent of its total small business loans in California were in amounts of \$100,000 or less and that approximately 33 percent of its small business loans were to minority- or women-owned businesses. Bank of America also makes loans guaranteed by the Small Business Administration ("SBA") to small business applicants that do not meet its conventional credit criteria. In 1990, Bank of America made \$14.4 million in SBA loans and \$16.1 million in 1991. Bank of America has also invested in SBA-guaranteed loans originated by third parties for a total of \$7.2 million in 1990, and an additional \$29.7 million at the beginning of 1991.

Bank of America recently began participating in the California Capital Small Business Development Corporation in Sacramento, a small business lending program guaranteed by the State of California which focusses on micro-loans and lines of credit as small as \$5,000 for women- and minority-owned businesses.⁷³ Through State Bank, Bank of America has also worked with the City of West Hollywood to develop additional micro-loan programs for small businesses. Bank of America has committed to improve its procedures for processing business loans in California,

including adopting some of Security Pacific's more efficient application and processing systems. In addition to providing loans, Bank of America assists minority-owned small businesses by participating in programs designed to meet the special credit needs of these entities.⁷⁴

Bank of America engages in a variety of community development activities targeted to provide support for small businesses. For example, in 1989 Bank of America joined the Business Consortium Fund, a program established by a national nonprofit minority business development organization to assist minority businesses to obtain working capital loans.⁷⁵ Bank of America also makes commercial rehabilitation loans through the City Improvement and Restoration Program and participates in various public/private partnership programs that are developed to meet locally defined credit needs.⁷⁶ Bank of America participates in the California Export Finance Program which is administered by the California State World Trade Commission for the purpose of providing exporting companies in California with working capital loan guarantees or an accounts receivable facility for a specific export order or series of orders.⁷⁷ In addition, Bank of America contributes to revolving loan funds making short-term loans to assist nonprofit agencies providing social services under contract with local and state governments with cash-flow shortages.

Bank of America and BankAmerica Foundation also provide assistance to support community development activities through a number of grants, contributions, and training programs.⁷⁸ BankAmerica has committed to allocate \$1.4 million thereby doubling the funding from the BankAmerica Foundation for economic de-

70. Bank of America also supports educational initiatives for minority students through charitable contributions to minority recruitment programs at a number of California colleges.

71. BankAmerica has taken a number of steps to enhance its small business lending in urban communities such as San Francisco. For example, State Bank will initiate a small business earthquake recovery lending program with the San Francisco Redevelopment Agency. In response to comments from San Francisco community groups, Bank of America has also initiated a program with Catholic Healthcare West to accept deposits at below-market rates for the express purpose of making housing and small business loans at below market rates in designated areas. In addition, Bank of America provides grants and technical assistance to small business support groups such as the Women's Initiative for Self-Employment, which offers training and loans to lower-income women business owners in the San Francisco Bay area, and has extended a \$10 million line of credit to the Delancey Street Foundation, an organization providing training and housing to ex-felons.

72. Bank of America had outstanding \$27 million in commercial property loans and \$59.2 million in agricultural loans at the end of the third quarter of 1991 where credit relationships equaled \$500,000 or less.

73. In 1991 Bank of America originated loans totalling \$700,000 under this program.

74. These programs include the Northern California Community Loan Fund, Coalition for Women's Economic Development and Opportunity Capital Corporation. Several Protestants allege that the credit needs of churches are not being adequately served by California lending institutions. Bank of America has committed to work with churches in meeting their financing requirements and to discuss such loans with community groups in San Diego and Los Angeles.

75. Bank of America made \$6.2 million in loans to this fund in 1991. In addition, Bank of America participates in loan programs sponsored by the Center for Southeast Asian Refugee Resettlement which administers a revolving loan fund for refugee small business owners who cannot otherwise qualify for credit.

76. Several Protestants have expressed concern over the level of small business lending in rural California areas. Bank of America provides credit to small businesses and community groups in rural areas through two FHA loan programs, the Business and Industrial Loan Program and the Community Facilities Loan Program. Bank of America transferred its SBA lending program to State Bank in 1991 and State Bank's SBA marketing specialists will serve rural areas.

77. Bank of America lent \$4.1 million through this program in 1991.

78. Fifteen grants and contributions, totaling \$257,400, were made to 13 organizations in 1990. Bank of America has also sponsored community development professionals in programs offered by the Development Training Institute in Baltimore. Another institute has received a \$10,000 grant for training and technical support of Hispanic chambers of commerce throughout the West.

velopment activities in 1992.⁷⁹ Bank of America has also been a significant participant in California public debt financing transactions.⁸⁰

Credit products for agricultural borrowers are offered by Bank of America through farm operating loans under the Farmers Home Administration ("FmHA") guaranteed loan programs.⁸¹ Bank of America also is a shareholder of and participant in the development of the Federal Agricultural Mortgage Corporation, a new secondary market for agricultural real estate loans.

Washington. SeaFirst offers home mortgage loans to low- and moderate-income consumers in Washington through programs with flexible underwriting standards such as BankAmerica's Neighborhood Advantage, introduced year-end 1990, and FHA and VA government-sponsored mortgage programs.⁸² SeaFirst originated 796 home mortgage loans for low- and moderate-income consumers for a total of \$30 million in 1990.⁸³ SeaFirst also introduced BankAmerica's Neighborhood Advantage in 1991 for selected census tracts, and has committed \$7 million to "House Key '92", a new home loan program for first-time buyers sponsored by the Washington State Housing Finance Commission ("Housing Finance Commission").

SeaFirst provided \$15.1 million in commitments to finance affordable multi-family housing during the first three quarters of 1991, and SeaFirst has financed the construction or rehabilitation of several dozen low-income housing developments.⁸⁴ In addition, SeaFirst

79. Bank of America is currently reviewing the establishment of a multibank community development corporation to finance economic development in low-income neighborhoods in Los Angeles, and has committed to participate if the corporation is formed.

80. Bank of America managed as lead underwriter municipal security transactions in California totalling \$10.9 billion in 1990 and \$9.3 billion for the first three quarters of 1991.

81. Bank of America made new loans and renewals under FmHA programs totalling \$1.1 million in 1990 and \$1.5 million in the first three quarters of 1991.

82. Before the introduction of Neighborhood Advantage, SeaFirst offered purchase mortgage loans to low- and moderate-income borrowers through the SeaFirst Selects and General Electric Community Homebuyer's loan programs. SeaFirst also offers consumer credit and services that are designed to help meet the needs of low- and moderate-income consumers. For example, SeaFirst is developing a consumer loan product similar to Bank of America's B*A*S*I*C consumer loan product. SeaFirst will also begin an expanded educational program using video tapes to acquaint customers with banking services.

83. In response to several comments criticizing SeaFirst's initiatives in affordable housing for the Hilltop area of Tacoma, SeaFirst will continue its efforts to develop a productive finance program through increased outreach to nonprofit organizations in this area.

84. These developments include the Kingway apartments in Seattle, a new 64-unit Colby Crest project in Everett, the Jefferson Apartments in Tacoma, the Eastside Mental Health housing project in Bellevue, the Walla Walla rehabilitation housing project and the rehabilitation of low-income housing previously used by narcotics abusers in Yakima and Union Gap. SeaFirst has also financed the construction of a

residential care facility for people with Acquired Immune Deficiency Syndrome.

has committed to fund approximately 40 percent of a \$75 million loan pool for multi-family housing through the Washington Community Reinvestment Association.

SeaFirst has also committed to adopt many of Security Pacific's goals and programs designed to assist in meeting the housing credit needs of low- and moderate-income borrowers in Washington. For example, SeaFirst has committed to maintain and expand all Security Pacific agreements to finance residential housing rehabilitation programs operated by local governments and housing authorities.⁸⁵ In addition, SeaFirst will continue to provide borrowers access to the Federal Home Loan Bank's Affordable Housing and Community Investment Fund Program and to participate in special home purchase and rehabilitation loan programs such as the FHA's 203(K) program and Security Pacific's Community Home Improvement Mortgage Loan Program.

In addition, SeaFirst will continue Security Pacific's financial support of the loan pool maintained by the Housing Finance Commission for multi-family and special needs housing loans. Security Pacific Bank Washington also participates with the Housing Finance Commission through Security Pacific Securities, a member of the Housing Finance Commission's investment banking group since 1990, to fund low-income housing bond issues.⁸⁶ SeaFirst has committed to acquire the expertise necessary to continue participation in this program. SeaFirst has also committed to continue Security Pacific's support of other Housing Finance Commission programs, including the Special Nonprofit Assistance Program, a program for lending to nonprofit organizations, and the Small Tax Exempt Purchase ("STEP"), a program currently being developed by the Housing Finance Commission and Security Pacific.⁸⁷ In addition, SeaFirst has committed to lend to nonprofit organizations through the Washington Refinance Assistance Partnership ("WRAP") pro-

residential care facility for people with Acquired Immune Deficiency Syndrome.

85. SeaFirst has also committed as a general matter to analyze the products and programs that benefit low- and moderate-income areas and small businesses of Security Pacific Bank Washington and Security Pacific Savings Bank with the goal of maintaining and enhancing these programs.

86. Security Pacific's efforts have enabled the Housing Finance Commission to preserve more than \$6 million in single family bond authority, thereby providing financing for over 100 additional homes statewide.

87. SeaFirst has also committed to explore with the Housing Finance Commission the development of new lending programs such as employer assistance for first-time home buyers, reverse equity mortgages, pilot loan programs for first-time buyers with unconventional income sources, urban homesteading using non-financial equity and the use of FHA and Fannie Mae programs for acquisition and rehabilitation of single family homes in cooperation with nonprofit sponsors and public entities.

gram. SeaFirst's lending commitment to the STEP and WRAP programs is not less than an average of \$3 million each year for the next five years. SeaFirst also intends to continue the existing programs of the Security Pacific Community Service Corporation, including programs for nonprofit developers of low-income and special needs housing.

SeaFirst also finances affordable housing by investing in tax credits. For example, in 1991 SeaFirst invested \$1.2 million in low-income housing tax credits in three projects which will provide housing to families with low and very low incomes during 1991. SeaFirst has committed to the Housing Finance Commission to continue to invest on the basis of available tax credits under Bank of America's commitment to the LISC at a minimum level of \$7 million.⁸⁸

SeaFirst has announced annual goals to increase lending for housing to a minimum of \$112 million and for underwriting \$20 million of multi-family housing bonds for a total period of five years.⁸⁹ Progress in meeting these goals will be monitored through SeaFirst's newly-established Community Development Department. This department will also work with non-profit developers, housing authorities and community groups to coordinate funding for community development projects.⁹⁰

SeaFirst's small business lending is coordinated through its Community Business Center, which offers credit lines and letters of credit for as little as \$5,000 to all types of small businesses.⁹¹ Small business loans at SeaFirst currently total approximately \$230 million. Over 5,600 of SeaFirst's commercial loans in 1991 were in amounts of less than \$250,000, with an average

loan size of less than \$41,000. In addition to providing small business credit products, SeaFirst is a partner in several community business development partnerships and participates in numerous community business lending programs.⁹²

SeaFirst also provides SBA-guaranteed loans, originating \$4.1 million in 1990 and \$3.2 million for the first three quarters of 1991. In addition, SeaFirst originated 75 SBA section 7a loans in 1991, for a total principal amount of \$9.5 million. SeaFirst has set a goal of originating annually \$36 million in small business loans. SeaFirst is also a major agricultural lender in the State of Washington and has \$335.7 million outstanding in agricultural loans as of March 31, 1991.

In addition, SeaFirst provides grants for operating expenses and specific projects, as well as technical expertise and volunteer assistance to many organizations.⁹³ SeaFirst is also a significant underwriter of municipal bonds in the State of Washington and specializes in issues for hospital and school districts.⁹⁴

Arizona. BankAmerica did not begin its operations in Arizona until it established Bank of America Arizona to acquire several failed or failing thrift institutions in mid-1990. Accordingly, its CRA programs are not as well established as BankAmerica's CRA programs in other states.⁹⁵ Nevertheless, Bank of America Arizona has put in place BankAmerica's corporate CRA policies discussed above and has initiated several steps to assist in meeting the credit needs of low- and moderate-income communities.

For example, Bank of America Arizona has in place a Community Call and Needs Assessment Program. Through this program, bank officers meet with local government officials, neighborhood groups, community groups and residents to ascertain the credit needs of its service communities. Information from this

88. This commitment is subject to negotiations with BankAmerica and LISC. It is also subject to the issuance of sufficient tax credits by the Housing Finance Commission and SeaFirst's earning of sufficient profits to support the tax credit investments. In response to comments from a coalition of community groups, SeaFirst has committed, subject to certain conditions, to offer generally bridge financing at below-market rates for local tax-credit and community projects such as the Downtown Stabilization Pilot Program in Spokane and the Housing Bonus Program. BankAmerica has also agreed to allocate \$300,000 to fund technical assistance for non-profit developers and public housing authorities in Washington.

89. SeaFirst has committed to acquire at least \$10 million of these bonds each year for its own portfolio. In addition, SeaFirst will negotiate with the Housing Finance Commission a program to enhance the marketability of these bonds by issuing underlying letters of credit.

90. The Department is analyzing the existing community development programs of SeaFirst and Security Pacific to insure that they are maintained, and in some cases, enhanced. In this regard, SeaFirst is considering participation in the Neighborhood Seattle program which is designed to revitalize Seattle.

91. Small business lenders are placed throughout the Community Business Center system to work with minority and small business development organizations, and to participate in small business seminars and training. In addition to SBA programs, these organizations include the Service Corps of Retired Executives and the Private Industry Council.

92. For example, SeaFirst is a partner in the Greater Spokane Business Development Loan Program, a multi-bank effort committed to fund \$1.2 million in small business loans up to \$50,000, and the Seattle Small Business Lenders Association where SeaFirst has pledged \$1 million over the next two years. These partnerships are being used as models for others in other parts of Washington, including Tacoma's Hilltop neighborhood, the Yakima Valley, and Pasco. SeaFirst also participates in the Bellingham Revolving Loan Fund and the Colfax Loan Pool.

93. SeaFirst has committed to designate 10 percent of the SeaFirst Foundation's budget to community development programs and to continue its charitable support programs. SeaFirst has also invited grant requests from some of the Protestants for the purpose of funding statewide counseling programs, including a prepurchase counseling program for low- and moderate-income neighborhoods and a mortgage default counseling program to be offered by trained nonprofit agencies. In addition, SeaFirst has committed to make grants to agencies with effective programs to assist the homeless.

94. SeaFirst acted as manager or co-manager for 46 municipal bond offerings totalling \$295 million in 1991.

95. Bank of America Arizona was created in connection with the acquisition of the assets and liabilities of Western Savings and Loan Association from the Resolution Trust Corporation.

process is used to develop and refine loan programs and products in response to identified needs. Bank of America Arizona will also establish an advisory group composed of senior bank officials, community group representatives, small business owners and affordable housing representatives to monitor credit availability for housing and other community credit needs.

Bank of America Arizona currently offers several credit products designed for low- and moderate-income consumers and small businesses. In this regard, Bank of America's Neighborhood Advantage program has been introduced in Arizona on a modified basis to help meet the credit needs of low-income neighborhoods in these counties.⁹⁶ Bank of America Arizona plans to introduce by mid-year 1992 a home mortgage product targeted to low- and moderate-income borrowers who do not reside in low- and moderate-income neighborhoods. In addition, Bank of America Arizona will institute a down payment assistance program. Home financing is also available through HUD, FHA and VA government-sponsored programs.⁹⁷ Bank of America Arizona also provides support for a housing project in south Phoenix and the Tucson Affordable Housing Institute. Bank of America's B*A*S*I*C consumer loan program has been offered in Arizona since mid-1991. In addition, Bank of America Arizona approved over \$10 million in small business loans in 1991 and plans to offer SBA-guaranteed loans either directly or through an affiliate.

Bank of America Arizona has made several commitments to enhance its CRA performance. For example, Bank of America Arizona has committed \$3 million, representing approximately 40 percent of the investment pool, to the Arizona Multibank Community Development Corporation and \$50,000 over a two-year period to open a Local Initiatives Support Corporation office in Phoenix. Bank of America Arizona has also committed to operate branches with expanded customer hours in a chain of retail stores to increase the availability of its banking services to the community.

Nevada. BankAmerica has operated a bank in Nevada only since December 1989, when it established Bank of America Nevada. In connection with its recent acquisition of Valley Capital Corporation, Las

96. Under the Arizona Neighborhood Advantage program, the required down payment has been reduced to 5 percent for \$100,000 purchase money mortgages and fees for appraisals and documentation preparation have been waived.

97. State Bank currently provides some financing for multifamily housing projects and subdivisions in Arizona. Financing activities for low- and moderate-income housing will be augmented by a BankAmerica State Bank office in Phoenix in 1992. With the assistance of State Bank, Bank of America Arizona plans to focus its efforts on identifying projects that will increase the supply of low- and moderate-income housing.

Vegas, Nevada, BankAmerica has committed to invest Bank of America Nevada.⁹⁸ Accordingly, BankAmerica's CRA activities in Nevada will be conducted primarily through Valley Capital's established subsidiary bank, Valley Bank of Nevada, Las Vegas, Nevada ("Valley Bank").⁹⁹ Valley Bank received an "outstanding" rating for CRA performance from the Federal Reserve Bank of San Francisco as of November 1991.

In response to comments from Nevada Protestants, BankAmerica made commitments to enhance the CRA efforts of Valley Bank. For example, BankAmerica has established a specific lending goal of \$18 million over three years for affordable housing and has proposed that two-thirds of the funds be allocated to projects that will serve very low-income households. In addition, BankAmerica has committed to increase its efforts to reach minority borrowers through the Neighborhood Advantage program and to participate in a mortgage lending consortium with other lenders that will target low- and moderate-income borrowers.¹⁰⁰ BankAmerica has also committed to place an affordable housing specialist in Las Vegas and to establish a new branch in West Las Vegas, subject to regulatory approval.

E. Basic Banking Services

Bank of America provides basic checking services in California through the Limited Checking Account. In response to concerns expressed about this account, BankAmerica has committed to incorporate features more advantageous to low-income customers from the limited checking account offered by Security Pacific National Bank.¹⁰¹ For example, BankAmerica has committed that Limited Checking Account customers will be able to write an additional number of checks and conduct two in-branch transactions per month without charge.¹⁰² Limited Checking Account custom-

98. *BankAmerica, supra.*

99. Valley Bank's CRA performance will be supplemented by Silver State Thrift and Loan Association, Reno, Nevada ("Silver State"), a savings association acquired by BankAmerica in year-end 1989. Silver State makes residential loans to low- and moderate-income borrowers in Nevada and has implemented Bank of America's B*A*S*I*C consumer loan product for lower-income consumer borrowers.

100. BankAmerica will also provide technical assistance to non-profit groups in Nevada.

101. BankAmerica will expand the Limited Checking Account and check cashing services of Bank of America to other BankAmerica subsidiaries, including Nevada and Arizona. BankAmerica will also expand Valley National Corporation's checking plan for homeless individuals to other branches in Nevada.

102. Customers may continue to conduct an unlimited number of automatic teller machine ("ATM") transactions. The Limited Checking Account requires a minimum opening balance of \$25 with no monthly minimum balance required and a flat monthly fee for check-

ers may also cash government checks without incurring a charge. In addition, Bank of America has committed to reduce its check cashing fee on government checks for non-accountholders and will continue to cash welfare warrants for no fee. Bank of America will also cash checks and open accounts with only one piece of identification in California.¹⁰³

SeaFirst currently requires only one piece of identification to cash checks for noncustomers, and customers using the Versatel Account, which is SeaFirst's low cost transaction account, may obtain teller assistance for a small charge for transactions that cannot be conducted by telephone or at an ATM. SeaFirst has also committed to reduce its charges for cashing all government checks and continue to cash Social Security checks for a small fee.

F. Branch Locations and Closings

As a general matter, BankAmerica has committed to maintain or enhance all existing levels of services currently provided by Bank of America or Security Pacific branches in all service areas. BankAmerica has also committed that it will not create any new underserved areas in lower-income areas as a result of the proposal.¹⁰⁴ Currently, over one-third of Bank of America's California branches are located in lower-income communities and Bank of America estimates that service areas of over one-half of its California branches contain lower-income census tracts.¹⁰⁵ In addition, if a Bank of America or Security Pacific branch is the only insured bank or thrift institution providing financial services in a lower-income service area, BankAmerica has committed not to close or consolidate that branch. In the case of redundant branches in an underserved lower-income area, BankAmerica has committed to attempt to sell one of the two branch locations to another financial institution instead of closing it.¹⁰⁶

ing account services. Bank of America does not impose a minimum income level on customers wishing to obtain an ATM card.

103. Bank of America will accept a driver's license, California identification card or a current U.S. or foreign passport.

104. Some Protestants commented that the low- and moderate-income neighborhoods in East Palo Alto, California, were underserved by bank branches and Bank of America has committed to explore providing access to branch banking services in that community. BankAmerica has also committed to continue its branch presence in South Central Los Angeles.

105. Some commenters have complained about the inconvenience of having to establish a new account with another banking institution or at a less convenient location. BankAmerica will transfer all customer records and account histories to the new branch when branches are consolidated in order to minimize customer inconvenience.

106. BankAmerica estimates that fewer than five nonredundant branches in lower-income communities will be consolidated in California as a result of this proposal. BankAmerica will continue to have

BankAmerica's branch closure policy requires each subsidiary bank to consider the impact of a proposed branch closing on the affected community. The policy also requires a minimum 120-day notice period for any branch closures in low- and moderate-income neighborhoods to ensure that these communities will have sufficient time to raise their concerns before a final determination is made.¹⁰⁷

In addition, BankAmerica is developing alternatives to increase branch banking services in lower-income neighborhoods through means other than traditional branches. For example, BankAmerica is developing plans to locate branches in retail food stores or in mobile vans. BankAmerica customers may also conduct retail banking services and apply for loans by telephone.

G. 1990 HMDA Data and Lending Practices

The Board has reviewed the 1990 HMDA data reported by the subsidiary banks of BankAmerica and Security Pacific. Due to recent amendments to the HMDA, these banks were required for the first time in 1990 to collect certain information regarding applications for bank mortgage loans and to report the information regarding both loan approvals and denials to the banking agencies and the public. This information includes data on the race, gender and income of individual applicants, as well as the location of the property securing the potential loan and the disposition of the application.

The HMDA data for many of the subsidiary banks of BankAmerica and Security Pacific show disparities for certain communities in rates for housing loan approvals, denials, and withdrawals that vary by racial or ethnic group and income level. These data indicate that in general housing-related loan denial and withdrawal rates were greater for minority loan applicants as compared to non-minority applicants, low- and moderate-income applicants as compared to higher-income applicants, and minority applicants seeking loans in low- and moderate-income census tracts as compared to white applicants seeking loans in middle- or upper-income census tracts in a substantial number of their service communities. A number of Protestants

branches in or in close proximity to these communities. In the event that a branch site cannot be sold, BankAmerica will consider the feasibility of transferring the branch to a community based, non-profit organization.

107. This period is 30 days longer than the 90-day notice period required for a branch closing by section 228 of the Federal Deposit Insurance Corporation Improvement Act of 1992, Pub. L. No. 102-242, 105 Stat. 2308 (to be codified at 12 U.S.C. § 1831p).

have alleged illegal discriminatory lending practices on the basis of these data.¹⁰⁸

Because all banks are obligated to ensure that their lending practices are based not only on criteria that assure safe and sound lending, but also assure equal access to credit by creditworthy applicants regardless of race, the Board is concerned when the record of an institution indicates disparities in lending to minority applicants. The Board recognizes, however, that HMDA data alone provide only a limited measure of any given institution's lending in the communities that the institution serves. The Board also recognizes that HMDA data have limitations that make the data an inadequate basis, absent other information, for conclusively determining whether an institution has engaged in illegal discrimination on the basis of race or ethnicity in making lending decisions.

The most recent examinations for CRA compliance and performance conducted by bank supervisory agencies found no evidence of illegal discrimination or other illegal credit practices in any subsidiary bank of BankAmerica or Security Pacific. In many cases, these examinations included sampling of loan rejections by the primary supervisory agency.

BankAmerica has also taken steps designed to improve its lending to minorities and low- and moderate-income neighborhoods. For example, Bank of America and other subsidiary banks have initiated a requirement of three levels of review before a loan application from a minority borrower or involving property located in a low- and moderate-income census tract is denied. Any recommended denial for such loans by an underwriter must receive the concurrence of a senior underwriter at the bank and the central underwriting staff at Bank of America's headquarters in San Francisco before the application is finally denied. Bank of America also will designate a staff of loan production officers to focus exclusively on originating purchase money mortgages from low- and moderate-income areas.¹⁰⁹

In addition, BankAmerica has started a pilot program in South Central Los Angeles requiring a review of appraisals made on properties located in low- and moderate-income census tracts where the appraised value of the property is less than the amount requested by the borrower. BankAmerica has also appointed an

"appraisal ombudsperson" who is authorized to overrule field appraisers under appropriate circumstances. Consultants have been retained by BankAmerica for the purpose of analyzing HMDA data and providing assistance to BankAmerica to increase lending opportunities in low- and moderate-income and high minority census tracts. SeaFirst also has hired a consultant to assist in analyzing lending data, tracking loans by geographic area, and improving its service to low- and moderate-income communities.

BankAmerica has also committed to a \$12 billion, 10-year goal for expanding the current levels of its CRA-related lending. Under this plan, specific annual lending goals are set for the purpose of extending credit to economically underserved areas, low- and moderate-income consumers, and small businesses as follows:

- (1) \$750 million for lower-income and minority home mortgage loans;
- (2) \$150 million for construction of low-income rental housing;
- (3) \$200 million in conventional small business loans under \$50,000;
- (4) \$100 million in government-guaranteed small business loans; and
- (5) \$12 million in lower-income consumer credit.¹¹⁰

Subsidiary banks, however, retain the flexibility to reallocate funds to meet the individualized needs of their communities.¹¹¹

Several commenters have advocated various mechanisms for community input and monitoring of BankAmerica's efforts to achieve these CRA lending goals. Bank of America has responded that it will establish an advisory board that will include members of local community groups for the purpose of monitoring progress towards these goals. In addition, BankAmerica has agreed to facilitate ongoing monitoring by community groups by preparing quarterly progress reports. Quarterly reports will also be submitted by all subsid-

110. In states where the proposal received the most comments, annual lending would be allocated as follows: California—\$787.2 million (aggregate total: \$7.8 billion); Washington—\$150 million (aggregate total: \$1.5 billion); Arizona—\$81.6 million (aggregate total: \$816 million); and Nevada—\$24 million (aggregate total: \$240 million).

111. For example, SeaFirst has committed to allocate its lending in the first year in these areas as follows:

- (1) \$93.75 million for home loans in lower income areas and other special housing-related lending;
- (2) \$18.75 million for construction and rehabilitation of low-income, multi-family housing;
- (3) \$24 million for conventional small business loans of less than \$50,000;
- (4) \$12 million for government-guaranteed and other special small business loans; and
- (5) \$1.5 million for consumer loans targeted to low- and moderate-income customers.

108. These allegations have been made by Protestants in various states served by BankAmerica and Security Pacific and in local communities such as South Central Los Angeles, Oakland, Reno, Las Vegas, San Francisco, Seattle and Tacoma.

109. BankAmerica also plans to introduce in California and Arizona a mortgage loan program similar to the Neighborhood Advantage program that will be available to low- and moderate-income consumers even if the property is not located in a low- or moderate-income census tract.

inary banks to BankAmerica's Public Policy Committee and Board of Directors.¹¹² The efforts of BankAmerica to implement this program will be monitored by the federal banking agencies through the examination process and will be taken into account in future applications by BankAmerica to expand its deposit-taking facilities.

H. Conclusion Regarding Convenience and Needs Factors

The Board has carefully considered the entire record, including the substantial public comment in this case, in reviewing the convenience and needs factor under the BHC Act. A number of commenters have raised both specific and general concerns about the adequacy of BankAmerica's existing CRA programs and the effect of the proposal on the availability of future banking services to low- and moderate-income areas. Other commenters believe that current CRA programs were very productive in their community and expect that the proposed merger would add financial strength to these existing programs. Based on a review of the entire record of performance, including information provided by the commenters and the performance examinations by the banks' primary regulators, the Board believes that the efforts by BankAmerica and Security Pacific to help meet the credit needs of all segments of the communities served by these banks, including low- and moderate-income neighborhoods, are generally satisfactory.

The Board recognizes that the record compiled in these applications points to areas for improvement in the CRA performance of BankAmerica. In this regard, BankAmerica has announced enhancements to a number of its products, services and marketing approaches, as well as other initiatives which have been discussed above. These initiatives, together with BankAmerica's minimum goal of \$12 billion in CRA-related lending, are designed to increase housing-related and other types of credit in low- and moderate-income and minority neighborhoods, and to small businesses. The Board believes that these initiatives, and others proposed by BankAmerica, will help BankAmerica's subsidiary banks improve their CRA performance and address weaknesses described by

¹¹² Some commenters have requested the Board to condition its approval on adoption of specific commitments recommended by the particular commenter. In a number of instances, BankAmerica has agreed to the suggested commitments. The Board believes that BankAmerica's CRA lending goals are flexible enough to accommodate continuing community input on specific proposals and the monitoring procedure will provide an opportunity for these groups to have input in the allocation of the lending funds.

commenters and identified in the examination process for certain of the banks.

In this light, after carefully considering all the facts of record, including the testimony at the public meetings, the comments received, and relevant examination reports, the Board concludes that the convenience and needs considerations, including the CRA records of performance of BankAmerica and Security Pacific, are consistent with approval of these applications. The Board expects BankAmerica to implement fully the CRA initiatives and commitments announced by its subsidiary banks and will monitor its progress in implementing these initiatives and commitments in the examination process and in future applications to expand its deposit-taking facilities.¹¹³ The Board also concludes that the other factors it must review under section 3 of the BHC Act are consistent with approval.

Nonbanking Activities

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

Among the nonbanking subsidiaries that BankAmerica has applied to acquire is Security Pacific Securities, Inc., Seattle, Washington ("Company"). The Board has previously authorized Security Pacific to engage through this company in underwriting and dealing in, on a limited basis:

¹¹³ Several Protestants have requested that the Board hold a formal public evidentiary hearing on the applications. Generally, under the Board's rules, the Board may, in its discretion, hold a public hearing or meeting on an application to clarify factual issues related to the application and to provide an opportunity for testimony, if appropriate. 12 U.S.C. §§ 263.3(e) and 262.25(d).

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

- (a) municipal revenue bonds, including certain industrial development bonds;
- (b) residential mortgage-related securities;
- (c) consumer-receivable-related securities; and
- (d) commercial paper.

BankAmerica has committed to abide by all of the parameters, conditions and commitments relied on by the Board in approving these activities.¹¹⁴

BankAmerica operates subsidiaries engaged in nonbanking activities that compete with many of the nonbanking subsidiaries of Security Pacific. In each case, the markets for these nonbanking services are unconcentrated and there are numerous providers of these services. In light of these facts, and the shares of each of these markets controlled by BankAmerica and Security Pacific, the Board concludes that consummation of this proposal would not have a significantly adverse effect on competition for these services in any relevant market.

The evidence of record does not indicate that approval of the proposed acquisition of any of the nonbanking subsidiaries of Security Pacific, within the bounds, conditions and commitments relied on by the Board in its orders governing these companies, would result in significantly adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices that are not outweighed by public benefits. Accordingly, the Board has determined that the balance of public interest factors that the Board must consider under section 4(c)(8) of the BHC Act is favorable and consistent with approval. The Board's approval of BankAmerica's acquisition of Company extends only to activities conducted within the parameters of this order and the Board's previous orders approving the activities of Company, including the Board's reservation of authority to establish additional limitations to ensure that Company's activities are consistent with safety and soundness, conflicts of interests, and other relevant considerations under the BHC Act. Underwriting and dealing in any manner other than as approved in this order is not within the scope of the Board's approval and is not authorized for Company.

Insurance Agency Subsidiaries

BankAmerica has also requested Board approval to permit SP Insurance Agency, Inc., Los Angeles, California ("SP Agency"), and Rainier Mortgage

Company, Seattle, Washington ("Rainier"), to continue, following their acquisition by BankAmerica, to conduct insurance agency activities pursuant to section 4(c)(8)(D) of the BHC Act ("Exemption D").¹¹⁵ Both SP Agency and Rainier sell single- and dual-interest property insurance protecting collateral for loans made by Security Pacific's lending subsidiaries ("physical damage insurance") in California and Washington, respectively. Exemption D grandfathered insurance agency activities that were "engaged in" by the bank holding company or any of its subsidiaries on "May 1, 1982." BankAmerica has provided evidence that SP Agency and Rainier were engaged in selling physical damage insurance on May 1, 1982.¹¹⁶

SP Agency and Rainier will remain separate subsidiaries of BankAmerica, and their grandfathered insurance activities will not be conducted by any of BankAmerica's other subsidiaries.¹¹⁷ Based on the record, the Board has determined that SP Agency and Rainier may continue to engage in insurance activities pursuant to Exemption D following its acquisition by BankAmerica.¹¹⁸

115. 12 U.S.C. § 1843(c)(8)(D). Exemption D permits a bank holding company to engage in "any insurance activity which was engaged in by the bank holding company or any of its subsidiaries on May 1, 1982." Such activities may be conducted in the grandfathered company's home state, states adjacent thereto, or any state where the company was authorized to operate an insurance business before the grandfather date. The Board has previously determined that an insurance agency that is entitled to continue to sell insurance under Exemption D does not lose its grandfathered rights if the agency is acquired by another bank holding company, provided the agency maintains its separate corporate structure and its insurance activities are not extended to other subsidiaries within the acquiror's organization. *Sovran Financial Corporation*, 73 *Federal Reserve Bulletin* 672 (1987) ("Sovran"). This determination has been upheld by the courts. *National Ass'n of Casualty and Surety Agents v. Board of Governors*, 856 F.2d 282, *reh'g denied en banc*, 862 F.2d 351 (D.C. Cir. 1988), cert. denied, 490 U.S. 1090 (1989).

116. The types of evidence presented were consistent with the types of evidence relied upon by the Board in previous orders in which the Board found that a company met the requirements of Exemption D. See *MidAmerican Corporation*, 76 *Federal Reserve Bulletin* 559 (1990); *Citicorp*, 76 *Federal Reserve Bulletin* 70 (1990).

117. This condition is not intended to preclude BankAmerica from seeking Board approval to merge SP Agency and Rainier into one subsidiary or merge them into other subsidiaries of BankAmerica and continue to engage through the resulting company in insurance agency activities under Exemption D if the merger is for legitimate business purposes and otherwise conforms with the limitations in this order and the requirements of the Board's regulations. See 12 C.F.R. 225.25(b)(8)(iv), footnote 10.

118. Pursuant to Exemption D, the insurance agency activities of SP Agency may be conducted only in California, states adjacent to California, or states in which this company lawfully engaged in insurance activities on May 1, 1982. The insurance agency activities of Rainier may be conducted only in Washington, states adjacent to Washington, or states in which Rainier lawfully engaged in insurance activities on May 1, 1982.

114. *Security Pacific Corporation*, 73 *Federal Reserve Bulletin* 622 (1987); *Security Pacific Corporation*, 73 *Federal Reserve Bulletin* 731 (1987).

International Subsidiaries and Branches

The Board has also considered BankAmerica's proposal to acquire Security Pacific Overseas Corporation and Security Pacific International Bank under the Edge Act and to establish branches in certain countries in which neither BankAmerica nor any of its affiliates have branches. Based on the facts of record, and for the reasons discussed in this order, the Board believes that the financial and managerial resources of Bank of America and SeaFirst are consistent with approval of the acquisition of these corporations and branches. The acquisitions would result in the continuation of international services currently provided and would be in the public interest. Accordingly, the Board finds that the continued operation of these corporations and branches upon acquisition by Bank of America and SeaFirst is consistent with the Edge Act and Regulation K.

The Board has also considered BankAmerica's proposal to acquire all of the foreign subsidiaries, joint ventures and portfolio investments held by Security Pacific pursuant to section 4(c)(13) of the BHC Act and Regulation K. After consideration of all the factors specified in Regulation K and based on all of the facts of record, the Board has determined that disapproval of these proposed investments is not warranted.

Conclusion

Based on all of the facts of record, including all of the commitments made by BankAmerica in its application as amended and supplemented, and for the reasons discussed in this Order, the Board has determined that the balance of factors that it must consider is favorable and that the applications should be, and hereby are, approved. As noted in this Order, the Board's approval is expressly conditioned upon compliance with all of the commitments made by BankAmerica in connection with this application, including all of the capital commitments, divestiture commitments made as part of the amended application in this case, and the commitments and initiatives relating to BankAmerica's performance under the CRA. The Board's approval is also conditioned on compliance with the commitments made by BankAmerica to comply with the relevant previous Board Orders governing the nonbanking activities of Security Pacific. The determination as to the nonbanking activities approved in this case is also subject to all of the conditions contained in Regulation Y, including those in sections 225.4(d) and 225.23(b)(3) (12 C.F.R. 225.4(d) and 225.23(b)(3)), and to the Board's authority to require such modification or termination of the activities of a holding company or

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

The proposal shall not be consummated before the thirtieth calendar day following the effective date of this Order, and the proposed bank and nonbank acquisition shall not be consummated later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or the Federal Reserve Bank of San Francisco, acting pursuant to delegated authority.

By order of the Board of Governors, effective March 23, 1992.

Voting for this action: Chairman Greenspan and Governors Mullins, Angell, Kelley, LaWare, Lindsey, and Phillips.

JENNIFER J. JOHNSON
Associate Secretary of the Board

Appendix A

Bank Subsidiaries to be Acquired:

- (1) Security Pacific Bancorporation Northwest, Seattle, Washington;
- (2) Security Pacific Bank Alaska, N.A., Anchorage, Alaska.
- (3) Security Pacific Bank, National Association, Tempe, Arizona.
- (4) Security Pacific State Bank, Costa Mesa, California.
- (5) Security Pacific National Bank, Los Angeles, California.
- (6) Security Pacific Bank Idaho, N.A., Coeur d'Alene, Idaho.
- (7) Security Pacific Bancorporation Southwest, Phoenix, Arizona;
- (8) Security Pacific Bank Arizona, Phoenix, Arizona;
- (9) Security Pacific Bank Nevada, National Association, Las Vegas, Nevada.
- (10) Security Pacific National Trust Company (New York), New York, New York.
- (11) Security Pacific Bank Oregon, Portland, Oregon.
- (12) Security Pacific Oregon BanCorp, Portland, Oregon.

- (13) Sequor National Bank Texas, Dallas, Texas.
- (14) Security Pacific Bank Washington, N.A., Seattle, Washington.
- (15) Security Pacific Savings Bank, Tacoma, Washington.
- (16) Emerald City Bank, Seattle, Washington.¹

Nonbanking Subsidiaries to be Acquired:¹

- (1) First Fenwick Mortgage Corporation, San Diego, California, and thereby engage in commercial and/or consumer finance pursuant to § 225.25(b)(1) of the Board's Regulation Y.
- (2) Ranier Industrial Loan Company, Seattle, Washington, and thereby engage in commercial and/or consumer finance pursuant to § 225.25(b)(1) of the Board's Regulation Y and in operating an industrial loan company, as authorized by state law, pursuant to § 225.25(b)(2) of the Board's Regulation Y.
- (3) Security Pacific Business Credit, Inc., San Diego, California, and thereby engage in commercial and/or consumer finance pursuant to § 225.25(b)(1) of the Board's Regulation Y.
- (4) Security Pacific Consumer Discount Company, San Diego, California, and thereby engage in commercial and/or consumer finance pursuant to § 225.25(b)(1) of the Board's Regulation Y.
- (5) Security Pacific Corporate Funding Inc., Los Angeles, California, and thereby engage in commercial and/or consumer finance pursuant to § 225.25(b)(1) of the Board's Regulation Y.
- (6) Security Pacific Executive/Professional Services Inc., San Dimas, California, and thereby engage in commercial and/or consumer finance pursuant to § 225.25(b)(1) of the Board's Regulation Y.
- (7) Security Pacific Credit Corporation, San Diego, California, and thereby engage in commercial and/or consumer finance pursuant to § 225.25(b)(1) of the Board's Regulation Y.
- (8) Security Pacific Finance Credit Corp., San Diego, California, and thereby engage in commercial and/or consumer finance pursuant to § 225.25(b)(1) of the Board's Regulation Y.
- (9) Security Pacific Financial Services Inc., San Diego, California, and thereby engage in commercial and/or consumer finance pursuant to § 225.25(b)(1) of the Board's Regulation Y.
- (10) Security Pacific Financial Services of Des Moines Inc., San Diego, California, and thereby

- engage in commercial and/or consumer finance pursuant to § 225.25(b)(1) of the Board's Regulation Y.
- (11) Security Pacific Financial Services of Florida Inc., San Diego, California, and thereby engage in commercial and/or consumer finance pursuant to § 225.25(b)(1) of the Board's Regulation Y.
- (12) Security Pacific Financial Services of Iowa Inc., San Diego, California, and thereby engage in commercial and/or consumer finance pursuant to § 225.25(b)(1) of the Board's Regulation Y.
- (13) Security Pacific Financial Services of Minnesota Inc., San Diego, California, and thereby engage in commercial and/or consumer finance pursuant to § 225.25(b)(1) of the Board's Regulation Y.
- (14) Security Pacific Financial Services of New York Inc., San Diego, California, and thereby engage in commercial and/or consumer finance pursuant to § 225.25(b)(1) of the Board's Regulation Y.
- (15) Security Pacific Housing Services, Inc., San Diego, California, and thereby engage in commercial and/or consumer finance pursuant to § 225.25(b)(1) of the Board's Regulation Y.
- (16) Security Pacific Realty Corp., San Diego, California, and thereby engage in commercial and/or consumer finance pursuant to § 225.25(b)(1) of the Board's Regulation Y.
- (17) Security Pacific Southwest Financial Services Company, Phoenix, Arizona, and thereby engage in commercial and/or consumer finance pursuant to § 225.25(b)(1) of the Board's Regulation Y.
- (18) Security-First CMO-I Corporation, Cypress, California, and thereby engage in commercial and/or consumer finance pursuant to § 225.25(b)(1) of the Board's Regulation Y.
- (19) Security Pacific Acceptance Corp., San Diego, California, and thereby engage in commercial and/or consumer finance pursuant to § 225.25(b)(1) of the Board's Regulation Y.
- (20) Security Pacific Acceptance Corp. II, San Diego, California, and thereby engage in commercial and/or consumer finance pursuant to § 225.25(b)(1) of the Board's Regulation Y.
- (21) Security Pacific E/P Assets, Inc., San Diego, California, and thereby engage in commercial and/or consumer finance pursuant to § 225.25(b)(1) of the Board's Regulation Y.
- (22) Security Pacific Leasing Services Corporation, San Francisco, California, and thereby engage in commercial and/or consumer finance pursuant to § 225.25(b)(1) of the Board's Regulation Y.
- (23) American Finance Corporation, San Diego, California, an inactive company, and thereby engage in making or servicing loans pursuant to § 225.25(b)(1) of the Board's Regulation Y.

1. This appendix includes only those nonbanking subsidiaries with authority to engage in activities pursuant to section 4(c)(8) of the BHC Act.

- (24) Orbanco Real Estate Services Co., Portland, Oregon, an inactive company, and thereby engage in making or servicing loans pursuant to § 225.25(b)(1) of the Board's Regulation Y.
- (25) Rainier Bancorporation, Seattle, Washington, an inactive company, and thereby engage in making or servicing loans pursuant to § 225.25(b)(1) of the Board's Regulation Y.
- (26) Rainier Mortgage Company, Seattle, Washington, and thereby engage in making or servicing loans pursuant to § 225.25(b)(1) of the Board's Regulation Y and in the sale as agent of property insurance protecting collateral on loans made by subsidiaries of Security Pacific, which is an activity that company engaged in prior to May 1, 1982, as permitted under § 225.25(b)(8)(iv) of the Board's Regulation Y.
- (27) Security Pacific Automotive Financial Services Corp., San Diego, California, an inactive company, and thereby engage in making or servicing loans pursuant to § 225.25(b)(1) of the Board's Regulation Y.
- (28) Security Pacific Mortgage Corporation, San Diego, California, and thereby engage in making or servicing loans pursuant to § 225.25(b)(1) of the Board's Regulation Y.
- (29) Security Pacific Financial Services of West Virginia Inc., San Diego, California, and thereby engage in operating an industrial loan company, as authorized by state law, pursuant to § 225.25(b)(2) of the Board's Regulation Y.
- (30) Security Pacific Industrial Loan Company, Bellevue, Tacoma, and thereby engage in operating an industrial loan company, as authorized by state law, pursuant to § 225.25(b)(2) of the Board's Regulation Y.
- (31) SP Escrow Service, Inc., Los Angeles, San Diego, and San Bernardino, California, and thereby engage in providing trust services pursuant to § 225.25(b)(3) of the Board's Regulation Y.
- (32) Security Pacific Clearing & Services Corp., Jersey City, New Jersey, and thereby engage in clearing fixed income securities in a fiduciary capacity and making call loans to securities dealers pursuant to § 225.25(b)(3) of the Board's Regulation Y.
- (33) Security Pacific Investment Managers, Inc., Los Angeles, California, and thereby engage in furnishing investment, financial and economic advisory services pursuant to § 225.25(b)(4) of the Board's Regulation Y.
- (34) Security Pacific Investments, Inc., a Washington Corporation, Seattle, Washington, and thereby engage in providing portfolio investment advice regarding fixed income municipal bonds pursuant to § 225.25(b)(4)(iii) of the Board's Regulation Y and in providing discount securities brokerage pursuant to § 225.25(b)(15) of the Board's Regulation Y.
- (35) MCOG Leasing Corp., San Francisco, California, and thereby engage in personal and real property leasing and furnishing investment, financial and economic advisory services regarding such leasing pursuant to § 225.25(b)(5) of the Board's Regulation Y.
- (36) Security Pacific Capital Leasing Corporation, San Francisco, California, and thereby engage in personal and real property leasing and furnishing investment, financial and economic advisory services regarding such leasing pursuant to § 225.25(b)(5) of the Board's Regulation Y.
- (37) Security Pacific Credit Corporation, San Diego, California, and thereby engage in personal and real property leasing and furnishing investment, financial and economic advisory services regarding such leasing pursuant to § 225.25(b)(5) of the Board's Regulation Y.
- (38) Security Pacific Leasing Services Corporation, San Francisco, California, and thereby engage in personal and real property leasing and furnishing investment, financial and economic advisory services regarding such leasing pursuant to § 225.25(b)(5) of the Board's Regulation Y.
- (39) Security Pacific Leasing Corporation, San Francisco, California, and thereby engage in personal and real property leasing pursuant to § 225.25(b)(5) of the Board's Regulation Y and in leasing personal property, and acting as agent, broker, or adviser in leasing such property, including leasing transactions that allow this company to rely for its compensation on an estimated residual value of the leased property at the expiration of the initial lease term of up to 100 percent of the acquisition cost of the property in accordance with the Board's Order in *Security Pacific Corporation*, 76 *Federal Reserve Bulletin* 462 (1990).
- (40) Security Pacific Community Service Corporation, Seattle, Washington, and thereby engage in making debt and equity investments in corporations or projects designed to promote community welfare, including the purchase, construction, rehabilitation, restoration, and sales of residential and commercial properties, pursuant to § 225.25(b)(6) of the Board's Regulation Y.
- (41) Security Pacific Information Services Corporation, San Diego, California, Denver, Colorado, and New York, New York, and thereby engage in providing to others data processing and data transmission services with respect to banking data, pursuant to § 225.25(b)(7) of the Board's Regulation Y.
- (42) Security Pacific Automation Company, Inc., Los Angeles, California, and other locations in California,

Delaware, and Oregon, and thereby engage in providing to others data processing and data transmission services with respect to banking data, pursuant to § 225.25(b)(7) of the Board's Regulation Y.

(43) American Data Services, Inc., Los Angeles, California, and thereby engage in providing to others data processing and data transmission services with respect to banking data, pursuant to § 225.25(b)(7) of the Board's Regulation Y.

(44) Chartered Protective Life Insurance Company, San Diego, California, and thereby engage in the sale as principal of insurance directly related to an extension of credit by Security Pacific or its subsidiaries and limited to ensuring the repayment of the outstanding balance due on the extension of credit in the event of death and disability of the debtor pursuant to § 225.25(b)(8)(i) of the Board's Regulation Y.

(45) General Fidelity Life Insurance Company, San Diego, California, and thereby engage in the sale as principal of insurance directly related to an extension of credit by Security Pacific or its subsidiaries and limited to ensuring the repayment of the outstanding balance due on the extension of credit in the event of death and disability of the debtor pursuant to § 225.25(b)(8)(i) of the Board's Regulation Y.

(46) Dealers Credit, Inc., San Diego, California, and thereby engage in the sale as agent of insurance directly related to an extension of credit by Security Pacific or its subsidiaries and limited to ensuring the repayment of the outstanding balance due on the extension of credit in the event of death, disability or involuntary unemployment of the debtor pursuant to § 225.25(b)(8)(i) of the Board's Regulation Y and in the sale as agent or broker for insurance directly related to extensions of credit by finance company subsidiaries of Security Pacific pursuant to § 225.25(b)(8)(ii) of the Board's Regulation Y.

(47) Security Pacific Financial Services of Nevada Inc., San Diego, California, and thereby engage in the sale as agent of insurance directly related to an extension of credit by Security Pacific or its subsidiaries and limited to ensuring the repayment of the outstanding balance due on the extension of credit in the event of death, disability or involuntary unemployment of the debtor pursuant to § 225.25(b)(8)(i) of the Board's Regulation Y and in the sale as agent or broker for insurance directly related to extensions of credit by finance company subsidiaries of Security Pacific pursuant to § 225.25(b)(8)(ii) of the Board's Regulation Y.

(48) Midwestern Agency Corporation, Inc., San Diego, California, and thereby engage in the sale as

agent of insurance directly related to an extension of credit by Security Pacific or its subsidiaries and limited to ensuring the repayment of the outstanding balance due on the extension of credit in the event of death, disability or involuntary unemployment of the debtor pursuant to § 225.25(b)(8)(i) of the Board's Regulation Y and in the sale as agent or broker for insurance directly related to extensions of credit by finance company subsidiaries of Security Pacific pursuant to § 225.25(b)(8)(ii) of the Board's Regulation Y.

(49) General Fidelity Insurance Company, San Diego, California, and thereby engage in the sale as principal of insurance directly related to an extension of credit by Security Pacific or its subsidiaries and limited to ensuring the repayment of the outstanding balance due on the extension of credit with respect to involuntary unemployment of the debtor pursuant to § 225.25(b)(8)(i) of the Board's Regulation Y.

(50) SP Insurance Agency, Inc., San Diego, California, and thereby engage in the sale as agent of insurance directly related to an extension of credit by Security Pacific or its subsidiaries and limited to ensuring the repayment of the outstanding balance due on the extension of credit in the event of death, disability or involuntary unemployment of the debtor pursuant to § 225.25(b)(8)(i) of the Board's Regulation Y and in the sale as agent of property insurance protecting collateral on loans made by subsidiaries of Security Pacific, which is an activity that company engaged in prior to May 1, 1982, as permitted under § 225.25(b)(8)(iv) of the Board's Regulation Y.

(51) Security Pacific Southwest Insurance Agency, Inc., Phoenix, Arizona, an inactive company, and thereby act as principal, agent, or broker for credit-related insurance pursuant to § 225.25(b)(8)(i) of the Board's Regulation Y.

(52) Security Pacific Securities, Inc., Seattle, Washington, and thereby engage in underwriting and dealing in "bank-eligible" securities pursuant to § 225.25(b)(16) of the Board's Regulation Y; in underwriting and dealing in, on a limited basis, the following securities:

- (a) municipal revenue bonds, including certain industrial development bonds;
- (b) residential mortgage-related securities;
- (c) consumer-receivable-related securities; and
- (d) commercial paper; as authorized by Board Orders.

Security Pacific Corporation, 73 Federal Reserve Bulletin 622 (1987); Security Pacific Corporation, 73 Federal Reserve Bulletin 731 (1987).

Appendix B

State-wide deposit information for the states in which BankAmerica and Security Pacific compete directly. Deposit data are as of June 30, 1990, unless otherwise noted.

1. California

BankAmerica owns the largest of 528 insured depository institutions in California, holding \$57.5 billion in deposits, representing approximately 13.1 percent of the total deposits in insured depository institutions in the state ("state deposits"). Security Pacific owns the third largest insured depository institution in California, holding \$39.7 billion in deposits, representing approximately 9.0 percent of state deposits. In order to mitigate the potentially anti-competitive effect of the proposal in California banking markets, BankAmerica has proposed to divest branches and offices representing deposits of approximately \$1.9 billion in numerous California banking markets. Upon consummation of this proposal and after giving effect to the proposed divestitures, BankAmerica would continue to own the largest insured depository institution in the state and would hold deposits of \$95.4 billion, representing approximately 21.7 percent of state deposits.

2. Washington

BankAmerica owns the largest of 120 insured depository institutions in Washington, holding \$9.5 billion in deposits, representing approximately 19.7 percent of state deposits. Security Pacific owns the second largest insured depository institution in Washington, holding \$6.8 billion in deposits, representing approximately 14.0 percent of the state deposits. In order to mitigate the potentially anti-competitive effect of the proposal in Washington banking markets, BankAmerica has proposed to divest branches and offices representing approximately \$3.3 billion in numerous Washington banking markets. Upon consummation and after giving effect to the proposed divestitures, BankAmerica would own the largest insured depository institution in Washington, holding deposits of \$13.8 billion, representing approximately 28.5 percent of state deposits.

3. Arizona

BankAmerica owns the second largest of 47 insured depository institutions in Arizona, holding \$7.9 billion in deposits, representing approximately 21.7 percent of state deposits. Security Pacific owns the third largest insured depository institution in Arizona, holding \$6.2 billion in deposits, representing approximately 17.1 percent of state deposits. In order to mitigate the potentially anti-competitive effect of the proposal in Arizona banking markets, BankAmerica has proposed to divest branches and offices representing deposits of approximately \$2.4 billion in several Arizona banking

markets. Upon consummation and after giving effect to the proposed divestitures, BankAmerica would become the largest insured depository institution in the state and would hold deposits of \$11.9 billion, representing approximately 32.8 percent of state deposits.

4. Oregon

BankAmerica owns the third largest of 63 insured depository institutions in Oregon, holding \$2.3 billion in deposits, representing approximately 8.9 percent of state deposits. Security Pacific owns the seventh largest insured depository institution in Oregon, holding \$1.1 billion in deposits, representing approximately 4.2 percent of state deposits. In order to mitigate the potentially anti-competitive effect of the proposal in Oregon banking markets, BankAmerica has proposed to divest branches and offices representing deposits of approximately \$79.6 million in two Oregon banking markets. Upon consummation and after giving effect to the proposed divestitures, BankAmerica would continue to own the third largest insured depository institution in the state and would hold deposits of \$3.4 billion, representing approximately 13.1 percent of state deposits.

5. Nevada

BankAmerica owns the second largest of 25 insured depository institutions in Nevada, holding \$2.8 billion in deposits, representing approximately 29.9 percent of state deposits.¹ Security Pacific owns the fourth largest insured depository institution in Nevada, holding \$725.1 million in deposits, representing approximately 6.2 percent of state deposits. In order to mitigate the potentially anti-competitive effect of the proposal in Nevada banking markets, BankAmerica has proposed to divest branches and offices representing deposits of approximately \$864 million in numerous Nevada banking markets. Upon consummation and after giving effect to the proposed divestitures, BankAmerica would continue to own the second largest insured depository institution in the state and would hold deposits of \$2.8 billion, representing approximately 29.0 percent of state deposits.

6. Texas

BankAmerica owns the 30th largest of 1,255 insured depository institutions in Texas, holding \$827.3 million in deposits, representing less than one percent state

1. The Board recently approved BankAmerica's proposal to acquire Valley Capital Corporation, Las Vegas, Nevada. *BankAmerica Corporation*, 78 *Federal Reserve Bulletin* 299 (1992). In connection with that proposal, BankAmerica will retain Valley Capital but will divest of all the operations of BankAmerica Nevada, its current bank subsidiary in Nevada. Valley Capital is the second largest insured depository institution in Nevada. In light of the proposed acquisition of Valley Capital and divestiture of BankAmerica Nevada, the competitive effect of the BankAmerica/Security Pacific proposal in Nevada is analyzed on the basis of the market presence of Valley Capital.

deposits. Security Pacific owns the 579th largest insured depository institution in Texas, holding \$42.2 million in deposits, representing less than one percent of state deposits. Upon consummation, BankAmerica would remain the 30th largest insured depository institution in the state and would hold deposits of \$869.5 million, representing less than one percent of state deposits.

7. Idaho

BankAmerica owns the ninth largest of 27 insured

depository institutions in Idaho, holding \$160.0 million in deposits, representing approximately 2.1 percent of state deposits. Security Pacific owns the sixth largest insured depository institution in Idaho, holding \$240.3 million in deposits, representing approximately 3.1 percent of state deposits. Upon consummation, BankAmerica would own the fifth largest insured depository institution in the state and would hold deposits of \$300.3 million, representing approximately 3.9 percent of state deposits.

Appendix C

SUMMARY MARKET SHARE TABLES

**SUMMARY MARKET SHARE TABLE
STATE: CALIFORNIA**

MARKET	PRE-DIVESTITURE			AMOUNT DIVEST. (\$ IN MIL)	HHI POST- DIVEST.	CHANGE	COMPETITORS REMAINING
	HHI BEFORE	HHI AFTER	CHANGE				
ATASCADERO	1295	1892	597	18.7	1638	343	12
AUBURN	1218	1342	124	0			11
BAKERSFIELD	1556	2091	535	130.1	1733	177	16
BARSTOW	2254	3392	1139	35.2	2254	0	5
BIG BEAR LAKE	2144	3309	1165	24.4	2144	0	4
BISHOP	2972	5291	2319	47.9	2972	0	4
BLYTHE	2787	4013	1226	42.3	2787	0	5
CHICO	1179	1711	531	0			14
COALINGA	3564	6272	2708	32.2	3564	0	3
COLUSA	2252	3035	783	23.7	2252	0	5
DAVIS	1174	1490	315	0			13
DELANO	2759	4030	1271	58.3	2759	0	3
EL CENTRO	1935	3187	1252	145.8	1935	0	5
EUREKA	1687	2009	322	46.3	1687	0	10
FAIRFIELD	1271	1877	605	15.7	1754	483	15
FRESNO	1142	1747	605	86.4	1618	476	26
GRASS VALLEY	1286	1777	492	0			14
HANFORD	1441	2182	741.0	81.0	1460	20	11
HEMET	728	971	242	0			19
JACKSON	1475	1672	197.1	0			9
LAKEPORT	1515	1871	355	25.2	1515	0	11
LANCASTER	1077	1526	448	0			10
LODI	1464	1710	245	0			13
LOMPOC	1936	2676	740	43.8	1936	0	6
LOS ANGELES	565	942	377	0			266

Appendix C: Summary Market Share Table, California—Continued

MERCED	1323	1686	363	0			12
MODESTO	955	1072	118	0			22
MONTEREY	1285	1464	179	0			15
NAPA	1260	1571	311	0			15
OCEANSIDE	1135	1553	418	0			20
OXNARD	1048	1586	539	0			31
PALM SPRINGS- PALM DESERT	957	1478	521	0			27
PERRIS	1057	1551	494	0			20
PLACERVILLE	1381	2045	665	57.2	1459	78	10
RED BLUFF	1775	2981	1207	91.2	1775	0	7
REDDING	1197	1970	773	137.5	1312	115	12
RIDGECREST	2602	4420	1818	32.5	2602	0	5
RIVERSIDE	1100	1903	803	101.5	1776	676	47
SACRAMENTO	1040	1361	322	0			46
SALINAS	1154	1293	140	0			15
SAN DIEGO	1054	1232	178	0			67
SAN FRANCISCO	1132	1351	219	0			149
SAN LUIS OBISPO	1434	1914	480	54.2	1691	257	15
SANTA BARBARA	1203	1556	353	0			21
SANTA CRUZ	1260	1320	60	0			16
SANTA MARIA	1096	1598	502	0			14
SANTA ROSA	767	973	206	0			29
SANTA YNEZ	1850	2534	684	60.4	1850	0	5
SONORA	1523	2294	771	44.5	1781	258	9
STOCKTON	1048	1149	101	0			23
TURLOCK	1273	1456	182	0			11
TWENTY-NINE PALMS	1552	2322	770	48.4	1573	21	7
VICTORVILLE MARKET	1413	2439	1026	108.3	1638	224	14
VISALIA/PORTERVILLE	1339	2299	960	181.8	1620	281	17
WATSONVILLE	1517	1649	131	0			10
YREKA	1862	2860	998	59.6	1862	0	6
YUBA CITY	1426	1764	338	0			11

APPROXIMATE TOTAL DIVESTITURE IN CALIFORNIA: \$1,931 million

Appendix C—Continued

**SUMMARY MARKET SHARE TABLE
STATE: ARIZONA**

MARKET	PRE-DIVESTITURE			AMOUNT DIVEST. (\$ IN MIL)	HHI POST- DIVEST.	CHANGE	COMPETITORS REMAINING
	HHI BEFORE	HHI AFTER	CHANGE				
BULLHEAD CITY	1720	2711	991	\$ 41.5	2037	317	8
CASA GRANDE	2490	2680	190	24.9	2481	- 9	5
DOUGLAS	2744	3524	780	25.7	2745	0	3
FLAGSTAFF	2243	3215	972	79.8	2396	153	5
GREEN VALLEY	2187	3858	1672	100.1	2237	50	6
LAKE HAVASU	2718	3787	1069	44.9	2914	196	5
PHOENIX	1715	2411	696	1,575.9	1973	258	37
PRESCOTT	2271	2953	682	93.1	2339	68	6
SIERRA VISTA	2307	3095	787	50.1	2307	0	4
TUCSON	1597	2224	628	321.2	1845	248	11
YUMA	1789	2110	320	29.6	1925	136	7

APPROXIMATE TOTAL DIVESTITURE IN ARIZONA: \$2,386.8 million

**SUMMARY MARKET SHARE TABLE
STATE: NEVADA**

MARKET	PRE-DIVESTITURE			AMOUNT DIVEST. (\$ IN MIL)	HHI POST- DIVEST.	CHANGE	COMPETITORS REMAINING
	HHI BEFORE	HHI AFTER	CHANGE				
CARSON CITY	2198	2923	725	\$ 65.9	2333	135	10
ELKO	2772	4240	1468	42.2	2956	185	5
HUMBOLDT	3102	3991	889	20.6	3265	163	4
INCLINE VILLAGE	3654	4350	697	10.7	3654	0	4
LAS VEGAS	1730	2303	573	435.3	1905	175	16
RENO	2311	3068	757	205.1	2510	199	10
SOUTHERN LAKE TAHOE	1841	2560	719	26.8	2006	166	7
WHITE PINE COUNTY	3991	4924	933	6.4	3991	0	4

APPROXIMATE TOTAL DIVESTITURE IN NEVADA: \$829 million

Appendix C—Continued

**SUMMARY MARKET SHARE TABLE
STATE: WASHINGTON**

MARKET	PRE-DIVESTITURE			AMOUNT DIVEST. (\$ IN MIL.)	HHI POST- DIVEST.	CHANGE	COMPETITORS REMAINING
	HHI BEFORE	HHI AFTER	CHANGE				
ABERDEEN	1314	1936	622	\$ 93.2	1314	0	9
BELLINGHAM	1597	1900	303	77.2	1650	53	11
BREMERTON	1289	2077	788	82.6	1497	208	15
CENTRALIA	1660	1950	290	60.1	1660	0	8
CHELAN	1677	2374	697	21.6	1677	0	7
DAYTON	3310	6201	2891	24.0	3310	0	3
ELLENSBURG	1766	2410	644	45.2	1766	0	6
GRAND COULEE	3585	5194	1609	51.4	3585	0	4
LONGVIEW	1554	2270	716	69.0	1572	17	9
MOSES LAKE	1749	2206	457	26.9	1749	0	6
MT. VERNON	1464	2008	603	69.7	1571	166	10
OLYMPIA	1176	1627	451	106.1	1096	-81	14
OTHELLO	3649	3973	325	6.7	3649	0	4
PASCO-KENNEWICK	1663	2654	992	93.3	1815	153	11
PORT ANGELES	2036	2263	227	19.4	2036	0	7
RITZVILLE	2607	3471	864	27.5	2607	0	4
SEATTLE	1340	2288	948	1,874.3	1766	426	58
SPOKANE	1429	1635	207	13.1	1617	188	15
STEVENS COUNTY	3129	5763	2634	54.8	3129	0	3
SUNNYSIDE	1954	2459	505	16.5	1996	41	8
TOPPENISH-WAPATO	3492	6407	2915	29.8	3492	0	2
WALLA WALLA	2232	2628	297	34.8	2370	39	8
WENATCHEE	1568	2041	473	77.0	1568	0	10
YAKIMA	1273	1805	532	112.9	1287	14	9

APPROXIMATE TOTAL DIVESTITURE IN WASHINGTON: \$3,250 million

Appendix C—Continued

**SUMMARY MARKET SHARE TABLE
STATE: IDAHO**

MARKET	PRE-DIVESTITURE			AMOUNT DIVEST. (\$ IN MIL)	HHI POST- DIVEST	CHANGE	COMPETTORS REMAINING
	HHI BEFORE	HHI AFTER	CHANGE				
LEWISTON	1353	1418	64	0			11

**SUMMARY MARKET SHARE TABLE
STATE: OREGON**

MARKET	PRE-DIVESTITURE			AMOUNT DIVEST. (\$ IN MIL)	HHI POST- DIVEST	CHANGE	COMPETTORS REMAINING
	HHI BEFORE	HHI AFTER	CHANGE				
ASTORIA	1654	1986	333	44.8	1654	0	7
BEND	1801	1857	56	0			10
CORVALLIS	1586	1638	52	0			8
EUGENE	1808	1829	21	0			14
GRANTS PASS	1267	1533	267	0			11
LINCOLN COUNTY	1577	1769	192	0			7
McMINNVILLE	1918	2016	97	0			7
MEDFORD	1735	1829	94	0			13
PENDLETON	2293	2432	138	6.4	2341	48	6
PORTLAND	1959	2100	141	0			26
SALEM	1612	1641	29	0			11
THE DALLES	1849	2215	366	80.9	1876	26	9

APPROXIMATE TOTAL DIVESTITURE IN OREGON: \$65 million

**SUMMARY MARKET SHARE TABLE
STATE: TEXAS**

MARKET	PRE-DIVESTITURE			AMOUNT DIVEST. (\$ IN MIL)	HHI POST- DIVEST	CHANGE	COMPETTORS REMAINING
	HHI BEFORE	HHI AFTER	CHANGE				
DALLAS	988	988	0	0			157

Boatmen's Bancshares, Inc.
St. Louis, Missouri

Order Approving Acquisition of a Bank Holding Company

Boatmen's Bancshares, Inc., St. Louis, Missouri ("Boatmen's"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied under section 3(a)(3) of the BHC Act (12 U.S.C. § 1842(a)(3)) to acquire First Interstate of Iowa, Inc., Des Moines, Iowa ("First Interstate"), and thereby indirectly acquire its subsidiary banks.¹ Boatmen's also has applied under section 4(c)(8) of the BHC Act to acquire First Interstate Information Systems of Iowa, Inc., Des Moines, Iowa ("FIIS"), and thereby engage in providing data processing services on a nationwide basis. Boatmen's proposes to conduct this activity in accordance with the Board's Regulation Y (12 C.F.R. 225.25(b)(7)).

Notice of the applications, affording interested persons an opportunity to submit comments, has been published (56 *Federal Register* 64,255 (1991)). The time for filing comments has expired, and the Board has considered the applications and all the comments received in light of the factors set forth in sections 3(c) and 4(c)(8) of the BHC Act.

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

1. First Interstate's subsidiary banks are: First Interstate Bank of Des Moines, N.A., Des Moines, Iowa; First Interstate Bank of Fort Dodge, Fort Dodge, Iowa; First Interstate Bank of Greenfield, Greenfield, Iowa; First Interstate Bank of Kalona, Kalona, Iowa; First Interstate Bank of Marengo, Marengo, Iowa; First Interstate Bank of Iowa-North, Mason City, Iowa; First Interstate Bank of Iowa-Northwest, N.A., Spencer, Iowa; First Interstate Bank of Sigourney, Sigourney, Iowa; First Interstate Bank of Sioux City, Sioux City, Iowa; and First Interstate Bank of Urbandale, Urbandale, Iowa. Boatmen's proposes to accomplish this acquisition by forming a wholly owned subsidiary, Boatmen's Bancshares of Iowa, Inc., St. Louis, Missouri ("Boatmen's Iowa"), which will merge with First Interstate. In connection with this application, Boatmen's Iowa has applied under section 3(a)(1) of the BHC Act to become a bank holding company.

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

Effective January 1, 1991, the Iowa regional interstate banking statute expressly authorizes regional bank holding companies to acquire established Iowa banks or bank holding companies under certain conditions and with the approval of the Iowa Superintendent of Banking.³ Boatmen's is located in a state within the designated midwestern region.⁴ The proposal appears to be consistent with the other requirements of Iowa law, subject to receiving approval by the Iowa Superintendent of Banking. On the basis of all the facts of record, the Board believes that approval of the proposal is not barred by the Douglas Amendment.⁵ However, approval of this proposal is conditioned upon Boatmen's receiving all required state regulatory approvals.

Boatmen's, with total consolidated assets of \$17.2 billion,⁶ controls 42 banking subsidiaries in Missouri, Illinois, Tennessee, Oklahoma and Delaware. Boatmen's is the largest commercial banking organization in Missouri, controlling deposits of \$9.5 billion, representing approximately 19.2 percent of total deposits in commercial banks in the state. First Interstate is the fourth largest banking organization in Iowa, controlling deposits of \$921.2 million, representing approximately 3.3 percent of total deposits in commercial banks in the state. The banking subsidiaries of Boatmen's and First Interstate are not located in any of the same banking markets in Missouri or Iowa. Based on all the facts of record, the Board concludes that consummation of this proposal would not result in any significantly adverse effect on the concentration of resources or on competition in any relevant banking market.

The financial and managerial resources and future prospects of Boatmen's, First Interstate, and their

3. Iowa Stat. Ann. §§ 524.1901 *et seq.* (West Supp. 1991).

4. "Midwestern region" means the states of Illinois, Iowa, Minnesota, Missouri, Nebraska, South Dakota and Wisconsin. Iowa Stat. Ann. § 524.1901(8) (West Supp. 1991). All of Boatmen's existing bank subsidiaries satisfy applicable capital requirements and the acquisition would not exceed the 10 percent or the 35 percent aggregate limitations placed on control of deposits in Iowa. Iowa Stat. Ann. §§ 524.1802 and 524.1906(2) (West Supp. 1991). In addition, Boatmen's and First Interstate have been in existence for at least 3 years and all of First Interstate's banking subsidiaries have been in existence for at least 5 years. Iowa Stat. Ann. § 524.1906(3) (West Supp. 1991). Under Iowa law, a bank holding company, such as Boatmen's Iowa, that was organized solely for the purpose of facilitating the acquisition of another bank or bank holding company that had been in existence and continuously operating for the required period before the acquisition, is deemed to have been in existence and operated as a bank holding company for that required period. Iowa Stat. Ann. § 524.1906(4)(b) (West Supp. 1991). The application by Boatmen's to acquire First Interstate is pending before the Iowa Superintendent of Banking.

5. By agreement dated November 15, 1990, the banking departments of Missouri and Iowa determined that the banking laws of each state permit the interstate acquisition of banks between the two states.

6. Asset data are as of September 30, 1991. State deposit data are as of June 30, 1990.

subsidiary banks, and supervisory factors are consistent with approval. Considerations relating to the convenience and needs of the communities to be served also are consistent with approval of this application.

Boatmen's also has applied, pursuant to section 4(c)(8) of the BHC Act, to acquire FIIS, and thereby engage in providing data processing services. As noted above, this activity is permissible for bank holding companies under the Board's Regulation Y, and Boatmen's proposes to conduct this activity in accordance with the Board's regulations. Boatmen's also operates subsidiaries that provide data processing services. The market shares of these subsidiaries are small, and there are numerous competitors for these services. In light of the facts of record, the Board concludes that the acquisition by Boatmen's of FIIS would not have any significantly adverse effect on competition in any relevant market. Furthermore, there is no evidence in the record to indicate that consummation of this proposal is likely to result in any other significantly adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices that are not outweighed by the public benefits in this case. Accordingly, the Board has determined that the balance of public interest factors it must consider under section 4(c)(8) of the BHC Act is favorable and consistent with approval of the application by Boatmen's to acquire FIIS.

Based on the foregoing and other facts of record and subject to the commitments made by Boatmen's and all its subsidiaries in this case, the Board has determined that the applications should be, and hereby are, approved. This approval is specifically conditioned upon Boatmen's obtaining all required state approvals and on compliance by Boatmen's and its subsidiaries with all of the commitments made in connection with these applications and with the conditions referenced in this order. The determinations as to the nonbanking subsidiaries to be acquired also are subject to all of the conditions contained in the Board's Regulation Y, including those in sections 225.4(d) and 225.23(b)(3) (12 C.F.R. 225.4(d) and 225.23(b)(3)), and to the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with, or prevent evasions of, the provisions and purposes of the BHC Act and the Board's regulations and orders issued thereunder. The commitments and conditions relied on in reaching this decision are conditions imposed in writing by the Board in connection with its findings and decision and may be enforced in proceedings under applicable law.

The acquisition of First Interstate's banks shall not

be consummated before the thirtieth calendar day following the effective date of this Order, and the acquisition of First Interstate and FIIS shall not be consummated later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of St. Louis, acting pursuant to delegated authority.

By order of the Board of Governors, effective March 2, 1992.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

First of America Bank Corporation
Kalamazoo, Michigan

Order Approving Merger of Bank Holding Companies

First of America Bank Corporation, Kalamazoo, Michigan ("FOA"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied under section 3(a)(5) of the BHC Act (12 U.S.C. § 1842(a)(5)) to merge with Security Bancorp, Inc., Southgate, Michigan ("Security"), and thereby indirectly acquire its subsidiary banks.¹ FOA also has applied under section 4(c)(8) of the BHC Act to acquire SecureData Corp., Southgate, Michigan, and thereby engage in providing data processing services on a nationwide basis, and United Bankers Life Insurance Company, Kalamazoo, Michigan, and thereby engage in underwriting credit-related insurance. FOA proposes to conduct these activities in accordance with the Board's Regulation Y (12 C.F.R. 225.25(b)(7) and (8)(i)).

Notice of the applications, affording interested persons an opportunity to submit comments, has been published (56 *Federal Register* 59,940 (1991)). The time for filing comments has expired, and the Board has considered the applications and all the comments

1. Security's subsidiary banks are: Security Bank of Commerce, Hamtramck, Michigan; Security Bank of Monroe, Monroe, Michigan; Security Bank Northeast, Richmond, Michigan; Security Bank and Trust Company, Southgate, Michigan; and Security Bank St. Clair Shores, St. Clair Shores, Michigan. In connection with this transaction, Security has granted to FOA warrants to purchase up to 19.9 percent of Security's shares, and FOA has applied to exercise the warrants if any of several preconditions occur. The warrants will become moot upon consummation of the FOA application to acquire Security.

received in light of the factors set forth in sections 3(c) and 4(c)(8) of the BHC Act.

Competitive Considerations

FOA, with total consolidated assets of \$16.8 billion,² controls 25 banking subsidiaries in Michigan, Illinois and Indiana. FOA is the fourth largest commercial banking organization in Michigan, controlling deposits of \$7.4 billion, representing approximately 10 percent of total deposits in commercial banks in that state. Security owns five banks located in Michigan and is the seventh largest banking organization in the state, controlling deposits of \$2.5 billion, representing approximately 3.4 percent of total deposits in commercial banks in the state. Upon consummation, FOA would become the third largest commercial banking organization in Michigan, controlling deposits of \$9.9 billion, representing approximately 13.4 percent of total deposits in commercial banks in the state.

FOA and Security compete directly in the following banking markets: Monroe, Ann Arbor, Detroit, and Flint in Michigan, and Toledo, Ohio.³ In the Monroe banking market,⁴ FOA is the fourth largest commercial banking or thrift organization (together, "depository institution"), controlling deposits of \$69.5 million, representing approximately 8.1 percent of total deposits in depository institutions in the market ("market deposits").⁵ Security is the second largest depository institution in the market, controlling deposits of \$237 million, representing approximately 27.5 percent of market deposits. In order to mitigate the potential anticompetitive effects of the proposed acquisition in the Monroe banking market, FOA has committed to divest its bank in the Monroe banking market to an acquiror that does not currently have a significant market presence and that would be a significant competitor following the acquisition.⁶

2. Asset data are as of December 31, 1991. Deposit data are as of June 30, 1990.

3. The Toledo banking market encompasses areas in both Michigan and Ohio.

4. The Monroe banking market is approximated by Monroe County, Michigan, except for Whiteford, Bedford, Erie, Ash and Berlin townships.

5. Market deposit data are based on calculations in which the deposits of thrift institutions are included at 50 percent. The Board previously has indicated that thrift institutions have become, or have the potential to become, major competitors of commercial banks. See *Midwest Financial Group*, 75 *Federal Reserve Bulletin* 386 (1989); *National City Corporation*, 70 *Federal Reserve Bulletin* 743 (1984).

6. FOA has committed to execute an agreement for the sale of the bank prior to consummation of this proposal. FOA has committed that, if it is unsuccessful in consummating the divestiture of its bank within 180 days of consummation of the proposal to acquire Security, FOA will transfer all of the shares of its bank in the Monroe banking market to an independent trustee with instructions that the trustee sell

After giving effect to the divestiture proposed in the Monroe banking market, the Herfindahl-Hirschman Index ("HHI") in this market would increase by fewer than 200 points.⁷ Based on all the facts of record, including FOA's commitment to divest its bank in the Monroe banking market, the Board concludes that consummation of this proposal would not result in any significantly adverse effect on the concentration of banking resources or competition in the Monroe banking market.

In the remaining banking markets of Ann Arbor, Detroit, Flint, and Toledo, consummation of the proposal would result in an increase of fewer than 100 points in the HHI of each of these banking markets.⁸ Based on post-consummation concentration levels, market share and the number of competitors remaining in these markets and other facts of record, the Board has concluded that consummation of the proposal would not result in a significantly adverse effect on competition in any of these markets.

Accordingly, based on all the facts of record in this case, and subject to the divestiture commitments made by FOA, the Board concludes that consummation of this proposal would not result in any significantly adverse effect on competition in any relevant banking market.

Convenience and Needs Considerations

In analyzing the effect of this merger on the convenience and needs of the communities to be served by FOA and Security, the Board has taken into account

the bank promptly. See, e.g., *Society Corporation*, 78 *Federal Reserve Bulletin* 302 (1992); *First Hawaiian, Inc.*, 77 *Federal Reserve Bulletin* 52 (1991); *First Union Corporation*, 76 *Federal Reserve Bulletin* 83 (1990).

7. Under the revised Department of Justice Merger Guidelines, 49 *Federal Register* 26,823 (1984), a market in which the post-merger HHI is above 1800 is considered to be highly concentrated. In such markets, the Justice Department is likely to challenge a merger that increases the HHI by more than 50 points. The Department of Justice has informed the Board that, as a general matter, a bank merger or acquisition will not be challenged, in the absence of other factors indicating anticompetitive effects, unless the post-merger HHI is at least 1800 and the merger increases the HHI by 200 points. The Justice Department has stated that the higher-than-normal HHI thresholds for screening bank mergers for anticompetitive effects implicitly recognize the competitive effect of limited-purpose lenders and other non-depository financial entities. FOA has committed that any change in the HHI will be fewer than 200 points in this market as a result of the proposed divestiture.

8. FOA would remain the largest depository institution in the Ann Arbor banking market, and the HHI would increase by 36 points, to a level of 1398. In the Detroit banking market, FOA would remain the 5th largest depository institution, and the HHI would increase by 60 points, to a level of 1471. FOA would remain the 4th largest depository institution in the Flint banking market, and the HHI would increase by 13 points, to a level of 1823. In the Toledo banking market, FOA would become the 16th largest depository institution, and the HHI would remain at 1477.

the record of performance of the subsidiary banks of FOA and Security under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*) ("CRA"). The CRA requires the federal financial supervisory agencies to encourage financial institutions to help meet the credit needs of the local communities in which they operate consistent with the safe and sound operation of such institutions. To accomplish this end, the CRA requires the appropriate federal supervisory authority to "assess an institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of the institution," and to take that record into account in its evaluation of bank holding company applications.⁹

In this regard, the Board has considered comments filed by the Michigan Association of Community Organizations for Reform Now ("Michigan ACORN") alleging that one of FOA's subsidiary banks, First of America Bank-Southeast Michigan, N.A., Detroit, Michigan ("Detroit Bank"), is not meeting the credit needs of low- and moderate-income and minority communities and does not have adequate marketing efforts, community group contacts, or participation in government-guaranteed loan programs. Michigan ACORN also maintains on the basis of its analysis of the 1990 data submitted under the Home Mortgage Disclosure Act ("HMDA") and data available from state banking authorities, that Detroit Bank is illegally discriminating in its mortgage lending against individuals in these communities. In addition, Michigan ACORN contends that the branch opening and closing policy of Detroit Bank is inadequate.

The Board has carefully reviewed the CRA performance records of FOA and Security, as well as all comments received and FOA's responses to those comments, and all of the other relevant facts, in light of the CRA, the Board's regulations, and the Statement of the Federal Financial Supervisory Agencies Regarding the Community Reinvestment Act ("Agency CRA Statement").¹⁰

9. 12 U.S.C. § 2903.

10. 54 *Federal Register* 13,742 (1989). The Agency CRA Statement provides guidance regarding the types of policies and procedures that the supervisory agencies believe financial institutions should have in place in order to fulfill their responsibilities under the CRA on an ongoing basis and the procedures that the supervisory agencies will use during the application process to review an institution's CRA compliance and performance. The Agency CRA Statement also indicates that decisions by agencies to allow financial institutions to expand will be made pursuant to an analysis of the institution's overall CRA performance and will be based on the actual record of performance of the institution.

A. Examination of CRA Performance

Initially, the Board notes that Detroit Bank received a "satisfactory" rating for CRA performance from its primary regulator, the Office of the Comptroller of the Currency ("OCC") in its most recent examination for CRA performance as of September 30, 1990. All of the other banks owned by FOA have received either "outstanding" or "satisfactory" ratings from their primary regulators in their most recent CRA performance examinations.¹¹ The Agency CRA Statement provides that a CRA examination is an important and often controlling factor in the consideration of an institution's CRA record and that these reports will be given great weight in the applications process.¹²

B. CRA Policies, Programs, and Lending Activities

Detroit Bank has in place the types of policies and procedures outlined in the Agency CRA Statement that contribute to an effective CRA program. For example, a CRA Officer has overall responsibility for administering Detroit Bank's CRA program and for reporting to management and Detroit Bank's board of directors on the implementation of the program. The CRA Officer also chairs a CRA Committee composed of senior management of Detroit Bank, including the senior lending officer and the president and chief executive officer. The CRA Committee meets monthly to review all aspects of Detroit Bank's CRA program, to implement policies, procedures and programs that improve CRA compliance, and to coordinate Detroit Bank's CRA activities. The board of directors of Detroit Bank has also appointed a Corporate Responsibility Committee which meets bi-monthly to review Detroit Bank's CRA activities, CRA statement, the

11. Three of Security's subsidiary banks have received "needs to improve" ratings for CRA performance in their most recent examinations by the Federal Reserve Bank of Chicago. FOA has committed to take immediate action to strengthen the CRA performance of each of these banks. FOA will implement a CRA plan at these banks that will include a comprehensive community outreach program and a CRA training program for employees. The banks will also appoint a senior manager responsible for overseeing the banks' CRA-related activities. That manager will report progress towards meeting CRA objectives directly to FOA's Corporate CRA Officer. These banks will have access to FOA's corporate development program and the resources of its Community Development Corporation subsidiary which focuses on community reinvestment lending strategies. FOA will also introduce its loan products to address specific areas of weakness in the lending records of these banks. FOA expects to put this CRA program in place at Security's banks within one month of consummation of the acquisition. In light of the satisfactory CRA performance record by FOA in the same communities currently served by these Security bank subsidiaries, the Board believes that FOA's proposal will satisfactorily address the deficiencies identified at these banks.

12. 54 *Federal Register* at 13,745.

geographic distribution of credit, and internal and regulatory examination reports on CRA.

Detroit Bank has established a Community Advisory Committee in Detroit comprised of executive management and a group of representatives of community organizations. The Community Advisory Committee meets regularly to discuss banking and community issues of mutual concern to Detroit Bank and the community. Detroit Bank also maintains contact with its communities through an Urban Communities Lending Manager who provides assistance for Detroit Bank's community development efforts and Detroit Bank provides free office space on premises to the Local Initiatives Support Corporation.

Detroit Bank markets several credit products such as residential mortgages and home improvement loans through traditional media, including newspapers, television and radios. Marketing efforts are also targeted to consumers in low- and moderate-income areas through advertisements in neighborhood and minority publications and brochures distributed to area churches and community groups. Detroit Bank's call program included over 780 realtors in the Detroit area in 1991.

Detroit Bank offers products that target the special credit needs of individuals in low- and moderate-income communities. For example, Detroit Bank's Initiative Mortgage offers conventional 15 and 30 year fixed rate mortgages with the following special features: a 10 percent downpayment, higher than normal qualifying debt to income ratios, reduced closing costs, no points on mortgages up to \$35,000, flexible credit and employment standards, and possible non-financial equity as part of the downpayment. Detroit Bank has determined to revise this program in Detroit to make it more accessible to low- and moderate-income borrowers by reducing the downpayment to 5 percent and charging no points on mortgages up to \$50,000. A total of 126 mortgages for \$3,520,000 have been made in Detroit under this program since its inception in 1989. Detroit Bank also has a Home Improvement Mortgage loan to help buyers with unanticipated emergency repairs after closing.¹³

13. Michigan ACORN alleges that Detroit Bank is decreasing its mortgage lending in the City of Detroit to the detriment of low- and moderate-income borrowers. Mortgage data show that Detroit Bank is not selectively reducing its lending in the City of Detroit but rather has experienced an overall decline in this type of lending throughout all types of communities. For example, within the Detroit MSA, which includes high- and middle-income neighborhoods, the number of mortgage loans Detroit Bank made decreased from 581 in 1989 to 396 in 1990, a reduction of 32 percent. For the same time period, the number of mortgage loans Detroit Bank made within the City of Detroit declined by 29 percent, with the number of loans to low- and moderate-income areas declining by 21 percent and the number of loans to middle- and high-income areas declining by 32 percent. Despite this decrease from 1989 to 1990 in the number of mortgage

Detroit Bank also helps to meet the credit needs of low- and moderate-income customers through special products like "Select Purchase," a credit product introduced in late 1990. "Select Purchase" is a credit card with no fee, low interest rate, low monthly payments and check writing features. Detroit Bank has also established a deposit program called Home Buyers Savings Plan to help people save for the downpayment on a home. This program has a traditional coupon book feature that permits customers to make monthly "payments" into a money market savings account and save enough for a downpayment within 1 or 2 years depending on the payments selected. In addition, the customer will be pre-qualified for a mortgage with no commitment fee and reduced closing costs. Detroit Bank also participates in government-guaranteed lending programs, and at the end of the third quarter 1991, Detroit Bank had outstanding over \$3 million in all FHA mortgage loans,¹⁴ over \$13 million in FHA-Home Improvement loans, over \$780,000 in VA loans, and \$1.2 million in SBA loans.

Detroit Bank also engages in community development activities in conjunction with First of America Community Development Corporation ("CDC"), which was established in May 1991.¹⁵ All projects of the CDC are directed to individuals and small businesses in low- and moderate-income areas. Detroit Bank is also a participant in the Detroit Neighborhood Investment Corporation ("DNIC") and has made a \$4 million commitment to the DNIC for home improvement loans and residential mortgages for Detroit's low-income residents. In addition, Detroit Bank participates in the Detroit Small Business Development System, a multi-bank, micro-business loan program.¹⁶ Detroit Bank has also committed with four other

loans that Detroit Bank made in the City of Detroit, Detroit Bank increased during this time period the number of loans it made in the City of Detroit under the Initiative Mortgage program. In addition, while the number of loans that Detroit Bank made to low- and moderate-income areas and minority census tracts in Detroit decreased from 1989 to 1990, the number of loans made in 1990 to these areas still exceeded the number of loans made in 1988.

14. Detroit Bank became a direct endorser for FHA loans in August 1991, thereby expediting its ability to process FHA loans.

15. The CDC is capitalized with \$3 million and the board of directors of the CDC has approved projects ranging in size from \$30,000 to \$500,000, including projects in Detroit.

16. The Mayor of Detroit has written a letter supporting FOA's proposed acquisition of Security and generally praising FOA's and Detroit Bank's activities in Detroit. In commenting in favor of the proposal, the Mayor noted several specific activities by Detroit Bank, including: (1) minority church loans totaling \$7.5 million in the last three years; and (2) lines of credit and financial support for minority contractor projects and projects to benefit low- and moderate-income individuals, including the Homearama subdivision (the first new subdivision in Detroit in over 40 years), the # 1 - Tovar Apartments (100 rental units for low- and moderate-income families), and the Coronado Apartments (an apartment building for low-income individuals in Cass Corridor).

Detroit banks to provide \$3 million for capital loans to graduates of the Detroit Self Employment Project.

C. Home Mortgage Disclosure Act Data

The Board has reviewed the data cited by Michigan ACORN, including the 1990 HMDA data reported by Detroit Bank. Recent amendments to the HMDA for the first time require banking institutions to collect certain information regarding applicants for bank mortgage loans and to report the information regarding both loan approvals and denials to the banking agencies and the public. The information includes data on the race, gender and income of individual applicants, in addition to the location of the property securing the potential loan and the disposition of the application.

Detroit Bank's data show rates for housing loan approvals and denials that vary for different groups when compared by income levels on race or national origin. As a general matter, Detroit Bank's housing-related loan denial rates were greater for minority loan applicants as compared to non-minority applicants in its service community. On the basis of these data, Michigan ACORN has alleged illegal discriminatory lending practices by Detroit Bank.

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

The most recent examination for CRA compliance conducted by the OCC found no evidence of illegal discrimination or other illegal credit practices in Detroit Bank. Detroit Bank also has in place measures designed to improve its lending to minorities and low- and moderate-income neighborhoods.¹⁷ For example, Detroit Bank regularly tracks declined loan applica-

tions for residential mortgage loans. Detroit Bank's mortgage department manager and the community executive review every rejected Detroit application to attempt to find alternative ways to approve the loan. A loan officer contacts the applicant if this process is unsuccessful to discuss the loan request, to explain the reasons the application was denied, and to counsel the applicant and offer possible solutions to resolve the problems. Detroit Bank also participates in the Detroit Mortgage Plan, a review process for Detroit residents who have been denied a mortgage or home improvement loan, in conjunction with New Detroit, a community group specializing in mortgage lending. This process has resulted in the provision of loans for over 35 percent of the loan denial decisions reviewed. Detroit Bank also provides regular employee training, including on the Equal Credit Opportunity Act and the Fair Housing Act.

D. Branch Closure Policy

Under FOA's branch closure policy, Detroit Bank is required to assess and consider the impact of branch closure on the communities served, including low- and moderate-income neighborhoods.¹⁸ The policy also states that input from neighborhood leaders will be sought during the decision-making process and that an analysis will be conducted to determine the ability to provide continuity of service through other offices and the presence of other financial institutions. The policy further states that FOA will consider alternatives to closing facilities, such as adjustments to hours and automation. FOA's policy requires FOA to provide advance notice of the possible branch closing to the affected community, as well as the rationale for the branch closing. The policy also requires FOA to take actions to minimize the impact on the affected area by ensuring that applications for credit remain accessible and that availability of credit products is publicized. Security has no branches in Detroit and FOA has stated that no branches in Detroit will be closed as a result of this acquisition.

E. Conclusions Regarding Convenience and Needs Factors

On the basis of all the facts of record, including comments received and relevant examination reports, the Board concludes that convenience and needs considerations, including the CRA performance records of

17. According to the 1990 HMDA data, Detroit Bank's percentage of lending in low- and moderate-income and minority areas in the City of Detroit exceeded the percentage of aggregate loans by reporting lenders in these areas. More than 31.1 percent of Detroit Bank's lending within the City of Detroit went to low- and moderate-areas compared to 21.2 percent for reporting lenders overall in Detroit. In addition, Detroit Bank made 24.6 percent of its loans to minority areas compared to 19 percent for reporting lenders overall in Detroit. Over 57.4 percent of all of Detroit Bank's loans in Detroit were made in minority or integrated areas.

18. The OCC has reviewed this policy for compliance with the CRA and determined it to be satisfactory in Detroit Bank's most recent examination.

FOA and Security, are consistent with approval of these applications.¹⁹

The Board notes that Detroit Bank is taking steps to ensure that no individuals are unfairly denied access to credit because of their race or national origin. The Board expects Detroit Bank to continue these measures to improve its record of lending in low- and moderate-income areas. The Board notes that Detroit Bank's progress in these efforts will be monitored by its primary regulator in future CRA performance examinations. The Board will also review this performance in future applications by FOA to acquire depository institutions.

Other Considerations

Based on the entire record, the Board also concludes that the financial and managerial resources and future prospects of FOA, Security, and their subsidiary banks, and supervisory factors are consistent with approval.

FOA also has applied, pursuant to section 4(c)(8) of the BHC Act, to acquire SecureData Corp., and thereby engage in providing data processing services, and to acquire United Bankers Life Insurance Company, and thereby engage in underwriting credit-related insurance. The Board has previously determined that these activities are closely related to banking for purposes of section 4(c)(8) of the BHC Act, and permissible for bank holding companies. In order to approve the acquisitions of SecureData Corp. and United Bankers Life Insurance Company under section 4 of the BHC Act, the Board also is required to determine that the performance of the proposed activities by FOA "can reasonably be expected to produce benefits to the public . . . that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices." 12 U.S.C. § 1843(c)(8).

19. Michigan ACORN has requested that the Board hold a public hearing or meeting to assess further facts surrounding the CRA performance of Detroit Bank. Under the Board's rules, the Board may, in its discretion, hold a public hearing or meeting on an application to clarify factual issues related to the application and to provide an opportunity for testimony, if appropriate. 12 U.S.C. §§ 262.3(e) and 262.25(d).

The Board has carefully considered this request. In the Board's view, interested parties have had ample opportunity to present written submissions, and Michigan ACORN has submitted substantial written comments that have been considered by the Board. In light of this, the Board has determined that a public meeting or hearing is not necessary to clarify the factual record in these applications, or otherwise warranted in this case. Accordingly, Michigan ACORN's request for a public meeting or hearing on this application is hereby denied.

FOA proposes to conduct these activities in accordance with the Board's regulations and decisions governing these activities. FOA also operates subsidiaries that provide data processing services and credit-related insurance. The market shares of these subsidiaries are small, and there are numerous competitors for these services. In light of the facts of record, the Board concludes that the acquisition by FOA of SecureData Corp. and United Bankers Life Insurance Company would not have a significantly adverse effect on competition in any relevant market. Furthermore, there is no evidence in the record to indicate that consummation of this proposal is likely to result in any other significantly adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices that are not outweighed by the public benefits in this case. Accordingly, the Board has determined that the balance of public interest factors it must consider under section 4(c)(8) of the BHC Act is favorable and consistent with approval of the application by FOA to acquire SecureData Corp. and United Bankers Life Insurance Company.

Based on the foregoing and other facts of record and subject to the commitments made by FOA and all its subsidiaries in this case, the Board has determined that the applications should be, and hereby are, approved. This approval is specifically conditioned on compliance by FOA and its subsidiaries with all of the commitments made in connection with these applications and with the conditions referenced in this order. The determinations as to FOA's nonbanking activities are also subject to all of the conditions contained in the Board's Regulation Y, including those in sections 225.4(d) and 225.23(b)(3) (12 C.F.R. 225.4(d) and 225.23(b)(3)), and to the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with, or prevent evasions of, the provisions and purposes of the BHC Act and the Board's regulations and orders issued thereunder. The commitments and conditions relied on in reaching this decision are conditions imposed in writing by the Board in connection with its findings and decision and may be enforced in proceedings under applicable law.

The acquisition of Security's banks shall not be consummated before the thirtieth calendar day following the effective date of this Order, and the acquisition of Security's banks and of SecureData Corp. and United Bankers Life Insurance Company shall not be consummated later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve

Bank of Chicago, acting pursuant to delegated authority.

By order of the Board of Governors, effective March 12, 1992.

Voting for this action: Chairman Greenspan and Governors Mullins, Angell, Kelley, LaWare, Lindsey, and Phillips.

JENNIFER J. JOHNSON
Associate Secretary of the Board

Mercantile Bancorporation, Inc.
St. Louis, Missouri

Order Approving Acquisition of a Bank Holding Company

Mercantile Bancorporation, Inc., St. Louis, Missouri ("Mercantile"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has applied under section 3 of the BHC Act (12 U.S.C. § 1842) to acquire Ameribanc, Inc., St. Joseph, Missouri ("Ameribanc"), and thereby acquire Ameribanc's eleven bank subsidiaries.¹ Mercantile also has applied under section 4(c)(8) of the BHC Act to acquire Ameribanc Life Insurance Company, St. Joseph, Missouri ("Ameribanc Life"), and thereby engage in the reinsurance of credit life, accident, and health insurance sold in connection with extensions of credit made by Ameribanc's subsidiary banks. Mercantile proposes to conduct this activity in accordance with the Board's Regulation Y (12 C.F.R. 225.25(b)(8)(i)).²

Notice of the applications, affording interested persons an opportunity to submit comments, has been duly published (56 *Federal Register* 67,322 (1991)). The time for filing comments has expired, and the Board has considered the applications and all the

comments received in light of the factors set forth in sections 3(c) and 4(c)(8) of the BHC Act.

Mercantile, with total deposits of \$5.6 billion, controls banking subsidiaries in Missouri and Illinois.³ Mercantile is the third largest commercial banking organization in Missouri, with 25 subsidiary banks controlling \$5.2 billion in deposits, representing 9.9 percent of total deposits in commercial banking organizations in the state. Ameribanc is the ninth largest commercial banking organization in Missouri, controlling 11 subsidiary banks with \$1 billion in deposits, representing approximately 1.9 percent of total deposits in commercial banking organizations in the state. Upon consummation of this proposal and all proposed divestitures, Mercantile would become the second largest commercial banking organization in Missouri, controlling deposits of \$6.2 billion, representing 11.8 percent of total deposits in commercial banking organizations in the state.

Mercantile and Ameribanc compete directly in four banking markets in Missouri. After considering the competition offered by other depository institutions in the market,⁴ the number of competitors remaining in the market, the increase in concentration, and the other facts of record, the Board has concluded that consummation of the proposal would not result in a significantly adverse effect on competition in the St. Louis, Kansas City, or Washington banking markets.⁵

Mercantile has proposed a divestiture to mitigate the anticompetitive effects of the proposed acquisition in the Grundy County, Missouri, banking market. In the Grundy County banking market, Mercantile is the largest of four depository institutions, controlling \$63.2 million in deposits, representing 39.5 percent of

3. State deposit data are as of June 30, 1991. Market deposit data are as of June 30, 1990.

4. In this context, depository institutions include commercial banks, savings banks, and savings associations. Market share data are based on calculations in which the deposits of thrift institutions are included at 50 percent. The Board previously has indicated that thrift institutions have become, or have the potential to become, significant competitors of commercial banks. *WM Bancorp*, 76 *Federal Reserve Bulletin* 788 (1990); *First Union Corporation*, 76 *Federal Reserve Bulletin* 83 (1990); *Midwest Financial Group*, 75 *Federal Reserve Bulletin* 386 (1989).

5. Under the revised Department of Justice Merger Guidelines, 69 *Federal Register* 26,823 (1984), a market in which the post-merger Herfindahl-Hirschman Index ("HHI") is above 1800 is considered highly concentrated. In such markets, the Department of Justice is likely to challenge a merger that increases the HHI by more than 50 points. The Department of Justice has informed the Board that, as a general matter, a bank merger or acquisition will not be challenged, in the absence of other factors indicating anticompetitive effects, unless the post-merger HHI is at least 1800 and the merger increases the HHI by 200 points. The Justice Department has stated that the higher than normal HHI thresholds for screening bank mergers for anticompetitive effects implicitly recognize the competitive effect of limited-purpose lenders and other non-depository financial entities.

1. Ameribanc's subsidiary banks, all in Missouri, are: American National Bank of St. Joseph, St. Joseph; American Bank, Kansas City; American Bank of Boone County, Centralia; American Bank of Franklin County, Union; American Bank of Morgan County, Versailles; American Bank of North Central Missouri, Trenton; American Bank of Northwest Missouri, Maryville; American Bank of Platte County, Kansas City; American Bank of St. Louis, St. Louis; American Bank of Plattsburg/Edgerton, Plattsburg; and American Bank of Rolla, Rolla. Mercantile proposes to accomplish this acquisition by forming a wholly owned subsidiary, Mercantile Acquisition Corporation I, St. Louis, Missouri ("MAC"), which will merge with Ameribanc. In connection with this application, MAC has applied under section 3(a)(1) of the BHC to become a bank holding company.

2. In connection with this transaction, Ameribanc has granted Mercantile an option to purchase up to 19.9 percent of the outstanding common stock of Ameribanc, and Mercantile has applied to exercise the option if any of several preconditions occurs. This option will become moot upon consummation of the Mercantile applications to acquire Ameribanc.

the total deposits in depository institutions in the market.⁶ Ameribanc's subsidiary bank, American Bank of North Central Missouri, Trenton, Missouri, is the smallest depository institution in the Grundy County banking market, controlling \$23.8 million in deposits, representing 14.9 percent of total deposits in depository institutions in the market. Mercantile has committed to divest this bank to a banking organization not currently operating in the market.⁷ As a result of this divestiture, the number of depository institutions in the Grundy County market will not change following consummation of the proposal, and the HHI in the market would remain unchanged.⁸

Based on all the facts of record, and subject to the divestiture proposal made by Mercantile, the Board has determined that consummation of this proposal would not have a significantly adverse effect on competition in the Grundy County banking market.

The financial and managerial resources, future prospects of Mercantile, Ameribanc, and their respective subsidiaries are consistent with approval of this proposal. Considerations relating to the convenience and needs of the communities to be served and the other factors the Board must consider under section 3 of the BHC Act also are consistent with approval.

Mercantile also has applied under section 4(c)(8) of the BHC Act to acquire Ameribanc Life and thereby engage in the reinsurance of credit life, accident, and health insurance sold in connection with extensions of credit made by Ameribanc's subsidiary banks. As noted above, this activity is permissible for bank holding companies under the Board's Regulation Y, and Mercantile will conduct this activity in accordance with the Board's regulation and decisions regarding this activity.

Consummation of this proposal would not have any significantly adverse effect on competition in the provision of this service in any relevant market. Further-

more, there is no evidence in the record to indicate that consummation of this proposal is likely to result in any significantly adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices that are not outweighed by the public benefits in this case. Accordingly, the Board has determined that the balance of public interest factors it must consider under section 4(c)(8) of the BHC Act is favorable and consistent with approval of the application by Mercantile to acquire Ameribanc Life.

Based on the foregoing and other facts of record, and subject to the commitments made by Mercantile in this case, the Board has determined that the applications should be, and hereby are, approved. This approval is specifically conditioned upon compliance by Mercantile and its subsidiaries with all of the commitments made in connection with these applications and with the conditions referenced in this order. The determinations as to the nonbanking subsidiary to be acquired also are subject to all of the conditions contained in the Board's Regulation Y, including those in sections 225.4(d) and 225.23(b)(3) (12 C.F.R. 225.4(d) and 225.23(b)(3)), and to the Board's authority to require such modification or termination of the activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with, or prevent evasions of, the provisions and purposes of the BHC Act and the Board's regulations and orders issued thereunder. The commitments and conditions relied on in reaching this decision are conditions imposed in writing by the Board in connection with its findings and decision and may be enforced in proceedings under applicable law.

The acquisition of Ameribanc's banks shall not be consummated before the thirtieth calendar day following the effective date of this Order, and the acquisition of Ameribanc and Ameribanc Life shall not be consummated later than three months after the effective date of this Order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of St. Louis, acting pursuant to delegated authority.

By order of the Board of Governors, effective March 18, 1992.

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

JENNIFER J. JOHNSON
Associate Secretary of the Board

6. The Grundy County, Missouri banking market is approximated by all of Grundy County, Missouri.

7. Ameribanc has entered into an agreement to divest American Bank of North Central Missouri to a bank that does not operate in the market. If Mercantile is unsuccessful in divesting this bank within 180 days of consummation, Mercantile has committed to transfer the shares of this bank to an independent trustee who would be instructed to sell the bank promptly. See, e.g., *United New Mexico Financial Corporation*, 77 *Federal Reserve Bulletin* 484,485 (1991); *First Union Corporation*, 76 *Federal Reserve Bulletin* 83 (1990).

8. In evaluating this proposal, the Board carefully considered comments filed by an individual who urged the Board to condition approval of the applications on the sale of American Bank of North Central Missouri to independent third parties to preserve competition in the Grundy County banking market. The divestiture commitment made by Mercantile fully addresses these comments.

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

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

Bank Holding Company	Acquired Thrift	Surviving Bank(s)	Approval Date
First Commercial Corporation, Little Rock, Arkansas	Home Federal Savings Association of Kansas City, Kansas City, Missouri (Russellville Branch)	First National Bank of Russellville, Russellville, Arkansas	March 27, 1992
First United Bancshares, El Dorado, Arkansas	Home Federal Savings Association of Kansas City, Kansas City, Missouri (Camden Branch)	Merchants & Planters Bank, N.A., Camden, Arkansas	March 27, 1992
Meridian Bancorp, Inc., Reading, Pennsylvania	Bell Federal Savings Bank, Upper Darby, Pennsylvania	Meridian Bank, Reading, Pennsylvania	March 20, 1992
Simmons First National Corporation, Pine Bluff, Arkansas	Home Federal Savings Association of Kansas City, Kansas City, Missouri (Pine Bluff-White Hall Branch)	Simmons First National Bank, Pine Bluff, Arkansas	March 27, 1992

APPLICATIONS APPROVED UNDER BANK HOLDING COMPANY ACT

By the Secretary of the Board

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

Section 3

Applicant(s)	Bank(s)	Effective Date
Arvest Bank Group, Inc., Bentonville, Arkansas	TRH Bank Group, Inc., Norman, Oklahoma	March 10, 1992
First Commercial Corporation, Little Rock, Arkansas		
Meridian Bancorp, Inc., Reading, Pennsylvania	United Bank of Philadelphia, Philadelphia, Pennsylvania	March 20, 1992

*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
Associated Banc-Corp, Green Bay, Wisconsin	Northeast Wisconsin Financial Services, Inc., Sturgeon Bay, Wisconsin	Chicago	March 6, 1992
Aurora First National Company, Aurora, Nebraska	Stromsburg Financial Services, Inc., Stromsburg, Nebraska Wood River Financial Services, Inc., Wood River, Nebraska	Kansas City	February 27, 1992
Browning Partners International, Inc., Miami, Florida	CJH Browning Bank, Miami, Florida	Atlanta	March 19, 1992
Citizens Bank Group, Inc., Minneapolis, Minnesota	Citizens State Bank of St. James, St. James, Minnesota	Minneapolis	February 24, 1992
CNB Bancshares, Inc., Evansville, Indiana	Indiana Bancshares, Inc., Greenwood, Indiana	St. Louis	March 20, 1992
CNB of Central Indiana, Inc., Evansville, Indiana			
Continental Bancorporation, Las Vegas, Nevada	Continental National Bank, Las Vegas, Nevada	San Francisco	March 23, 1992
Crescent Banking Company, Jasper, Georgia	Crescent Bank and Trust Company, Jasper, Georgia	Atlanta	March 23, 1992
CS Bancshares, Inc., Chillicothe, Missouri	Alma Bancshares Corporation, Alma, Missouri	Kansas City	March 18, 1992
Dawson Corporation, Lexington, Nebraska	Guaranty Corporation, Denver, Colorado	Kansas City	March 13, 1992
Dixon Bancshares, Inc., Rolfe, Iowa	Rolfe State Bank, Rolfe, Iowa Citizens State Bank, Sheldon, Iowa	Chicago	March 24, 1992
F & M National Corporation, Winchester, Virginia	Farmers and Merchants Bank of Keyser, Keyser, West Virginia	Richmond	March 13, 1992

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
First Commonwealth Financial Corporation, Indiana, Pennsylvania	Central Bank, Claysburg, Pennsylvania	Cleveland	February 26, 1992
Forbes First Financial Corporation, Clayton, Missouri	Pioneer Bank and Trust Company, Maplewood, Missouri	St. Louis	February 24, 1992
Heritage Financial Services, Inc., Clarksville, Tennessee	Heritage Bank, Clarksville, Tennessee	Atlanta	March 13, 1992
Hinsbrook Bancshares, Inc., Willowbrook, Illinois	Hinsbrook Bank and Trust, Willowbrook, Illinois	Chicago	March 12, 1992
Mid-Missouri Bancshares, Inc., Nevada, Missouri	Tri-County State Bank, El Dorado Springs, Missouri	St. Louis	March 17, 1992
Minden Bancshares, Inc., Minden, Louisiana	Webster Bancshares, Inc., Minden, Louisiana Webster Bank & Trust Company, Minden, Louisiana	Dallas	March 13, 1992
Minden Exchange Company, Minden, Nebraska	Midwest Banco Corporation, Cozad, Nebraska	Kansas City	March 2, 1992
Minnesota-Wisconsin Bancshares, Inc., Newport, Minnesota	MidAmerica Bancorporation, Inc., Newport, Minnesota	Minneapolis	February 28, 1992
North Platte Corporation, Torrington, Wyoming	Worland Holding Company, Worland, Wyoming	Kansas City	March 16, 1992
Ohio Bancorp, Youngstown, Ohio	Cortland Bancorp, Cortland, Ohio	Cleveland	March 12, 1992
PBA Financial Corporation, Mobile, Alabama	Peoples Bancshares, Inc., Elba, Alabama	Atlanta	February 26, 1992
Peoples First Corporation, Paducah, Kentucky	Bank of Murray, Murray, Kentucky	St. Louis	February 24, 1992
Pine State Bancshares, Inc., Monticello, Arkansas	Pine State Bank, Kingsland, Arkansas	St. Louis	February 25, 1992
Provident Bancorp, Inc., Cincinnati, Ohio	The Provident Bank of Kenton County, Covington, Kentucky The Provident Bank of Boone County, Burlington, Kentucky	Cleveland	February 28, 1992
SouthTrust Corporation, Birmingham, Alabama	SouthTrust Bank of Georgia, N.A., Atlanta, Georgia	Atlanta	March 16, 1992
Summit Bancorp, Inc., Bellevue, Washington	Summit Savings Bank, Bellevue, Washington	San Francisco	February 26, 1992

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Swisher Bankshares, Inc., Swisher, Iowa	Swisher Trust and Savings Bank, Swisher, Iowa	Chicago	March 24, 1992
Triangle Bancorp, Inc., Raleigh, North Carolina	Triangle Bank and Trust Company, Raleigh, North Carolina	Richmond	March 11, 1992
Tulsa Valley Bancshares Corporation, Tulsa, Oklahoma	Valley National Bank, Tulsa, Oklahoma	Kansas City	March 4, 1992
United Central Bancshares, Inc., Bowling Green, Kentucky	South Central Bank of Bowling Green, Inc., Bowling Green, Kentucky	St. Louis	February 21, 1992
Wall Street Holding Company, Hamilton, North Dakota	Bank of Hamilton, Hamilton, North Dakota	Minneapolis	March 20, 1992

Section 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
BB&T Financial Corporation, Wilson, North Carolina	Peoples Federal Savings Bank of Thomasville, Thomasville, North Carolina	Richmond	February 28, 1992
Boatmen's Bancshares, Inc., St. Louis, Missouri	Superior Federal Bank, Federal Savings Bank, Fort Smith, Arkansas	St. Louis	February 28, 1992
First Union Corporation, Charlotte, North Carolina	Hometown Finance, Lockhart, Texas	Richmond	February 25, 1992
The Fuji Bank, Limited, Tokyo, Japan	The Financial Center Bank, N.A., San Francisco, California	New York	March 20, 1992
Second Bancorp, Inc., Warren, Ohio	Aurora Federal Savings Bank, Aurora, Ohio	Cleveland	March 27, 1992
USBANCORP, Inc., Johnstown, Pennsylvania	Community Bancorp, Inc., Monroeville, Pennsylvania	Philadelphia	March 6, 1992

Sections 3 and 4

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Associated Banc-Corp, Green Bay, Wisconsin	F&M Financial Services Corporation, Menomonee Falls, Wisconsin	Chicago	March 6, 1992
Independence Community Bank Corporation, Brooklyn, New York	Independence Savings Bank, Brooklyn, New York Long Island City Financial Corporation, Long Island City, New York	New York	February 28, 1992
National City Corporation, Cleveland, Ohio NC Acquisition Corp., Cleveland, Ohio	Merchants National Corporation, Indianapolis, Indiana	Cleveland	March 16, 1992

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
CivicBank of Commerce, Oakland, California	American Bank & Trust Company, San Jose, California	San Francisco	March 5, 1992
Interim Central Bank, Claysburg, Pennsylvania	Central Bank, Claysburg, Pennsylvania	Philadelphia	February 26, 1992
Peoples State Bank, Plainview, Minnesota	Eastwood Bank, St. Charles, Minnesota	Minneapolis	March 23, 1992
The Provident Bank, Cincinnati, Ohio	Merit Savings Bank, Cincinnati, Ohio Thrift Savings Bank, Cincinnati, Ohio	Cleveland	March 20, 1992
The State Bank and Trust Company, Defiance, Ohio	Society Bank and Trust Company, Toledo, Ohio	Cleveland	March 3, 1992
Tri-State Bank, Denver, Colorado	Boulder Tri-State Bank, Boulder, Colorado	Kansas City	March 10, 1992

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.

Davis v. Board of Governors, No. 91-6972 (Supreme Court, filed December 4, 1991). Petition for *certiorari* seeking review of *Burke v. Board of Governors*, 940 F.2d 1360 (10th Cir. 1991), in which the court of appeals upheld Board orders assessing civil money penalties and issuing orders of prohibition.

In re Subpoena Served on the Board of Governors, Nos. 91-5427, 91-5428 (D.C. Cir., filed December 27, 1991). Appeal of order of district court, dated December 3, 1991, requiring the Board and the Office of the Comptroller of the Currency to produce confidential examination material to a private litigant. The court of appeals stayed the district court order on January 7, 1992, and oral argument was held on the case on March 17, 1992.

Greenberg v. Board of Governors, No. 91-4200 (2d Cir., filed December 4, 1991). Petition for review of orders of prohibition issued by the Board on October 28, 1991. Oral argument is scheduled for the week of April 13, 1992.

First Interstate BancSystem of Montana, Inc. v. Board of Governors, No. 91-1525 (D.C. Cir., filed November 1, 1991). Petition for review of Board's order denying on Community Reinvestment Act grounds the petitioner's application under section 3 of the Bank Holding Company Act to merge with Commerce BancShares of Wyoming, Inc. The case is pending.

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

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

In re Smouha, No. 91-B-13569 (Bkr. S.D. New York, filed August 2, 1991). Ancillary proceeding under the U.S. Bankruptcy Code brought by provisional liquidators of BCCI Holdings (Luxembourg)

S.A. and affiliated companies. On August 15, 1991, the bankruptcy court issued a temporary restraining order staying certain judicial and administrative actions, which has been continued by consent.

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

Synovus Financial Corp. v. Board of Governors, No. 89-1394 (D.C. Circuit, filed June 21, 1989). Petition for review of Board order permitting relocation of a bank holding company's national bank subsidiary from Alabama to Georgia. On December 20, 1991, the Court of Appeals vacated the Board's order, ruling that the Board has no authority over interstate relocations of national banks. Synovus's petition for rehearing was denied on March 27, 1992.

MCorp v. Board of Governors, No. CA3-88-2693 (N.D. Texas, filed October 10, 1988). Application for injunction to set aside temporary cease and desist orders. The case is pending.

FINAL ENFORCEMENT ORDERS ISSUED BY THE BOARD OF GOVERNORS

Farmers and Merchants Bank of Long Beach
Long Beach, California

The Federal Reserve Board announced on March 25, 1992, the issuance of a Cease and Desist Order against the Farmers and Merchants Bank of Long Beach, Long Beach, California.

WRITTEN AGREEMENTS APPROVED BY FEDERAL RESERVE BANKS

Bank of White Sulphur Springs
White Sulphur Springs, West Virginia

The Federal Reserve Board announced on March 3, 1992, the execution of a Written Agreement among the Federal Reserve Bank of Richmond, the State of West Virginia Department of Banking, and the Bank of White Sulphur Springs, White Sulphur Springs, West Virginia.

Georgetown Bancorp, Inc.
Georgetown, Kentucky

The Federal Reserve Board announced on March 3, 1992, the execution of a Written Agreement among the Federal Reserve Bank of Cleveland, the Department of Financial Institutions of the State of Kentucky, and Georgetown Bancorp, Inc., Georgetown, Kentucky.

Greater Chicago Financial Corporation
Chicago, Illinois

The Federal Reserve Board announced on March 25, 1992, the execution of a Written Agreement between the Federal Reserve Bank of Chicago and Greater Chicago Financial Corporation, Chicago, Illinois.

Multibank Financial Corp.
Dedham, Massachusetts

The Federal Reserve Board announced on March 4, 1992, the execution of a Written Agreement between the Federal Reserve Bank of Boston and Multibank Financial Corp., Dedham, Massachusetts.

Prosperity Bank & Trust Company
Springfield, Virginia

The Federal Reserve Board announced on March 13, 1992, the execution of a Written Agreement among the Federal Reserve Bank of Richmond, the Bureau of Financial Institutions of the Commonwealth of Virginia, and the Prosperity Bank & Trust Company, Springfield, Virginia.

Directors of Federal Reserve Banks and Branches

Regional decentralization and a combination of governmental and private characteristics are important hallmarks of the uniqueness of the Federal Reserve System. Under the Federal Reserve Act, decentralization was achieved by division of the country into twelve regions called Federal Reserve Districts, and the establishment in each District of a separately incorporated Federal Reserve Bank with its own board of directors. The blending of governmental and private characteristics is provided through ownership of the stock of the Reserve Bank by member banks in its District, who also elect the majority of the board of directors, and by the general supervision of the Reserve Banks by the Board of Governors, an agency of the federal government. The Board also appoints a minority of each board of directors. Thus, there are essential elements of regional participation and counsel in the conduct of the System's affairs for which the Federal Reserve relies in an important way on the contributions of the directors of the Federal Reserve Banks and Branches.

The following list of directors of Federal Reserve Banks and Branches shows for each director the class of directorship, the principal business affiliation, and the date the current term expires. Each Federal Reserve Bank has nine members on its board of directors: the member banks elect the three Class A and three Class B directors, and the Board of Governors appoints the three directors in Class C. Directors are

chosen without discrimination as to race, creed, color, sex, or national origin.

Class A directors of each Reserve Bank represent the stockholding member banks of the Federal Reserve District. Class B and Class C directors represent the public and are chosen with due, but not exclusive, consideration to the interests of agriculture, commerce, industry, services, labor, and consumers; they may not be officers, directors, or employees of any bank. In addition, Class C directors may not be stockholders of any bank. The Board of Governors designates annually one Class C director as chairman of the board of directors of each District Bank, and designates another Class C director as deputy chairman.

Each of the twenty-five Branches of Federal Reserve Banks has a board of either seven or five directors, a majority of whom are appointed by the parent Federal Reserve Bank; the others are appointed by the Board of Governors. One of the Board's appointees is designated annually as chairman of the board of that Branch in a manner prescribed by the parent Federal Reserve Bank.

The names of the chairman and deputy chairman of the board of directors of each Reserve Bank and of the chairman of each Branch are published monthly in the *Federal Reserve Bulletin*.¹

1. The current list appears on page A90 of this *Bulletin*.

DISTRICT 1—BOSTON

Class A

		<i>Term expires Dec. 31</i>
Terrence Murray	Chairman of the Board, President, and Chief Executive Officer, Fleet/Norstar Financial Group, Inc., Providence, Rhode Island	1992
Vacancy		1993
Robert M. Silva	President, Chief Executive Officer, and Director, The Citizens National Bank, Putnam, Connecticut	1994

*DISTRICT 1—Continued**Class B**Term
expires
Dec. 31*

Joan T. Bok	Chairman of the Board, New England Electric System, Westborough, Massachusetts	1992
Stephen R. Levy	Chairman of the Board and Chief Executive Officer, Bolt Beranek and Newman, Inc., Cambridge, Massachusetts	1993
Edward H. Ladd	Chairman and Chief Executive Officer, Standish, Ayer and Wood, Inc., Boston, Massachusetts	1994

Class C

Richard N. Cooper	Maurits C. Boas Professor of International Economics, Harvard University, Cambridge, Massachusetts	1992
John E. Flynn	Executive Director, The Quality Connection, East Dennis, Massachusetts	1993
Jerome H. Grossman	Chairman of the Board and Chief Executive Officer, New England Medical Center, Inc., Boston, Massachusetts	1994

*DISTRICT 2—NEW YORK**Class A*

Victor J. Riley, Jr.	Chairman of the Board, President, and Chief Executive Officer, KeyCorp, Albany, New York	1992
Barbara Harding	Chairman of the Board and Chief Executive Officer, Phillipsburg National Bank and Trust Company, Phillipsburg, New Jersey	1993
Thomas G. Labrecque	Chairman and Chief Executive Officer, The Chase Manhattan Bank, N.A., New York, New York	1994

Class B

John A. Georges	Chairman of the Board and Chief Executive Officer, International Paper, Purchase, New York	1992
Rand V. Araskog	Chairman, President, and Chief Executive Officer, ITT Corporation, New York, New York	1993
Robert E. Allen	Chairman and Chief Executive Officer, AT&T, New York, New York	1994

Class C

Cyrus R. Vance	Presiding Partner, Simpson Thacher & Bartlett, New York, New York	1992
Ellen V. Futter	President, Barnard College, New York, New York	1993
Maurice R. Greenberg	Chairman and Chief Executive Officer, American International Group, Inc., New York, New York	1994

*—Buffalo Branch**Appointed by the Federal Reserve Bank*

Wilbur F. Beh	President, Atlanta National Bank, Atlanta, New York	1992
Susan A. McLaughlin	General Credit Manager, Eastman Kodak Company, Rochester, New York	1993
Charles M. Mitschow	Senior Executive Vice President, Regional Banking, Marine Midland Bank, N.A., Buffalo, New York	1994
Richard H. Popp	Operating Partner, Southview Farm, Castile, New York	1994

*DISTRICT 2—Continued**Term
expires
Dec. 31**Buffalo Branch—Continued**Appointed by the Board of Governors*

Herbert L. Washington	HLW Fast Track, Inc., Rochester, New York	1992
Joseph J. Castiglia	President and Chief Executive Officer, Pratt & Lambert, Inc., Buffalo, New York	1993
Donald L. Rust	Plant Manager, General Motors Powertrain Division, Tonawanda Engine Plant, Buffalo, New York	1994

*DISTRICT 3—PHILADELPHIA**Class A*

Samuel A. McCullough	Chairman of the Board and Chief Executive Officer, Meridian Bancorp, Inc., Reading, Pennsylvania	1992
Gary F. Simmerman	President and Chief Executive Officer, United Jersey Bank/South, N.A., Cherry Hill, New Jersey	1993
H. Bernard Lynch	President and Chief Executive Officer, The First National Bank of Wyoming, Wyoming, Delaware	1994

Class B

David W. Huggins	President, R M S Technologies, Inc., Marlton, New Jersey	1992
James M. Mead	President, Capital Blue Cross, Harrisburg, Pennsylvania	1993
James A. Hagen	Chairman, President, and Chief Executive Officer, Consolidated Rail Corporation, Philadelphia, Pennsylvania	1994

Class C

Peter A. Benoiel	Chairman of the Board, Quaker Chemical Corporation, Conshohocken, Pennsylvania	1992
Jane G. Pepper	President, The Pennsylvania Horticultural Society, Philadelphia, Pennsylvania	1993
Donald J. Kennedy	Business Manager, International Brotherhood of Electrical Workers, Local Union No. 269, Trenton, New Jersey	1994

*DISTRICT 4—CLEVELAND**Class A*

Frank Wobst	Chairman of the Board and Chief Executive Officer, Huntington Bancshares Incorporated, Columbus, Ohio	1992
Alfred C. Leist	Chairman, President, and Chief Executive Officer, Apple Creek Banking Company, Apple Creek, Ohio	1993
William T. McConnell	President, The Park National Bank, Newark, Ohio	1994

Class B

Laban P. Jackson, Jr.	Chairman of the Board, Clearcreek Properties, Lexington, Kentucky	1992
Verna K. Gibson	Business Consultant, Columbus, Ohio	1993
Douglas E. Olesen	President and Chief Executive Officer, Battelle Memorial Institute, Columbus, Ohio	1994

*DISTRICT 4—Continued**Class C**Term
expires
Dec. 31*

A. William Reynolds	Chairman and Chief Executive Officer, GenCorp, Fairlawn, Ohio	1992
John R. Hodges	President, Ohio AFL-CIO, Columbus, Ohio	1993
John R. Miller	Former President and Chief Operating Officer, The Standard Oil Company (Ohio), Cleveland, Ohio	1994

*—Cincinnati Branch**Appointed by the Federal Reserve Bank*

Clay Parker Davis	President and Chief Executive Officer, Citizens National Bank, Somerset, Kentucky	1992
Jack W. Buchanan	President, Sphar & Company, Inc., Winchester, Kentucky	1993
Harry A. Shaw, III	Chairman and Chief Executive Officer, Huffey Corporation, Dayton, Ohio	1993
Marvin J. Stammen	President and Chief Executive Officer, Second National Bank, Greenville, Ohio	1994

Appointed by the Board of Governors

Eleanor Hicks	Advisor for International Liaison Protocol and Services, and Associate Professor of Political Science, University of Cincinnati, Cincinnati, Ohio	1992
Marvin Rosenberg	Partner, Towne Properties, Ltd., Cincinnati, Ohio	1993
Raymond A. Bradbury	Chairman, Martin County Coal Corporation, Inez, Kentucky	1994

*—Pittsburgh Branch**Appointed by the Federal Reserve Bank*

William F. Roemer	Chairman and Chief Executive Officer, Integra Financial Corporation, Pittsburgh, Pennsylvania	1992
George A. Davidson, Jr.	Chairman and Chief Executive Officer, Consolidated Natural Gas Company, Pittsburgh, Pennsylvania	1993
I.N. Rendall Harper, Jr.	President, American Micrographics Company, Inc., Monroeville, Pennsylvania	1993
David S. Dahlmann	President and Chief Executive Officer, Southwest National Corporation, Greensburg, Pennsylvania	1994

Appointed by the Board of Governors

Robert P. Bozzone	President and Chief Executive Officer, Allegheny Ludlum Corporation, Pittsburgh, Pennsylvania	1992
Sandra L. Phillips	Executive Director, Pittsburgh Partnership for Neighborhood Development, Pittsburgh, Pennsylvania	1993
Jack B. Piatt	Chairman of the Board, Millcraft Industries, Inc., Washington, Pennsylvania	1994

*DISTRICT 5—RICHMOND**Class A*

A. Pierce Stone	Chairman, President, and Chief Executive Officer, Virginia Community Bank, Louisa, Virginia	1992
James G. Lindley	Chairman, President, and Chief Executive Officer, South Carolina National Bank, Columbia, South Carolina	1993
Webb C. Hayes IV	President, The Palmer National Bank, Washington, D.C.	1994

*DISTRICT 5—Continued**Class B**Term
expires
Dec. 31*

R. E. Atkinson, Jr.	Chairman, Dilmar Oil Company, Inc., Florence, South Carolina	1992
Paul A. DeLaCourt	Chairman, The North Carolina Enterprise Corporation, Raleigh, North Carolina	1993
L. Newton Thomas, Jr.	Retired Senior Vice President, ITT/Carbon Industries, Inc., Charleston, West Virginia	1994

Class C

Henry J. Faison	President, Faison Associates, Charlotte, North Carolina	1992
Stephen Brobeck	Executive Director, Consumer Federation of America, Washington, D.C.	1993
Anne Marie Whittemore	Partner, McGuire, Woods, Battle & Boothe, Richmond, Virginia	1994

*—Baltimore Branch**Appointed by the Federal Reserve Bank*

Richard M. Adams	Chairman and Chief Executive Officer, United Bankshares, Inc., Parkersburg, West Virginia	1992
Daniel P. Henson III	Senior Development Director, Struever Bros., Eccles & Rouse, Inc., Baltimore, Maryland	1993
Admiral Thomas J. Hughes	President, Navy Federal Credit Union, Vienna, Virginia	1994
F. Levi Ruark	Chairman of the Board and President, The National Bank of Cambridge, Cambridge, Maryland	1994

Appointed by the Board of Governors

John R. Hardesty, Jr.	President, Preston Energy, Inc., Kingwood, West Virginia	1992
Michael R. Watson	President, Association of Maryland Pilots, Annapolis, Maryland	1993
Rebecca Hahn Windsor	Chairman and Chief Executive Officer, Hahn Transportation, Inc., New Market, Maryland	1994

*—Charlotte Branch**Appointed by the Federal Reserve Bank*

David B. Jordan	President, Chief Executive Officer, and Director, Omni Capital Group, Inc. and OMNIBANK, Salisbury, North Carolina	1992
Jim M. Cherry, Jr.	President and Chief Executive Officer, Williamsburg First National Bank, Kingstree, South Carolina	1993
Vacancy		1994
L. Glenn Orr, Jr.	Chairman, President, and Chief Executive Officer, Southern National Corporation, Lumberton, North Carolina	1994

Appointed by the Board of Governors

Anne M. Allen	President, Anne Allen & Associates, Inc., Greensboro, North Carolina	1992
William E. Masters	President, Perception, Inc., Easley, South Carolina	1993
Harold D. Kingsmore	President and Chief Operating Officer, Graniteville Company, Graniteville, South Carolina	1994

*DISTRICT 6—ATLANTA**Class A**Term
expires
Dec. 31*

W. H. Swain	Chairman of the Board, First National Bank, Oneida, Tennessee	1992
James B. Williams	Chairman and Chief Executive Officer, SunTrust Banks, Inc., Atlanta, Georgia	1993
Simpson Russell	Chairman and Chief Executive Officer, The First National Bank of Florence, Florence, Alabama	1994

Class B

J. Thomas Holton	Chairman of the Board and President, Sherman International Corporation, Birmingham, Alabama	1992
Andre M. Rubenstein	Chairman of the Board and Chief Executive Officer, Rubenstein Brothers, Inc., New Orleans, Louisiana	1993
Sandra H. Gray	Co-Owner, Gemini Springs Farm, DeBary, Florida	1994

Class C

Leo Benatar	Chairman of the Board and President, Engraph, Inc., Atlanta, Georgia	1992
Edwin A. Huston	Senior Executive Vice President—Finance, Ryder System, Inc., Miami, Florida	1993
Hugh M. Brown	President and Chief Executive Officer, BAMSI, Inc., Titusville, Florida	1994

*—Birmingham Branch**Appointed by the Federal Reserve Bank*

Robert M. Barrett	Chairman and President, The First National Bank of Wetumpka, Wetumpka, Alabama	1992
Julian W. Banton	Chairman, President, and Chief Executive Officer, SouthTrust Bank of Alabama, N.A., Birmingham, Alabama	1993
Marlin D. Moore, Jr.	Chairman, Pritchett-Moore, Inc., Tuscaloosa, Alabama	1994
Columbus Sanders	President, Consolidated Industries, Inc., Huntsville, Alabama	1994

Appointed by the Board of Governors

Nelda P. Stephenson	President, Nelda Stephenson Chevrolet, Inc., Florence, Alabama	1992
Donald E. Boomershine	President, Better Business Bureau of Central Alabama, Inc., Birmingham, Alabama	1993
Shelton E. Allred	Chairman of the Board, President, and Chief Executive Officer, Frit Incorporated, Ozark, Alabama	1994

*—Jacksonville Branch**Appointed by the Federal Reserve Bank*

Merle L. Graser	Chairman and Chief Executive Officer, First National Bank of Venice, Venice, Florida	1992
Hugh H. Jones, Jr.	Chairman of the Board and Chief Executive Officer, Barnett Bank of Jacksonville, N.A., Jacksonville, Florida	1993
Perry M. Dawson	President and Chief Executive Officer, Suncoast Schools Federal Credit Union, Tampa, Florida	1994
Arnold A. Heggstad	William H. Dial Professor and Director, College of Business Administration, University of Florida, Gainesville, Florida	1994

*DISTRICT 6—Continued**Term
expires
Dec. 31**Jacksonville Branch—Continued**Appointed by the Board of Governors*

Lana Jane Lewis-Brent	Vice Chairman of the Board, President, and Chief Executive Officer, Paul Brent Designer, Inc., Panama City, Florida	1992
Joan Dial Ruffier	General Partner, Sunshine Cafes and Vice President, Vista Landscaping, Orlando, Florida	1993
Samuel H. Vickers	Chairman, President, and Chief Executive Officer, Design Containers, Inc., Jacksonville, Florida	1994

*—Miami Branch**Appointed by the Federal Reserve Bank*

E. Anthony Newton	President, Island National Bank of Palm Beach, Palm Beach, Florida	1992
Steven C. Shimp	President, O-A-K/Florida, Inc., Fort Myers, Florida	1993
Pat L. Tornillo, Jr.	Executive Vice President, United Teachers of Dade, Miami, Florida	1993
Roberto G. Blanco	Vice Chairman and Chief Financial Officer, Republic National Bank of Miami, Miami, Florida	1994

Appointed by the Board of Governors

R. Kirk Landon	Chairman and Chief Executive Officer, American Bankers Insurance Group, Miami, Florida	1992
Michael T. Wilson	President, Vinegar Bend Farms, Inc., Belle Glade, Florida	1993
Dorothy C. Weaver	President, Intercap Investments, Inc., Coral Gables, Florida	1994

*—Nashville Branch**Appointed by the Federal Reserve Bank*

James D. Harris	President and Chief Executive Officer, Brentwood National Bank, Brentwood, Tennessee	1992
Williams E. Arant, Jr.	President and Chief Executive Officer, First National Bank of Knoxville, Knoxville, Tennessee	1993
William Baxter Lee III	Chairman and President, Southeast Services Corporation, Knoxville, Tennessee	1994
Marguerite W. Sallee	President and Chief Executive Officer, Corporate Child Care Management Services, Nashville, Tennessee	1994

Appointed by the Board of Governors

Harold A. Black	Professor and Head, Department of Finance, College of Business Administration, University of Tennessee, Knoxville, Tennessee	1992
Victoria B. Jackson	President and Chief Executive Officer, DSS/Prodiesel, Inc., Nashville, Tennessee	1993
James R. Tuerff	President and Chief Executive Officer, American General Life and Accident Insurance Company, Nashville, Tennessee	1994

*DISTRICT 6—Continued**Term
expires
Dec. 31**—New Orleans Branch**Appointed by the Federal Reserve Bank*

Earl W. Lundy	Chairman of the Board and Chief Executive Officer, First National Bank of Vicksburg, Vicksburg, Mississippi	1992
A. Hartie Spence	President, Calcasieu Marine National Bank, Lake Charles, Louisiana	1993
Joel B. Bullard, Jr.	President, Joe Bullard Automotive Companies, Mobile, Alabama	1994
Kay L. Nelson	Managing Director, Nelson Capital Corporation, New Orleans, Louisiana	1994

Appointed by the Board of Governors

Lucimarian Tolliver Roberts	President, Mississippi Coast Coliseum Commission, Pass Christian, Mississippi	1992
Victor Bussie	President, Louisiana AFL-CIO, Baton Rouge, Louisiana	1993
Jo Ann Slaydon	President, Slaydon Consultants, Baton Rouge, Louisiana	1994

*DISTRICT 7—CHICAGO**Class A*

B.F. Backlund	Chairman of the Board and Chief Executive Officer, Bartonville Bank, Peoria, Illinois	1992
David W. Fox	Chairman, President, and Chief Executive Officer, The Northern Trust Corporation and The Northern Trust Company, Chicago, Illinois	1993
Stefan S. Anderson	Chairman of the Board, President, and Chief Executive Officer, First Merchants Corporation and First Merchants Bank, Muncie, Indiana	1994

Class B

Paul J. Schierl	Financial Consultant, Green Bay, Wisconsin	1992
A. Charlene Sullivan	Associate Professor of Management, Krannert Graduate School of Management, Purdue University, West Lafayette, Indiana	1993
Thomas C. Dorr	President and Chief Executive Officer, Dorr's Pine Grove Farm Co., Marcus, Iowa	1994

Class C

Richard G. Cline	Chairman of the Board, President, and Chief Executive Officer, NICOR, Inc., Naperville, Illinois	1992
Robert M. Healey	President, Chicago Federation of Labor and Industrial Union Council, AFL-CIO, Chicago, Illinois	1993
Duane L. Burnham	Chairman and Chief Executive Officer, Abbott Laboratories, Abbott Park, Illinois	1994

*—Detroit Branch**Appointed by the Federal Reserve Bank*

Norman F. Rodgers	President and Chief Executive Officer, Hillsdale County National Bank, Hillsdale, Michigan	1992
Charles E. Allen	President and Chief Executive Officer, Graistone Realty Advisors, Inc., Detroit, Michigan	1993
William E. Odom	Chairman, Ford Motor Credit Company, Dearborn, Michigan	1993
Daniel R. Smith	Chairman and Chief Executive Officer, First of America Bank Corporation, Kalamazoo, Michigan	1994

*DISTRICT 7—Continued**Term
expires
Dec. 31**—Detroit Branch—Continued**Appointed by the Board of Governors*

J. Michael Moore	Chairman of the Board and Chief Executive Officer, Invetech Company, Detroit, Michigan	1992
Beverly A. Beltaire	President, P R Associates, Inc., Detroit, Michigan	1993
John D. Forsyth	Executive Director, University of Michigan Hospitals, Ann Arbor, Michigan	1994

*DISTRICT 8—ST. LOUIS**Class A*

W.E. Ayres	Chairman of the Board, Simmons First National Bank of Pine Bluff, Pine Bluff, Arkansas	1992
Ray U. Tanner	Chairman, Director, and Chief Executive Officer, Jackson National Bank, Jackson, Tennessee	1993
Henry G. River, Jr.	President, First National Bank in Pinckneyville, Pinckneyville, Illinois	1994

Class B

Frank M. Mitchener, Jr.	President, Mitchener Farms, Inc., Sumner, Mississippi	1992
Warren R. Lee	President, W. R. Lee & Associates, Inc., Louisville, Kentucky	1993
Sandra B. Sanderson-Chesnut	President and Chief Executive Officer, Sanderson Plumbing Products, Inc., Columbus, Mississippi	1994

Class C

H. Edwin Trusheim	Chairman and Chief Executive Officer, General American Life Insurance Company, St. Louis, Missouri	1992
Janet McAfee Weakley	President, Janet McAfee, Inc., St. Louis, Missouri	1993
Robert H. Quenon	Mining Consultant, St. Louis, Missouri	1994

*—Little Rock Branch**Appointed by the Federal Reserve Bank*

Patricia M. Townsend	President, Townsend Company, Stuttgart, Arkansas	1992
James V. Kelley	Chairman, President, and Chief Executive Officer, First United Bancshares, Inc., El Dorado, Arkansas	1993
Mahlon A. Martin	President, Winthrop Rockefeller Foundation, Little Rock, Arkansas	1993
Barnett Grace	Chairman and Chief Executive Officer, First Commercial Bank, N.A., Little Rock, Arkansas	1994

Appointed by the Board of Governors

James R. Rodgers	Airport Manager, Little Rock Regional Airport, Little Rock, Arkansas	1992
L. Dickson Flake	President, Barnes, Quinn, Flake & Anderson, Inc., Little Rock, Arkansas	1993
Robert Daniel Nabholz, Jr.	Chief Executive Officer, Nabholz Construction Corporation, Conway, Arkansas	1994

*DISTRICT 8—Continued**Term
expires
Dec. 31**—Louisville Branch**Appointed by the Federal Reserve Bank*

Morton Boyd	Chairman and Chief Executive Officer, First Kentucky National Corporation, Louisville, Kentucky	1992
Robert M. Hall	Owner, Mike Hall Farm, Seymour, Indiana	1993
Charles D. Storms	President and Chief Executive Officer, Red Spot Paint and Varnish Company, Inc., Evansville, Indiana	1993
Douglas M. Lester	Chairman, President, and Chief Executive Officer, Trans Financial Bancorp, Inc., Bowling Green, Kentucky	1994

Appointed by the Board of Governors

Daniel L. Ash	Managing Director, Louisville Energy and Environment Corporation, Louisville, Kentucky	1992
John A. Williams	Chairman and Chief Executive Officer, Computer Services, Inc., Paducah, Kentucky	1993
Laura M. Douglas	Legal Director, Metropolitan Sewer District, Louisville, Kentucky	1994

*—Memphis Branch**Appointed by the Federal Reserve Bank*

Michael J. Hennessey	President, Munro & Company, Inc., Wynne, Arkansas	1992
Thomas M. Garrott	President and Chief Operating Officer, National Bank of Commerce and National Commerce Bancorporation, Memphis, Tennessee	1993
Larry A. Watson	Chairman of the Board and President, Liberty Federal Savings Bank, Paris, Tennessee	1993
Lewis F. Mallory, Jr.	President and Chief Executive Officer, National Bank of Commerce of Mississippi, Starkville, Mississippi	1994

Appointed by the Board of Governors

M. Rita Schroeder	President, St. Francis Hospital, Memphis, Tennessee	1992
Seymour B. Johnson	Owner, Kay Planting Company, Indianola, Mississippi	1993
A.C. Wharton, Jr.	Partner, Wharton & Wharton & Associates, Memphis, Tennessee	1994

*DISTRICT 9—MINNEAPOLIS**Class A*

Rodney W. Fouberg	Chairman of the Board, Farmers and Merchants Bank and Trust Co., Aberdeen, South Dakota	1992
Charles L. Seaman	President and Chief Executive Officer, First State Bank of Warner, Warner, South Dakota	1993
William W. Strausburg	Chairman and Chief Executive Officer, First Bank Montana, N.A., and General Manager, First Bank-Regional Banking Group, Billings, Montana	1994

Class B

Bruce C. Adams	Partner, Triple Adams Farms, Minot, North Dakota	1992
Earl R. St. John, Jr.	President, St. John Forest Products, Inc., Spalding, Michigan	1993
Duane E. Dingmann	President, Trubilt Auto Body, Inc., Eau Claire, Wisconsin	1994

*DISTRICT 9—Continued**Class C**Term
expires
Dec. 31*

Gerald A. Rauenhorst	Chairman of the Board and Chief Executive Officer, Opus Corporation, Minneapolis, Minnesota	1992
Delbert W. Johnson	President and Chief Executive Officer, Pioneer Metal Finishing, Minneapolis, Minnesota	1993
Jean D. Kinsey	Professor, Consumption and Consumer Economics, Department of Agricultural and Applied Economics, University of Minnesota, St. Paul, Minnesota	1994

*—Helena Branch**Appointed by the Federal Reserve Bank*

Donald E. Olsson, Jr.	Executive Vice President, Ronan State Bank, Ronan, Montana	1992
Nancy M. Stephenson	Executive Director, Neighborhood Housing Services, Great Falls, Montana	1992
Beverly D. Harris	President, Empire Federal Savings and Loan Association, Livingston, Montana	1993

Appointed by the Board of Governors

J. Frank Gardner	President, Montana Resources, Inc., Butte, Montana	1992
James E. Jenks	Jenks Farms, Hogeland, Montana	1993

*DISTRICT 10—KANSAS CITY**Class A*

Harold L. Gerhart, Jr.	Chairman and Chief Executive Officer, First National Bank, Newman Grove, Nebraska	1992
Roger L. Reisher	Co-Chairman of the Board, FirstBank Holding Company of Colorado, Lakewood, Colorado	1993
Charles I. Moyer	Chairman and Chief Executive Officer, The First National Bank of Phillipsburg, Phillipsburg, Kansas	1994

Class B

Frank A. McPherson	Chairman of the Board and Chief Executive Officer, Kerr-McGee Corporation, Oklahoma City, Oklahoma	1992
Don E. Adams	Buffalo, Oklahoma	1993
Frank J. Yaklich, Jr.	President and Chief Executive Officer, CF & I Steel Corporation, Pueblo, Colorado	1994

Class C

Herman Cain	President and Chief Executive Officer, Godfather's Pizza, Inc., Omaha, Nebraska	1992
Thomas E. Rodriguez	President and General Manager, Thomas E. Rodriguez & Associates, P.C., Aurora, Colorado	1993
Burton A. Dole, Jr.	Chairman of the Board and President, Puritan-Bennett Corporation, Overland Park, Kansas	1994

DISTRICT 10—Continued

*Term
expires
Dec. 31*

—Denver Branch

Appointed by the Federal Reserve Bank

Henry A. True III	Partner, True Companies, Casper, Wyoming	1992
Peter R. Decker	President, Decker & Associates, Denver, Colorado	1993
Clifford E. Kirk	President and Chief Executive Officer, First National Bank of Gillette, Gillette, Wyoming	1994
Richard I. Ledbetter	President and Chief Executive Officer, First National Bank of Farmington, Farmington, New Mexico	1994

Appointed by the Board of Governors

Sandra K. Woods	Vice President, Corporate Real Estate, Adolph Coors Company, Golden, Colorado	1992
Gilbert Sanchez	President, New Mexico Highlands University, Las Vegas, New Mexico	1993
Barbara B. Grogan	President, Western Industrial Contractors, Inc., Denver, Colorado	1994

—Oklahoma City Branch

Appointed by the Federal Reserve Bank

Gordona Duca	President and Owner, Gordona Duca, Inc., Tulsa, Oklahoma	1992
John Wm. Laisle	President and Chief Executive Officer, MidFirst Bank, SSB, Oklahoma City, Oklahoma	1992
C. Kendric Fergeson	Chairman of the Board and Chief Executive Officer, The National Bank of Commerce, Altus, Oklahoma	1993

Appointed by the Board of Governors

William R. Allen, Jr.	President and Chief Executive Officer, Union Equity Co-Operative Exchange, Enid, Oklahoma	1992
Ernest L. Holloway	President, Langston University, Langston, Oklahoma	1993

—Omaha Branch

Appointed by the Federal Reserve Bank

John R. Cochran	President and Chief Executive Officer, Norwest Bank Nebraska, N.A., Omaha, Nebraska	1992
Donald A. Leu	President and Chief Executive Officer, Consumer Credit Counseling Service, Omaha, Nebraska	1993
Thomas H. Olson	President and Chief Executive Officer, First National Bank, Sidney, Nebraska	1993

Appointed by the Board of Governors

Sheila Griffin	Special Advisor to the Governor for International Trade, Lincoln, Nebraska	1992
LeRoy W. Thom	President, T-L Irrigation Company, Hastings, Nebraska	1993

*DISTRICT 11—DALLAS**Term
expires
Dec. 31**Class A*

Robert G. Greer	Chairman of the Board, Tanglewood Bank, N.A., Houston, Texas	1992
T.C. Frost	Chairman of the Board, Frost National Bank, San Antonio, Texas	1993
Eugene M. Phillips	Chairman of the Board and President, The First National Bank of Panhandle, Panhandle, Texas	1994

Class B

Gary E. Wood	President, Texas Research League, Austin, Texas	1992
J.B. Cooper, Jr.	Farmer, Roscoe, Texas	1993
Peyton Yates	President, Yates Drilling Company, and Executive Vice President, Yates Petroleum Corporation, Artesia, New Mexico	1994

Class C

Leo E. Linbeck, Jr.	Chairman of the Board and Chief Executive Officer, Linbeck Construction Corporation, Houston, Texas	1992
Henry G. Cisneros	Chairman and Chief Executive Officer, Cisneros Asset Management Co., San Antonio, Texas	1993
Cece Smith	General Partner, Phillips-Smith Specialty Retail Group, Dallas, Texas	1994

*—El Paso Branch**Appointed by the Federal Reserve Bank*

Wayne Merritt	Chairman and President, Texas National Bank, Midland, Texas	1992
Veronica K. Callaghan	Vice President and Principal, KASCO Ventures, Inc., El Paso, Texas	1993
Ben H. Haines, Jr.	President and Chief Operating Officer, First National Bank of Dona Ana County, Las Cruces, New Mexico	1993
Hugo Bustamante, Jr.	Owner and Chief Executive Officer, CarLube Inc. dba ProntoLube, El Paso, Texas	1994

Appointed by the Board of Governors

W. Thomas Beard III	President, Leoncita Cattle Company, Alpine, Texas	1992
Diana S. Natalicio	President, The University of Texas at El Paso, El Paso, Texas	1993
Alvin T. Johnson	Senior Vice President, Management Assistance Corporation of America, El Paso, Texas	1994

*—Houston Branch**Appointed by the Federal Reserve Bank*

Jenard M. Gross	President, Gross Builders, Inc., Houston, Texas	1992
Walter E. Johnson	President and Chief Executive Officer, Southwest Bank of Texas, Houston, Texas	1993
Clive Runnells	President and Director, Runnells Cattle Company, Bay City, Texas	1993
Tieman H. Dippel, Jr.	Chairman of the Board and President, Brenham Bancshares, Inc., Brenham, Texas	1994

Appointed by the Board of Governors

Judy Ley Allen	Partner and Administrator, Allen Investments, Houston, Texas	1992
Milton Carroll	Chairman and Chief Executive Officer, Instrument Products, Inc., Houston, Texas	1993
Isaac H. Kempner III	Chairman of the Board, Imperial Holly Corporation, Sugar Land, Texas	1994

*DISTRICT 11—Continued**—San Antonio Branch**Term
expires
Dec. 31**Appointed by the Federal Reserve Bank*

Gregory W. Crane	Chairman of the Board, President, and Chief Executive Officer, Broadway National Bank, San Antonio, Texas	1992
Javier Garza	Executive Vice President, The Laredo National Bank, Laredo, Texas	1993
Sam R. Sparks	President, Sam R. Sparks, Inc., Santa Rosa, Texas	1993
T. Jack Moore III	Owner and Manager, T.J. Moore Lumber Inc., Ingram, Texas	1994

Appointed by the Board of Governors

Lawrence E. Jenkins	Vice President (Retired), Lockheed Missiles and Space Company, Austin, Texas	1992
Erich Wendl	President and Chief Executive Officer, Maverick Markets, Inc., Corpus Christi, Texas	1993
Roger R. Hemminghaus	Chairman, President, and Chief Executive Officer, Diamond Shamrock, Inc., San Antonio, Texas	1994

*DISTRICT 12—SAN FRANCISCO**Class A*

Warren K.K. Luke	President and Director, Hawaii National Bancshares, Inc., and Vice Chairman of the Board and Chief Executive Officer, Hawaii National Bank, Honolulu, Hawaii	1992
Richard L. Mount	Chairman, President, and Chief Executive Officer, Saratoga Bancorp, Saratoga, California	1993
William E.B. Siart	President, First Interstate Bancorp, Los Angeles, California	1994

Class B

E. Kay Stepp	President and Chief Operating Officer, Portland General Electric, Portland, Oregon	1992
John N. Nordstrom	Co-Chairman of the Board, Nordstrom, Inc., Seattle, Washington	1993
William L. Tooley	Chairman, Tooley & Company, Investment Builders, Los Angeles, California	1994

Class C

Robert F. Erburu	Chairman of the Board and Chief Executive Officer, The Times Mirror Company, Los Angeles, California	1992
James A. Vohs	Chairman and Chief Executive Officer (Retired), Kaiser Foundation Health Plan, Inc., and Kaiser Foundation Hospitals, Oakland, California	1993
Judith M. Runstad	Co-Managing Partner, Foster Pepper and Shefelman, Seattle, Washington	1994

*—Los Angeles Branch**Appointed by the Federal Reserve Bank*

Fred D. Jensen	Vice Chairman, Aktiv Bank Holding Company, Long Beach, California	1992
Anita Landecker	Regional Vice President, Local Initiatives Support Corporation, Los Angeles, California	1993
William S. Randall	Chief Executive Officer, Southwest Region, First Interstate Bank, Phoenix, Arizona	1994
Ignacio E. Lozano, Jr.	Editor-in-Chief, <i>La Opinion</i> , Los Angeles, California	1994

*DISTRICT 12—Continued**Term
expires
Dec. 31**Los Angeles Branch—Continued**Appointed by the Board of Governors*

Vacancy		1992
Donald G. Phelps	Chancellor, Los Angeles Community College District, Los Angeles, California	1993
Walfred J. Fassler	Regional Vice President, Chevron U.S.A. Inc., Los Angeles, California	1994

*—Portland Branch**Appointed by the Federal Reserve Bank*

Elizabeth K. Johnson	President, TransWestern Helicopters, Inc., Scappoose Industrial Airpark, Scappoose, Oregon	1992
Cecil W. Drinkward	President, Hoffman Construction Company, Portland, Oregon	1993
Stephen G. Kimball	Chairman, President, and Chief Executive Officer, Baker Boyer Bancorp, Walla Walla, Washington	1993
Stuart H. Compton	Chairman, Pioneer Trust Bank, N.A., Salem, Oregon	1994

Appointed by the Board of Governors

Wayne E. Phillips, Jr.	Vice President, Phillips Ranch, Inc., Baker, Oregon	1992
Ross R. Runkel	Professor of Law and Director, Willamette University Center for Dispute Resolution, Salem, Oregon	1993
William A. Hilliard	Editor, <i>The Oregonian</i> , Portland, Oregon	1994

*—Salt Lake City Branch**Appointed by the Federal Reserve Bank*

Ronald S. Hanson	Member of the Board and Member of the Executive Committee, Zions First National Bank, Salt Lake City, Utah	1992
Curtis H. Eaton	Vice President; Manager, Community Banking Area; and Member of the Board of Directors, First Security Bank of Idaho, N.A., Twin Falls, Idaho	1993
Virginia P. Kelson	Partner, Ralston Consulting Group, Salt Lake City, Utah	1993
Gerald R. Sherratt	President, Southern Utah University, Cedar City, Utah	1994

Appointed by the Board of Governors

Gary G. Michael	Chairman and Chief Executive Officer, Albertson's, Inc., Boise, Idaho	1992
Constance G. Hogland	Executive Director, Boise Neighborhood Housing Services, Inc., Boise, Idaho	1993
H. Roger Boyer	Chairman of the Board, The Boyer Company, Salt Lake City, Utah	1994

DISTRICT 12—Continued

*Term
expires
Dec. 31*

—Seattle Branch

Appointed by the Federal Reserve Bank

H.H. Larison	President and Chief Executive Officer, Columbia Paint & Coatings, Spokane, Washington	1992
B.R. Beeksma	Chairman of the Board, InterWest Savings Bank, Oak Harbor, Washington	1993
Gerry B. Cameron	President and Chief Executive Officer, U.S. Bank of Washington, N.A., Seattle, Washington	1993
Robert P. Gray	President, National Bank of Alaska, Anchorage, Alaska	1994

Appointed by the Board of Governors

Emilie A. Adams	President and Chief Executive Officer, Better Business Bureau, Seattle, Washington	1992
George F. Russell, Jr.	Chairman, Frank Russell Company, Tacoma, Washington	1993
William R. Wiley	Senior Vice President, Technology Management, and Director, Pacific Northwest Division, Battelle Memorial Institute, Richland, Washington	1994

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SYMBOLS AND ABBREVIATIONS

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

GENERAL INFORMATION

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

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

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

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

A4 Domestic Financial Statistics □ May 1992

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

Percent annual rate of change, seasonally adjusted¹

Monetary and credit aggregate	1991				1991			1992	
	Q1 ^r	Q2 ^r	Q3 ^r	Q4 ^r	Oct. ^r	Nov.	Dec. ^r	Jan. ^r	Feb.
<i>Reserves of depository institutions²</i>									
1 Total.....	9.1	3.0	7.4	15.3	15.7	20.3	24.1	13.7	45.3
2 Required.....	4.5	8.9	7.9	15.5	12.3	25.3	22.5	13.4	44.7
3 Nonborrowed.....	8.9	3.4	4.3	19.3	25.0	24.0	22.2	12.8	48.9
4 Monetary base.....	13.3	4.2	6.6	8.4	9.2	8.2	7.8	9.1	16.4
<i>Concepts of money, liquid assets, and debt⁴</i>									
5 M1.....	5.3	7.4	7.5	11.1	12.2	14.3	9.2	16.2	27.0
6 M2.....	3.7	4.4	7	2.3	2.1	4.8 ^r	2.9	3.2	9.4
7 M3.....	3.4	1.8	-1.3	1.0	1.8	2.5 ^r	1.4	1.4	7.0
8 L.....	2.8	-1.9	7	2	9	3.1 ^r	-4	-1.0	n.a.
9 Debt.....	4.4	4.2	4.7	4.3	4.5	4.5 ^r	3.0	2.4	n.a.
<i>Nontransaction components</i>									
10 In M2.....	3.2	3.4	-1.6	-7	-1.4	1.5 ^r	7	-1.4	3.2
11 In M3 only.....	2.0	-9.7	-9.9	-4.9	5	-8.3	-5.7	-7.0	-4.4
<i>Time and savings deposits</i>									
<i>Commercial banks</i>									
12 Savings, including MMDAs.....	8.3	13.1	13.2	16.0	17.0	18.0	17.4	20.0	22.9
13 Small time.....	10.4	1.0	1.6	-8.4	-10.5	-15.0	-15.6	-21.7	-24.3
14 Large time.....	5.2	-3.3	-8.0	-14.4	-17.9	-18.2	-10.4	-25.8	-12.5
<i>Thrift institutions</i>									
15 Savings, including MMDAs.....	-4	16.8	9.8	10.2	11.8	13.0	14.1	24.1	31.1
16 Small time.....	-10.6	-14.2	-24.2	-22.5	-25.4	-20.7 ^r	-21.1	-24.5	-31.1
17 Large time.....	-33.4	-35.0	-40.3	-36.5	-39.8	-31.6	-28.2	-24.5	-35.4
<i>Money market mutual funds</i>									
18 General purpose and broker-dealer.....	16.9	7.6	-4.7	-4.0	-2.0	7 ^r	3.3	-1.7	12.3
19 Institution-only.....	43.0	28.8	11.4	37.2	41.3	38.5	38.0	22.1	38.2
<i>Debt components⁴</i>									
20 Federal.....	10.4	6.8	13.9	12.2	13.1	10.8 ^r	7.7	5.9	n.a.
21 Nonfederal.....	2.6	3.4	1.9	1.7	1.7	2.4 ^r	1.5	1.2	n.a.

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

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

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

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

M2: M1 plus (1) overnight (and continuing-contract) repurchase agreements (RPs) issued by all depository institutions and overnight Eurodollars issued to U.S. residents by foreign branches of U.S. banks worldwide, (2) savings and small time deposits (time deposits—including retail repurchase agreements (RPs)—in amounts of less than \$100,000), and (3) balances in both taxable and tax-exempt general-purpose and broker-dealer money market funds. Excludes individual retirement accounts (IRAs) and Keogh balances at depository institutions and money market funds. Also excludes all balances held by U.S. commercial banks, money market funds (general purpose and broker-dealer), foreign governments and commercial banks, and the U.S. government. Seasonally adjusted M2 is computed by adjusting its non-M1 component as a whole and then adding this result to seasonally adjusted M1.

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

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

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

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

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

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

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

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

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

1.11 RESERVES OF DEPOSITORY INSTITUTIONS AND RESERVE BANK CREDIT ¹

Millions of dollars

Factor	Monthly averages of daily figures			Weekly averages of daily figures for week ending						
	1991	1992		1992						
	Dec.	Jan.	Feb.	Jan. 15	Jan. 22	Jan. 29	Feb. 5	Feb. 12	Feb. 19	Feb. 26
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	312,013	307,590	304,147	307,108	306,410	303,526	302,900	302,753	306,852	304,294
U.S. government securities ²										
2 Bought outright-system account	266,743	264,753	263,190	265,888	264,615	262,404	260,973	262,086	263,633	264,988
3 Held under repurchase agreements	4,993	1,489	776	0	562	0	1,512	0	2,207	0
Federal agency obligations										
4 Bought outright	6,081	6,005	5,960	6,015	6,001	5,969	5,960	5,960	5,960	5,960
5 Held under repurchase agreements	144	32	40	0	12	0	58	0	128	0
6 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions										
7 Adjustment credit	84	279	63	47	199	77	137	35	56	42
8 Seasonal credit	39	16	22	10	15	19	21	21	23	22
9 Extended credit	1	1	2	0	0	1	3	1	2	3
10 Float	845	797	688	971	808	591	349	674	1,084	587
11 Other Federal Reserve assets	33,084	34,219	33,406	34,176	34,199	34,465	33,887	33,976	33,759	32,692
12 Gold stock	11,058	11,058	11,058	11,058	11,058	11,058	11,058	11,058	11,058	11,058
13 Special drawing rights certificate account	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018
14 Treasury currency outstanding	21,001	21,039	21,086	21,034	21,043	21,052	21,060	21,074	21,088	21,102
ABSORBING RESERVE FUNDS										
15 Currency in circulation	304,649	303,218	301,654	303,836	301,943	300,563	300,115	301,380	302,685	302,026
16 Treasury cash holdings	632	666	689	674	677	678	684	685	691	693
Deposits, other than reserve balances, with Federal Reserve Banks										
17 Treasury	7,816	7,180	6,241	5,455	6,072	8,853	8,599	6,584	5,874	5,139
18 Foreign	284	369	225	389	291	283	259	222	223	207
19 Service-related balances and adjustments	4,148	4,330	4,529	4,202	4,321	4,640	4,556	4,532	4,436	4,561
20 Other	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
21 Other Federal Reserve liabilities and capital	9,204	8,440	7,929	8,592	8,538	8,515	7,728	7,731	8,151	8,296
22 Reserve balances with Federal Reserve Banks ³	27,088	25,240	24,799	25,833	26,471	21,912	22,845	23,525	26,701	25,325
End-of-month figures				Wednesday figures						
	1991	1992		1992						
	Dec.	Jan.	Feb.	Jan. 15	Jan. 22	Jan. 29	Feb. 5	Feb. 12	Feb. 19	Feb. 26
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	323,906	306,533	303,555	306,589	312,057	303,033	300,954	303,896	317,969	304,020
U.S. government securities ²										
2 Bought outright-system account	266,486	262,619	265,423	264,909	265,146	261,957	260,459	262,670	264,161	264,912
3 Held under repurchase agreements	15,345	3,529	0	0	3,932	0	0	0	9,469	0
Federal agency obligations										
4 Bought outright	6,045	5,960	5,960	6,011	5,976	5,960	5,960	5,960	5,960	5,960
5 Held under repurchase agreements	553	135	0	0	83	0	0	0	522	0
6 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions										
7 Adjustment credit	194	88	35	174	1,142	93	484	31	55	34
8 Seasonal credit	23	21	25	10	17	23	18	22	22	24
9 Extended credit	1	3	2	0	0	3	1	2	2	2
10 Float	731	198	290	1,508	1,140	375	257	1,113	4,837	303
11 Other Federal Reserve assets	34,529	33,980	31,821	33,977	34,622	34,622	33,775	34,098	32,942	32,785
12 Gold stock	11,059	11,058	11,058	11,058	11,058	11,058	11,058	11,058	11,058	11,058
13 Special drawing rights certificate account	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018
14 Treasury currency outstanding	21,017	21,060	21,116	21,034	21,043	21,052	21,060	21,074	21,088	21,102
ABSORBING RESERVE FUNDS										
15 Currency in circulation	307,759	299,879	301,391	302,953	301,693	300,193	300,569	302,218	303,006	301,744
16 Treasury cash holdings	636	684	698	677	677	681	684	691	692	698
Deposits, other than reserve balances, with Federal Reserve Banks										
17 Treasury	17,697	10,828	5,477	5,002	9,163	9,048	7,400	5,834	6,407	5,103
18 Foreign	968	321	264	406	307	554	196	224	209	207
19 Service-related balances and adjustments	4,108	4,556	4,623	4,202	4,321	4,640	4,556	4,532	4,436	4,561
20 Other	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
21 Other Federal Reserve liabilities and capital	8,113	7,629	7,222	8,248	8,383	8,319	7,476	7,831	8,169	8,121
22 Reserve balances with Federal Reserve Banks ³	25,014	24,520	25,842	27,004	29,431	21,507	21,956	24,467	37,007	25,509

1. For amounts of cash held as reserves, see table 1.12. Components may not sum to totals because of rounding.
 2. Includes securities loaned—fully guaranteed by U.S. government securities pledged with Federal Reserve Banks—and excludes any securities sold and

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

A6 Domestic Financial Statistics □ May 1992

1.12 RESERVES AND BORROWINGS Depository Institutions¹

Millions of dollars

Reserve classification	Prorated monthly averages of biweekly averages									
	1989	1990	1991	1991					1992	
	Dec.	Dec.	Dec.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
1 Reserve balances with Reserve Banks ²	35,436	30,237	26,659	22,810	23,447	23,197	25,004	26,659	25,416	24,918
2 Total vault cash ³	29,828	31,786	32,513	31,779	31,536	32,299	31,714	32,513	34,136	34,220
3 Applied vault cash ⁴	27,374	28,884	28,872	27,798	27,680	28,386	28,053	28,872	30,396 ⁵	30,320
4 Surplus vault cash ⁴	2,454	2,903	3,641	3,981	3,856	3,913	3,661	3,641	3,740 ⁵	3,899
5 Total reserves ⁶	62,810	59,120	55,532	50,607	51,127	51,584	53,057	55,532	55,812 ⁷	55,238
6 Required reserves	61,887	57,456	54,553	49,521	50,198	50,501	52,165	54,553	54,809	54,173
7 Excess reserve balances at Reserve Banks ⁸	923	1,664	979	1,086	929	1,083	892	979	1,003 ⁸	1,065
8 Total borrowings at Reserve Banks ⁹	265	326	192	764	645	261	108	192	233	77
9 Seasonal borrowings	84	76	38	331	287	211	86	38	17	22
10 Extended credit ⁹	20	23	1	300	302	12	1	1	1	2

Reserve classification	Biweekly averages of daily figures for weeks ending									
	1991					1992				
	Oct. 30	Nov. 13	Nov. 27	Dec. 11	Dec. 25	Jan. 8	Jan. 22	Feb. 5 ¹	Feb. 19	Mar. 4
1 Reserve balances with Reserve Banks ²	22,980	25,494	24,155	26,839	26,133	27,557	26,147	22,374	25,108	25,922
2 Total vault cash ³	32,376	30,844	32,656	31,093	33,284	33,318	33,157	36,386	34,356	32,946
3 Applied vault cash ⁴	28,377	27,326	28,825	27,607	29,534	29,601	29,732	32,137	30,494	29,169
4 Surplus vault cash ⁴	3,999	3,518	3,832	3,486	3,730	3,717	3,425	4,250	3,862	3,777
5 Total reserves ⁶	51,357	52,820	52,979	54,446	55,687	57,158	55,879	54,511	55,602	55,091
6 Required reserves	50,191	51,907	52,045	53,842	54,484	56,020	54,966	53,488	54,435	54,148
7 Excess reserve balances at Reserve Banks ⁸	1,167	913	934	605	1,203	1,138	913	1,023	1,168	943
8 Total borrowings at Reserve Banks ⁹	225	114	103	110	116	521	136	130	69	63
9 Seasonal borrowings	191	98	84	45	41	22	13	20	22	24
10 Extended credit ⁹	14	2	2	1	1	1	0	2	2	3

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

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

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

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

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

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

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

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

8. Also includes adjustment credit.

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

1.13 SELECTED BORROWINGS IN IMMEDIATELY AVAILABLE FUNDS Large Banks¹

Millions of dollars, averages of daily figures

Source and maturity	1991, week ending Monday					1992, week ending Monday			
	Dec. 2	Dec. 9	Dec. 16	Dec. 23	Dec. 30	Jan. 6	Jan. 13	Jan. 20	Jan. 27
<i>Federal funds purchased, repurchase agreements, and other selected borrowings</i>									
From commercial banks in the United States									
1 For one day or under continuing contract	79,542	81,803	79,407	73,630	72,002	77,955	77,529	82,462	75,983
2 For all other maturities	17,522	17,008	17,290	17,135	17,424	17,077	16,791	16,795	16,217
From other depository institutions, foreign banks and official institutions, and U.S. government agencies									
3 For one day or under continuing contract	22,106	23,303	20,539	20,888	19,101	18,627	17,682	19,802	19,687
4 For all other maturities	22,378	22,340	22,694	21,929	21,560	20,982	20,222	20,034	19,472
<i>Repurchase agreements on U.S. government and federal agency securities</i>									
Brokers and nonbank dealers in securities									
5 For one day or under continuing contract	10,897	11,445	12,301	9,491	8,377	10,185	11,519	13,694	13,894
6 For all other maturities	14,426	14,170	14,650	13,576	13,749	13,665	14,788	14,245	13,883
All other customers									
7 For one day or under continuing contract	22,097	24,693	24,885	24,854	24,044	24,651	24,119	24,339	24,920
8 For all other maturities	14,273	10,903	11,212	11,985	12,635	12,024	12,278	12,117	12,182
MEMO: Federal funds loans and resale agreements in immediately available funds in maturities of one day or under continuing contract									
9 To commercial banks in the United States	47,024	43,906	41,804	44,346	44,055	48,302	49,370	55,914	53,588
10 To all other specified customers ²	17,224	18,692	21,816	22,708	18,991	22,323	21,664	25,656	22,461

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

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

A8 Domestic Financial Statistics □ May 1992

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per year

Federal Reserve Bank	Current and previous levels								
	Adjustment credit ¹			Seasonal credit ²			Extended credit ³		
	On 3/27/92	Effective date	Previous rate	On 3/27/92	Effective date	Previous rate	On 3/27/92	Effective date	Previous rate
Boston	↑	12/20/91	↑	4.15	3/19/92	↑	4.65	3/19/92	↑
New York		12/20/91		4.15	3/19/92			3/19/92	
Philadelphia		12/20/91		4.15	3/19/92			3/19/92	
Cleveland		12/20/91		4.15	3/19/92			3/19/92	
Richmond		12/20/91		4.15	3/19/92			3/19/92	
Atlanta		12/20/91		4.15	3/19/92			3/19/92	
Chicago		12/20/91		4.15	3/19/92			3/19/92	
St. Louis	↓	12/24/91	↓	4.15	3/19/92	↓	4.65	3/19/92	↓
Minneapolis		12/23/91		4.15	3/19/92			3/19/92	
Kansas City		12/20/91		4.15	3/19/92			3/19/92	
Dallas		12/20/91		4.15	3/19/92			3/19/92	
San Francisco		12/20/91		4.15	3/19/92			3/19/92	

Range of rates for adjustment credit in recent years⁴

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
In effect Dec. 31, 1977	6	6	1981—May 5	13-14	14	1986—Mar. 7	7-7.5	7
1978—Jan. 9	6-6.5	6.5	8	14	14	10	7	7
20	6.5	6.5	Nov. 2	13-14	13	Apr. 21	6.5-7	6.5
May 11	6.5-7	7	6	13	13	July 11	6	6
12	7	7	Dec. 4	12	12	Aug. 21	5.5-6	5.5
July 3	7-7.25	7.25	1982—July 20	11.5-12	11.5	22	5.5	5.5
10	7.25	7.25	23	11.5	11.5	1987—Sept. 4	5.5-6	6
Aug. 21	7.75	7.75	Aug. 2	11-11.5	11	11	6	6
Sept. 22	8	8	3	11	11	1988—Aug. 9	6-6.5	6.5
Oct. 16	8-8.5	8.5	16	10.5	10.5	11	6.5	6.5
20	8.5	8.5	27	10-10.5	10	1989—Feb. 24	6.5-7	7
Nov. 1	8.5-9.5	9.5	30	10	10	27	7	7
3	9.5	9.5	Oct. 12	9.5-10	9.5	1990—Dec. 19	6.5	6.5
1979—July 20	10	10	Nov. 22	9-9.5	9	1991—Feb. 1	6-6.5	6
Aug. 17	10-10.5	10.5	26	9	9	4	6	6
20	10.5	10.5	Dec. 14	8.5-9	9	Apr. 30	5.5-6	5.5
Sept. 19	10.5-11	11	15	8.5-9	8.5	May 2	5.5	5.5
21	11	11	17	8.5	8.5	Sept. 13	5-5.5	5
Oct. 8	11-12	12	1984—Apr. 9	8.5-9	9	Sept. 17	5	5
10	12	12	13	9	9	Nov. 6	4.5-5	4.5
1980—Feb. 15	12-13	13	Nov. 21	8.5-9	8.5	7	4.5	4.5
19	13	13	26	8	8	Dec. 20	3.5-4.5	3.5
May 29	12-13	13	Dec. 24	8	8	24	3.5	3.5
30	12	12	1985—May 20	7.5-8	7.5	In effect Mar. 27, 1992	3.5	3.5
June 13	11-12	11	24	7.5	7.5			
16	11	11						
29	10	10						
July 28	10-11	10						
Sept. 26	11	11						
Nov. 17	12	12						
Dec. 5	12-13	13						

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

2. Seasonal credit is available to help relatively small depository institutions meet regular seasonal needs for funds that arise from a clear pattern of intra-yearly 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 on 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. Extended credit 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 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*.

In 1980 and 1981, the Federal Reserve applied a surcharge to short-term adjustment-credit borrowings by institutions with deposits of \$500 million or more that had borrowed in successive weeks or in more than four weeks in a calendar quarter. A 3 percent surcharge was in effect from Mar. 17, 1980, through May 7, 1980. A surcharge of 2 percent was reimposed on Nov. 17, 1980; the surcharge was subsequently raised to 3 percent on Dec. 5, 1980, and to 4 percent on May 5, 1981. The surcharge was reduced to 3 percent effective Sept. 22, 1981, and to 2 percent effective Oct. 12, 1981. As of Oct. 1, 1981, the formula for applying the surcharge was changed from a calendar quarter to a moving thirteen week period. The surcharge was eliminated on Nov. 17, 1981.

1.15 RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS¹

Type of deposit ²	Requirements	
	Percent of deposits	Effective date
<i>Net transaction accounts</i> ³		
1 \$0 million–\$42.2 million	3	12/17/91
2 More than \$42.2 million	10	4/2/91
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 provisions of the Monetary Control Act, depository institutions include commercial banks, mutual savings banks, savings and loan associations, credit unions, agencies and branches of foreign banks, and Edge corporations.

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

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

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

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

4. The reserve requirement was reduced from 12 percent to 10 percent on Apr. 2, 1992, for institutions that report weekly, and on Apr. 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 1½ years was reduced from 3 percent to 1½ percent for the maintenance period that began Dec. 13, 1990, and to zero for the maintenance period that began Dec. 27, 1990. The reserve requirement on nonpersonal time deposits with an original maturity of 1½ years or more has been zero since Oct. 6, 1983.

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

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

A10 Domestic Financial Statistics □ May 1992

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS¹

Millions of dollars

Type of transaction	1989	1990	1991	1991						1992
				July	Aug.	Sept.	Oct.	Nov.	Dec.		Jan.
U.S. TREASURY SECURITIES										
<i>Outright transactions (excluding matched transactions)</i>										
Treasury bills										
1 Gross purchases	14,284	24,739	20,158	1,359	5,776	529	2,198	2,823	837	0
2 Gross sales	12,818	7,291	120	0	0	0	0	0	0	1,628
3 Exchanges	231,211	241,086	277,314	25,180	28,009	19,508	25,409	24,141	21,967	26,750
4 Redemptions	12,730	4,400	1,000	0	0	0	0	0	0	1,600
Others within one year										
5 Gross purchases	327	425	3,043	625	340	200	0	178	0	0
6 Gross sales	0	0	0	0	0	0	0	0	0	0
7 Maturity shifts	28,848	25,638	24,454	1,478	3,425	1,131	2,002	1,655	1,570	0
8 Exchanges	-25,783	-27,424	-28,090	-3,136	-2,443	-2,202	-2,034	-2,585	-3,362	0
9 Redemptions	500	0	1,000	0	0	0	0	0	0	0
One to five years										
10 Gross purchases	1,436	250	6,583	0	0	650	0	2,133	300	0
11 Gross sales	490	200	0	0	0	0	0	0	0	0
12 Maturity shifts	-25,534	-21,770	-21,211	-1,192	-3,425	-1,131	-1,877	-1,492	-1,570	0
13 Exchanges	23,250	25,410	24,594	2,601	1,993	2,202	1,686	2,135	3,362	0
Five to ten years										
14 Gross purchases	287	0	1,280	0	0	0	0	880	0	0
15 Gross sales	29	100	0	0	0	0	0	0	0	0
16 Maturity shifts	-2,231	-2,186	-2,037	-286	688	0	-126	-163	0	0
17 Exchanges	1,934	789	2,894	534	300	0	347	300	0	0
More than ten years										
18 Gross purchases	284	0	375	0	0	0	0	375	0	0
19 Gross sales	0	0	0	0	0	0	0	0	0	0
20 Maturity shifts	-1,086	-1,681	-1,209	0	-688	0	0	0	0	0
21 Exchanges	600	1,226	600	0	150	0	0	150	0	0
All maturities										
22 Gross purchases	16,617	25,414	31,439	1,984	6,116	1,379	2,198	6,390	1,137	0
23 Gross sales	13,337	7,591	120	0	0	0	0	0	0	1,628
24 Redemptions	13,230	4,400	1,000	0	0	0	0	0	0	1,600
Matched transactions										
25 Gross sales	1,323,480	1,369,052	1,570,456	120,292	112,414	116,266	137,073	98,063	118,127	136,922
26 Gross purchases	1,326,542	1,363,434	1,571,534	121,803	110,280	118,481	135,281	97,925	118,263	136,282
Repurchase agreements²										
27 Gross purchases	129,518	219,632	310,084	35,149	16,847	40,447	12,432	14,165	51,345	21,412
28 Gross sales	132,688	202,551	311,752	36,111	16,847	40,447	3,718	22,879	36,000	33,228
29 Net change in U.S. government securities	-10,055	24,886	29,729	2,532	3,981	3,595	9,121	-2,462	16,619	-15,684
FEDERAL AGENCY OBLIGATIONS										
Outright transactions										
30 Gross purchases	0	0	0	0	0	0	0	0	0	0
31 Gross sales	0	0	5	0	0	5	0	0	0	0
32 Redemptions	442	183	292	55	0	0	14	51	45	85
Repurchase agreements²										
33 Gross purchases	38,835	41,836	22,807	3,245	537	3,061	714	275	1,744	390
34 Gross sales	40,411	40,461	23,595	3,722	537	3,061	695	294	1,191	808
35 Net change in federal agency obligations	-2,018	1,192	-1,085	-532	0	-5	5	-70	508	-503
36 Total net change in System Open Market Account	-12,073	26,078	28,644	2,000	3,981	3,590	9,126	-2,532	17,127	-16,186

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

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

1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements¹

Millions of dollars

Account	Wednesday					End of month		
	1992					1991	1992	
	Jan. 29	Feb. 5	Feb. 12	Feb. 19	Feb. 26	Dec. 31	Jan. 31	Feb. 28
Consolidated condition statement								
ASSETS								
1 Gold certificate account	11,058	11,058	11,058	11,058	11,058	11,059	11,058	11,058
2 Special drawing rights certificate account	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018
3 Coin	600	627	633	636	629	528	614	632
<i>Loans</i>								
4 To depository institutions	119	503	55	79	60	218	112	62
5 Other	0	0	0	0	0	0	0	0
6 Acceptances held under repurchase agreements	0	0	0	0	0	0	0	0
<i>Federal agency obligations</i>								
7 Bought outright	5,960	5,960	5,960	5,960	5,960	6,045	5,960	5,960
8 Held under repurchase agreements	0	0	0	522	0	553	135	0
9 Total U.S. Treasury securities	261,957	260,459	262,670	273,630	264,912	281,831	266,148	265,423
10 Bought outright ²	261,957	260,459	262,670	264,161	264,912	266,486	262,619	265,423
11 Bills	128,106	126,608	128,819	129,915	130,033	132,635	128,767	130,544
12 Notes	101,520	101,520	101,520	102,203	102,835	101,520	101,520	102,835
13 Bonds	32,331	32,331	32,331	32,043	32,043	32,332	32,332	32,043
14 Held under repurchase agreements	0	0	0	9,469	0	15,345	3,529	0
15 Total loans and securities	268,036	266,922	268,685	280,191	270,932	288,647	272,354	271,444
16 Items in process of collection	5,190	6,843	6,294	12,831	4,979	8,286	5,034	5,155
17 Bank premises	991	994	995	998	998	987	994	1,001
<i>Other assets</i>								
18 Denominated in foreign currencies ³	27,771	26,928	26,953	26,984	27,067	27,626	26,928	25,999
19 All other ⁴	5,906	6,031	6,152	5,035	4,860	5,911	6,130	5,041
20 Total assets	329,571	329,421	330,788	347,751	330,541	353,061	333,129	330,347
LIABILITIES								
21 Federal Reserve notes	280,422	280,819	282,468	283,245	281,969	287,906	280,117	281,605
22 Total deposits	36,254	35,174	35,518	48,225	35,947	49,783	40,595	36,659
23 Depository institutions	26,432	27,324	29,210	41,402	30,381	29,413	29,195	30,688
24 U.S. Treasury—General account	9,048	7,400	5,834	6,407	5,103	17,697	10,828	5,477
25 Foreign—Official accounts	554	196	224	209	207	968	321	264
26 Other	219	254	250	208	256	1,706	252	231
27 Deferred credit items	4,575	5,951	4,972	8,112	4,505	7,259	4,788	4,860
28 Other liabilities and accrued dividends	2,594	2,359	2,326	2,484	2,369	2,810	2,558	2,317
29 Total liabilities	323,845	324,304	325,284	342,066	324,790	347,758	328,058	325,441
CAPITAL ACCOUNTS								
30 Capital paid in	2,678	2,683	2,702	2,704	2,732	2,652	2,683	2,734
31 Surplus	2,652	2,417	2,596	2,630	2,647	2,652	2,383	2,171
32 Other capital accounts	396	18	207	351	372	0	6	0
33 Total liabilities and capital accounts	329,571	329,421	330,788	347,751	330,541	353,061	333,129	330,347
34 MEMO: Marketable U.S. Treasury securities held in custody for foreign and international accounts	258,793	260,415	262,981	266,834	265,009	251,209	266,801	268,036
Federal Reserve note statement								
35 Federal Reserve notes outstanding (issued to Bank)	364,259	363,878	362,966	362,191	362,562	366,468	364,621	363,222
36 Less: Held by Federal Reserve Bank	83,837	83,059	80,498	78,946	80,593	78,562	84,504	81,617
37 Federal Reserve notes, net	280,422	280,819	282,468	283,245	281,969	287,906	280,117	281,605
<i>Collateral held against notes, net:</i>								
38 Gold certificate account	11,058	11,058	11,058	11,058	11,058	11,059	11,058	11,058
39 Special drawing rights certificate account	10,018	10,018	10,018	10,018	10,018	10,018	10,018	10,018
40 Other eligible assets	0	0	0	0	0	0	0	0
41 U.S. Treasury and agency securities	259,346	259,743	261,392	262,169	260,893	266,829	259,041	260,529
42 Total collateral	280,422	280,819	282,468	283,245	281,969	287,906	280,117	281,605

1. Some of the data in this table also appear in the Board's H.4.1 (503) weekly statistical release. For ordering address, see inside front cover. Components may not sum to totals because of rounding.

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

3. Valued monthly at market exchange rates.

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

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

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

Millions of dollars

Type and maturity grouping	Wednesday					End of month		
	1992					1991	1992	
	Jan. 29	Feb. 5	Feb. 12	Feb. 19	Feb. 26	Dec. 31	Jan. 31	Feb. 28
1 Total loans	119	503	55	79	60	218	112	62
2 Within fifteen days	119	499	50	79	60	217	112	58
3 Sixteen days to ninety days	0	5	5	0	1	2	0	4
4 Ninety-one days to one year	0	0	0	0	0	0	0	0
5 Total acceptances	0	0	0	0	0	0	0	0
6 Within fifteen days	0	0	0	0	0	0	0	0
7 Sixteen days to ninety days	0	0	0	0	0	0	0	0
8 Ninety-one days to one year	0	0	0	0	0	0	0	0
9 Total U.S. Treasury securities	261,957	260,459	262,670	273,630	264,912	281,831	262,619	265,423
10 Within fifteen days ²	11,678	12,021	14,142	20,615	13,395	21,109	8,864	8,559
11 Sixteen days to ninety days	60,009	59,286	62,318	65,844	63,618	66,759	64,603	69,052
12 Ninety-one days to one year	86,831	86,028	83,085	86,616	86,713	90,655	86,028	87,851
13 One year to five years	64,104	63,788	63,788	60,768	61,400	64,299	63,788	60,175
14 Five years to ten years	14,796	14,796	14,796	15,192	15,192	14,469	14,796	15,192
15 More than ten years	24,540	24,540	24,540	24,594	24,594	24,540	24,540	24,594
16 Total Federal agency obligations	5,960	5,960	5,960	6,481	5,960	6,597	5,960	5,960
17 Within fifteen days ²	108	0	112	916	403	753	108	403
18 Sixteen days to ninety days	867	972	860	577	502	811	867	502
19 Ninety-one days to one year	1,343	1,346	1,421	1,421	1,411	1,329	1,343	1,411
20 One year to five years	2,647	2,684	2,609	2,609	2,726	2,508	2,647	2,726
21 Five years to ten years	841	804	804	804	764	1,008	841	764
22 More than ten years	154	154	154	154	154	188	154	154

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

2. Holdings under repurchase agreements are classified as maturing within

fifteen days in accordance with the maximum possible maturity of the agreements.

1.20 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND MONETARY BASE¹

Billions of dollars, averages of daily figures

Item	1988 Dec.	1989 Dec.	1990 Dec.	1991 Dec.	1991					1992		
					July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
Seasonally adjusted												
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ²												
1 Total reserves ³	47.60	47.73	49.10	53.75	50.41	50.89	51.15	51.82	52.69	53.75	54.37	56.42
2 Nonborrowed reserves ⁴	45.88	47.46	48.78	53.56	49.80	50.12	50.50	51.56	52.59	53.56	54.13	56.34
3 Nonborrowed reserves plus extended credit ⁵	47.12	47.48	48.80	53.56	49.85	50.42	50.80	51.57	52.59	53.56	54.13	56.34
4 Required reserves ⁶	46.55	46.81	47.44	52.77	49.50	49.80	50.22	50.73	51.80	52.77	53.36	55.35
5 Monetary base ⁷	263.77	274.57	300.35	325.22	314.22	316.68	318.50	320.93	323.13	325.22	327.68 ⁸	332.16
Not seasonally adjusted												
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ¹⁰												
6 Total reserves ⁷	49.00	49.18	50.58	55.38	50.56	50.49	50.99	51.43	52.89	55.38	55.79	55.17
7 Nonborrowed reserves	47.29	48.91	50.25	55.18	49.95	49.73	50.35	51.17	52.78	55.18	55.56	55.10
8 Nonborrowed reserves plus extended credit ⁹	48.53	48.93	50.28	55.19	50.00	50.03	50.65	51.18	52.78	55.19	55.56	55.10
9 Required reserves ⁶	47.96	48.26	48.91	54.40	49.65	49.41	50.07	50.35	51.99	54.40	54.79	54.11
10 Monetary base ⁷	267.46	278.30	304.04	329.35	316.14	316.68	317.28	319.14	323.06	329.35	328.75 ⁸	328.59
11 Total reserves ¹¹	63.75	62.81	59.12	55.53	50.66	50.61	51.13	51.58	53.06	55.53	55.81	55.24
12 Nonborrowed reserves	62.03	62.54	58.79	55.34	50.05	49.84	50.48	51.32	52.95	55.34	55.58	55.16
13 Nonborrowed reserves plus extended credit ⁹	63.27	62.56	58.82	55.34	50.10	50.14	50.78	51.33	52.95	55.34	55.58	55.16
14 Required reserves ⁶	62.70	61.89	57.46	54.55	49.75	49.52	50.20	50.50	52.16	54.55	54.81	54.17
15 Monetary base ¹²	283.00	292.55	313.70	333.61	319.46	320.07	320.70	322.71	326.88	333.61	333.09 ⁸	333.20
16 Excess reserves ¹³	1.05	.92	1.66	.98	.91	1.09	.93	1.08	.89	.98	1.00	1.07
17 Borrowings from the Federal Reserve	1.72	.27	.33	.19	.61	.76	.65	.26	.11	.19	.23	.08

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

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

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

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

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

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

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

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

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

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

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

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

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

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

A14 Domestic Financial Statistics □ May 1992

1.21 MONEY STOCK, LIQUID ASSETS, AND DEBT MEASURES¹

Billions of dollars, averages of daily figures

Item	1988 Dec.	1989 Dec.	1990 Dec.	1991 Dec. ^f	1991		1992	
					Nov.	Dec. ^f	Jan ^f	Feb.
Seasonally adjusted								
<i>Measures²</i>								
1 M1	786.9	794.1	826.1	898.2	891.4	898.2	910.3	930.8
2 M2	3,071.1	3,227.3	3,339.0 ^f	3,439.3	3,431.1 ^f	3,439.3	3,448.5	3,475.6
3 M3	3,923.1	4,059.8	4,114.6 ^f	4,172.2	4,167.5 ^f	4,172.2	4,177.1	4,201.5
4 L	4,677.9	4,891.7 ^f	4,966.6 ^f	4,989.2	4,990.8 ^f	4,989.2	4,984.9	n.a.
5 Debt	9,312.6 ^f	10,059.6 ^f	10,749.9 ^f	11,216.2	11,187.9 ^f	11,216.2	11,238.7	n.a.
<i>M1 components</i>								
6 Currency	212.3	222.6	246.8	267.3	266.0	267.3	269.4	271.6
7 Travelers checks ³	7.5	7.4	8.3	8.2	8.0	8.2	8.2	8.1
8 Demand deposits ⁴	286.5	279.0	277.1	289.5	287.6	289.5	293.9	305.1
9 Other checkable deposits ⁵	280.6	285.1	293.9	333.2	329.7	333.2	338.9	346.0
<i>Nontransaction components</i>								
10 In M2 ⁷	2,284.2	2,433.2	2,512.9 ^f	2,541.1	2,539.7 ^f	2,541.1	2,538.1	2,544.8
11 In M3 ⁸	852.0	832.5	775.6 ^f	732.9	736.4	732.9	728.6	725.9
<i>Commercial banks</i>								
12 Savings deposits, including MMDAs	542.7	541.4	581.9	664.9	655.4	664.9	676.0	688.9
13 Small time deposits ^{9b, 1f}	447.0	531.0	606.4 ^f	598.5	606.4	598.5	587.7	575.8
14 Large time deposits ^{10, 1f}	366.9	398.2	374.0 ^f	354.0	357.1	354.0	346.4	342.8
<i>Thrift institutions</i>								
15 Savings deposits, including MMDAs	383.5	349.7	338.8	377.7	373.3	377.7	385.3	395.3
16 Small time deposits ^{9b}	585.9	617.5	562.3	464.5	472.8 ^f	464.5	455.0	443.2
17 Large time deposits ¹⁰	174.3	161.1	120.9	83.1	85.1	83.1	81.4	79.0
<i>Money market mutual funds</i>								
18 General purpose and broker-dealer	241.9	316.3	348.9	360.5	359.5 ^f	360.5	360.0	363.7
19 Institution-only	91.0	107.2	133.7	179.1	173.6	179.1	182.4	188.2
<i>Debt components</i>								
20 Federal debt	2,101.5	2,249.8 ^f	2,493.6	2,766.0	2,748.3 ^f	2,766.0	2,779.7	n.a.
21 Nonfederal debt	7,211.1 ^f	7,809.7 ^f	8,256.3 ^f	8,450.3	8,439.6 ^f	8,450.3	8,459.1	n.a.
Not seasonally adjusted								
<i>Measures²</i>								
22 M1	804.1	811.9	844.1	917.3	893.9	917.3	918.1	916.6
23 M2	3,083.8	3,240.0	3,351.9 ^f	3,453.1	3,434.3 ^f	3,453.1	3,456.4	3,462.8
24 M3	3,934.7	4,070.3	4,124.7 ^f	4,182.9	4,169.7 ^f	4,182.9	4,182.2	4,191.0
25 L	4,695.0	4,911.0 ^f	4,986.4 ^f	5,009.4	4,998.2 ^f	5,009.4	5,003.0	n.a.
26 Debt	9,298.0 ^f	10,045.1 ^f	10,737.2 ^f	11,203.6	11,157.5 ^f	11,203.6	11,226.7	n.a.
<i>M1 components</i>								
27 Currency	214.8	225.3	249.5	270.0	266.3	270.0	267.8	269.5
28 Travelers checks ³	6.9	6.9	7.8	7.7	7.7	7.7	7.8	7.8
29 Demand deposits ⁴	298.9	291.5	289.9	303.1	291.1	303.1	300.0	296.3
30 Other checkable deposits ⁵	283.5	288.1	296.9	336.5	328.8	336.5	342.4	342.9
<i>Nontransaction components</i>								
31 In M2 ⁷	2,279.7	2,428.1	2,507.8 ^f	2,535.8	2,540.4 ^f	2,535.8	2,538.3	2,546.2
32 In M3 ⁸	850.8	830.3	772.8 ^f	729.8	735.4 ^f	729.8	725.8	728.2
<i>Commercial banks</i>								
33 Savings deposits, including MMDAs	543.8	543.0	580.0	662.4	655.3	662.4	672.3	685.2
34 Small time deposits ^{9b, 1f}	446.0	529.5	606.3 ^f	598.7	606.9	598.7	589.5	577.3
35 Large time deposits ^{10, 1f}	365.9	397.1	373.0 ^f	352.8	356.9	352.8	344.0	341.8
<i>Thrift institutions</i>								
36 Savings deposits, including MMDAs	381.1	347.6	337.7	376.3	373.2	376.3	383.2	393.2
37 Small time deposits ^{9b}	584.9	616.0	562.2	464.6	473.2 ^f	464.6	456.4	444.3
38 Large time deposits ¹⁰	175.2	162.0	120.6	82.8	85.1	82.8	80.8	78.8
<i>Money market mutual funds</i>								
39 General purpose and broker-dealer	240.8	314.6	346.8	358.1	358.6 ^f	358.1	359.5	368.8
40 Institution-only	91.4	107.8	134.4	180.3	172.7	180.3	188.1	196.9
<i>Repurchase agreements and eurodollars</i>								
41 Overnight	83.2	77.5	74.7	75.7	73.3	75.7	77.4	77.5
42 Term	227.4	178.5	158.3	129.5	136.0	129.5	128.2	129.8
<i>Debt components</i>								
43 Federal debt	2,098.9 ^f	2,247.5	2,491.3	2,764.9	2,740.7	2,764.9	2,782.0	n.a.
44 Nonfederal debt	7,199.0 ^f	7,797.7 ^f	8,245.8 ^f	8,438.7	8,416.8 ^f	8,438.7	8,444.7	n.a.

For notes see following page.

NOTES TO TABLE 1.21

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

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

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

M2: M1 plus (1) overnight (and continuing-contract) repurchase agreements (RPs) issued by all depository institutions and overnight Eurodollars issued to U.S. residents by foreign branches of U.S. banks worldwide, (2) money market deposit accounts (MMDAs), (3) savings and small time deposits (time deposits—including retail RPs—in amounts of less than \$100,000), and (4) balances in both taxable and tax-exempt general purpose and broker-dealer money market funds. Excludes individual retirement accounts (IRAs) and Keogh balances at depository institutions and money market funds. Also excludes all balances held by U.S. commercial banks, money market funds (general purpose and broker-dealer), foreign governments and commercial banks, and the U.S. government. Seasonally adjusted M2 is computed by adjusting its non-M1 component as a whole and then adding this result to seasonally adjusted M1.

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

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

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

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

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

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

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

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

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

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

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

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

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

A16 Domestic Financial Statistics □ May 1992

1.22 BANK DEBITS AND DEPOSIT TURNOVER¹

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

Bank group, or type of customer	1989	1990	1991	1991					
				July	Aug.	Sept.	Oct.	Nov.	Dec.
DEBITS TO				Seasonally adjusted					
<i>Demand deposits</i> ³									
1 All insured banks	256,150.4	277,916.3	283,658.8	284,872.2	275,915.9	283,521.6	290,074.6	280,263.3	302,794.0
2 Major New York City banks	129,319.9	131,784.0	141,464.4	139,089.0	136,906.9	142,138.4	144,208.2	140,754.1	156,162.4
3 Other banks	126,830.5	146,132.3	142,194.3	145,783.2	139,009.0	141,383.2	145,866.4	139,509.2	146,631.6
4 ATS-NOW accounts ⁴									
4 ATS-NOW accounts ⁴	2,910.5	3,349.6	3,630.2	3,822.8	3,659.4	3,679.1	3,759.9	3,553.7	3,853.5
5 Savings deposits ⁵	547.5	558.8	1,378.9	552.6	516.7	2,904.0	2,733.0	3,233.1	3,313.7
DEPOSIT TURNOVER									
<i>Demand deposits</i> ³									
6 All insured banks	735.1	800.6	825.0	833.4	798.0	823.9	843.2	793.0	864.5
7 Major New York City banks	3,421.5	3,804.1	4,408.9	4,413.3	4,448.0	4,490.7	4,606.2	4,211.8	4,871.8
8 Other banks	408.3	467.7	456.2	469.8	441.4	452.5	466.4	435.9	460.8
9 ATS-NOW accounts ⁴									
9 ATS-NOW accounts ⁴	15.2	16.5	16.1	16.9	15.9	15.7	15.9	14.8	15.9
10 Savings deposits ⁵	3.0	2.9	3.3	2.5	2.3	4.7	4.4	5.0	5.1
DEBITS TO				Not seasonally adjusted					
<i>Demand deposits</i> ³									
11 All insured banks	256,133.2	277,400.0	283,545.2	286,068.7	289,049.5	273,967.0	298,196.7	269,949.6	310,727.2
12 Major New York City banks	129,400.1	131,784.7	141,132.6	139,527.4	146,342.8	137,659.5	149,704.6	136,592.8	160,297.8
13 Other banks	126,733.0	145,615.3	142,412.5	146,541.3	142,706.6	136,307.5	148,492.0	133,356.8	150,429.4
14 ATS-NOW accounts ⁴									
14 ATS-NOW accounts ⁴	2,910.7	3,342.2	3,628.1	3,729.0	3,693.2	3,679.4	3,770.6	3,314.0	3,909.0
15 MMDAs ⁶	2,677.1	2,923.8	n.a.	2,868.0	2,751.7	n.a.	n.a.	n.a.	n.a.
16 Savings deposits ⁵	546.9	557.9	1,409.8	558.2	537.0	3,110.7	3,132.6	2,939.5	3,348.9
DEPOSIT TURNOVER									
<i>Demand deposits</i> ³									
17 All insured banks	735.4	799.6	824.8	831.4	849.5	796.0	864.8	757.1	845.9
18 Major New York City banks	3,426.2	3,810.0	4,386.1	4,334.6	4,771.4	4,305.8	4,775.5	4,059.4	4,654.0
19 Other banks	408.0	466.3	457.2	469.8	460.9	436.6	473.7	413.0	451.9
20 ATS-NOW accounts ⁴									
20 ATS-NOW accounts ⁴	15.2	16.4	16.1	16.7	16.3	15.9	16.2	13.9	15.9
21 MMDAs ⁶	7.9	8.0	n.a.	7.2	6.8	n.a.	n.a.	n.a.	n.a.
22 Savings deposits ⁵	2.9	2.9	3.4	2.5	2.4	4.9	4.9	4.5	5.1

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

2. Data in this table also appear on the Board's G.6 (406) monthly statistical release. For ordering address, see inside front cover.
2. Annual averages of monthly figures.

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

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

5. Excludes ATS and NOW accounts.

6. Money market deposit accounts.

1.23 LOANS AND SECURITIES All Commercial Banks¹

Billions of dollars, averages of Wednesday figures

Item	1991											1992	
	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	
Seasonally adjusted													
1 Total loans and securities ²	2,759.9	2,763.9	2,765.7	2,774.6	2,776.4	2,778.3	2,789.4	2,805.1	2,821.6	2,836.0	2,843.5	2,844.6	
2 U.S. government securities	470.8	478.2	484.1	493.9	503.7	513.2	523.4	538.4	550.5	562.5	564.2	568.7	
3 Other securities	178.5	177.5	176.9	176.2	175.3	174.0	175.8	177.1	177.6	178.5	179.0	179.1	
4 Total loans and leases ²	2,110.6	2,108.3	2,104.8	2,104.6	2,097.4	2,091.1	2,090.2	2,089.6	2,093.4	2,095.0	2,100.2	2,096.7	
5 Commercial and industrial	638.7	635.1	630.6	626.0	623.6	619.4	622.0	622.6	621.0	617.6	614.5	608.9	
6 Bankers acceptances held	8.7	8.7	8.2	7.7	7.5	7.8	7.4	7.0	7.6	7.9	7.3	7.6	
7 Other commercial and industrial	630.0	626.5	622.4	618.3	616.1	611.6	614.6	615.6	613.4	609.7	607.2	601.3	
8 U.S. addressees ³	623.9	620.6	616.6	612.6	610.3	605.7	608.5	608.9	606.8	602.9	601.1	595.0	
9 Non-U.S. addressees ⁴	6.1	5.8	5.9	5.7	5.7	5.9	6.1	6.7	6.6	6.8	6.1	6.3	
10 Real estate	857.7	861.5	863.8	868.6	867.7	866.9	867.9	869.0	870.6	871.1	870.7	875.5	
11 Individual	375.2	374.3	373.6	372.9	371.0	370.3	367.2	364.4	363.2	363.9	363.9	364.2	
12 Security	48.2	48.5	49.1	49.0	47.4	48.4	50.0	51.2 [†]	53.6	54.6	59.1	56.9	
13 Nonbank financial institutions	36.9	36.0	36.5	39.3	38.8	37.7	37.6	38.1	39.2	40.6	40.3	42.1	
14 Agricultural	33.0	33.6	33.7	33.9	34.0	34.2	34.3	34.1	33.9	34.1	33.7	33.7	
15 State and political subdivisions	32.8	32.3	31.7	31.3	30.9	30.5	30.1	29.7	29.4	29.2	28.3	28.4	
16 Foreign banks	7.5	7.1	6.6	6.5	6.6	6.6	6.9	6.6	6.8	7.2	7.1	6.6	
17 Foreign official institutions	2.8	2.5	2.4	2.5	2.4	2.3	2.3	2.4	2.6	2.5	2.4	2.3	
18 Lease-financing receivables	33.1	33.1	33.0	33.2	32.4	31.7	31.7	31.5	31.3	31.4	31.3	31.3	
19 All other loans	44.7	44.2	43.6	41.5	42.8	43.1	40.2	40.0 [†]	41.8	42.9	49.0	46.9	
Not seasonally adjusted													
20 Total loans and securities ²	2,759.0	2,762.7	2,761.6	2,775.7	2,769.6	2,775.4	2,789.5	2,807.8	2,826.9	2,842.4	2,840.3	2,847.2	
21 U.S. government securities	474.9	479.9	484.0	493.1	501.5	511.7	521.9	537.3	551.5	558.5	563.8	572.7	
22 Other securities	178.5	177.0	176.5	176.2	174.3	174.2	175.8	177.4	177.9	178.7	179.5	179.2	
23 Total loans and leases ²	2,105.5	2,105.7	2,101.0	2,106.5	2,093.8	2,089.5	2,091.8	2,093.1	2,097.6	2,105.2	2,096.9	2,095.4	
24 Commercial and industrial	641.3	638.3	633.4	628.0	623.5	617.6	619.1	621.1	619.7	618.9	611.4	608.1	
25 Bankers acceptances held	8.7	8.4	8.2	7.7	7.2	7.6	7.4	7.0	7.9	8.2	7.4	7.8	
26 Other commercial and industrial	632.6	629.9	625.2	620.3	616.3	609.9	611.8	614.1	611.9	610.7	604.0	600.4	
27 U.S. addressees ³	626.4	623.8	619.3	614.3	610.5	604.1	605.8	607.9	605.7	604.3	597.5	593.7	
28 Non-U.S. addressees ⁴	6.2	6.0	5.9	6.0	5.7	5.8	6.0	6.2	6.1	6.4	6.5	6.7	
29 Real estate	854.3	860.2	864.4	868.9	868.8	868.8	868.8	870.3	872.0	871.3	870.1	872.5	
30 Individual	372.5	371.6	371.9	370.7	368.3	369.3	368.7	365.3	364.7	368.6	368.1	364.2	
31 Security	49.5	49.8	46.7	49.1	46.3	47.3	48.7	50.9 [†]	53.6	55.2	58.6	61.5	
32 Nonbank financial institutions	36.3	35.5	36.1	39.6	39.0	37.8	37.2	37.8	39.5	41.9	40.8	41.8	
33 Agricultural	31.7	32.7	33.3	34.2	34.7	35.1	35.3	35.0	34.2	34.1	33.3	32.8	
34 State and political subdivisions	32.8	32.2	31.7	31.3	30.7	30.4	30.1	29.7	29.4	29.1	28.6	28.5	
35 Foreign banks	7.3	6.9	6.4	6.3	6.5	6.5	6.9	6.8	7.1	7.7	6.9	6.5	
36 Foreign official institutions	2.8	2.5	2.4	2.5	2.4	2.3	2.3	2.4	2.6	2.5	2.4	2.3	
37 Lease-financing receivables	33.3	33.1	33.0	32.9	32.1	31.6	31.6	31.6	31.4	31.4	31.6	31.5	
38 All other loans	43.6	42.8	41.6	43.0	41.6	42.9	43.2	42.2 [†]	43.3	44.6	45.2	45.7	

1. Data have been revised to reflect new seasonal adjustment factors and benchmarking to Call reports. Historical data may be obtained from the Banking and Money Market Statistics Section, Division of Monetary Affairs, Board of Governors of the Federal Reserve System, Washington, DC 20551.

Components may not sum to totals because of rounding.
 2. Adjusted to exclude loans to commercial banks in the United States.
 3. Includes nonfinancial commercial paper held.
 4. United States includes the fifty states and the District of Columbia.

1.24 MAJOR NONDEPOSIT FUNDS OF COMMERCIAL BANKS¹

Billions of dollars, monthly averages

Source of funds	1991										1992	
	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
<i>Seasonally adjusted</i>												
1 Total nondeposit funds ²	264.8	265.7	260.8	250.2	247.9	245.4	248.7	262.8	264.0	274.5	277.4 ^f	281.3
2 Net balances due to related foreign offices	28.5	28.7	24.6	17.8	18.4	17.8	20.8	31.7	33.9	39.8	44.2 ^f	42.9
3 Borrowings from other than commercial banks in United States ⁴	236.4	237.1	236.2	232.4	229.5	227.6	227.9	231.0	230.0	234.7	233.2	238.5
4 Domestically chartered banks	169.6	170.4	167.2	163.9	160.2	156.0	154.7	153.2	149.2	150.9	152.9 ^f	155.4
5 Foreign-related banks	66.8	66.7	69.0	68.6	69.3	71.6	73.2	77.8	80.9	83.8	80.2	83.1
<i>Not seasonally adjusted</i>												
6 Total nondeposit funds ²	268.8	263.1	266.9	251.3	244.1	242.2	246.0	264.0	268.2	273.0	273.4 ^f	282.0
7 Net balances due to related foreign offices	28.6	27.4	27.1	17.3	15.2	15.9	19.9	31.3	34.8	43.4	44.9 ^f	43.0
8 Domestically chartered banks	-5.7	-3.3	-3	-3.6 ^f	-7.3	-8.8	-7.2	-7.2	-4.4	-3.8	-4.9 ^f	-1.0
9 Foreign-related banks	34.2	30.7	27.4	20.9	22.5	23.2	28.8	38.5	39.3	47.2	49.7 ^f	44.0
10 Borrowings from other than commercial banks in United States ⁴	240.2	235.8	239.9	234.0	228.9	226.2	226.1	232.7	233.4	229.6	228.5	238.9
11 Domestically chartered banks	173.0	168.5	170.3	164.1	158.4	154.3	153.6	154.0	153.4	149.6	148.7	155.9
12 Federal funds and security RP borrowings ⁵	169.7	165.7	167.6	161.2	155.2	150.6	150.2	150.9	150.2	146.5	145.3	152.4
13 Other ⁶	3.2	2.9	2.8	2.8	3.2	3.7	3.5	3.2	3.2	3.1	3.4	3.5
14 Foreign-related banks ⁵	67.2	67.2	69.5	69.9	70.4	71.9	72.5	78.6	80.0	80.0	79.8	83.0
MEMO												
<i>Gross large time deposits⁷</i>												
15 Seasonally adjusted	441.4 ^f	441.5 ^f	442.5 ^f	441.5 ^f	437.5 ^f	438.2 ^f	436.0 ^f	429.5	426.1	423.9	416.0	413.5
16 Not seasonally adjusted	441.9 ^f	440.2 ^f	443.7 ^f	442.8 ^f	437.1 ^f	440.0 ^f	437.5 ^f	429.7	425.8	422.6	413.6	412.5
<i>U.S. Treasury demand balances at commercial banks⁸</i>												
17 Seasonally adjusted	31.1	22.8	15.8	24.1	22.8	25.3	23.8	29.2	34.2	26.5	27.8	19.4
18 Not seasonally adjusted	28.4	20.4	19.9	23.6	20.7	17.2	26.9	28.7	28.5	25.4	33.1	25.2

1. Commercial banks are nationally and state-chartered banks in the fifty states and the District of Columbia, agencies and branches of foreign banks, New York investment companies majority owned by foreign banks, and Edge Act corporations owned by domestically chartered and foreign banks.

Data in this table also appear in the Board's G.10 (411) release. For ordering address, see inside front cover.

Data have been revised to reflect new seasonal adjustment factors and benchmarking to Call reports. Historical data may be obtained from the Banking and Money Market Statistics Section, Division of Monetary Affairs, Board of Governors of the Federal Reserve System, Washington, DC 20551.

2. Includes federal funds, repurchase agreements (RPs), and other borrowing from nonbanks and net balances due to related foreign offices.

3. Reflects net positions of U.S. chartered banks, Edge act corporations, and U.S. branches and agencies of foreign banks with related foreign offices plus net

positions with own International Banking Facilities (IBFs).

4. Borrowings through any instrument, such as a promissory note or due bill, given for the purpose of borrowing money for the banking business. This includes borrowings from Federal Reserve Banks and from foreign banks, term federal funds, loan RPs, and sales of participations in pooled loans.

5. Figures are based on averages of daily data reported weekly by approximately 120 large banks and quarterly or annual data reported by other banks.

6. Figures are partly averages of daily data and partly averages of Wednesday data.

7. Time deposits in denominations of \$100,000 or more. Estimated averages of daily data.

8. U.S. Treasury demand deposits and Treasury tax-and-loan notes at commercial banks. Averages of daily data.

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

Billions of dollars

Account	1991										1992	
	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Feb.	Jan.	
ALL COMMERCIAL BANKING INSTITUTIONS²												
1 Total assets	3,370.8	3,413.3	3,416.8	3,443.6	3,403.4	3,433.3	3,470.1	3,508.4	3,536.0	3,496.1	3,493.7	
2 Loans and securities	2,913.6	2,929.7	2,941.0	2,947.9	2,933.7	2,953.1	2,980.6	3,001.8	3,022.0	3,011.3	3,011.2	
3 Investment securities	627.7	633.2	640.6	650.5	654.0	663.5	686.3	695.9	704.9	704.8	711.4	
4 U.S. government securities	462.5	468.4	477.5	488.2	492.1	500.6	522.3	530.6	538.5	539.6	547.3	
5 Other	165.1	164.8	163.1	162.3	161.9	162.9	164.0	165.2	166.4	165.2	164.1	
6 Trading account assets	27.3	26.9	30.1	33.4	31.3	32.4	34.9	36.0	33.2	38.1	37.6	
7 Total loans	2,258.6	2,269.6	2,270.3	2,264.0	2,248.4	2,257.3	2,259.4	2,270.0	2,283.9	2,268.4	2,262.2	
8 Interbank loans	156.3	167.9	161.4	169.2	161.3	163.8	168.4	171.4	172.4	176.0	171.3	
9 Loans excluding interbank	2,102.4	2,101.7	2,108.8	2,094.8	2,087.1	2,093.5	2,091.0	2,098.6	2,111.5	2,092.4	2,091.0	
10 Commercial and industrial	637.3	632.0	627.6	622.2	616.5	619.0	618.5	620.3	620.4	608.7	607.8	
11 Real estate	861.0	865.7	868.8	867.8	868.2	867.9	871.5	871.4	871.3	870.7	871.5	
12 Individual	372.4	370.9	370.7	369.5	369.3	368.7	365.5	363.8	370.2	367.5	363.1	
13 All other	231.6	233.2	241.8	235.4	233.1	237.8	235.5	243.1	249.7	245.5	248.6	
14 Total cash assets	196.2	219.8	210.8	212.9	197.5	204.0	206.8	225.3	230.6	203.2	206.1	
15 Reserves with Federal Reserve Banks	22.4	26.7	29.3	24.3	22.6	26.1	25.9	24.7	29.2	23.7	27.4	
16 Cash in vault	29.1	31.1	29.8	29.7	31.0	30.2	30.7	29.6	30.7	31.1	30.7	
17 Cash items in process of collection	74.3	87.2	78.2	88.0	71.9	75.5	75.3	90.5	87.5	72.8	73.4	
18 Demand balances at U.S. depository institutions	26.2	31.0	29.1	27.3	27.6	27.2	29.3	32.8	33.3	28.2	28.9	
19 Other cash assets	44.1	43.8	44.3	43.6	44.4	44.9	45.5	47.7	49.9	47.4	45.6	
20 Other assets	261.0	263.8	265.0	282.8	272.2	276.2	282.8	281.3	283.4	281.7	276.3	
21 Total liabilities	3,053.5	3,086.0	3,087.2	3,107.0	3,059.2	3,086.1	3,132.1	3,171.3	3,195.9	3,145.8	3,142.3	
22 Total deposits	2,298.0	2,322.2	2,312.3	2,350.3	2,327.1	2,325.7	2,345.7	2,388.4	2,392.1	2,339.3	2,346.5	
23 Transaction accounts	601.4	617.7	611.4	639.8	612.4	614.3	628.7	670.4	682.9	643.9	652.5	
24 Savings deposits (excluding checkable)	597.6	608.7	613.4	623.1	627.4	631.3	643.0	650.7	656.1	667.7	680.2	
25 Time deposits	1,099.0	1,095.7	1,087.5	1,087.4	1,087.2	1,080.0	1,074.0	1,067.3	1,053.1	1,027.8	1,013.8	
26 Borrowings	486.7	489.8	500.4	489.0	466.7	483.8	501.3	487.3	499.5	507.2	503.5	
27 Other liabilities	268.8	274.0	274.5	267.7	265.4	276.6	285.1	295.6	304.3	299.3	292.3	
28 Residual (assets less liabilities)	317.3	327.3	329.6	336.5	344.2	347.2	338.0	337.0	340.2	350.2	351.4	
DOMESTICALLY CHARTERED COMMERCIAL BANKS⁴												
29 Total assets	2,970.6	3,002.4	3,003.5	3,021.4	2,985.4	3,000.9	3,025.1	3,052.3	3,068.7	3,032.2	3,029.6	
30 Loans and securities	2,639.1	2,647.8	2,655.3	2,665.1	2,650.3	2,659.4	2,673.8	2,687.9	2,694.7	2,688.2	2,688.0	
31 Investment securities	591.6	594.7	602.1	611.3	613.0	621.1	638.2	644.9	651.0	652.3	660.3	
32 U.S. government securities	444.0	447.7	456.9	467.2	470.0	477.2	493.4	499.4	505.6	508.5	517.8	
33 Other	147.5	147.0	145.1	144.1	143.0	143.8	144.8	145.4	145.4	143.8	142.5	
34 Trading account assets	27.3	26.9	30.1	33.4	31.3	32.4	34.9	36.0	33.2	38.1	37.6	
35 Total loans	2,020.2	2,026.2	2,023.1	2,020.5	2,005.9	2,006.0	2,000.6	2,007.1	2,010.5	1,997.8	1,990.0	
36 Interbank loans	130.7	141.0	136.8	146.5	141.5	142.8	144.5	150.7	150.5	156.3	150.7	
37 Loans excluding interbank	1,889.5	1,885.2	1,886.3	1,874.1	1,864.4	1,863.2	1,856.2	1,856.4	1,860.1	1,841.5	1,839.3	
38 Commercial and industrial	501.3	494.4	490.0	482.5	475.6	472.9	471.0	468.3	463.4	454.9	454.5	
39 Real estate	810.6	814.3	816.8	815.1	814.9	814.3	817.1	816.8	816.3	815.7	816.0	
40 Revolving home equity	64.5	65.3	66.0	66.6	67.3	68.1	68.9	69.2	69.9	71.0	70.6	
41 Other real estate	746.1	749.0	750.8	748.4	747.6	746.2	748.2	747.6	746.4	744.8	745.4	
42 Individual	372.4	370.9	370.7	369.5	369.3	368.7	365.5	363.8	370.2	367.5	363.1	
43 All other	205.2	205.7	208.9	207.0	204.6	207.4	202.6	207.5	210.2	203.4	205.8	
44 Total cash assets	171.8	194.2	185.2	187.7	171.5	176.5	179.1	197.6	201.7	176.3	179.7	
45 Reserves with Federal Reserve Banks	22.0	25.8	28.2	23.9	22.1	24.9	25.1	24.0	28.5	23.3	26.8	
46 Cash in vault	29.1	31.1	29.8	29.7	31.0	30.1	30.7	29.6	30.7	31.1	30.7	
47 Cash items in process of collection	72.7	85.6	76.2	86.3	70.3	74.0	73.6	88.3	85.4	71.0	71.7	
48 Demand balances at U.S. depository institutions	24.6	29.1	27.3	25.6	25.7	25.2	27.4	30.7	31.1	26.2	27.1	
49 Other cash assets	23.4	22.7	23.6	22.3	22.3	22.3	22.4	25.0	25.9	24.7	23.4	
50 Other assets	159.7	160.4	163.0	168.5	163.6	165.0	172.2	166.8	172.3	167.7	161.9	
51 Total liabilities	2,746.7	2,775.1	2,776.2	2,792.2	2,753.4	2,767.4	2,794.1	2,821.0	2,836.2	2,796.1	2,792.6	
52 Deposits	2,263.7	2,285.6	2,275.7	2,313.5	2,289.3	2,286.9	2,301.2	2,340.9	2,342.5	2,292.0	2,301.3	
53 Transaction accounts	592.1	608.3	601.7	630.4	603.1	605.3	619.4	660.4	672.6	634.1	643.2	
54 Savings deposits (excluding checkable)	594.0	605.1	609.7	619.3	623.7	627.5	639.2	646.8	652.1	663.6	676.1	
55 Time deposits	1,077.5	1,072.2	1,064.3	1,063.8	1,062.6	1,054.1	1,042.6	1,033.7	1,017.8	994.3	982.0	
56 Borrowings	349.9	357.6	369.8	352.7	339.1	354.6	362.1	346.8	356.8	367.9	360.8	
57 Other liabilities	133.1	131.9	130.7	126.0	125.0	125.9	130.8	133.3	136.9	136.2	130.5	
58 Residual (assets less liabilities) ³	223.9	227.3	227.2	229.2	232.0	233.5	230.9	231.3	232.4	236.1	236.9	

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

2. Data are partly estimated. They include all bank-premises subsidiaries and other significant majority-owned domestic subsidiaries. Components may not sum to totals because of rounding.

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

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

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

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

1.26 ASSETS AND LIABILITIES OF LARGE WEEKLY-REPORTING COMMERCIAL BANKS¹

Millions of dollars, Wednesday figures

Account	1992								
	Jan. 1 ^f	Jan. 8	Jan. 15	Jan. 22	Jan. 29	Feb. 5	Feb. 12	Feb. 19	Feb. 26
ASSETS									
1 Cash and balances due from depository institutions	125,881	106,687 ^T	123,479 ^F	123,370 ^F	104,647 ^T	103,562	103,753	127,323	105,954
2 U.S. Treasury and government securities	227,928	227,696	229,256 ^F	230,739	228,760	236,435	235,122	235,677	233,924
3 Trading account	17,967	18,659	19,589 ^F	20,598	20,659	22,681	22,485	23,319	21,861
4 Investment account	209,962	209,036	209,667	210,141	208,102	213,754	212,637	212,358	212,063
5 Mortgage-backed securities ^a	79,183	78,827	78,562	78,949	78,583	80,055	80,398	79,361	79,643
All others, by maturity									
6 One year or less	25,493	26,034	26,889	26,526	24,731	24,123	23,086	23,864	23,647
7 One year through five years	54,521	53,980	57,013	57,688	57,960	61,586	61,471	61,377	61,793
8 More than five years	50,765	48,195	47,202	46,978	46,827	47,990	47,682	47,756	46,980
9 Other securities	56,721	55,645 ^F	55,505 ^F	55,465 ^F	55,455	55,406	54,736	54,405	54,423
10 Trading account	2,019	1,290 ^F	1,251 ^F	1,237 ^F	1,614	1,214	1,155	1,094	1,147
11 Investment account	54,702	54,355	54,254	54,228	53,841	54,192	53,580	53,311	53,276
12 State and political subdivisions, by maturity	22,966	22,673	22,641	22,689	22,580	22,377	22,323	22,291	22,306
13 One year or less	3,275	3,161	3,171	3,241	3,231	3,239	3,233	3,325	3,331
14 More than one year	19,691	19,512	19,470	19,448	19,349	19,137	19,091	18,966	18,975
15 Other bonds, corporate stocks, and securities	31,736	31,682	31,613	31,539	31,261	31,815	31,257	31,020	30,970
16 Other trading account assets	11,447	12,596	11,842	12,371	13,178	13,560	13,398	13,895	12,532
17 Federal funds sold ^b	77,163	95,687	107,976	100,767	95,181 ^T	105,919	99,225	102,618	93,576
18 To commercial banks in the United States	52,971	64,397	73,712	70,880	66,540	71,859	67,670	71,099	61,429
19 To nonbank brokers and dealers	20,056	24,463	28,690	24,247	22,804 ^T	26,966	25,051	25,699	26,219
20 To others ^c	4,137	6,828	5,574	5,640	5,837	7,094	6,503	5,820	5,927
21 Other loans and leases, gross	1,017,258	1,013,033	1,012,646 ^F	1,009,905 ^F	1,008,106 ^T	1,012,018	1,007,147	1,007,060	1,001,627
22 Commercial and industrial	293,414	290,211 ^T	290,165 ^F	289,386 ^F	288,661 ^T	290,577	288,049	289,434	288,904
23 Bankers acceptances and commercial paper	1,946	1,633	1,608	1,597	1,584	1,669	1,586	1,820	1,771
24 All other	291,468	288,579 ^T	288,557 ^T	287,789 ^T	287,077 ^T	288,908	286,462	287,614	287,133
25 U.S. addressees	289,921	287,055 ^T	287,021 ^T	286,243 ^T	285,569 ^T	287,368	285,012	286,009	285,574
26 Non-U.S. addressees	1,548	1,523	1,536	1,545	1,508	1,540	1,450	1,605	1,559
27 Real estate loans	403,174	403,255 ^T	402,748 ^T	401,941 ^T	402,295 ^T	403,499	404,336	402,066	400,715
28 Revolving, home equity	41,494	41,472	41,594	41,665	41,685	41,632	41,601	41,560	41,507
29 All other	361,680	361,782 ^T	361,155 ^F	360,276 ^F	360,609 ^F	361,867	362,735	360,506	359,208
30 To individuals for personal expenditures	188,386	187,844 ^T	187,030 ^F	186,852 ^F	186,787 ^T	185,879	185,746	184,701	184,215
31 To financial institutions	46,523	45,717	45,768	44,872	45,521	46,628	44,720	44,615	43,733
32 Commercial banks in the United States	20,922	20,772	21,514	20,831	21,565	21,458	20,375	20,709	20,305
33 Banks in foreign countries	2,079	1,858	2,091	2,065	1,934	2,348	1,732	1,593	1,596
34 Nonbank financial institutions	23,521	23,086	22,163	21,976	22,022	22,822	22,614	22,313	21,832
35 For purchasing and carrying securities	12,506	13,791	14,374	14,784	14,107	14,263	14,006	13,757	13,368
36 To finance agricultural production	6,191	6,039	6,023 ^F	5,949 ^F	5,850	5,825	5,867	5,872	5,774
37 To states and political subdivisions	17,684	17,534	17,443	17,432	17,344	17,260	17,241	17,322	17,221
38 To foreign governments and official institutions	918	1,001	928	939	898	957	896	985	885
39 All other loans ^d	22,710	21,845	22,383	21,982	20,909	21,410	20,633	22,601	21,112
40 Lease-financing receivables	25,752	25,797 ^T	25,785 ^F	25,769 ^F	25,734 ^F	25,720	25,653	25,706	25,699
41 Less: Unearned income	3,305	3,255	3,244	3,233	3,275	3,222	3,214	3,212	3,194
42 Loan and lease reserve ^e	37,221	37,127	37,257	37,206	37,056	37,763	37,946	37,915	37,885
43 Other loans and leases, net	976,733	972,651	972,145 ^F	969,467 ^F	967,775 ^F	971,033	965,987	965,933	960,549
44 Other assets	170,837	159,783 ^T	162,538 ^F	157,757 ^F	154,771 ^F	157,080	156,267	153,080	149,332
45 Total assets	1,646,711	1,630,746 ^T	1,662,740 ^F	1,649,936 ^F	1,619,767 ^T	1,642,995	1,628,487	1,652,931	1,610,289

Footnotes appear on the following page.

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

Millions of dollars, Wednesday figures

Account	1992								
	Jan. 1 ^r	Jan. 8	Jan. 15	Jan. 22	Jan. 29	Feb. 5	Feb. 12	Feb. 19	Feb. 26
LIABILITIES									
46 Deposits	1,158,692	1,135,391 ^r	1,158,335 ^r	1,129,720 ^r	1,110,251 ^r	1,130,593	1,121,828	1,134,582	1,112,695
47 Demand deposits	267,387	237,790 ^r	262,417 ^r	245,172 ^r	230,402 ^r	239,837	233,928	249,787	233,240
48 Individuals, partnerships, and corporations	214,334	193,148 ^r	207,174 ^r	193,311 ^r	182,840 ^r	192,529	188,927	196,813	184,684
49 Other holders	53,053	44,642 ^r	55,242 ^r	51,861 ^r	47,562 ^r	47,308	45,001	52,974	48,556
50 States and political subdivisions	9,242	7,896	8,001	8,389	7,753	8,317	7,446	8,192	8,026
51 U.S. government	3,050	1,754	4,975	2,439	1,796	2,339	1,757	1,653	1,771
52 Depository institutions in the United States	24,057	19,801 ^r	25,436 ^r	23,412 ^r	20,098 ^r	20,934	20,645	25,619	22,083
53 Banks in foreign countries	5,753	5,294	5,538	5,813	5,194	4,870	4,490	5,133	4,661
54 Foreign governments and official institutions	1,000	532	604	694	668	940	542	573	622
55 Certified and officers' checks	9,949	9,365	10,689	11,115	12,051 ^r	9,909	10,120	11,805	11,393
56 Transaction balances other than demand deposits ⁵	105,012	106,020	104,795	101,460	99,458	104,610	101,469	102,112	100,503
57 Nontransaction balances	786,294	791,581	791,124	783,087	780,391	786,146	786,432	782,683	778,952
58 Individuals, partnerships, and corporations	756,514	760,809 ^r	760,532 ^r	752,739 ^r	749,001 ^r	754,222	753,946	750,044	746,639
59 Other holders	29,780	30,772 ^r	30,591 ^r	30,348 ^r	31,390 ^r	31,924	32,486	32,638	32,313
60 States and political subdivisions	24,015	24,687	24,598	24,427	25,049	25,612	26,257	26,136	26,084
61 U.S. government	1,105	1,494	1,484	1,484	1,517	1,565	1,570	1,619	1,611
62 Depository institutions in the United States	4,372	4,217 ^r	4,139 ^r	4,076 ^r	4,464 ^r	4,387	4,302	4,531	4,269
63 Foreign governments, official institutions, and banks	287	374	370	361	360	360	357	353	348
64 Liabilities for borrowed money ⁶	262,656	273,104	280,779 ^r	294,907 ^r	282,075 ^r	285,962	282,407	296,457	275,562
65 Borrowings from Federal Reserve Banks	0	4,583	0	965	0	440	0	0	0
66 Treasury tax and loan notes	25,798	16,173	16,866 ^r	29,461	29,817	20,151	19,703	14,696	12,600
67 Other liabilities for borrowed money ⁷	236,858	252,349 ^r	263,913 ^r	264,481 ^r	252,258 ^r	265,370	262,704	281,762	262,962
68 Other liabilities (including subordinated notes and debentures)	107,455	104,139 ^r	105,498 ^r	106,125 ^r	107,374 ^r	106,625	103,903	101,379	101,657
69 Total liabilities	1,528,803	1,512,634 ^r	1,544,612 ^r	1,530,752 ^r	1,499,700 ^r	1,523,180	1,508,138	1,532,418	1,489,914
70 Residual (total assets less total liabilities) ⁸	117,908	118,111	118,128	119,183	120,067	119,815	120,349	120,513	120,375
MEMO									
71 Total loans and leases, gross, adjusted, plus securities ⁹	1,316,625	1,319,488 ^r	1,321,999 ^r	1,317,536 ^r	1,312,576 ^r	1,330,021	1,321,582	1,321,847	1,314,348
72 Time deposits in amounts of \$100,000 or more	162,861	164,618 ^r	163,006 ^r	161,578 ^r	160,702 ^r	161,337	161,114	157,924	157,820
73 Loans sold outright to affiliates ¹⁰	1,232	1,247	1,233	1,230	1,224	1,219	1,212	1,214	1,220
74 Commercial and industrial	680	701	695	697	685	684	674	681	683
75 Other	553	546	538	534	538	535	537	533	537
76 Foreign branch credit extended to U.S. residents ¹¹	23,603	23,822	23,829	23,685	23,409	23,544	23,195	23,152	23,136
77 Net due to related institutions abroad	-11,695	-5,782 ^r	-7,972	-3,792	453	-971	-2,834	-2,068	1,961

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

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

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

Millions of dollars, Wednesday figures

Account	1992								
	Jan. 1	Jan. 8	Jan. 15	Jan. 22	Jan. 29	Feb. 5	Feb. 12	Feb. 19	Feb. 26
1 Cash and balances due from depository institutions	17,349	16,733	17,412	17,034 ^f	16,543	16,441	15,633	16,504	16,226
2 U.S. Treasury and government agency securities	21,792	22,167	21,947	20,836	20,459	20,802	20,180	20,167	19,381
3 Other securities	8,890	8,927	8,826	8,949	8,913	8,947	9,015	8,992	8,990
4 Federal funds sold ¹	12,861 ^f	9,531	10,533	13,692	11,276	10,271	11,896	14,441	13,461
5 To commercial banks in the United States	6,472	3,774	3,812	7,519	3,905	3,518	3,116	5,890	4,318
6 To others ²	6,390 ^f	5,756	6,721	6,173	7,371	6,753	8,780	8,551	9,143
7 Other loans and leases, gross	168,517 ^f	162,735	163,266	163,363	164,761	164,929	161,870	162,332	163,688
8 Commercial and industrial	98,316 ^f	97,131 ^f	97,684 ^f	97,278 ^f	97,705 ^f	97,284	96,810	96,612	97,346
9 Bankers acceptances and commercial paper	2,573	2,322	2,288	2,373	2,314	2,620	2,487	2,454	2,611
10 All other	95,744 ^f	94,809 ^f	95,396 ^f	94,905 ^f	95,391 ^f	94,664	94,323	94,158	94,735
11 U.S. addressees	92,741 ^f	91,930	92,525	92,021	92,495	91,790	91,496	91,342	91,888
12 Non-U.S. addressees	3,002 ^f	2,879 ^f	2,871 ^f	2,884 ^f	2,896 ^f	2,873	2,827	2,816	2,847
13 Loans secured by real estate	36,708 ^f	36,581	36,652	36,638	36,564	36,802	37,089	37,020	36,912
14 To financial institutions	22,230	21,396	20,314	20,369	20,851	21,578	20,238	20,325	21,144
15 Commercial banks in the United States	8,292	7,889	7,566	7,704	7,824	8,119	7,294	7,347	7,755
16 Banks in foreign countries	1,919	1,941	1,816	1,807	1,866	2,068	1,832	1,685	1,692
17 Nonbank financial institutions	12,020	11,567	10,932	10,858	11,161	11,391	11,112	11,292	11,697
18 For purchasing and carrying securities	8,310	5,173	6,591	6,591	7,225	6,925	5,348	5,828	5,759
19 To foreign governments and official institutions	390 ^f	378 ^f	379 ^f	392 ^f	405 ^f	368	357	370	373
20 All other	2,563	2,075	2,124	2,094	2,011	1,973	2,029	2,178	2,152
21 Other assets (claims on nonrelated parties)	32,232	30,963	30,229	29,811	30,142	29,747	29,352	28,589	28,684
22 Total assets³	297,449	288,063	292,890	292,980^f	291,881	293,375	291,017	290,037	291,992
23 Deposits or credit balances due to other than directly related institutions	96,363	95,232	95,339	97,794 ^f	101,546	99,691	98,684	97,148	100,441
24 Demand deposits ⁴	4,200	3,792	3,755	3,781 ^f	3,665 ^f	4,030	3,613	3,919	3,439
25 Individuals, partnerships, and corporations	3,381	2,970	2,928	2,960 ^f	2,801	2,898	2,771	3,019	2,759
26 Other	819	823	827	822 ^f	864 ^f	1,131	842	899	679
27 Nontransaction accounts	92,163	91,439	91,584	94,013 ^f	97,880 ^f	95,662	95,071	92,229	97,002
28 Individuals, partnerships, and corporations	65,058	64,477	64,529	66,736	69,212	67,223	66,933	64,853	68,197
29 Other	27,104	26,963	27,054	27,276 ^f	28,669 ^f	28,439	28,138	28,377	28,805
30 Borrowings from other than directly related institutions	107,426	104,537	105,354	102,142	99,849	106,875	102,722	103,328	102,249
31 Federal funds purchased ⁵	52,627 ^f	53,691	58,103	53,445	51,208	58,151	56,087	55,760	51,131
32 From commercial banks in the United States	22,550 ^f	24,043	26,338	20,803	22,282	25,363	21,325	21,340	21,441
33 From others	30,077 ^f	29,648	31,766	32,642	28,926	32,788	34,763	34,419	29,690
34 Other liabilities for borrowed money	54,799 ^f	50,846	47,251	48,698	48,641	48,724	46,634	47,569	51,118
35 To commercial banks in the United States	16,765 ^f	15,241	15,050	14,778	16,097	14,744	13,996	13,562	14,210
36 To others	38,034 ^f	35,606	32,201	33,920	32,544	33,980	32,638	34,006	36,907
37 Other liabilities to nonrelated parties	29,456	28,584	28,079	27,704	27,317	26,955	26,920	26,480	26,515
38 Total liabilities⁶	297,449	288,063	292,890	292,980^f	291,881	293,375	291,017	290,037	291,992
MEMO									
39 Total loans (gross) and securities, adjusted ⁷	197,297	191,697	193,194	191,618	193,680	193,312	192,551	192,695	193,447
40 Net due to related institutions abroad	28,397	22,704	23,442	26,046	23,382	17,615	19,621	24,069	21,225

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

1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING¹

Millions of dollars, end of period

Item	1987 Dec.	1988 Dec.	1989 Dec.	1990 Dec.	1991 Dec.	1991					1992 Jan
						Aug.	Sept.	Oct.	Nov.	Dec.	
Commercial paper (seasonally adjusted unless noted otherwise)											
1 All issuers	358,997	458,464	525,831 ^f	561,142 ^f	530,300 ^f	538,935 ^f	532,426 ^f	532,342 ^f	534,969 ^f	530,300 ^f	533,339
Financial companies ²											
Total	102,742	159,777	183,622 ^f	215,123 ^f	214,445 ^f	209,001 ^f	212,031 ^f	219,938 ^f	218,149 ^f	214,445 ^f	220,208
Dealer-placed paper ³											
Bank-related (not seasonally adjusted) ⁴	1,428	1,248	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Directly placed paper ⁵											
Total	174,332	194,931	210,930 ^f	199,835 ^f	183,195 ^f	192,095 ^f	189,236 ^f	180,179 ^f	181,582 ^f	183,195 ^f	180,221
Bank-related (not seasonally adjusted) ⁴	43,173	43,155	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
6 Nonfinancial companies ⁶	81,923	103,756	131,279 ^f	146,184 ^f	132,660 ^f	137,839 ^f	131,159 ^f	132,225 ^f	135,238 ^f	132,660 ^f	132,910
Bankers dollar acceptances (not seasonally adjusted) ⁷											
7 Total	70,565	66,631	62,972	54,771	43,770	44,228	43,462	44,910	43,947	43,770	43,112
Holder											
8 Accepting banks	10,943	9,086	9,433	9,017	11,017 ^f	9,622	10,174	9,876	10,750	11,017 ^f	11,291
9 Own bills	9,464	8,022	8,510	7,930	9,347 ^f	7,826	8,237	8,306	8,754	9,347 ^f	9,273
10 Bills bought	1,479	1,064	924	1,087	1,670	1,795	1,937	1,570	1,996	1,670	2,018
Federal Reserve Banks											
11 Own account	0	0	0	0	0	0	0	0	0	0	0
12 Foreign correspondents	965	1,493	1,066	918	1,739	1,665	1,678	1,862	1,705	1,739	1,574
13 Others	58,658	56,052	52,473	44,836	31,014 ^f	32,941	31,610	33,172	31,491	31,014 ^f	30,247
Basis											
14 Imports into United States	16,483	14,984	15,651	13,096	12,843	12,968	12,876	13,265	13,472	12,843	12,995
15 Exports from United States	15,227	14,410	13,683	12,703	10,351	11,044	10,966	11,105	10,486	10,351	9,740
16 All other	38,855	37,237	33,638	28,973	20,577	20,215	19,620	20,541	19,982 ^f	20,577	20,377

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

1.33 PRIME RATE CHARGED BY BANKS on Short-Term Business Loans¹

Percent per year

Date of change	Rate	Period	Average rate	Period	Average rate	Period	Average rate
1989— Jan. 1	10.50	1989	10.87	1990— Jan.	10.11	1991— Jan.	9.52
Feb. 10	11.00	1990	10.01	Feb.	10.00	Feb.	9.05
Feb. 24	11.50	1991	8.46	Mar.	10.00	Mar.	9.00
June 5	11.00	1989— Jan.	10.50	Apr.	10.00	Apr.	9.00
July 31	10.50	Feb.	10.93	May	10.00	May	8.50
1990— Jan. 8	10.00	Mar.	11.50	June	10.00	June	8.50
1991— Jan. 2	9.50	Apr.	11.50	July	10.00	July	8.50
Feb. 4	9.00	May	11.50	Aug.	10.00	Aug.	8.50
May 1	8.50	June	11.07	Sept.	10.00	Sept.	8.20
Sept. 13	8.00	July	10.98	Oct.	10.00	Oct.	8.00
Nov. 6	7.50	Aug.	10.50	Nov.	10.00	Nov.	7.58
Dec. 23	6.50	Sept.	10.50	Dec.	10.00	Dec.	7.21
		Oct.	10.50			1992— Jan.	6.50
		Nov.	10.50			Feb.	6.50
		Dec.	10.50			Mar.	6.50

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

A24 Domestic Financial Statistics □ May 1992

1.35 INTEREST RATES Money and Capital Markets

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

Item	1989	1990	1991	1991		1992		1992, week ending				
				Nov.	Dec.	Jan.	Feb.	Jan. 31	Feb. 7	Feb. 14	Feb. 21	Feb. 28
MONEY MARKET INSTRUMENTS												
1 Federal funds ^{1,2,3}	9.21	8.10	5.69	4.81	4.43	4.03	4.06	4.01	4.17	3.93	4.20	3.96
2 Discount window borrowing ^{2,4}	6.93	6.98	5.45	4.58	4.11	3.50	3.50	3.50	3.50	3.50	3.50	3.50
<i>Commercial paper^{3,5,6}</i>												
3 1-month	9.11	8.15	5.89	4.95	4.98	4.11	4.11	4.08	4.07	4.02	4.17	4.19
4 3-month	8.99	8.06	5.87	4.98	4.61	4.07	4.11	4.09	4.07	4.02	4.17	4.20
5 6-month	8.80	7.95	5.85	4.93	4.49	4.06	4.13	4.09	4.07	4.02	4.19	4.24
<i>Finance paper, directly placed^{2,5,7}</i>												
6 1-month	8.99	8.00	5.73	4.80	4.69	3.99	4.01	4.00	3.97	3.91	4.08	4.08
7 3-month	8.72	7.87	5.71	4.87	4.39	3.99	4.02	4.01	3.98	3.92	4.07	4.12
8 6-month	8.16	7.53	5.60	4.76	4.31	3.95	3.96	3.98	3.96	3.87	4.00	4.04
<i>Bankers acceptances^{3,5,8}</i>												
9 3-month	8.87	7.93	5.70	4.85	4.42	3.97	4.00	4.00	3.95	3.92	4.05	4.08
10 6-month	8.67	7.80	5.67	4.76	4.28	3.96	4.02	4.02	3.95	3.93	4.11	4.11
<i>Certificates of deposit, secondary market⁹</i>												
11 1-month	9.11	8.15	5.82	4.86	4.84	4.07	4.05	4.06	4.01	3.96	4.11	4.14
12 3-month	9.09	8.15	5.83	4.94	4.47	4.05	4.07	4.08	4.02	3.96	4.13	4.16
13 6-month	9.08	8.17	5.91	4.92	4.41	4.07	4.13	4.11	4.06	4.00	4.21	4.27
14 Eurodollar deposits, 3-month ^{3,10}	9.16	8.16	5.86	4.96	4.48	4.06	4.05	4.08	4.03	3.91	4.11	4.16
<i>U.S. Treasury bills, Secondary market^{3,5}</i>												
15 3-month	8.11	7.50	5.38	4.56	4.07	3.80	3.84	3.84	3.81	3.76	3.87	3.94
16 6-month	8.03	7.46	5.44	4.61	4.10	3.87	3.93	3.92	3.87	3.85	3.98	4.03
17 1-year	7.92	7.35	5.52	4.64	4.17	3.95	4.08	4.02	3.98	4.00	4.16	4.19
<i>Auction average^{3,3,11}</i>												
18 3-month	8.12	7.51	5.42	4.60	4.12	3.84	3.84	3.84	3.86	3.72	3.83	3.96
19 6-month	8.04	7.47	5.49	4.66	4.16	3.88	3.94	3.93	3.93	3.80	3.93	4.08
20 1-year	7.91	7.36	5.54	4.72	4.20	3.84	4.01	n.a.	n.a.	4.01	n.a.	n.a.
U.S. TREASURY NOTES AND BONDS												
<i>Constant maturities¹²</i>												
21 1-year	8.53	7.89	5.86	4.89	4.38	4.15	4.29	4.23	4.19	4.19	4.37	4.41
22 2-year	8.57	8.16	6.49	5.56	5.03	4.96	5.21	5.14	5.07	5.10	5.32	5.37
23 3-year	8.55	8.26	6.82	5.90	5.39	5.40	5.72	5.65	5.61	5.61	5.82	5.86
24 5-year	8.50	8.37	7.37	6.62	6.19	6.24	6.58	6.41	6.44	6.50	6.70	6.70
25 7-year	8.52	8.52	7.68	7.06	6.69	6.70	6.96	6.88	6.87	6.90	7.06	7.04
26 10-year	8.49	8.55	7.86	7.42	7.09	7.03	7.34	7.25	7.25	7.31	7.44	7.37
27 30-year	8.45	8.61	8.14	7.92	7.70	7.58	7.85	7.74	7.77	7.84	7.94	7.88
<i>Composite¹³</i>												
28 Over 10 years (long-term)	8.58	8.74	8.16	7.83	7.58	7.48	7.78	7.66	7.69	7.76	7.87	7.81
STATE AND LOCAL NOTES AND BONDS												
<i>Moody's series¹⁴</i>												
29 Aaa	7.00	6.96	6.56	6.24	6.32	6.13	n.a.	6.20	6.22	6.31	6.41	6.27
30 Baa	7.40	7.29	6.99	6.58	6.65	6.47	n.a.	6.54	6.58	6.65	6.80	6.64
31 Bond Buyer series ¹⁵	7.23	7.27	6.92	6.73	6.69	6.54	6.74	6.65	6.71	6.74	6.75	6.74
CORPORATE BONDS												
32 Seasoned issues, all industries ¹⁶	9.66	9.77	9.23	8.93	8.75	8.64	8.75	8.70	8.70	8.73	8.81	8.78
<i>Rating group</i>												
33 Aaa	9.26	9.32	8.77	8.48	8.31	8.20	8.29	8.25	8.25	8.27	8.33	8.31
34 Aa	9.46	9.56	9.05	8.78	8.61	8.51	8.67	8.58	8.60	8.64	8.73	8.72
35 A	9.74	9.82	9.30	9.01	8.82	8.72	8.83	8.76	8.78	8.81	8.88	8.87
36 Baa	10.18	10.36	9.80	9.45	9.26	9.13	9.23	9.20	9.18	9.21	9.29	9.23
37 A-rated, recently offered utility bonds ¹⁷	9.79	10.01	9.32	8.95	8.68	8.57	8.79	8.72	8.71	8.85	8.87	8.72
MEMO: Dividend-price ratio¹⁸												
38 Preferred stocks	9.05	8.96	8.17	7.81	7.62	7.54	7.54	7.61	7.57	7.46	7.51	7.86
39 Common stocks	3.45	3.61	3.25	3.15	3.11	2.90	2.94	2.96	2.94	2.91	2.98	2.94

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

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

1.36 STOCK MARKET Selected Statistics

Indicator	1989	1990	1991	1991							1992	
				June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
Prices and trading volume (averages of daily figures)												
<i>Common stock prices (indexes)</i>												
1 New York Stock Exchange (Dec. 31, 1965 = 50)	180.13	183.66	206.35	207.32	208.29	213.33	212.55	213.10	213.25	214.26	229.34	228.12
2 Industrial	228.04	226.06	258.16	261.16	262.48	268.22	266.21	265.68	264.89	266.01	286.62	286.09
3 Transportation	174.90	158.80	173.97	177.05	177.15	178.42	177.99	187.45	188.52	185.47	201.55	205.53
4 Utility	94.33	90.72	92.64	89.01	90.05	92.38	93.72	95.25	96.78	98.08	99.31	96.19
5 Finance	162.01	133.21	150.84	152.30	151.69	157.70	157.69	158.94	159.78	159.96	174.50	174.05
6 Standard & Poor's Corporation (1941-43 = 10)	323.05	335.01	376.20	378.29	380.23	389.40	387.20	386.88	385.87	388.51	416.08	412.56
7 American Stock Exchange (Aug. 31, 1973 = 50)	356.67	338.32	360.32	366.06	364.33	367.38	369.55	376.82	382.38	373.08	409.08	413.74
<i>Volume of trading (thousands of shares)</i>												
8 New York Stock Exchange	165,568	156,359	179,411	162,154	157,871	171,490	163,242	177,502	187,191	197,914	239,903	226,476
9 American Stock Exchange	13,124	13,155	12,486	11,477	10,883	12,514	13,378	13,764	14,487	17,475	20,444	18,126
Customer financing (millions of dollars, end-of-period balances)												
10 Margin credit at broker-dealers ³	34,320	28,210	36,660	31,280	30,600	32,240	33,170	33,360	34,840	36,660	36,350	38,200
<i>Free credit balances at brokers⁴</i>												
11 Margin accounts ⁵	7,040	8,050	8,290	6,690	6,545	7,040	6,950	6,965	7,040	8,290	7,865	7,620
12 Cash accounts	18,505	19,285	19,255	18,110	16,945	17,040	17,595	17,100	17,780	19,255	19,990	20,370
Margin requirements (percent of market value and effective date) ⁶												
	Mar. 11, 1968	June 8, 1968	May 6, 1970	Dec. 6, 1971	Nov. 24, 1972	Jan. 3, 1974						
13 Margin stocks	70	80	65	55	65	50						
14 Convertible bonds	50	60	50	50	50	50						
15 Short sales	70	80	65	55	65	50						

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

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

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

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

5. New series since June 1984.

6. These requirements, stated in regulations adopted by the Board of Governors pursuant to the Securities Exchange Act of 1934, limit the amount of credit that can be used to purchase and carry "margin securities" (as defined in the regulations) when such credit is collateralized by securities. Margin requirements

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

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

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

A26 Domestic Financial Statistics □ May 1992

1.37 SELECTED FINANCIAL INSTITUTIONS Selected Assets and Liabilities

Millions of dollars, end of period

Account	1989	1990	1991									
			Mar.	Apr.	May	June	July ^r	Aug. ^r	Sept. ^r	Oct. ^r	Nov. ^r	Dec.
SAIF-insured institutions												
1 Assets	1,249,055	1,084,821	1,041,977	1,027,464	1,020,677	1,001,582	984,966	972,524	949,008	937,813	934,560	920,170
2 Mortgages	733,729	633,385	610,618	608,857	605,947	596,022	586,285	578,274	566,053	560,756	557,134	551,140
3 Mortgage-backed securities	170,532	155,228	147,431	143,968	141,582	139,536	137,098	135,751	135,253	134,967	133,344	129,583
4 Contra-assets to mortgage assets ¹	25,457	16,897	14,592	14,413	14,438	14,625	14,247	14,036	13,126	12,446	12,307	12,287
5 Commercial loans	32,150	24,125	22,294	21,903	21,724	20,645	20,301	20,390	18,519	18,150	17,511	17,547
6 Consumer loans	58,685	48,753	47,653	46,702	45,827	45,174	44,352	43,259	42,423	43,061	42,761	41,769
7 Contra-assets to non-mortgage loans ²	3,592	1,939	1,827	1,742	1,739	1,745	1,676	1,546	1,399	1,375	1,153	1,247
8 Cash and investment securities	166,053	146,644	138,976	132,878	134,012	130,443	130,263	132,010	125,905	120,793	123,422	120,129
9 Other	116,955	95,522	91,424	89,301	87,757	86,133	82,590	78,422	75,380	73,907	73,847	73,847
10 Liabilities and net worth	1,249,055	1,084,821	1,041,977	1,027,464	1,020,677	1,001,582	984,966	972,524	949,008	937,813	934,560	920,170
11 Savings capital	945,656	835,496	816,991	806,266	801,678	792,923	775,434	763,751	749,363	741,360	737,554	732,070
12 Borrowed money	252,230	197,353	169,412	164,268	159,625	151,474	146,901	142,908	132,727	127,356	125,147	121,931
13 FHLBB	124,577	100,391	90,555	86,779	82,312	78,966	76,104	74,424	68,816	66,609	66,005	65,842
14 Other	127,653	96,962	78,857	77,489	77,313	72,508	70,797	68,484	63,911	60,747	59,142	56,089
15 Other	27,556	21,332	20,350	21,752	23,647	20,480	21,634	22,649	19,080	20,390	21,695	17,468
16 Net worth	23,612	30,640	35,223	35,178	35,720	36,705	40,976	43,216	47,838	48,706	50,163	48,701

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

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

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

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

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

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS¹

Millions of dollars

Type of account or operation	Fiscal year 1989	Fiscal year 1990	Fiscal year 1991	Calendar year					
				1991				1992	
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
<i>U.S. budget²</i>									
1 Receipts, total	990,701	1,031,308	1,054,260	109,345	78,068	73,194	103,662	104,091 ^r	62,056
2 On-budget	727,035	749,652	760,377	83,130	57,216	50,898	80,172	79,937 ^r	38,290
3 Off-budget	263,666	281,656	293,883	26,215	20,852	22,296	23,490	24,154	23,766
4 Outlays, total	1,144,020	1,251,766	1,323,750 ^r	116,232 ^r	114,082 ^r	117,748 ^r	106,199 ^r	119,742	110,815
5 On-budget	933,107	1,026,711	1,082,067 ^r	91,574 ^r	94,099 ^r	95,455 ^r	95,500 ^r	97,189	87,591
6 Off-budget	210,911	225,065	241,685	24,658	19,983	22,293	10,698	22,553	23,224
7 Surplus or deficit (-), total	-153,319	-220,469	-269,492 ^r	-6,887 ^r	-36,014 ^r	-44,555 ^r	-2,536 ^r	-15,650 ^r	-48,759
8 On-budget	-206,072	-277,059	-321,690 ^r	-8,444 ^r	-36,883 ^r	-44,557 ^r	-15,328 ^r	-17,252 ^r	-49,301
9 Off-budget	52,753	56,590	52,198	1,557	869	3	12,792	1,601	542
<i>Source of financing (total)</i>									
10 Borrowing from the public	141,806	220,101	276,802	27,970	40,657	25,641	22,825	11,449	20,938
11 Operating cash (decrease, or increase (-))	3,425	818	-1,329	-23,133	-11,235	28,195	-24,258	925	30,975
12 Other ³	8,088	-451	-5,981 ^r	2,050 ^r	6,592 ^r	-9,281 ^r	3,969 ^r	3,276 ^r	-3,154
MEMO									
13 Treasury operating balance (level, end of period)	40,973	40,155	41,484	41,484	52,719	24,524	48,782	47,857	16,882
14 Federal Reserve Banks	13,452	7,638	7,928	7,928	18,111	6,317	17,697	10,828	5,477
15 Tax and loan accounts	27,521	32,517	33,556	33,556	34,608	18,207	31,085	37,028	11,405

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

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

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

in the International Monetary Fund (IMF); loans to 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.

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

1.39 U.S. BUDGET RECEIPTS AND OUTLAYS¹

Millions of dollars

Source or type	Fiscal year 1990	Fiscal year 1991	Calendar year						
			1990		1991		1991	1992	
			H1	H2	H1	H2	Dec.	Jan.	Feb.
RECEIPTS									
1 All sources	1,031,308	1,054,260	548,861	503,123	540,504	519,288	103,662	104,091 ^f	62,056
2 Individual income taxes, net	466,884	467,827	243,087	230,745	232,389	233,983	41,722	60,451	22,213
3 Withheld	388,384	404,152	190,219	207,469	193,440	210,552	39,943	36,047	33,941
4 Presidential Election Campaign Fund	32	32	30	3	31	1	0	0	5
5 Nonwithheld	151,285	142,693	117,675	31,728	109,405	33,296	2,614	25,601	1,056
6 Refunds	72,817	79,050	64,838	8,455	70,487	9,867	835	1,197	12,789
7 Corporation income taxes									
8 Gross receipts	110,017	113,599	58,830	54,044	58,903	54,016	22,546	3,856	2,348
9 Refunds	16,510	15,513	8,326	7,603	7,904	7,956	827	864	1,129
9 Social insurance taxes and contributions, net	380,047	396,011	210,476	178,468	214,303	186,839	30,996	31,832	32,282
10 Employment taxes and contributions ²	353,891	370,526	195,269	167,224	199,727	175,802	30,418	30,797	29,964
11 Self-employment taxes and contributions ³	21,795	25,457	19,017	2,638	22,150	3,306	0	-1,361	1,472
12 Unemployment insurance	21,635	20,922	12,929	8,996	12,296	8,721	228	619	1,945
13 Other net receipts ⁴	4,522	4,563	2,278	2,249	2,279	2,317	350	415	373
14 Excise taxes	35,345	42,430	18,153	17,535	20,703	24,690	3,912	3,349	3,395
15 Customs deposits	16,707	15,921	8,096	8,568	7,488	8,694	1,405	1,367	1,291
16 Estate and gift taxes	11,500	11,138	6,442	5,333	5,631	5,521	757	930	733
17 Miscellaneous receipts ⁵	27,316	22,847	12,106	16,032	8,991	13,503	3,151	3,170 ^f	923
OUTLAYS									
18 All types	1,251,776	1,323,750 ^f	640,867	647,461 ^f	632,153 ^f	693,760 ^f	106,199 ^f	119,742	110,815
19 National defense	299,331	272,514	152,733	149,497	122,089	147,531	24,138	25,675	24,265
20 International affairs	13,762	16,167	6,770	8,943	7,592	7,651	1,252	1,678	1,217
21 General science, space, and technology	14,444	15,946	6,974	8,081	7,496	8,473	1,501	1,308	1,312
22 Energy	2,372	1,750	1,216	979	816	1,436	160	-23	254
23 Natural resources and environment	17,067	18,708	7,343	9,933	8,324	11,221	1,580	1,232	1,244
24 Agriculture	11,958	14,864	7,450	6,878	7,684	7,335	2,409	878	1,055
25 Commerce and housing credit	67,160	75,639	38,672	37,491	17,992	36,579	-6,650	4,736	-1,851
26 Transportation	29,485	31,531	13,754	16,218	14,748	17,094	2,731	2,546	2,111
27 Community and regional development	8,498	7,432	3,987	3,939	3,552	3,784	546	599	540
28 Education, training, employment, and social services	38,497	41,479	19,537	18,988	21,234	21,104	3,937	4,375	3,750
29 Health	57,716	71,183	29,488	31,424	35,608	41,458	7,329	6,688	6,808
30 Social security and medicare	346,383	373,495	175,997	176,353	190,247	193,156	32,676	33,497	32,937
31 Income security	147,314	171,618	78,475	75,948	88,778	87,215	16,191	17,663	18,465
32 Veterans benefits and services	29,112	31,344	15,217	15,479	14,326	17,425	2,637	2,465	3,142
33 Administration of justice	10,004	12,295	4,868	5,265	6,187	6,586	1,142	1,058	1,145
34 General government	10,724	11,358	4,916	6,976	5,212	6,821	1,313	937	776
35 Net interest ⁶	184,221	195,012	91,155	94,650	98,556	99,405	16,564	17,577	16,498
36 Undistributed offsetting receipts	-36,615	-39,356	-17,688	-19,829	-18,702	-20,435	-3,148	-3,147	-2,851

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

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

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

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

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

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

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

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

A28 Domestic Financial Statistics □ May 1992

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION¹

Billions of dollars, end of month

Item	1989	1990				1991			
	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec 31
1 Federal debt outstanding	2,975.50	3,081.90	3,175.50	3,266.10	3,397.30	3,491.70	3,562.90	3,683.10	3,736.30
2 Public debt securities	2,953.00	3,052.00	3,143.80	3,233.30	3,364.80	3,465.20	3,538.00	3,665.30	3,801.70
3 Held by public	2,245.20	2,329.30	2,368.80	2,437.60	2,536.60	2,598.40	2,642.90	2,745.70	n.a.
4 Held by agencies	707.80	722.70	775.00	795.80	828.30	866.80	895.10	919.60	n.a.
5 Agency securities	22.50	29.90	31.70	32.80	32.50	26.50	25.00	17.80	n.a.
6 Held by public	22.40	29.80	31.60	32.60	32.40	26.40	24.80	17.60	n.a.
7 Held by agencies	.10	.20	.20	.20	.10	.10	.10	.10	n.a.
8 Debt subject to statutory limit	2,921.70	2,988.90	3,077.00	3,161.20	3,281.70	3,377.10	3,450.30	3,569.30	3,706.80
9 Public debt securities	2,921.40	2,988.60	3,076.60	3,160.90	3,281.30	3,376.70	3,449.80	3,569.00	3,706.40
10 Other debt ²	.30	.30	.40	.40	.40	.40	.40	.30	.40
11 MEMO: Statutory debt limit	3,122.70	3,122.70	3,122.70	3,195.00	4,145.00	4,145.00	4,145.00	4,145.00	4,145.00

1. Components may not sum to totals because of rounding.
 2. Consists of guaranteed debt of Treasury and other federal agencies, specified participation certificates, notes to international lending organizations, and District

of Columbia stadium bonds.
 SOURCES: Treasury Bulletin and Monthly Statement of the Public Debt of the United States.

1.41 GROSS PUBLIC DEBT OF U.S. TREASURY Types and Ownership¹

Billions of dollars, end of period

Type and holder	1988	1989	1990	1991	1991			
					Q1	Q2	Q3	Q4
1 Total gross public debt	2,684.4	2,953.0	3,364.8	3,801.7	3,465.2	3,538.0	3,665.3	3,801.7
By type								
2 Interest-bearing	2,663.1	2,931.8	3,362.0	3,798.9	3,441.4	3,516.1	3,662.8	3,798.9
3 Marketable	1,821.3	1,945.4	2,195.8	2,471.6	2,227.9	2,268.1	2,390.7	2,471.6
4 Bills	414.0	430.6	527.4	590.4	533.3	521.5	564.6	590.4
5 Notes	1,083.6	1,151.5	1,265.2	1,430.8	1,280.4	1,320.3	1,387.7	1,430.8
6 Bonds	308.9	348.2	388.2	435.5	399.3	411.2	423.4	435.5
7 Nonmarketable	841.8	986.4	1,166.2	1,327.2	1,213.5	1,248.0	1,272.1	1,327.2
8 State and local government series	151.5	163.3	160.8	159.7	159.4	161.0	158.1	159.7
9 Foreign issues ²	6.6	6.8	43.5	41.9	42.8	42.1	41.6	41.9
10 Government	6.6	6.8	43.5	41.9	42.8	42.1	41.6	41.9
11 Public	.0	.0	.0	.0	.0	.0	.0	.0
12 Savings bonds and notes	107.6	115.7	124.1	135.9	127.7	131.3	133.5	135.9
13 Government account series ⁴	575.6	695.6	813.8	959.2	853.1	883.2	908.4	959.2
14 Non-interest-bearing	21.3	21.2	2.8	2.8	23.8	21.9	2.5	2.8
By holder ⁵								
15 U.S. Treasury and other federal agencies and trust funds	589.2	707.8	828.3	↑	866.8	895.1	919.6	↑
16 Federal Reserve Banks	238.4	228.4	259.8	↑	247.3	255.1	264.7	↑
17 Private investors	1,858.5	2,015.8	2,288.3	↑	2,360.6	2,397.9	2,489.4	↑
18 Commercial banks	193.8	174.8	188.2	↑	194.8	204.2	214.0	↑
19 Money market funds	11.8	14.9	45.4	↑	65.7	55.2	64.5	↑
20 Insurance companies	107.3	130.1	149.7	n.a.	149.3	155.1	157.0	n.a.
21 Other companies	87.1	93.4	108.9	↑	114.9	130.8	142.0	↑
22 State and local treasuries	313.6	338.7	329.6	↑	329.5	327.0	326.0	↑
Individuals				↓				↓
23 Savings bonds	109.6	117.7	126.2	↓	129.7	133.2	135.4	↓
24 Other securities	79.2	98.7	107.6	↓	108.6	110.3	122.1	↓
25 Foreign and international ⁶	362.2	392.9	423.2	↓	430.7	441.2	444.8	↓
26 Other miscellaneous investors ⁷	593.4	654.6	822.4	↓	837.4	840.9	883.6	↓

1. Components may not sum to totals because of rounding.
 2. Includes (not shown separately) securities issued to the Rural Electrification Administration, depository bonds, retirement plan bonds, and individual retirement bonds.
 3. Nonmarketable series denominated in dollars, and series denominated in foreign currency held by foreigners.
 4. Held almost entirely by U.S. Treasury and other federal agencies and trust funds.
 5. Data for Federal Reserve Banks and U.S. government agencies and trust

funds are actual holdings; data for other groups are Treasury estimates.
 6. Consists of investments of foreign balances and international accounts in the United States.
 7. Includes savings and loan associations, nonprofit institutions, credit unions, mutual savings banks, corporate pension trust funds, dealers and brokers, certain U.S. Treasury deposit accounts, and federally-sponsored agencies.
 SOURCES: Data by type of security, U.S. Treasury Department, Monthly Statement of the Public Debt of the United States; data by holder, the Treasury Bulletin.

1.42 U.S. GOVERNMENT SECURITIES DEALERS Transactions¹

Millions of dollars, daily averages, par value

Item	1991		1992	1992, week ending								
	Nov.	Dec.	Jan.	Jan. 1	Jan. 8	Jan. 15	Jan. 22	Jan. 29	Feb. 5	Feb. 12	Feb. 19	Feb. 26
IMMEDIATE TRANSACTIONS²												
<i>By type of security</i>												
U.S. Treasury securities												
1 Bills	36,252	30,957	37,212	26,080	37,021	47,436	33,151	32,335	32,442	39,257	37,948	34,829
Coupon securities, by maturity												
2 Less than 3.5 years	42,034	32,848	48,693 ^f	18,599	35,863	59,975	49,491	51,138	44,856	51,448	51,306	50,530
3 3.5 to 7.5 years	33,385	29,975	43,820 ^f	15,218	41,188	53,921	44,476	40,483	32,179	32,056	33,518	33,559
4 7.5 to 15 years	18,743 ^f	14,037 ^f	19,367 ^f	7,663	16,713	24,708	18,752	18,515	16,010	21,845	18,904	14,364
5 15 years or more	18,559	14,504 ^f	17,455 ^f	8,949	16,784	21,137	18,481	14,787	14,548	13,809	19,831	11,672
Federal agency securities												
Debt, maturing in												
6 Less than 3.5 years	4,089	4,636	5,301	4,359	6,009	3,562	5,060	6,276	5,918	6,017	4,540	6,431
7 3.5 to 7.5 years	700	610	652	226	704	678	663	620	515	733	500	563
8 7.5 years or more	851 ^f	720 ^f	681	275	611	885	597	622	664	545	424	633
Mortgage-backed securities												
9 Pass-throughs	14,169	11,891 ^f	13,669	5,576	16,940	14,124	14,354	10,624	10,593	13,566	13,003	12,706
10 All others ³	2,934	2,657 ^f	2,948	2,035	2,507	3,242	3,200	2,978	2,732	2,955	2,076	2,736
<i>By type of counterparty</i>												
Primary dealers and brokers												
11 U.S. Treasury securities	93,742 ^f	73,458	105,664	43,776	90,502	131,312	102,953	103,810	89,504	101,665	98,125	91,728
Federal agency securities												
12 Debt	1,335 ^f	1,383	1,456	907	1,779	1,216	1,344	1,534	1,281	1,914	1,037	1,437
13 Mortgage-backed	8,245	6,227	7,284	2,714	8,691	7,142	8,303	5,818	5,748	7,257	5,957	7,212
Customers												
14 U.S. Treasury securities	55,231	48,862 ^f	60,884 ^f	32,733	57,067	75,866	61,399	53,448	50,531	56,750	63,381	53,226
Federal agency securities												
15 Debt	4,305	4,585 ^f	5,178	3,953	5,546	3,909	4,976	5,984	5,816	5,381	4,427	6,191
16 Mortgage-backed	8,588	8,321 ^f	9,332	4,897	10,756	10,224	9,251	7,784	7,576	9,265	9,121	8,230
FUTURE AND FORWARD TRANSACTIONS⁴												
<i>By type of deliverable security</i>												
U.S. Treasury securities												
17 Bills	3,740	3,295	4,078	1,576	5,801	3,125	3,157	4,234	3,601	3,313	3,870	4,503
Coupon securities, by maturity												
18 Less than 3.5 years	1,673	1,801	2,177	1,130	1,619	2,600	2,131	2,552	1,667	1,836	2,470	1,955
19 3.5 to 7.5 years	864	1,096	1,446	495	1,220	1,851	1,390	1,477	1,032	1,118	1,172	1,528
20 7.5 to 15 years	1,224	1,052	1,720	844	1,372	2,078	1,859	1,516	1,516	2,339	2,077	1,365
21 15 years or more	10,328	7,264	11,407	4,200	10,160	14,160	11,839	10,259	9,653	8,985	12,313	9,614
Federal agency securities												
Debt, maturing in												
22 Less than 3.5 years	94	119	67	12	4	28	285	17	14	22	15	97
23 3.5 to 7.5 years	73	39	75	6	10	160	71	55	79	50	8	49
24 7.5 years or more	63	30	26	14	7	51	38	8	33	103	20	49
Mortgage-backed												
25 Pass-throughs ³	12,374	9,105 ^f	17,263	3,491 ^f	16,120	22,000	14,748	15,722	17,163	18,787	12,576	11,909
26 Others	1,745	1,308	2,099	725	1,225	2,094	2,288	2,657	2,523	2,653	1,693	2,302
OPTION TRANSACTIONS⁵												
<i>By type of underlying security</i>												
U.S. Treasury, coupon securities, by maturity												
27 Less than 3.5 years	975	1,074	1,527	728	1,332	1,973	1,560	1,390	1,177	1,478	2,626	2,192
28 3.5 to 7.5 years	640	526	368	156	507	492	210	211	423	186	262	397
29 7.5 to 15 years	523	386	750	350	575	490	696	1,323	516	522	678	1,235
30 15 years or more	3,482	2,019	2,618	1,467	2,304	2,350	3,057	2,877	2,543	2,212	2,924	3,253
Federal agency, mortgage-backed securities												
31 Pass-throughs	334	480	791	237	1,758	601	402	438	508	1,287	552	514

1. Transactions are market purchases and sales of securities as reported to the Federal Reserve Bank of New York by the U.S. government securities dealers on its published list of primary dealers. Averages for transactions are based on the number of trading days in the period. Immediate, forward, and future transactions are reported at principal value, which does not include accrued interest; option transactions are reported at the face value of the underlying securities.

Dealers report cumulative transactions for each week ending Wednesday.

2. Transactions for immediate delivery include purchases or sales of securities (other than mortgage-backed agency securities) for which delivery is scheduled in five business days or less and "when-issued" securities that settle on the issue date of offering. Transactions for immediate delivery of mortgage-backed securities include purchases and sales for which delivery is scheduled in thirty days or less. Stripped securities are reported at market value by maturity of coupon or corpus.

3. Includes such securities as collateralized mortgage obligations (CMOs), real estate mortgage investment conduits (REMICs), interest only securities (IOs), and principal only securities (POs).

4. Futures transactions are standardized agreements arranged on an exchange. Forward transactions are agreements made in the over-the-counter market that specify delayed delivery. All futures transactions are included regardless of time to delivery. Forward contracts for U.S. Treasury securities and federal agency debt securities are included when the time to delivery is more than five days. Forward contracts for mortgage-backed securities are included when the time to delivery is more than thirty days.

5. Options transactions are purchases or sales of put-and-call options, whether arranged on an organized exchange or in the over-the-counter market, and include options on futures contracts on U.S. Treasury and federal agency securities.

NOTE. In tables 1.42 and 1.43, the term "n.a." refers to data that are not published because of insufficient activity.

Data formerly shown under option transactions for U.S. Treasury securities, bills; Federal agency securities, debt; and mortgage-backed securities, other than pass-throughs are no longer available because of insufficient activity.

A30 Domestic Financial Statistics □ May 1992

1.43 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing¹

Millions of dollars

Item	1991		1992	1992, week ending							
	Nov.	Dec. ^r	Jan.	Jan. 1	Jan. 8	Jan. 15	Jan. 22	Jan. 29	Feb. 5	Feb. 12	Feb. 19
Positions²											
NET IMMEDIATE TRANSACTIONS³											
<i>By type of security</i>											
U.S. Treasury securities											
1 Bills	15,482	16,998	12,607	16,202	11,629	10,224	13,120	15,153	11,865	11,393	11,705
Coupon securities, by maturity											
2 Less than 3.5 years	7,368	5,572	2,425	4,788	4,524	840	6,508	-1,623	-680	5,894	1,691
3 3.5 to 7.5 years	-8,509	-6,646	-7,485	-4,176	-2,328	-5,312	-11,486	-10,009	-11,956	-15,707	-14,980
4 7.5 to 15 years	-3,844	-5,919	-6,185	-6,110	-7,638	-4,873	-6,086	-6,158	-6,176	-991	-3,090
5 15 years or more	-7,296	-1,471	-1,643	-632	-455	-2,292	-2,049	-1,553	-2,932	-3,974	-279
Federal agency securities											
Debt, maturing in											
6 Less than 3.5 years	4,099	4,474	4,190	3,508	2,951	4,005	4,130	5,175	6,285	5,989	6,673
7 3.5 to 7.5 years	2,314	2,720	3,536	2,696	2,856	3,527	3,795	3,961	3,975	4,163	4,483
8 7.5 years or more	4,231	3,711	3,597	3,492	3,656	3,572	3,648	3,503	3,683	3,667	3,455
Mortgage-backed securities											
9 Pass-throughs	27,555	22,743	26,067	13,550	23,937	29,624	29,668	24,441	20,411	33,198	26,582
10 All others ⁴	15,780	17,578	18,947	20,119	20,670	18,725	18,717	17,374	19,413	17,234	15,774
Other money market instruments											
11 Certificates of deposit	3,147	2,928	3,442	3,110	3,709	3,593	3,445	3,289	2,666	2,534	2,748
12 Commercial paper	6,194	5,420	5,228	4,361	4,253	5,653	5,833	5,352	5,036	6,541	6,357
13 Bankers acceptances	1,574	1,413	1,195	1,264	1,330	1,000	1,392	995	1,380	1,395	1,555
FUTURE AND FORWARD TRANSACTIONS⁵											
<i>By type of deliverable security</i>											
U.S. Treasury securities											
14 Bills	-10,708	-9,264	-11,740	-8,082	-12,918	-11,273	-11,078	-12,426	-11,004	-9,993	-6,738
Coupon securities, by maturity											
15 Less than 3.5 years	394	2,136	1,776	2,650	2,142	1,987	243	2,526	2,067	1,745	1,589
16 3.5 to 7.5 years	-1,565	-571	2,550	-16	1,870	3,040	3,263	2,559	1,973	3,408	3,609
17 7.5 to 15 years	-300	-655	576	-1,617	-34	224	1,740	599	889	224	-235
18 15 years or more	-2,016	-5,094	-4,835	-4,746	-5,532	-4,306	-5,009	-4,643	-4,360	-3,301	-3,901
Federal agency securities											
Debt, maturing in											
19 Less than 3.5 years	54	110	313	231	-14	300	1,061	14	-28	-54	-49
20 3.5 to 7.5 years	16	117	127	135	187	39	317	15	-49	238	-5
21 7.5 years or more	94	28	17	58	-24	0	100	4	-38	166	-7
Mortgage-backed securities											
22 Pass-throughs	-14,580	-7,180	-7,750	4,041	-7,472	-13,065	-11,497	-2,399	-1,625	-17,100	-10,319
23 All others ⁴	1,883	1,457	2,511	338	1,365	1,867	3,429	3,922	1,710	4,339	4,430
24 Certificates of deposit	-175,570	-192,213	-144,496	-196,901	-193,222	-135,563	-133,527	-116,867	-114,105	-118,244	-107,153
Financing⁶											
<i>Reverse repurchase agreements</i>											
25 Overnight and continuing	179,827 ^f	169,965	203,915	163,041	203,686	210,043	208,845	195,723	215,129	200,490	220,692
26 Term	254,314 ^f	231,570	277,551	200,756	263,130	278,315	281,433	294,626	290,397	305,654	259,834
<i>Repurchase agreements</i>											
27 Overnight and continuing	270,875 ^f	271,474	320,613	243,273	314,115	332,437	332,730	313,548	322,953	306,038	331,275
28 Term	255,438 ^f	223,264	258,693	191,755	233,496	258,725	263,295	284,050	275,376	292,167	248,460
<i>Securities borrowed</i>											
29 Overnight and continuing	62,159	62,441	68,625	63,168	65,749	68,424	69,153	70,190	74,802	73,806	72,487
30 Term	28,080	29,811	32,028	27,509	32,103	32,833	30,336	33,626	31,536	31,454	28,990
<i>Securities loaned</i>											
31 Overnight and continuing	9,271	8,302	9,782	9,080	8,702	10,566	10,295	9,738	9,527	9,548	10,346
32 Term	1,363	897	1,556	1,364	834	1,249	833	3,436	1,201	1,049	1,238
<i>Collateralized loans</i>											
33 Overnight and continuing	10,097	10,755	18,459	12,684	19,105	17,833	17,984	19,729	18,488	16,440	15,862
MEMO: Matched book⁷											
<i>Reverse repurchases</i>											
34 Overnight and continuing	124,380 ^f	117,204	144,047	108,210	142,013	150,223	146,554	139,527	154,507	144,555	153,531
35 Term	207,593 ^f	198,594	238,005	174,855	226,219	239,862	241,594	250,915	246,586	258,946	213,652
<i>Repurchases</i>											
36 Overnight and continuing	137,078 ^f	138,847	173,994	130,958	176,104	179,318	179,831	165,516	178,737	168,701	174,649
37 Term	193,403 ^f	170,965	194,820	141,748	177,584	193,902	197,339	213,751	209,821	225,018	180,511

1. Data for positions and financing are obtained from reports submitted to the Federal Reserve Bank of New York by the U.S. government securities dealers on its published list of primary dealers. Weekly figures are close-of-business Wednesday data; monthly figures are averages of weekly data. Data for positions and financing are averages of close-of-business Wednesday data.

2. Securities positions are reported at market value.

3. Net immediate positions include securities purchased or sold (other than mortgage-backed agency securities) that have been delivered or are scheduled to be delivered in five business days or less and "when-issued" securities settle on the issue date of offering. Net immediate positions of mortgage-backed securities include securities purchased or sold that have been delivered or are scheduled to be delivered in thirty days or less.

4. Includes securities such as collateralized mortgage obligations (CMOs), real estate mortgage investment conduits (REMICs), interest only (IOs), and principal only (POs).

5. Futures positions are standardized contracts arranged on an exchange. Forward positions reflect agreements made in the over-the-counter market that

specify delayed delivery. All futures positions are included regardless of time to delivery. Forward contracts for U.S. Treasury securities and for federal agency debt securities are included when the time to delivery is more than five business days. Forward contracts for mortgage-backed securities are included when the time to delivery is more than thirty days.

6. Overnight financing refers to agreements made on one business day that mature on the next business day; continuing contracts are agreements that remain in effect for more than one business day but have no specific maturity and can be terminated without advance notice by either party; term agreements have a fixed maturity of more than one business day.

7. Matched-book data reflect financial intermediation activity in which the borrowing and lending transactions are matched. Matched-book data are included in the financing breakdowns given above. The reverse repurchase and repurchase numbers are not always equal because of the "matching" of securities of different values or types of collateralization.

NOTE. Data for future and forward commercial paper and bankers' acceptances and term financing of collateralized loans are no longer available because of insufficient activity.

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1988	1989	1990	1991	1991				
					Aug.	Sept.	Oct.	Nov.	Dec.
1 Federal and federally sponsored agencies	381,498	411,805	434,668	442,772	437,942	436,189	438,032	439,670	442,772
2 Federal agencies	35,668	35,664	42,159	41,035	40,923	42,409	42,638	42,951	41,035
3 Defense Department ¹	8	7	7	7	7	7	7	7	7
4 Export-Import Bank ^{2,3}	11,033	10,985	11,376	9,809	11,244	11,267	11,267	11,267	9,809
5 Federal Housing Administration ⁴	150	328	393	397	315	336	337	365	397
6 Government National Mortgage Association participation certificates ⁵	0	0	0	0	0	0	0	0	0
7 Postal Service ⁶	6,142	6,445	6,948	8,421	6,621	8,421	8,421	8,421	8,421
8 Tennessee Valley Authority	18,335	17,899	23,435	22,401	22,745	22,378	22,606	22,891	22,401
9 United States Railway Association ⁷	0	0	0	0	0	0	0	0	0
10 Federally sponsored agencies ⁷	345,830	375,407	392,509	401,737	397,019	393,780	395,394	396,719	401,737
11 Federal Home Loan Banks	135,836	136,108	117,895	107,543	107,469	106,510	105,945	107,344	107,543
12 Federal Home Loan Mortgage Corporation	22,797	26,148	30,941	30,262	31,650	31,502	31,818	31,099	30,262
13 Federal National Mortgage Association	105,459	116,064	123,403	133,937	128,589	127,460	128,594	130,197	133,937
14 Farm Credit Banks ⁸	53,127	54,864	53,590	52,199	52,056	52,010	52,488	52,105	52,199
15 Student Loan Marketing Association ⁹	22,073	28,705	34,194	38,319	37,778	36,821	37,072	36,497	38,319
16 Financing Corporation ¹⁰	5,850	8,170	8,170	8,170	8,170	8,170	8,170	8,170	8,170
17 Farm Credit Financial Assistance Corporation ¹¹	690	847	1,261	1,261	1,261	1,261	1,261	1,261	1,261
18 Resolution Funding Corporation ¹²	0	4,522	23,055	29,996	29,996	29,996	29,996	29,996	29,996
MEMO									
19 Federal Financing Bank debt¹³	142,850	134,873	179,083	185,576	188,920	194,234	192,747	194,837	185,576
<i>Lending to federal and federally sponsored agencies</i>									
20 Export-Import Bank ³	11,027	10,979	11,370	9,803	11,238	11,261	11,261	11,261	9,803
21 Postal Service ⁶	5,892	6,195	6,698	8,201	6,401	8,201	8,201	8,201	8,201
22 Student Loan Marketing Association	4,910	4,880	4,850	4,820	4,850	4,850	4,820	4,820	4,820
23 Tennessee Valley Authority	16,955	16,519	14,055	10,725	12,373	11,875	11,375	11,375	10,725
24 United States Railway Association ⁷	0	0	0	0	0	0	0	0	0
<i>Other Lending¹⁴</i>									
25 Farmers Home Administration	58,496	53,311	52,324	48,534	51,334	50,694	48,534	48,534	48,534
26 Rural Electrification Administration	19,246	19,265	18,890	18,562	18,846	18,597	18,599	18,628	18,562
27 Other	26,324	23,724	70,896	84,931	83,878	88,756	89,957	92,018	84,931

1. Consists of mortgages assumed by the Defense Department between 1957 and 1963 under family housing and homeowners assistance programs.

2. Includes participation certificates reclassified as debt beginning Oct. 1, 1976.

3. On-budget after Sept. 30, 1976.

4. Consists of debentures issued in payment of Federal Housing Administration insurance claims. Once issued, these securities may be sold privately on the securities market.

5. Certificates of participation issued before fiscal 1969 by the Government National Mortgage Association acting as trustee for the Farmers Home Administration; Department of Health, Education, and Welfare; Department of Housing and Urban Development; Small Business Administration; and the Veterans Administration.

6. Off-budget.

7. Includes outstanding noncontingent liabilities: notes, bonds, and debentures. Some data are estimated.

8. Excludes borrowing by the Farm Credit Financial Assistance Corporation, shown in line 17.

9. Before late 1982, the Association obtained financing through the Federal Financing Bank (FFB). Borrowing excludes that obtained from the FFB, which is

shown on line 22.

10. The Financing Corporation, established in August 1987 to recapitalize the Federal Savings and Loan Insurance Corporation, undertook its first borrowing in October 1987.

11. The Farm Credit Financial Assistance Corporation, established in January 1988 to provide assistance to the Farm Credit System, undertook its first borrowing in July 1988.

12. The Resolution Funding Corporation, established by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, undertook its first borrowing in October 1989.

13. The FFB, which began operations in 1974, is authorized to purchase or sell obligations issued, sold, or guaranteed by other federal agencies. Since FFB incurs debt solely for the purpose of lending to other agencies, its debt is not included in the main portion of the table in order to avoid double counting.

14. Includes FFB purchases of agency assets and guaranteed loans; the latter contain loans guaranteed by numerous agencies with the guarantees of any particular agency being generally small. The Farmers Home Administration item consists exclusively of agency assets, while the Rural Electrification Administration entry contains both agency assets and guaranteed loans.

A32 Domestic Financial Statistics □ May 1992

1.45 NEW SECURITY ISSUES Tax-Exempt State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1989	1990	1991	1991						1992	
				July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
1 All issues, new and refunding ¹	113,646	120,339	154,402	11,629	15,744	13,240	11,357	17,734	15,796	12,612 ^f	12,256
<i>By type of issue</i>											
2 General obligation	35,774	39,610	55,100	3,900	5,919	5,253	3,088	6,510	5,871	3,954	5,643
3 Revenue	77,873	81,295	99,302	7,729	9,825	7,987	8,269	11,224	9,925	8,658 ^f	6,613
<i>By type of issuer</i>											
4 State	11,819	15,149	24,939	650	2,328	3,371	7,195	1,171	1,671	1,036	3,021
5 Special district or statutory authority ²	71,022	72,661	80,614	7,320	8,890	6,272	605	10,817	9,435	8,243	5,162
6 Municipality, county, or township	30,805	32,510	48,849	3,659	4,526	3,597	3,557	5,746	4,690	3,333	4,073
7 Issues for new capital, total	84,062	103,235	116,953	9,513	12,164	9,586	8,967	13,495	12,020	7,127 ^f	7,691
<i>By use of proceeds</i>											
8 Education	15,133	17,042	21,664	2,033 ^f	1,585 ^f	1,507 ^f	1,511 ^f	1,297	1,924	2,385	1,974
9 Transportation	6,870	11,630	13,395	629 ^f	720 ^f	1,248 ^f	1,744 ^f	2,682	488	1,194	1,643
10 Utilities and conservation	11,427	11,739	21,447	1,763 ^f	1,673 ^f	1,573 ^f	1,825 ^f	1,915	1,931	1,953	894
11 Social welfare	16,703	23,099	26,121	1,986 ^f	4,119 ^f	2,793 ^f	1,276 ^f	2,621	3,070	868	1,683
12 Industrial aid	5,036	6,117	8,542	311 ^f	676 ^f	916 ^f	973 ^f	349	1,083	218	141
13 Other purposes	28,894	34,607	n.a.	2,591 ^f	3,391 ^f	1,549 ^f	1,638 ^f	4,631	3,524	n.a. ^f	n.a.

1. Par amounts of long-term issues based on date of sale.
2. Since 1986, has included school districts.

SOURCES: *Investment Dealer's Digest* beginning April 1990. Securities Data/Bond Buyer Municipal Data Base beginning 1986. Public Securities Association for earlier data.

1.46 NEW SECURITY ISSUES U.S. Corporations

Millions of dollars

Type of issue, offering, or issuer	1989	1990	1991	1991						1992	
				June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
1 All issues ¹	378,760	340,197	379,560	31,837	23,155 ^f	35,441 ^f	32,180	34,893	34,286 ^f	32,391 ^f	41,183
2 Bonds ²	320,889	299,959	389,876 ^f	26,219	20,473 ^f	28,711 ^f	26,759	26,029	25,233 ^f	24,871 ^f	34,385
<i>By type of offering</i>											
3 Public, domestic	180,572 ^f	189,685 ^f	286,945 ^f	23,797	18,899 ^f	26,836 ^f	23,856	23,469	23,164 ^f	23,326 ^f	34,000
4 Private placement, domestic	117,420	86,988	74,930	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
5 Sold abroad	22,851	23,054	27,192	2,422	1,574	1,875	2,902	2,560	2,070	1,544 ^f	3,800
<i>By industry group</i>											
6 Manufacturing	76,456	53,110	85,490 ^f	4,260	3,600	7,643	6,949	4,732	4,536	4,956	7,215
7 Commercial and miscellaneous	49,615	40,019	37,854 ^f	1,773	1,500	1,388	1,012	1,209	2,044	1,977	2,155
8 Transportation	10,032	12,818	13,628 ^f	567	697	809	231	744	180	150	342
9 Public utility	18,696	17,621	23,984 ^f	1,644	1,457	1,897	1,315	1,430	3,073 ^f	2,238	3,150
10 Communication	8,461	6,597	9,331 ^f	1,838	749	668	408	958	226	1,085	2,450
11 Real estate and financial	157,629	169,789	219,590 ^f	16,138	12,471 ^f	16,306 ^f	16,844	16,957	15,175	14,464 ^f	19,073
12 Stocks ²	57,870	40,177	75,474	5,618	2,682	6,730	5,421	8,864	9,053	7,520	6,798
<i>By type of offering</i>											
13 Public preferred	6,194	3,998	17,458	1,731	203	1,952	666	3,527	3,240	2,771	739
14 Common	26,030	19,443	47,900	3,887	2,479	4,778	4,755	5,337	5,813	4,749	6,060
15 Private placement ³	25,647	16,747	10,116	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<i>By industry group</i>											
16 Manufacturing	9,308	5,649	n.a.	1,909	685	3,167	1,842	3,623	4,054	2,684	2,040
17 Commercial and miscellaneous	7,446	10,171	n.a.	851	1,427	2,050	858	2,095	2,158	2,535	1,233
18 Transportation	1,929	369	n.a.	0	18	56	0	16	0	0	426
19 Public utility	3,090	416	n.a.	471	143	150	55	320	174	233	200
20 Communication	1,904	3,822	n.a.	295	46	8	0	25	84	17	163
21 Real estate and financial	34,028	19,738	n.a.	2,091	350	1,298	2,666	2,622	2,583	2,014	2,689

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

2. Monthly data cover only public offerings.

3. Monthly data are not available.

SOURCES: IDD Information Services, Inc., the Board of Governors of the Federal Reserve System, and, before 1989, the U.S. Securities and Exchange Commission.

1.47 OPEN-END INVESTMENT COMPANIES Net Sales and Assets

Millions of dollars

Item ¹	1990	1991	1991							1992
			June	July	Aug.	Sept.	Oct.	Nov.	Dec. [†]	
1 Sales of own shares ²	344,420	464,488	33,922	39,329	38,014	37,316	45,218	41,365	51,018	65,306
2 Redemptions of own shares	288,441	342,088	27,629	28,767	28,128	26,319	27,957	28,454	39,050	41,787
3 Net sales ³	55,979	122,400	6,293	10,562	9,886	10,997	17,261	12,911	11,968	23,519
4 Assets ⁴	568,517	807,001	661,643	690,486	712,782	730,426	753,344	752,798	807,077	820,296
5 Cash ⁵	48,638	60,937	55,057	55,293	52,791	53,884	59,902	59,689	60,292	61,876
6 Other	519,875	746,064	606,586	635,193	659,992	676,543	695,492	693,109	746,785	758,420

1. Data on sales and redemptions exclude money market mutual funds but include limited-maturity municipal bond funds. Data on asset positions exclude both money market mutual funds and limited-maturity municipal bond funds.

2. Includes reinvestment of dividends. Excludes reinvestment of capital gains distributions.

3. Does not include sales or redemptions resulting from transfers of shares into or out of money market mutual funds within the same fund family.

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

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

SOURCE: Investment Company Institute. Data based on reports of membership, which comprises substantially all open-end investment companies registered with the Securities and Exchange Commission. Data reflect underwritings of new companies.

1.48 CORPORATE PROFITS AND THEIR DISTRIBUTION

Billions of dollars; quarterly data at seasonally adjusted annual rates

Account	1989	1990	1991	1990				1991			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1 Profits with inventory valuation and capital consumption adjustment	351.7	319.0	307.1	340.2	339.8	299.8	296.1	302.1	303.5	306.1	316.6
2 Profits before taxes	344.5	332.3	312.7	336.6	331.6	335.1	326.1	309.1	306.2	318.2	317.2
3 Profits tax liability	138.0	135.3	124.6	137.6	137.9	138.8	127.1	119.4	123.5	128.6	126.9
4 Profits after taxes	206.6	197.0	188.1	199.1	193.7	196.3	199.0	189.7	182.7	189.6	190.3
5 Dividends	127.9	133.7	137.8	132.3	132.5	133.8	136.2	137.8	136.7	138.1	138.5
6 Undistributed profits	78.7	63.3	50.3	66.7	61.2	62.5	62.8	51.9	46.1	51.5	51.7
7 Inventory valuation	-17.5	-14.2	3.1 [†]	-6.6	3.8	-32.6	-21.2	6.7	9.9	-4.8	-7 [†]
8 Capital consumption adjustment	24.7	.8	-8.7 [†]	10.2	4.4	-2.7	-8.8	-13.6	-12.6	-7.3	-1.3 [†]

SOURCE: Survey of Current Business (U.S. Department of Commerce).

1.50 TOTAL NONFARM BUSINESS EXPENDITURES on New Plant and Equipment

Billions of dollars; quarterly data at seasonally adjusted annual rates

Industry	1990	1991	1992 ¹	1990			1991 ¹				1992 ¹
				Q2	Q3	Q4	Q1	Q2	Q3	Q4		Q1
1 Total nonfarm business	532.61	529.97	558.60	534.55	534.11	530.13	535.50	524.57	527.86	531.96	563.31
Manufacturing											
2 Durable goods industries	82.58	77.04	79.38	84.15	82.48	79.03	81.24	79.69	74.51	72.74	80.58
3 Nondurable goods industries	110.04	107.27	104.68	110.87	111.57	110.69	109.90	107.66	102.54	108.98	107.52
Nonmanufacturing											
4 Mining	9.88	10.06	9.50	9.77	9.97	10.12	9.89	10.09	10.09	10.15	10.58
Transportation											
5 Railroad	6.40	5.84	6.78	6.67	5.66	6.81	5.59	6.27	6.50	5.02	5.52
6 Air	8.87	9.84	12.34	9.37	9.55	7.54	11.18	10.10	9.81	8.27	12.88
7 Other	6.20	6.50	7.12	5.90	5.87	6.82	6.48	6.68	6.52	6.32	6.41
Public utilities											
8 Electric	44.10	43.56	47.34	42.83	43.80	45.88	43.36	42.87	43.09	44.90	48.54
9 Gas and other	23.11	22.42	24.10	21.80	23.88	24.36	23.68	21.71	23.38	20.92	22.98
10 Commercial and other ²	241.43	247.44	267.35	243.18	241.32	238.87	244.19	239.50	251.42	254.66	268.28

1. Figures are amounts anticipated by business.

2. "Other" consists of construction, wholesale and retail trade, finance and

insurance, personal and business services, and communication.

SOURCE: Survey of Current Business (U.S. Department of Commerce).

1.51 DOMESTIC FINANCE COMPANIES Assets and Liabilities

Billions of dollars, end of period; not seasonally adjusted

Account	1987	1988	1989	1990				1991		
				Q1	Q2	Q3	Q4	Q1	Q2	Q3
ASSETS										
1 Accounts receivable, gross ¹	388.1	426.2	445.7	452.8	468.8	474.0	486.7	478.9	487.9	487.8
2 Consumer.....	141.1	146.2	140.8	137.9	138.6	140.9	136.0	131.6	133.9	132.5
3 Business.....	207.4	236.5	256.0	262.9	274.8	275.4	290.8	290.0	295.5	296.6
4 Real estate.....	39.5	43.5	48.9	52.1	55.4	57.7	59.9	57.3	58.5	58.7
5 Less: Reserves for unearned income.....	45.3	50.0	52.0	51.9	54.3	55.1	56.6	57.0	58.7	59.6
6 Reserves for losses.....	6.8	7.3	7.7	7.9	8.2	8.6	9.2	10.3	10.8	12.9
7 Accounts receivable, net.....	336.0	368.9	386.1	393.0	406.3	410.3	420.9	411.6	418.4	415.2
8 All other.....	58.3	72.4	91.6	92.5	95.5	102.8	99.6	103.4	106.1	111.9
9 Total assets.....	394.2	441.3	477.6	485.5	501.9	513.1	520.6	515.0	524.5	527.1
LIABILITIES AND CAPITAL										
10 Bank loans.....	16.4	15.4	14.5	13.9	15.8	15.6	19.4	22.0	22.7	24.0
11 Commercial paper.....	128.4	142.0	149.5	152.9	152.4	148.6	152.7	141.2	140.6	138.1
<i>Debt</i>										
12 Other short-term.....	28.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
13 Long-term.....	137.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
14 Due to parent.....	n.a.	50.6	63.8	70.5	72.8	82.0	82.7	77.8	81.7	87.4
15 Not elsewhere classified.....	n.a.	137.9	147.8	145.7	153.0	156.6	157.0	162.4	164.2	163.4
16 All other liabilities.....	52.8	59.8	62.6	61.7	66.1	68.7	66.0	68.0	72.2	72.1
17 Capital, surplus, and undivided profits.....	31.5	35.6	39.4	40.7	41.8	41.6	42.8	43.7	43.0	42.1
18 Total liabilities and capital.....	394.2	441.3	477.6	485.5	501.9	513.1	520.6	515.0	524.5	527.1

1. Excludes pools of securitized assets.

1.52 DOMESTIC FINANCE COMPANIES Business Credit Outstanding and Net Change¹

Millions of dollars, end of period; seasonally adjusted, except as noted

Type of credit	1989	1990	1991	1991					1992	
				Aug.	Sept.	Oct.	Nov.	Dec.		
1 Total.....	258,957	292,638	309,709	305,024	307,599	310,876	311,632	309,709	306,905	
<i>Retail financing of installment sales</i>										
2 Automotive.....	39,479	38,110	33,204	34,665	34,119	34,167	33,664	33,204	31,764	
3 Equipment.....	29,627	31,784	35,404	33,146	34,822	33,989	33,375	35,404	33,841	
4 Pools of securitized assets ²	698	951	819	833	797	769	746	819	879	
<i>Wholesale</i>										
5 Automotive.....	33,814	32,283	32,487	30,637	30,072	31,831	32,292	32,487	31,788	
6 Equipment.....	6,928	11,569	9,790	10,631	10,594	11,075	10,414	9,790	9,274	
7 All other.....	9,985	9,126	8,459	8,712	8,695	8,407	8,418	8,459	8,072	
8 Pools of securitized assets ²	0	2,950	4,905	3,508	4,053	4,458	4,639	4,905	4,661	
<i>Leasing</i>										
9 Automotive.....	26,804	39,129	44,445	44,628	45,387	45,837	45,299	44,445	44,277	
10 Equipment.....	68,240	75,626	87,821	86,145	86,732	87,701	90,079	87,821	88,849	
11 Pools of securitized assets ²	1,247	1,849	1,820	1,679	1,844	1,803	1,885	1,820	1,837	
12 Loans on commercial accounts receivable and factored commercial accounts receivable.....	18,511	22,475	23,859	23,366	23,204	23,295	23,338	23,859	24,600	
13 All other business credit.....	23,623	26,784	26,697	27,073	27,279	27,544	27,483	26,697	27,062	
Net change (during period)										
1 Total.....	24,066	33,681	17,071	4,862	2,576	3,277	756	-1,923	-2,804	
<i>Retail financing of installment sales</i>										
2 Automotive.....	2,269	-1,369	-4,906	-825	-547	48	-503	-460	-1,440	
3 Equipment.....	1,442	2,157	3,619	952	1,676	-833	-614	2,029	-1,562	
4 Pools of securitized assets ²	-26	253	-132	40	-36	-28	-23	73	60	
<i>Wholesale</i>										
5 Automotive.....	861	-1,532	204	1,183	-564	1,759	461	195	-699	
6 Equipment.....	957	4,641	-1,779	-713	-37	481	-662	-624	-516	
7 All other.....	628	-859	-668	-95	-17	-289	11	41	-387	
8 Pools of securitized assets ²	0	2,950	1,955	665	545	405	181	266	-244	
<i>Leasing</i>										
9 Automotive.....	2,111	12,325	5,316	1,604	759	450	-538	-854	-168	
10 Equipment.....	10,581	7,386	12,195	1,834	587	969	2,378	-2,258	1,028	
11 Pools of securitized assets ²	526	602	-29	-71	165	-41	82	-65	17	
12 Loans on commercial accounts receivable and factored commercial accounts receivable.....	825	3,964	1,383	240	-162	91	43	520	741	
13 All other business credit.....	2,446	3,161	-87	47	207	264	-60	-786	366	

1. Data in this table also appear in the Board's G.20 (422) monthly statistical release. For ordering address, see inside front cover.

2. Data on pools of securitized assets are not seasonally adjusted.

1.53 MORTGAGE MARKETS Conventional Mortgages on New Homes

Millions of dollars, except as noted

Item	1989	1990	1991	1991					1992	
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
Terms and yields in primary and secondary markets										
PRIMARY MARKETS										
<i>Terms¹</i>										
1 Purchase price (thousands of dollars).....	159.6	153.2	155.0	159.0	157.8	153.4	162.6	159.1	153.9	154.7
2 Amount of loan (thousands of dollars).....	117.0	112.4	114.0	115.7	114.3	115.0	116.0	113.8	114.9	110.2
3 Loan-price ratio (percent).....	74.5	74.8	75.0	74.6	73.3	76.5	73.5	73.1	75.2	72.9
4 Maturity (years).....	28.1	27.3	26.8	27.1	25.9	27.5	26.4	26.4	26.2	24.5
5 Fees and charges (percent of loan amount) ²	2.06	1.93	1.71	1.74	1.86	1.61	1.53	1.50	1.85	1.84
6 Contract rate (percent per year).....	9.76	9.68	9.02	9.19	9.00	8.78	8.38	8.28	8.17	8.29
<i>Yield (percent per year)</i>										
7 OTS series ³	10.11	10.01	9.30	9.48	9.30	9.04	8.64	8.53	8.49	8.65
8 HUD series ⁴	10.21	10.08	9.20	9.22	8.88	8.76	8.67	8.30	8.69	8.74
SECONDARY MARKETS										
<i>Yield (percent per year)</i>										
9 FHA mortgages (HUD series) ⁵	10.24	10.17	9.25	9.14	9.06	8.71	8.69	8.10	8.72	8.74
10 GNMA securities ⁶	9.71	9.51	8.59	8.69	8.60	8.34	8.09	7.81	7.81	8.01
Activity in secondary markets										
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
<i>Mortgage holdings (end of period)</i>										
11 Total.....	104,974	113,329	122,837	124,230	124,954	125,884	126,624	128,983	131,058	133,399
12 FHA/VA-insured.....	19,640	21,028	21,702	21,529	21,636	21,576	21,547	21,796	21,981	21,980
13 Conventional.....	85,335	92,302	101,135	102,701	103,318	104,308	105,077	107,187	109,077	111,419
<i>Mortgage transactions (during period)</i>										
14 Purchases.....	22,518	23,959	37,202	3,069	3,032	3,408	3,299	5,114	4,809	5,358
<i>Mortgage commitments (during period)⁷</i>										
15 Issued.....	n.a.	23,689	40,010	3,453	3,196	4,122	3,806	5,285	7,202	6,639
16 To sell.....	n.a.	5,270	7,608	1,051	762	917	569	78	249	343
FEDERAL HOME LOAN MORTGAGE CORPORATION										
<i>Mortgage holdings (end of period)⁹</i>										
17 Total.....	20,105	20,419	n.a.	24,217	23,906	24,922	25,239	n.a.	n.a.	n.a.
18 FHA/VA-insured.....	590	547	n.a.	475	471	462	468	n.a.	n.a.	n.a.
19 Conventional.....	19,516	19,871	n.a.	23,742	23,435	24,460	24,772	n.a.	n.a.	n.a.
<i>Mortgage transactions (during period)</i>										
20 Purchases.....	78,588	75,517	n.a.	9,191	9,155	8,644	10,170	n.a.	n.a.	n.a.
21 Sales.....	73,446	73,817	92,870	8,803	9,305	7,449	9,545	9,929	10,597	12,061
<i>Mortgage commitments (during period)¹⁰</i>										
22 Contracted.....	88,519	102,401	n.a.	12,430	7,468	6,358	11,594	n.a.	n.a.	n.a.

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

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

3. Average effective interest rates on loans closed, assuming prepayment at the end of ten years; from Office of Thrift Supervision (OTS).

4. Average contract rates on new commitments for conventional first mortgages; from U.S. Department of Housing and Urban Development (HUD).

5. Average gross yields on thirty-year, minimum-downpayment, first mortgages insured by the Federal Housing Administration (FHA) for immediate delivery in the private secondary market. Based on transactions on first day of subsequent month. Large monthly movements in average yields may reflect market adjustments to changes in maximum permissible contract rates.

6. Average net yields to investors on fully modified pass-through securities backed by mortgages and guaranteed by the Government National Mortgage

Association (GNMA), assuming prepayment in twelve years on pools of thirty-year mortgages insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs carrying the prevailing ceiling rate. Monthly figures are averages of Friday figures from the *Wall Street Journal*.

7. Includes some multifamily and nonprofit hospital loan commitments in addition to one- to four-family loan commitments accepted in the Federal National Mortgage Association's (FNMA's) free market auction system, and through the FNMA-GNMA tandem plans.

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

9. Includes participation as well as whole loans.

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

A36 Domestic Financial Statistics □ May 1992

1.54 MORTGAGE DEBT OUTSTANDING¹

Millions of dollars, end of period

Type of holder and property	1988	1989	1990	1991				
				Q4	Q1	Q2	Q3 ^f	Q4 ^p
1 All holders	3,270,118	3,676,616^f	3,912,217^f	3,912,217^f	3,947,700^f	3,999,621^f	4,016,644	4,048,767
<i>By type of property</i>								
2 One- to four-family residences.....	2,201,231	2,549,935 ^f	2,765,111	2,765,111	2,790,684 ^f	2,837,989 ^f	2,870,100	2,904,287
3 Multifamily residences.....	291,405	303,416	307,069 ^f	307,069 ^f	310,746 ^f	311,817 ^f	308,357	310,276
4 Commercial.....	692,236	739,240	756,075	756,075	762,328 ^f	766,043 ^f	755,041	750,473
5 Farm.....	85,247	84,025	83,962	83,962	83,942 ^f	83,771 ^f	83,145	83,730
<i>By type of holder</i>								
6 Major financial institutions.....	1,831,472	1,931,537	1,913,945	1,913,945	1,902,050	1,898,114	1,860,161	1,845,625
7 Commercial banks ²	674,003	767,069	844,456	844,456	856,499	871,222	870,726	875,914
8 One- to four-family.....	334,367	389,632	455,698	455,698	461,916 ^f	476,188 ^f	478,678	484,596
9 Multifamily.....	33,912	38,876	37,008	37,008	38,379 ^p	37,562 ^f	36,394	37,523
10 Commercial.....	290,254	321,906	334,520	334,520	338,697 ^f	339,433 ^f	337,331	335,557
11 Farm.....	15,470	16,656	17,231	17,231	17,507	18,039	18,323	18,438
12 Savings institutions ³	924,606	910,254	801,628	801,628	776,551	755,219	719,341	698,754
13 One- to four-family.....	671,722	669,220	600,154	600,154	583,694	570,044	547,455	533,850
14 Multifamily.....	110,775	106,014	91,806	91,806	88,743	86,448	81,880	79,344
15 Commercial.....	141,433	134,370	109,168	109,168	103,647	98,280	89,603	85,183
16 Farm.....	676	650	500	500	468	447	402	377
17 Life insurance companies.....	232,863	254,214	267,861	267,861	269,000	271,674	270,094	270,958
18 One- to four-family.....	11,164	12,331	13,005	13,005	11,737	11,743	11,720	11,763
19 Multifamily.....	24,560	26,907	28,979	28,979	29,493	30,006	29,962	30,115
20 Commercial.....	187,549	205,472	215,121	215,121	216,768	219,204	218,179	218,111
21 Farm.....	9,590	9,604	10,756	10,756	11,001	10,721	10,233	10,968
22 Finance companies ⁴	37,846	45,476	48,777	48,777	48,187	48,972	50,658	51,567
23 Federal and related agencies.....	200,570	209,498	250,761	250,761	264,189	276,798	283,455	282,731
24 Government National Mortgage Association.....	26	23	20	20	22	22	22	23
25 One- to four-family.....	26	23	20	20	22	22	22	23
26 Multifamily.....	0	0	0	0	0	0	0	0
27 Farmers Home Administration ⁵	42,018	41,176	41,439	41,439	41,307	41,430	41,566	41,713
28 One- to four-family.....	18,347	18,422	18,527	18,527	18,522	18,521	18,598	18,496
29 Multifamily.....	8,513	9,604	9,640	9,640	9,720	9,898	9,900	10,141
30 Commercial.....	5,343	4,443	4,690	4,690	4,715	4,750	4,829	4,905
31 Farm.....	9,815	9,257	8,582	8,582	8,350	8,261	8,149	8,179
32 Federal Housing and Veterans Administration.....	5,973	6,087	8,801	8,801	9,492	10,210	11,395	12,744
33 One- to four-family.....	2,672	2,875	3,593	3,593	3,600	3,729	3,948	4,384
34 Multifamily.....	3,301	3,212	5,208	5,208	5,891	6,480	7,446	8,360
35 Federal National Mortgage Association.....	103,013	110,721	116,628	116,628	119,196	122,806	125,451	128,578
36 One- to four-family.....	95,833	102,295	106,081	106,081	108,348	111,560	113,696	116,336
37 Multifamily.....	7,180	8,426	10,547	10,547	10,848	11,246	11,755	12,242
38 Federal Land Banks.....	32,115	29,640	29,416	29,416	29,253	29,152	29,053	28,970
39 One- to four-family.....	1,890	1,210	1,838	1,838	1,884	2,041	2,124	2,225
40 Farm.....	30,225	28,430	27,577	27,577	27,368	27,111	26,929	26,745
41 Federal Home Loan Mortgage Corporation.....	17,425	21,851	21,857	21,857	23,221	23,649	23,906	24,881
42 One- to four-family.....	15,077	18,248	19,185	19,185	20,570	21,120	21,489	22,529
43 Multifamily.....	2,348	3,603	2,672	2,672	2,651	2,529	2,417	2,352
44 Mortgage pools or trusts ⁶	811,847	946,766	1,110,555	1,110,555	1,144,876 ^f	1,186,251 ^f	1,228,788	1,272,155
45 Government National Mortgage Association.....	340,527	368,367	403,613	403,613	409,929	413,707	422,501	429,772
46 One- to four-family.....	331,257	358,142	391,505	391,505	397,631	401,304	409,826	416,425
47 Multifamily.....	9,270	10,225	12,108	12,108	12,298	12,403	12,675	13,347
48 Federal Home Loan Mortgage Corporation.....	226,406	272,870	316,359	316,359	328,215	341,132	348,843	361,785
49 One- to four-family.....	219,988	266,060	308,369	308,369	319,978	332,624	341,183	354,214
50 Multifamily.....	6,418	6,810	7,990	7,990	8,237	8,509	7,660	7,571
51 Federal National Mortgage Association.....	178,250	228,232	299,833	299,833	312,101	331,089	351,917	372,107
52 One- to four-family.....	172,331	219,577	291,194	291,194	303,554	322,444	343,430	363,615
53 Multifamily.....	5,919	8,655	8,639	8,639	8,547	8,645	8,487	8,492
54 Farmers Home Administration ⁵	104	80	66	66	62	55 ^f	52	47
55 One- to four-family.....	26	21	17	17	14	13	12	11
56 Multifamily.....	0	0	0	0	0	0	0	0
57 Commercial.....	38	26	24	24	23	21 ^f	20	19
58 Farm.....	40	33	26	26	24	21 ^f	20	17
59 Individuals and others ⁷	426,229	588,815 ^f	636,955 ^f	636,955 ^f	636,585 ^f	638,457 ^f	644,241	648,256
60 One- to four-family.....	259,971	414,763 ^f	449,440	449,440	447,344 ^f	447,339 ^f	451,988	454,841
61 Multifamily.....	79,209	81,634	84,408 ^f	84,408 ^f	84,227 ^f	83,452 ^f	83,740	83,772
62 Commercial.....	67,618	73,023	83,816	83,816	85,790 ^f	88,495 ^f	89,424	90,628
63 Farm.....	19,431	19,395	19,291	19,291	19,224 ^f	19,171 ^f	19,089	19,014

1. Based on data from various institutional and governmental sources, with figures for some quarters estimated in part by the Federal Reserve. Multifamily debt refers to loans on structures of five or more units.

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

3. Includes savings banks and savings and loan associations. Beginning 1987:1, data reported by institutions insured by the Federal Savings and Loan Insurance Corporation include loans in process and other contra-assets (credit balance accounts that must be subtracted from the corresponding gross asset categories to yield net asset levels).

4. Assumed to be entirely loans on one- to four-family residences.

5. Securities guaranteed by the Farmers Home Administration (FmHA) sold to the Federal Financing Bank were reallocated from FmHA mortgage pools to FmHA mortgage holdings in 1986:4 because of accounting changes by the FmHA.

6. Outstanding principal balances of mortgage-backed securities insured or guaranteed by the agency indicated. Includes private pools, which are not shown as a separate line item.

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

1.55 CONSUMER INSTALLMENT CREDIT Total Outstanding and Net Change¹

Millions of dollars, amounts outstanding, end of period

Holder and type of credit	1988	1989	1990	1991					1992
				Aug.	Sept.	Oct.	Nov.	Dec. [†]	Jan.
Seasonally adjusted									
1 Total	664,049	718,863	735,102	729,108	729,152	730,317	730,147	729,420	729,237
2 Automobile	284,214	290,676	284,585	271,906	270,219	270,013	268,123	267,909	268,241
3 Revolving	174,104	199,082	220,110	229,453	232,070	233,661	234,666	234,504	234,803
4 Mobile home	25,348	22,471	20,919	19,495	18,892	18,943	19,059	19,116	18,663
5 Other	180,383	206,633	209,487	208,253	207,971	207,700	208,300	207,891	207,529
Not seasonally adjusted									
6 Total	674,855	730,901	748,300	731,531	732,183	730,722	732,256	743,548	733,019
<i>By major holder</i>									
7 Commercial banks	324,792	342,770	347,466	335,662	335,509	335,258	334,904	340,930	335,608
8 Finance companies	146,212	140,832	137,450	135,509	132,471	131,778	130,679	129,566	126,677
9 Credit unions	88,340	93,114	92,911	92,843	93,305	92,746	92,373	92,779	92,035
10 Retailers	48,438	44,154	43,552	37,296	37,281	37,359	38,651	43,130	40,580
11 Savings institutions	63,399	57,253	45,616	37,893	37,036	37,424	36,987	36,014	35,227
12 Gasoline companies	3,674	3,935	4,822	4,857	4,753	4,529	4,388	4,362	4,377
13 Pools of securitized assets ²	n.a.	48,843	76,483	87,471	91,829	91,628	94,274	96,767	98,515
<i>By major type of credit³</i>									
14 Automobile	284,328	290,705	284,813	274,190	273,354	272,092	268,927 [†]	268,284	266,873
15 Commercial banks	123,392	126,288	126,259	120,577	119,730	119,276	118,502	117,494	116,661
16 Finance companies	97,245	82,721	74,396	71,571	69,853	69,364	67,907	66,549	65,151
17 Pools of securitized assets ²	0	18,235	24,537	25,071	26,808	26,803	26,237	27,997	29,431
18 Revolving	184,045	210,310	232,370	229,224	231,281	231,862	235,674	247,519	239,006
19 Commercial banks	123,020	130,811	132,433	125,787	125,524	126,234	125,734	132,625	126,753
20 Retailers	43,833	39,583	39,029	32,962	32,964	33,055	34,319	38,652	36,169
21 Gasoline companies	3,674	3,935	4,822	4,857	4,753	4,529	4,388	4,362	4,377
22 Pools of securitized assets ²	n.a.	23,477	44,335	54,017	56,438	56,290	59,459	60,139	60,038
23 Mobile home	25,143	22,240	20,666	19,468	18,996	19,026	19,021	18,877	18,822
24 Commercial banks	9,025	9,112	9,763	9,534	9,614	9,600	9,656	9,552	9,644
25 Finance companies	7,191	4,716	5,252	5,700	5,300	5,358	5,401	5,520	5,509
26 Other	181,339	207,646	210,451	208,649	208,553	207,742	208,633	208,868	208,318
27 Commercial banks	69,355	76,559	79,011	79,764	80,641	80,148	81,012	81,259	82,550
28 Finance companies	41,776	53,395	57,801	58,238	57,318	57,056	57,371	57,497	56,017
29 Retailers	4,605	4,571	4,523	4,334	4,317	4,304	4,332	4,478	4,411
30 Pools of securitized assets ²	n.a.	7,131	7,611	8,383	8,583	8,535	8,578	8,631	9,046

1. The Board's series on amounts of credit covers most short- and intermediate-term credit extended to individuals that is scheduled to be repaid (or has the option of repayment) in two or more installments.

Data in this table also appear in the Board's G.19 (421) monthly statistical release. For ordering address, see inside front cover.

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

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

1.56 TERMS OF CONSUMER INSTALLMENT CREDIT¹

Percent per year, except as noted

Item	1989	1990	1991	1991						1992
				July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
INTEREST RATES										
<i>Commercial banks²</i>										
1 48-month new car	12.07	11.78	11.14	n.a.	11.06	n.a.	n.a.	10.61	n.a.	n.a.
2 24-month personal	15.44	15.46	15.18	n.a.	15.24	n.a.	n.a.	14.88	n.a.	n.a.
3 120-month mobile home ³	14.11	14.02	13.70	n.a.	13.73	n.a.	n.a.	13.37	n.a.	n.a.
4 Credit card	18.02	18.17	18.23	n.a.	18.24	n.a.	n.a.	18.19	n.a.	n.a.
<i>Auto finance companies</i>										
5 New car	12.62	12.54	12.41	12.55	12.40	12.38	12.23	10.79	10.41	10.04
6 Used car	16.18	15.99	15.60	15.66	15.63	15.60	15.46	15.06	14.90	14.34
OTHER TERMS⁴										
<i>Maturity (months)</i>										
7 New car	54.2	54.6	55.1	55.5	55.4	55.4	55.4	54.1	53.7	53.5
8 Used car	46.6	46.1	47.2	47.4	47.2	47.2	47.0	47.0	46.9	48.4
<i>Loan-to-value ratio</i>										
9 New car	91	87	88	88	88	87	88	88	88	89
10 Used car	97	95	96	96	97	96	97	96	93	97
<i>Amount financed (dollars)</i>										
11 New car	12,001	12,071	12,494	12,572	12,518	12,460	12,684	13,245	13,476	13,135
12 Used car	7,954	8,289	8,884	8,989	8,902	8,996	9,077	9,029	9,105	9,007

1. Data in this table also appear in the Board's G.19 (421) monthly statistical release. For ordering address, see inside front cover.

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

3. Before 1983 the maturity for new car loans was 36 months, and for mobile home loans was 84 months.

4. At auto finance companies.

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS

Billions of dollars; quarterly data at seasonally adjusted annual rates

Instrument or sector	1986	1987	1988	1989	1990	1989		1990				1991		
						Q4	Q1	Q2	Q3	Q4	Q1	Q2		
Nonfinancial sectors														
1 Total net borrowing by domestic nonfinancial sectors	836.9	687.0	760.8	678.2	639.3	620.2	803.4	596.9	657.7	499.3	411.4	462.6		
<i>By lending sector and instrument</i>														
2 U.S. government	215.0	144.9	157.5	151.6	272.5	185.0	247.3	228.2	286.1	328.4	204.7	241.8		
3 Treasury securities	214.7	143.4	140.0	150.0	264.4	189.6	217.8	222.9	287.5	329.4	228.7	248.0		
4 Agency issues and mortgages	.4	1.5	17.4	1.6	8.2	-4.6	29.6	5.4	-1.3	-1.0	-24.0	-6.2		
5 Private	621.9	542.1	603.3	526.6	366.8	435.2	556.1	368.7	371.6	170.9	206.7	220.9		
<i>By instrument</i>														
6 Debt capital instruments	465.8	453.2	459.2	379.8	298.2	347.0	391.0	309.3	275.5	216.8	230.5	292.7		
7 Tax-exempt obligations	22.7	49.3	49.8	30.4	20.1	19.1	12.4	24.5	30.0	13.5	11.3	27.5		
8 Corporate bonds	126.8	79.4	102.9	73.7	49.7	87.4	30.2	68.8	32.8	67.1	80.6	95.3		
9 Mortgages	316.3	324.5	306.5	275.7	228.3	240.5	348.4	216.0	212.7	136.3	138.6	169.9		
10 Home mortgages	218.7	234.9	231.0	218.0	212.6	214.3	298.7	220.0	184.7	147.1	136.8	176.6		
11 Multifamily residential	33.5	24.4	16.7	16.4	6.5	9.5	22.7	-15.5	16.2	2.7	4.6	2.9		
12 Commercial	73.6	71.6	60.8	42.7	9.3	19.9	26.5	13.4	9.9	-12.8	-3.0	-8.0		
13 Farm	-9.5	-6.4	-2.1	-1.5	.0	-3.2	.5	-1.9	2.0	-7.7	.2	-1.6		
14 Other debt instruments	156.1	88.9	144.1	146.8	68.7	88.2	165.1	59.4	96.0	-45.9	-23.8	-71.9		
15 Consumer credit	58.0	33.5	50.2	39.1	14.3	44.1	30.4	2.8	21.3	2.5	-23.6	-20.4		
16 Bank loans n.e.c.	66.9	10.0	39.8	39.9	1.3	7.7	16.3	15.4	-2.5	-24.2	14.2	-51.6		
17 Open market paper	-9.3	2.3	11.9	20.4	9.7	-6.9	69.6	-6.2	17.3	-41.7	5.1	-22.6		
18 Other	40.5	43.2	42.2	47.4	43.4	43.3	48.8	47.4	60.0	17.5	-19.5	22.6		
<i>By borrowing sector</i>														
19 State and local government	36.2	48.8	45.6	29.6	17.2	16.5	16.0	17.2	28.1	7.6	12.2	16.8		
20 Household	293.0	302.2	314.9	285.0	254.0	291.8	377.2	257.5	227.3	154.0	162.6	199.7		
21 Nonfinancial business	292.7	191.0	242.8	211.9	95.6	126.9	162.9	94.0	116.2	9.4	32.0	4.3		
22 Farm	-16.3	-10.6	-7.5	1.6	2.6	8.9	6.2	-10.8	11.7	3.1	4.7	-1.6		
23 Nonfarm noncorporate	99.2	77.9	65.7	50.8	13.7	35.0	45.5	3.5	19.6	-14.0	-18.7	-3.6		
24 Corporate	209.7	123.7	184.6	159.5	79.4	83.1	111.2	101.3	84.8	20.2	46.0	9.5		
25 Foreign net borrowing in United States	9.7	4.5	6.3	10.9	23.5	16.9	2.0	41.2	29.7	21.1	50.6	-53.0		
26 Bonds	3.1	7.4	6.9	5.3	21.6	-1.0	32.7	25.8	1.2	26.5	8.9	22.0		
27 Bank loans n.e.c.	-1.0	-3.6	-1.8	-1.1	-2.9	-4.3	-6.9	-1.8	1.9	-4.7	10.3	-7.1		
28 Open market paper	11.5	2.1	8.7	13.3	12.3	22.2	-16.4	23.1	27.3	15.3	45.5	-52.0		
29 U.S. government loans	-3.9	-1.4	-7.5	-7.5	-7.5	.1	-7.3	-5.9	-8	-16.0	-14.1	-15.8		
30 Total domestic plus foreign	846.6	691.5	767.1	689.1	662.8	637.1	805.5	638.1	687.3	520.4	462.0	409.7		
Financial sectors														
31 Total net borrowing by financial sectors	285.1	300.2	247.6	205.5	202.1	187.3	190.2	170.4	180.0	267.7	102.6	95.4		
<i>By instrument</i>														
32 U.S. government-related	154.1	171.8	119.8	151.0	167.4	156.4	171.7	184.0	139.2	174.6	155.8	150.6		
33 Sponsored-credit-agency securities	15.2	30.2	44.9	25.2	17.1	-4.7	9.7	17.1	22.3	19.5	14.5	-22.4		
34 Mortgage pool securities	139.2	142.3	74.9	125.8	150.3	161.1	162.0	166.8	116.9	155.5	141.3	173.0		
35 Loans from U.S. government	-4	-8	.0	.0	-1	.0	.0	.0	.0	-5	.0	.0		
36 Private	131.0	128.4	127.8	54.5	34.7	30.9	18.5	-13.5	40.8	93.1	-53.2	-55.2		
37 Corporate bonds	82.9	78.9	51.7	36.8	49.8	39.6	33.5	71.2	18.0	76.7	39.5	63.2		
38 Mortgages	.1	.4	.3	.0	.3	-4	.1	.2	.3	.5	.1	-1		
39 Bank loans n.e.c.	4.0	-3.2	1.4	1.8	.7	4.2	-2.3	-6	2.0	3.8	1.0	-5.8		
40 Open market paper	24.2	27.9	54.8	26.9	8.6	36.3	9.2	-53.4	51.0	27.6	-65.9	-59.7		
41 Loans from Federal Home Loan Banks	19.8	24.4	19.7	-11.0	-24.7	-48.8	-22.0	-30.9	-30.5	-15.5	-27.9	-52.9		
<i>By borrowing sector</i>														
42 Sponsored credit agencies	14.9	29.5	44.9	25.2	17.0	-4.7	9.7	17.1	22.3	19.0	14.5	-22.4		
43 Mortgage pools	139.2	142.3	74.9	125.8	150.3	161.1	162.0	166.8	116.9	155.5	141.3	173.0		
44 Private	131.0	128.4	127.8	54.5	34.7	30.9	18.5	-13.5	40.8	93.1	-53.2	-55.2		
45 Commercial banks	-3.6	6.2	-3.0	-1.4	-1.1	-7	-5.7	-13.9	-5.6	20.9	-22.0	-16.6		
46 Bank affiliates	15.2	14.3	5.2	6.2	-27.7	-3.9	-8.0	-32.1	-40.4	-30.2	-18.5	-7.1		
47 Savings and loan associations	20.9	19.6	19.9	-14.1	-31.2	-56.2	-15.8	-53.5	-31.9	-23.4	-29.5	-55.6		
48 Mutual savings banks	4.2	8.1	1.9	-1.4	-5	-7	-8.3	6.5	-4.2	4.0	-2.2	-1.4		
49 Finance companies	54.7	40.8	67.7	46.3	57.1	52.6	28.2	27.0	97.3	75.7	-9.2	-11.7		
50 Real estate investment trusts (REITs)	.8	.3	3.5	-1.9	-1.9	.1	-3.8	-2.7	-1.8	.6	-7	-2		
51 Securitized credit obligation (SCO) issuers	39.0	39.1	32.5	20.8	40.1	38.2	32.1	55.1	27.5	45.6	28.9	37.3		

A40 Domestic Financial Statistics □ May 1992

1.57—Continued

Transaction category or sector	1986	1987	1988	1989	1990	1989	1990					1991	
						Q4	Q1	Q2	Q3	Q4	Q1	Q2	
All sectors													
52 Total net borrowing, all sectors	1,131.7	991.7	1014.7	894.5	864.9	824.4	995.7	808.5	867.3	788.1	564.7	505.1	
53 U.S. government securities	369.5	317.5	277.2	302.6	440.0	341.4	419.0	412.2	425.4	503.4	360.5	392.4	
54 State and local obligations	22.7	49.3	49.8	30.4	20.1	19.1	12.4	24.5	30.0	13.5	11.3	27.5	
55 Corporate and foreign bonds	212.8	165.7	161.5	115.8	121.1	125.9	96.4	165.8	52.0	170.3	129.0	180.5	
56 Mortgages	316.4	324.9	306.7	275.7	228.6	240.1	348.5	216.2	213.0	136.7	138.7	169.8	
57 Consumer credit	58.0	33.5	50.2	39.1	14.3	44.1	30.4	2.8	21.3	2.5	-23.6	-20.4	
58 Bank loans n.e.c.	69.9	3.2	39.4	41.5	-9	7.5	7.1	13.0	1.4	-25.1	25.6	-64.5	
59 Open market paper	26.4	32.3	75.4	60.6	30.7	51.6	62.3	-36.6	95.7	1.2	-15.2	-134.3	
60 Other loans	56.1	65.5	54.4	28.9	11.1	-5.4	19.5	10.6	28.6	-14.5	-61.6	-46.0	
61 MEMO: U.S. government, cash balance	.0	-7.9	10.4	-5.9	8.3	-7.3	22.9	-38.1	21.1	27.4	51.6	-64.3	
<i>Totals net of changes in U.S. government cash balances</i>													
62 Net borrowing by domestic nonfinancial sectors	836.9	694.9	750.4	684.1	631.0	627.6	780.5	635.0	636.6	471.9	359.8	526.9	
63 Net borrowing by U.S. government	215.0	152.8	147.1	157.5	264.2	192.4	224.4	266.3	265.1	301.0	153.1	306.1	
External corporate equity funds raised in United States													
64 Total net share issues	86.8	10.9	-124.2	-63.7	9.6	14.9	-9.2	48.0	-24.1	23.6	108.0	173.9	
65 Mutual funds	159.0	73.9	1.1	41.3	61.4	72.4	47.8	71.0	46.1	80.6	87.8	122.2	
66 All other	-72.2	-63.0	-125.3	-105.1	-51.7	-57.6	-57.0	-22.9	-70.2	-56.9	20.2	51.7	
67 Nonfinancial corporations	-85.0	-75.5	-129.5	-124.2	-63.0	-79.3	-69.0	-48.0	-74.0	-61.0	-12.0	11.0	
68 Financial corporations	11.6	14.6	3.3	2.4	4.3	4.5	10.3	1.3	4.8	.9	3.4	4.3	
69 Foreign shares purchased in United States	1.2	-2.1	.9	16.7	6.9	17.2	1.7	23.8	-1.0	3.2	28.8	36.4	

1.58 DIRECT AND INDIRECT SOURCES OF FUNDS TO CREDIT MARKETS

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

Transaction category or sector	1987	1988	1989	1990	1991	1990			1991			
						Q2	Q3	Q4 ^f	Q1 ^f	Q2 ^f	Q3 ^f	Q4
1 Total funds advanced in credit markets to domestic nonfinancial sectors	722.8	767.2	714.7	644.5^f	465.9	669.3	593.2^f	479.9	434.5	538.9	476.1	414.1
2 Total net advances by federal agencies and foreign sectors	248.0	208.1	188.1	261.7	246.8	290.1	347.4	190.8	282.9	213.7	290.4	200.4
<i>By instrument</i>												
3 U.S. government securities	70.1	85.2	30.2	74.4	99.4	100.9	142.0	45.6	140.1	50.9	123.5	83.1
4 Residential mortgages	139.1	86.3	137.9	184.1	173.7	185.2	176.3	180.5	176.0	186.6	180.6	151.3
5 Federal Home Loan Bank advances to thrifts	24.4	19.7	-11.0	-24.7	-38.0	-26.9	-27.3	-15.7	-35.8	-48.5	-36.4	-31.5
6 Other loans and securities	14.3	16.8	31.0	27.8	11.8	31.0	56.4	-19.6	2.5	24.6	22.6	-2.5
<i>By lender</i>												
7 U.S. government	-7.9	-9.4	-2.6	33.6	9.8	36.1	63.6	-3.7	28.1	28.8	4.6	-22.5
8 Sponsored credit agencies and mortgage pools	169.3	112.0	125.3	166.7	160.2	163.6	182.4	141.9	164.0	123.9	185.0	167.6
9 Monetary authority	24.7	10.5	-7.3	8.1	31.1	30.8	26.2	-24.2	60.2	1.8	57.4	5.0
10 Foreign	61.8	95.0	72.7	53.2	45.8	59.6	75.1	76.8	30.6	59.1	43.3	50.3
<i>Agency and foreign borrowing not included in line 1</i>												
11 Sponsored credit agencies and mortgage pools	171.8	119.8	151.0	167.4	157.0	172.8	146.2	185.6	149.6	118.0	172.9	187.6
12 Foreign	6.2	6.4	10.6	23.5	15.6	36.3	26.2	19.0	62.8	-59.6	22.7	36.4
13 Total private domestic funds advanced	652.8	685.3	688.2	573.7^f	391.6	588.2	418.2^f	493.7	363.9	383.6	381.3	437.7
14 U.S. government securities	246.3	189.7	267.2	340.0	335.7	311.5	246.6	411.9	208.7	336.2	415.0	383.0
15 State and local obligations	83.5	53.7	65.0	45.5	32.3	56.2	36.5	18.3	25.3	37.7	37.9	28.2
16 Corporate and foreign bonds	67.5	94.4	65.5	63.4 ^f	83.2	75.7	27.1 ^f	95.6	73.5	97.0	84.9	77.3
17 Residential mortgages	120.2	161.3	96.5	34.6 ^f	-31.3	25.7	28.2 ^f	-18.6	-20.9	-20.8	-79.8	-3.5
18 Other mortgages and loans	159.8	205.9	183.1	65.6 ^f	-66.3	92.1	52.6 ^f	-29.2	41.5	-115.0	-112.9	-78.9
19 Less: Federal Home Loan Bank advances	24.4	19.7	-11.0	-24.7	-38.0	-26.9	-27.3	-15.7	-35.8	-48.5	-36.4	-31.5
20 Total credit market funds advanced by private financial institutions	497.3	538.5	534.0	388.7^f	348.4	282.4	299.4^f	519.5	307.4	214.3	407.0	464.6
<i>By lending institution</i>												
21 Commercial banks	135.3	157.0	177.0	121.2	92.7	140.9	107.6	61.8	123.3	30.1	77.0	140.4
22 Savings institutions	136.8	118.0	-90.9	-153.4	-157.3	-211.9	-160.8	-170.8	-173.6	-153.2	-205.2	-97.3
23 Insurance and pension funds	149.1	176.4	197.9	183.7 ^f	215.5	241.6	135.6	188.3	209.4	218.3	230.2	204.0
24 Other financial institutions	76.2	87.1	249.9	237.2 ^f	197.6	111.7	216.9 ^f	440.2	148.4	119.2	305.0	217.6
<i>By source of funds</i>												
25 Private domestic deposits and repurchase agreements	173.8	229.6	209.5	53.3	1.0	-5.7	45.5	-22.8	214.6	-118.1	-72.6	-20.0
26 Credit market borrowing	92.4	93.7	40.0	.9 ^f	-21.6	19.5	-54.3 ^f	35.2	-48.3	-34.7	-31.1	27.7
27 Other sources	231.1	215.3	284.5	334.5 ^f	369.0	268.6	308.2 ^f	507.1	141.1	367.2	510.7	456.9
28 Foreign funds	43.7	9.3	-9.9	24.0	-20.7	23.5	87.5	-28.5	9.4	-99.3	30.3	-23.1
29 Treasury balances	-5.8	7.3	-3.4	5.3	5.7	-1.0	13.7	3.4	20.6	-22.3	5.7	18.7
30 Insurance and pension reserves	94.9	174.1	192.0	164.1	235.5	209.1	128.3	222.1	291.6	178.7	276.2	195.4
31 Other, net	98.4	24.5	105.8	141.0 ^f	148.5	36.9	78.7 ^f	310.1	-180.6	310.1	198.5	265.9
<i>Private domestic nonfinancial investors</i>												
32 Direct lending in credit markets	247.9 ^f	240.5	194.2	185.9 ^f	21.7	325.4	64.6 ^f	9.4	8.2	134.5	-56.8	.8
33 U.S. government securities	100.5	134.5	125.5	123.3 ^f	47.7	175.4	134.6	-5.7	16.7	162.1	-5.8	17.5
34 State and local obligations	96.1	57.3	62.7	24.9	9.6	40.0	7.6	-13.5	15.2	22.1	16.3	-14.9
35 Corporate and foreign bonds	6.4	-32.2	-26.5	-23.4 ^f	-21.0	21.3	-120.3 ^f	-2.8	4.8	19.2	-90.6	-17.5
36 Open market paper	13.3	41.9	2.9	18.8	-36.6	53.0	12.8	-9.6	-46.6	-85.7	-1.8	-12.2
37 Other loans and mortgages	31.5	39.0	29.6	42.3 ^f	21.9	35.7	29.8 ^f	41.0	18.1	16.7	25.0	27.8
38 Deposits and currency	190.3	233.1	225.7	83.0	28.1	24.7	74.2	20.4	231.2	-94.7	-38.4	14.5
39 Currency	19.0	14.7	11.7	22.6	19.7	22.6	30.9	16.9	38.7	6.0	8.0	25.9
40 Checkable deposits	-3	12.5	6	4	52.0	4.5 ^f	-4.1 ^f	-23.5	56.3	14.2	104.7	32.8
41 Small time and savings accounts	76.0	122.4	98.2	59.4	19.5	19.9 ^f	40.8 ^f	61.6	104.8	1.0	-52.8	25.1
42 Money market fund shares	28.9	21.2	86.7	56.0	34.5	-32.7	106.0	42.1	171.0	-63.5	-1.7	32.0
43 Large time deposits	47.6	40.6	9.1	-42.1	-91.2	-15.5	-70.7	-66.4	-60.8	-72.8	-106.3	-124.8
44 Security repurchase agreements	21.6	32.9	14.9	-20.5	-13.8	18.2	-26.5	-36.6	-56.7	3.0	-16.5	14.9
45 Deposits in foreign countries	-2.5	-11.2	4.4	7.1 ^f	7.5	7.8	-2.2	26.3	-22.2	17.5	26.1	8.6
46 Total of credit market instruments, deposits, and currency	438.2	473.6	419.9	268.9^f	49.8	350.1	138.7^f	29.8	239.3	39.8	-95.2	15.3
MEMO												
47 Public holdings as percent of total	34.0	26.9	25.9	39.2 ^f	51.3	41.1	56.1 ^f	38.2	56.9	44.6	58.2	44.5
48 Private financial intermediation (percent)	76.2	78.6	77.6	67.8 ^f	89.0	48.0	71.6 ^f	105.2	84.5	55.9	106.7	106.2
49 Total foreign funds	105.5	104.3	62.8	77.2	25.1	83.1	162.6	48.3	40.0	-40.2	73.6	27.1
<i>Corporate equities not included above</i>												
50 Total net issues	7.1	-119.3	-65.4	15.8	208.6	56.4	-19.5 ^f	27.0	116.1	179.8	237.5	300.9
51 Mutual fund shares	70.2	6.1	38.5	65.7	150.6	77.1	45.9	83.7	97.6	125.2	178.1	201.3
52 Other equities	-63.1	-125.4	-103.9	-50.0	58.0	-20.7	-65.4 ^f	-56.7	18.5	54.6	59.4	99.6
53 Acquisitions by financial institutions	22.2	4.1	18.9	27.5 ^f	76.5	64.6 ^f	-44.4 ^f	53.2	80.9	57.1	91.1	76.7
54 Other net purchases	-15.1	-123.3	-84.3	-11.7 ^f	132.1	-8.3 ^f	24.9 ^f	-26.2	35.2	122.7	146.3	224.2

NOTES BY LINE NUMBER.

1. Line 1 of table 1.57.
2. Sum of lines 3-6 or 7-10.
6. Includes farm and commercial mortgages.
11. Credit market funds raised by federally sponsored credit agencies, and net issues of federally related mortgage pool securities.
13. Line 1 less line 2 plus lines 11 and 12. Also line 20 less line 26 plus line 32. Also sum of lines 28 and 47 less lines 40 and 46.
18. Includes farm and commercial mortgages.
25. Line 38 less lines 39 and 45.
26. Excludes equity issues and investment company shares. Includes line 19.
28. Foreign deposits at commercial banks, plus bank borrowings from foreign branches, plus liabilities of foreign banking agencies to foreign affiliates, less claims on foreign affiliates and deposits by banking institutions in foreign banks.
29. Demand deposits and note balances at commercial banks.

30. Excludes investment of these reserves in corporate equities.
 31. Mainly retained earnings and net miscellaneous liabilities.
 32. Line 13 less line 20 plus line 26.
 - 33-37. Lines 14-18 less amounts acquired by private finance plus amounts borrowed by private finance. Line 37 includes mortgages.
 39. Mainly an offset to line 9.
 46. Sum of lines 32 and 38, or line 13 less line 27 plus lines 39 and 45.
 47. Line 2 divided by line 1.
 48. Line 20 divided by line 13.
 49. Sum of lines 10 and 28.
 - 50, 52. Includes issues by financial institutions.
- NOTE. Full statements for sectors and transaction types in flows and in amounts outstanding appear in the Board's z.1 (780) quarterly statistical release. For ordering address, see inside front cover.

2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

Monthly data seasonally adjusted, 1987=100, except as noted

Measure	1989	1990	1991	1991							1992	
				June	July	Aug.	Sept.	Oct.	Nov.	Dec. ^f	Jan.	Feb.
1 Industrial production ¹	108.1	109.2	107.1	107.3	108.1	108.0	108.4	108.4	108.1	107.4	106.6 ^f	107.2
<i>Market groupings</i>												
2 Products, total	108.6	110.1	108.1	108.6	108.7	108.5	108.9	109.0	109.0	108.5	107.6 ^f	108.2
3 Final, total	109.1	110.9	109.6	110.1	110.2	109.8	110.4	110.6	110.6	110.0	108.9 ^f	109.7
4 Consumer goods	106.7	107.3	107.5 ^f	108.0	108.3	108.4	109.4	109.7	110.0	109.5	108.5 ^f	109.4
5 Equipment	112.3	115.5	112.2	112.8	112.8	111.6	111.8	111.9	111.4	110.8	109.4 ^f	110.1
6 Intermediate	106.8	107.7	103.3 ^f	104.0	104.0	104.4	104.3	104.1	103.9 ^f	103.5	103.3 ^f	103.4
7 Materials	107.4	107.8	105.5	105.4	107.0	107.2	107.5	107.4	106.6	105.7	105.0 ^f	105.6
<i>Industry groupings</i>												
8 Manufacturing	108.9	109.9	107.4 ^f	107.5	108.3	108.4	108.9	109.0	108.6	108.1	107.4 ^f	108.1
9 Capacity utilization, manufacturing (percent) ²	83.9	82.3	78.2	78.3	78.7	78.6	78.8	78.7	78.2	77.7	77.0	77.4
10 Construction contracts (1982=100) ³	172.9	156.2	136.4 ^f	133.0	144.0	150.0	143.0	157.0	134.0	152.0	95.0	n.a.
11 Nonagricultural employment, total ⁴	106.0	107.6	106.6	106.5	106.5	106.6	106.7	106.7	106.5	106.5	106.4	106.6
12 Goods-producing, total	102.5	101.0	96.4	96.3	96.3	96.4	96.3	96.0	95.5	95.3	95.1	95.1
13 Manufacturing, total	102.2	100.5	96.9	96.6	96.7	96.9	96.8	96.6	96.4	96.2	95.9	95.9
14 Manufacturing, production worker	102.3	100.0	96.0	95.7	96.0	96.3	96.0	95.9	95.6	95.4	95.1	95.4
15 Service-producing	107.1	109.7	109.9	109.8	109.8	109.9	110.0	110.1	110.0	110.1	110.0	110.2
16 Personal income, total	115.2	123.1	127.2 ^f	127.5	127.1	127.7	128.2	128.5 ^f	128.4 ^f	129.7	129.6	n.a.
17 Wages and salary disbursements	114.4	121.1	124.2	124.8	124.2	124.9	125.4	125.2 ^f	125.4 ^f	126.2	125.6	n.a.
18 Manufacturing	110.6	113.4	113.5	113.4	113.8	114.4	114.6	115.6	114.5 ^f	115.3	113.5	n.a.
19 Disposable personal income ⁵	115.2	123.4	128.3 ^f	128.6	128.3	128.9	129.3	129.7 ^f	129.6 ^f	131.0	130.9	n.a.
20 Retail sales ⁶	113.2	117.4	118.3 ^f	119.0	119.4	118.6	119.0	118.9	118.9	118.8	121.3 ^f	122.9
<i>Prices⁷</i>												
21 Consumer (1982-84=100)	124.0	130.7	136.2	136.0	136.2	136.6	137.2	137.4	137.8	137.9	138.1	138.6
22 Producer finished goods (1982=100)	113.6	119.2	121.7	121.9	121.6	121.7	121.4	122.2 ^f	122.3	121.9	121.7	121.9

1. A major revision of the industrial production index and the capacity utilization rates was released in April 1990. See "Industrial Production: 1989 Developments and Historical Revision," *Federal Reserve Bulletin*, vol. 76 (April 1990), pp. 187-204.

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

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

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

5. Based on data in *Survey of Current Business* (U.S. Department of Commerce).

6. Based on U.S. Bureau of the Census data published in *Survey of Current Business*.

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

NOTE. Basic data (not indexes) for series mentioned in notes 4, 5, and 6, and indexes for series mentioned in notes 3 and 7 can also be found in the *Survey of Current Business*.

Figures for industrial production for the latest month are preliminary, and many figures for the three months preceding the latest month have been revised. See "Recent Developments in Industrial Capacity and Utilization," *Federal Reserve Bulletin*, vol. 76 (June 1990), pp. 411-35.

2.11 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

Thousands of persons; monthly data seasonally adjusted; exceptions noted

Category	1989	1990	1991	1991						1992	
				July	Aug.	Sept.	Oct.	Nov.	Dec. ^r	Jan. ^r	Feb.
HOUSEHOLD SURVEY DATA											
1 Noninstitutional population ¹	188,601	190,216	191,883	191,955	192,095	192,240	192,386	192,522	192,661	192,796	192,906
2 Labor force (including Armed Forces) ¹	126,077	126,954	127,421	127,320	127,126	127,708	127,605	127,444	127,675	128,083	128,309
3 Civilian labor force	123,869	124,787	125,303	125,204	125,004	125,590	125,508	125,374	125,619	126,046	126,287
<i>Employment</i>											
4 Nonagricultural industries ²	114,142	114,728	114,644	113,485	113,230	113,806	113,663	113,500	113,545	113,951	113,811
5 Agriculture	3,199	3,186	3,233	3,244	3,254	3,283	3,204	3,272	3,183	3,166	3,232
<i>Unemployment</i>											
6 Number	6,528	6,874	8,426	8,475	8,520	8,501	8,641	8,602	8,891	8,929	9,244
7 Rate (percent of civilian labor force)	5.3	5.5	6.7	6.8	6.8	6.8	6.9	6.9	7.1	7.1	7.3
8 Not in labor force	62,524	63,262	64,462	64,635	64,969	64,532	64,781	65,078	64,986	64,713	64,597
ESTABLISHMENT SURVEY DATA											
9 Nonagricultural payroll employment ³	108,329	109,971	108,975	108,859	108,971	109,066	109,073	108,843	108,882	108,733	108,897
10 Manufacturing	19,442	19,111	18,427	18,402	18,442	18,414	18,377	18,337	18,293	18,237	18,249
11 Mining	693	711	697	701	693	684	679	674	670	666	666
12 Contract construction	5,187	5,136	4,696	4,695	4,691	4,699	4,671	4,584	4,589	4,600	4,570
13 Transportation and public utilities	5,644	5,826	5,823	5,809	5,820	5,829	5,828	5,816	5,811	5,798	5,813
14 Trade	25,770	25,843	25,412	25,411	25,393	25,387	25,335	25,261	25,247	25,166	25,291
15 Finance	6,695	6,739	6,707	6,688	6,687	6,692	6,697	6,694	6,701	6,692	6,699
16 Service	27,120	28,240	28,778	28,733	28,831	28,937	29,019	29,008	29,057	29,065	29,112
17 Government	17,779	18,322	18,434	18,420	18,414	18,424	18,467	18,469	18,514	18,509	18,497

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

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

3. Includes all full- and part-time employees who worked during, or received

pay for, the pay period that includes the twelfth day of the month, and exclude proprietors, self-employed persons, household and unpaid family workers, and members of the armed forces. Data are adjusted to the March 1984 benchmark, and only seasonally adjusted data are available at this time.

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

2.12 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION¹

Seasonally adjusted

Series	1991				1991				1991			
	Q1	Q2	Q3	Q4 ^f	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 ^f
	Output (1987=100)				Capacity (percent of 1987 output)				Capacity utilization rate (percent)			
1 Total industry	105.8	106.4	108.1	108.0	133.6	134.5	135.3	136.2	79.2	79.1	79.9	79.3
2 Manufacturing	106.1	106.7	108.5	108.6	136.0	136.9	137.9	138.9	78.0	77.9	78.7	78.2
3 Primary processing	100.6	100.8	104.1	104.1	126.8	127.5	128.1	128.8	79.4	79.1	81.2	80.8
4 Advanced processing	108.6	109.4	110.6	110.7	140.2	141.3	142.4	143.5	77.5	77.4	77.7	77.1
5 Durable goods	106.1	106.7	108.1	107.6	139.9	140.9	141.8	142.8	75.8	75.7	76.2	75.4
6 Lumber and products	92.3	94.0	95.1	95.2	125.0	125.2	125.4	125.7	73.9	75.1	75.8	75.8
7 Primary metals	97.9	95.9	102.0	102.4	128.2	128.6	129.0	129.3	76.4	74.6	79.1	79.2
8 Iron and steel	96.3	92.8	100.3	103.2	133.0	133.5	134.0	134.5	72.4	69.5	74.8	76.7
9 Nonferrous	100.2	100.3	104.5	101.3	121.3	121.5	121.7	121.9	82.6	82.6	85.8	83.1
10 Nonelectrical machinery	124.4	123.5	123.5	122.7	157.9	159.5	161.2	162.8	78.8	77.4	76.6	75.4
11 Electrical machinery	108.1	110.6	111.2	110.3	142.7	144.0	145.3	146.6	75.8	76.8	76.5	75.3
12 Motor vehicles and parts	80.8	89.5	95.9	97.0	133.4	134.2	134.9	135.6	60.5	66.7	71.1	71.5
13 Aerospace and miscellaneous transportation equipment	109.9	106.4	105.2	102.9	137.0	137.9	138.7	139.6	80.2	77.2	75.9	73.7
14 Nondurable goods	106.1	106.7	109.1	109.8	130.9	131.9	132.9	133.8	81.0	80.9	82.1	82.0
15 Textile mill products	94.6	99.4	104.1	104.5	117.3	117.7	118.0	118.3	80.6	84.5	88.2	88.3
16 Paper and products	102.6	102.7	107.6	107.4	116.4	117.1	117.9	118.7	88.2	87.7	91.2	90.5
17 Chemicals and products	109.1	109.3	112.1	113.2	138.4	139.7	141.0	142.3	78.8	78.2	79.5	79.6
18 Plastics materials	113.2	115.6	125.4	126.2	135.7	139.2	142.6	146.1	83.4	83.0	87.9	86.4
19 Petroleum products	107.3	107.6	108.1	107.3	121.4	121.4	121.4	121.4	88.4	88.6	89.0	88.4
20 Mining	102.0	101.1	101.8	99.7	113.8	114.3	114.6	114.7	89.6	88.4	88.9	86.9
21 Utilities	106.2	109.6	110.4	109.4	128.1	128.4	128.8	129.2	82.9	85.3	85.7	84.7
22 Electric	109.3	114.4	115.2	111.7	123.8	124.3	124.7	125.2	88.3	92.1	92.4	89.2

Series	Previous cycle		Latest cycle		1991	1991					1992		
	High	Low	High	Low	Feb.	July	Aug.	Sept.	Oct.	Nov. ^f	Dec. ^f	Jan. ^f	Feb. ^p
	Capacity utilization rate (percent)												
1 Total industry	89.2	72.6	87.3	71.8	79.1	80.0	79.8	79.9	79.8	79.3	78.7	77.9	78.2
2 Manufacturing	88.9	70.8	87.3	70.0	78.0	78.7	78.6	78.8	78.7	78.2	77.7	77.0	77.4
3 Primary processing	92.2	68.9	89.7	66.8	79.5	81.1	81.2	81.3	81.4	80.8	80.2	79.9	80.2
4 Advanced processing	87.5	72.0	86.3	71.4	77.4	77.8	77.5	77.7	77.6	77.1	76.6	75.8	76.2
5 Durable goods	88.8	68.5	86.9	65.0	75.8	76.4	76.0	76.2	75.9	75.5	74.7	73.7	74.4
6 Lumber and products	90.1	62.2	87.6	60.9	73.2	75.6	76.0	75.8	74.6	76.7	75.9	77.4	76.6
7 Primary metals	100.6	66.2	102.4	46.8	77.6	78.5	79.6	79.3	79.4	80.0	78.1	80.3	79.8
8 Iron and steel	105.8	66.6	110.4	38.3	73.7	74.3	75.0	75.1	76.2	78.5	75.5	79.4	78.4
9 Nonferrous	92.9	61.3	90.5	62.2	83.7	85.1	86.7	85.7	84.5	82.5	82.3	81.8	81.9
10 Nonelectrical machinery	96.4	74.5	92.1	64.9	78.8	77.2	76.5	76.1	76.1	75.4	74.6	73.8	74.5
11 Electrical machinery	87.8	63.8	89.4	71.1	75.8	76.6	76.8	76.2	75.1	75.5	75.1	74.5	74.8
12 Motor vehicles and parts	93.4	51.1	93.0	44.5	59.5	71.8	67.9	73.6	74.2	70.7	69.6	63.9	68.4
13 Aerospace and miscellaneous transportation equipment	77.0	66.6	81.1	66.9	80.3	76.1	76.1	75.3	74.8	73.9	72.4	71.0	70.6
14 Nondurable goods	87.9	71.8	87.0	76.9	81.0	82.0	82.1	82.3	82.4	81.9	81.7	81.4	81.5
15 Textile mill products	92.0	60.4	91.7	73.8	80.4	88.4	88.8	87.4	89.2	88.2	87.6	87.1	86.9
16 Paper and products	96.9	69.0	94.2	82.0	87.9	91.9	90.4	91.4	92.1	89.4	90.0	87.5	88.1
17 Chemicals and products	87.9	69.9	85.1	70.1	78.8	79.3	79.7	79.6	80.0	79.4	79.3	79.4	79.9
18 Plastics materials	102.0	50.6	90.9	63.4	85.0	89.6	87.1	87.0	89.5	87.2	82.5	82.0	81.2
19 Petroleum products	96.7	81.1	89.5	68.2	89.6	89.2	88.4	89.4	87.3	87.9	90.0	88.8	88.9
20 Mining	94.4	88.4	96.6	80.6	90.4	89.6	88.5	88.5	87.9	86.8	86.1	84.7	84.9
21 Utilities	95.6	82.5	88.3	76.2	81.6	86.2	85.9	85.1	84.8	85.9	83.4	82.9	82.4
22 Electric	99.0	82.7	88.3	78.7	87.0	93.6	92.7	90.8	89.7	90.0	87.9	87.5	87.0

1. Data in this table also appear in the Board's G.17 (419) monthly statistical release. For ordering address, see inside front cover. For a detailed description of the series, see "Recent Developments in Industrial Capacity and Utilization," *Federal Reserve Bulletin*, vol. 76 (June 1990), pp. 411-35.

2. Monthly high, 1973; monthly low, 1975.

3. Monthly highs, 1978 through 1980; monthly lows, 1982.

2.14 HOUSING AND CONSTRUCTION

Monthly figures at seasonally adjusted annual rates, except as noted

Item	1989	1990	1991 ¹	1991								1992	
				Apr.	May	June	July	Aug.	Sept.	Oct.	Nov. ²		Dec. ²	Jan.
Private residential real estate activity (thousands of units, except as noted)													
NEW UNITS													
1 Permits authorized	1,339	1,111	961	913	966	999	1,005	953	982	1,028	993	1,055	1,111
2 One-family	932	794	759	742	760	780	794	769	796	787	787	851	912
3 Two-or-more-family	407	317	202	171	206	219	211	184	200	232	206	204	199
4 Started	1,376	1,193	1,014	978	983	1,036	1,053	1,053	1,020	1,085	1,085	1,118	1,190
5 One-family	1,003	895	840	802	830	870	881	881	864	887	907	972	999
6 Two-or-more-family	373	298	174	176	153	166	172	172	156	198	178	146	191
7 Under construction at end of period	850	711	610	674	665	654 ²	652	648 ²	632	631 ²	633	637	647
8 One-family	535	449	435	442 ²	445 ²	446	452 ²	455	452 ²	451 ²	454	460	471
9 Two-or-more-family	315	262	175	232 ²	220 ²	208 ²	200 ²	193 ²	180 ²	180	179	177	176
10 Completed	1,423	1,308	1,090	1,090 ²	1,072 ²	1,104 ²	1,065 ²	1,051 ²	1,193 ²	1,073 ²	1,021	1,005	1,018
11 One-family	1,026	966	836	823 ²	803 ²	817 ²	809 ²	821	870 ²	879 ²	824	836	813
12 Two-or-more-family	396	342	253	267 ²	269 ²	287 ²	256 ²	230 ²	323 ²	194 ²	197	169	205
13 Mobile homes shipped	198	188	171	177	173	172	175	175	172	171	171	176	192
<i>Merchant builder activity in one-family units</i>													
14 Number sold	650	535	505	505 ²	511 ²	513 ²	505 ²	522	499 ²	526 ²	568	542	612
15 Number for sale at end of period	365 ²	321 ²	283	302 ²	298 ²	296 ²	295 ²	292 ²	292 ²	289 ²	286	283	283
<i>Price of units sold (thousands of dollars)³</i>													
16 Median	120.4	122.3	120.0	121.0	116.0	119.0	120.0	120.8	120.0	122.6 ²	118.5	122.0	125.0
17 Average	148.3	149.0	147.2	150.8	145.4	145.9	148.2	141.8	147.3	147.4 ²	142.2	144.3	150.4
EXISTING UNITS (one-family)													
18 Number sold	3,346 ²	3,211 ²	3,219	3,240 ²	3,430 ²	3,440 ²	3,230 ²	3,160 ²	3,080 ²	3,120 ²	3,200	3,270	3,220
<i>Price of units sold (thousands of dollars)³</i>													
19 Median	92.9	95.2	99.7	100.5 ²	101.3 ²	102.1 ²	103.4 ²	102.0 ²	100.3 ²	99.1 ²	97.9	100.3	102.4
20 Average	118.0	118.3	127.4	129.0 ²	130.8 ²	130.6 ²	132.2	130.9 ²	127.8 ²	126.4	124.9	127.3	130.3
Value of new construction ³ (millions of dollars)													
CONSTRUCTION													
21 Total put in place	443,720	446,433	403,971	407,050	399,030	398,189	398,409	403,151	406,983	410,342	405,442	398,946	404,051
22 Private	345,416	337,776	295,191	299,044	291,048	290,871	290,299	293,402	296,621	297,537	293,207	290,691	294,626
23 Residential	196,551	182,856	160,567	151,836	154,567	158,282	158,039	162,800	166,578	168,251	165,965	164,310	168,008
24 Nonresidential, total	148,865	154,920	134,624	147,208	136,481	132,589	132,260	130,602	130,043	129,286	127,242	126,381	126,618
25 Industrial buildings	20,412	23,849	21,732	24,301	20,683	20,868	20,885	20,418	20,321	21,494	21,665	22,537	22,596
26 Commercial buildings	65,496	62,866	47,997	54,824	50,220	47,596	47,144	46,341	45,589	44,479	42,193	40,905	40,107
27 Other buildings	19,683	21,591	20,707	21,928	20,858	20,429	20,674	19,973	20,615	20,708	20,390	20,933	21,180
28 Public utilities and other	43,274	46,614	44,188	46,155	44,720	43,696	43,557	43,870	43,518	42,605	42,994	42,006	42,735
29 Public	98,303	108,655	108,781	108,007	107,982	107,318	108,110	109,749	110,361	112,805	112,236	108,255	109,425
30 Military	3,520	2,734	1,854	1,828	1,918	1,864	1,759	1,783	2,261	1,205	1,914	2,249	2,045
31 Highway	28,171	30,595	29,012	28,591	29,246	28,776	28,854	30,047	28,610	29,079	28,651	28,492	27,879
32 Conservation and development	4,989	4,718	5,334	5,833	5,123	5,807	4,688	4,901	4,226	6,109	6,803	5,467	5,622
33 Other	61,623	70,608	72,581	71,755	71,695	70,871	72,809	73,018	75,264	76,412	74,868	72,047	73,879

1. Not at annual rates.

2. Not seasonally adjusted.

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

SOURCE: Bureau of the Census estimates for all series except (1) mobile homes, which are private, domestic shipments as reported by the Manufactured Housing Institute and seasonally adjusted by the Census Bureau, and (2) sales and prices of existing units, which are published by the National Association of Realtors. All back and current figures are available from the originating agency. Permit authorizations are those reported to the Census Bureau from 17,000 jurisdictions beginning in 1984.

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2.15 CONSUMER AND PRODUCER PRICES

Percentage changes based on seasonally adjusted data, except as noted

Item	Change from 12 months earlier		Change from 3 months earlier (annual rate)				Change from 1 month earlier					Index level, Feb. 1992
	1991 Feb.	1992 Feb.	1991				1991			1992		
			Mar.	June	Sept.	Dec.	Oct.	Nov.	Dec.	Jan.	Feb.	
CONSUMER PRICES² (1982-84=100)												
1 All items	5.3	2.8	2.7	3.0	3.0	3.2	.2	.4	.2	.1	.3	138.6
2 Food	3.2	1.5	2.4	4.8	-2.3	2.7	-.1	.4	.3	-.4	.3	137.5
3 Energy items												
4 All items less food and energy	6.6	-3.7	-29.4	-8	1.2	3.6	.0	.8	.1	-1.5	-.9	99.0
5 Commodities	5.6	3.8	6.8	3.2	4.6	3.1	.2	.3	.2	.3	.4	145.6
6 Services	4.2	2.9	8.2	2.2	4.4	.6	.1	.3	-.2	.2	.6	131.0
	6.5	4.1	6.2	3.3	4.6	4.3	.3	.3	.4	.4	.3	154.0
PRODUCER PRICES (1982=100)												
7 Finished goods	3.4	.4	-2.9	-.7	1.3	1.0	.2 ^f	-.1 ^f	-.1	-.3	.2	121.9
8 Consumer foods .....	.0	-.9	.0	-.6	-4.4	-1.3	.0	-.2	-.2	-.3	1.1	123.5
9 Consumer energy	13.3	-5.7	-32.6	-1.5	3.7	-.5	1.2	.1	-1.4	-2.8	-.1	73.9
10 Other consumer goods	4.2	2.8	5.6	1.8	3.6	2.4	.2 ^f	.1	.2	.4	.1	136.4
11 Capital equipment	3.7	1.7	5.2	1.6	1.3	1.9	.2	.2	.2	.2	.0	128.3
<i>Intermediate materials</i>												
12 Excluding foods and feeds	2.8	-1.6	-7.6	-1.0	.4	-1.7	-.3	.0 ^f	-.2	-.5	.5	113.8
13 Excluding energy	1.8	-.7	-1.0	-.7	-1.3	.0	-.2 ^f	.1 ^f	.1	-.2	.4	121.4
<i>Crude materials</i>												
14 Foods	-5.8	-.8	-3.6	-8.6	-6.6	-3.8	.0 ^f	-.6 ^f	-.4	1.7	2.2	106.4
15 Energy .....	.6	-8.4	-54.0	.5	-.5	4.8	4.7 ^f	.6 ^f	-3.9	-3.5	1.2	76.1
16 Other	1.6	-6.7	-5.3	-14.1	-4.9	-7.4	-.5	-1.3	-.2	.0	1.4	124.5

1. Not seasonally adjusted.

2. Figures for consumer prices are for all urban consumers and reflect a

rental-equivalence measure of homeownership.

SOURCE: Bureau of Labor Statistics.

2.16 GROSS DOMESTIC PRODUCT AND INCOME

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

Account	1989	1990	1991 ¹	1990	1991			
				Q4	Q1	Q2	Q3	Q4 ²
GROSS DOMESTIC PRODUCT								
1 Total	5,244.0	5,513.8	5,674.4	5,557.5	5,589.0	5,652.6	5,709.2	5,746.7
<i>By source</i>								
2 Personal consumption expenditures	3,517.9	3,742.6	3,888.8	3,812.0	3,827.7	3,868.5	3,916.4	3,942.4
3 Durable goods	459.8	465.9	445.1	451.9	440.7	440.0	452.9	446.9
4 Nondurable goods	1,146.9	1,217.7	1,252.5	1,246.4	1,246.3	1,252.9	1,257.4	1,253.4
5 Services	1,911.2	2,059.0	2,191.1	2,113.6	2,140.7	2,175.6	2,206.1	2,242.2
6 Gross private domestic investment	837.6	802.6	727.4	750.9	709.3	708.8	740.9	750.5
7 Fixed investment	801.6	802.7	744.9	787.4	748.4	745.8	744.5	740.8
8 Nonresidential	570.7	587.0	549.7	585.2	560.0	554.6	546.8	537.4
9 Structures	193.1	198.7	174.7	191.2	184.0	180.0	169.0	165.9
10 Producers' durable equipment	377.6	388.3	375.0	394.0	375.9	374.7	377.8	371.5
11 Residential structures	230.9	215.7	195.2	202.2	188.4	191.2	197.7	203.4
12 Change in business inventories	36.0	.0	-17.5	-36.5	-39.2	-37.1	-3.6	9.7
13 Nonfarm	35.5	-2.0	-14.1	-28.9	-35.0	-34.0	-3.2	15.9
14 Net exports of goods and services	-82.9	-74.4	-29.4	-76.6	-36.8	-17.2	-37.3	-26.3
15 Exports	504.9	550.4	592.5	572.6	565.9	589.8	597.0	617.2
16 Imports	587.8	624.8	621.9	649.2	602.7	607.0	634.3	643.5
17 Government purchases of goods and services	971.4	1,042.9	1,087.6	1,071.2	1,088.8	1,092.5	1,089.1	1,080.1
18 Federal	401.4	424.9	445.0	434.5	451.5	452.1	444.9	431.6
19 State and local	570.0	618.0	642.6	636.7	637.3	640.4	644.2	648.5
<i>By major type of product</i>								
20 Final sales, total	5,208.1	5,513.8	5,691.9	5,594.0	5,628.2	5,689.6	5,712.8	5,737.0
21 Goods	2,062.1	2,167.6	2,211.6	2,194.5	2,208.6	2,223.2	2,214.1	2,200.5
22 Durable	892.9	934.7	925.8	927.2	916.4	939.5	929.4	917.8
23 Nondurable	1,169.2	1,233.0	1,285.8	1,267.3	1,292.1	1,283.7	1,284.7	1,282.8
24 Services	2,634.7	2,834.0	3,013.2	2,905.5	2,951.7	2,999.0	3,035.1	3,067.1
25 Structures	511.3	512.2	467.0	494.0	467.9	467.4	463.5	469.3
26 Change in business inventories	36.0	.0	-17.5	-36.5	-39.2	-37.1	-3.6	9.7
27 Durable goods	26.9	-7.0	-25.0	-29.4	-43.5	-33.5	-9.2	-13.7
28 Nondurable goods	9.1	7.0	7.4	-7.1	4.3	-3.6	5.6	23.4
MEMO								
29 Total GDP in 1987 dollars	4,836.9	4,884.9	4,849.9	4,855.1	4,824.0	4,840.7	4,862.7	4,872.2
NATIONAL INCOME								
30 Total	4,244.7	4,459.6	n.a.	4,506.8	4,489.8	4,530.8	4,559.8	n.a.
31 Compensation of employees	3,101.3	3,290.3	3,388.3	3,340.0	3,342.9	3,377.4	3,405.3	3,427.6
32 Wages and salaries	2,585.8	2,738.9	2,808.3	2,778.3	2,771.1	2,800.2	2,822.4	2,839.7
33 Government and government enterprises	478.6	514.0	540.5	525.4	536.0	540.1	541.8	544.2
34 Other	2,107.2	2,224.9	2,267.8	2,253.0	2,235.1	2,260.1	2,280.6	2,295.5
35 Supplement to wages and salaries	515.5	551.4	580.0	561.6	571.8	577.2	582.9	587.9
36 Employer contributions for social insurance	261.7	277.3	289.3	281.7	287.5	288.7	290.2	290.9
37 Other labor income	253.7	274.0	290.6	279.9	284.2	288.5	292.8	297.0
38 Proprietors' income ¹	347.0	373.2	379.8	373.9	364.2	380.0	382.5	392.5
39 Business and professional ¹	305.5	330.7	344.7	332.7	331.4	340.4	350.5	356.4
40 Farm ¹	41.4	42.5	35.1	41.2	32.8	39.6	32.0	36.1
41 Rental income of persons ²	-7.9	-12.9	-12.8	-9.5	-11.9	-11.7	-14.2	-13.6
42 Corporate profits ¹	351.7	319.0	n.a.	296.1	302.1	303.5	306.1	n.a.
43 Profits before tax ³	344.5	332.3	n.a.	326.1	309.1	306.2	318.2	n.a.
44 Inventory valuation adjustment	-17.5	-14.2	3.4	-21.2	6.7	9.9	-4.8	1.9
45 Capital consumption adjustment	24.7	.8	-8.7	-8.8	-13.6	-12.6	-7.3	-1.2
46 Net interest	452.6	490.1	481.5	506.4	492.6	481.6	480.1	471.8

1. With inventory valuation and capital consumption adjustments.

2. With capital consumption adjustment.

3. For after-tax profits, dividends, and the like, see table 1.48.

SOURCE: Survey of Current Business (U.S. Department of Commerce).

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2.17 PERSONAL INCOME AND SAVING

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

Account	1989	1990	1991 ¹	1990	1991			
				Q4	Q1	Q2	Q3	Q4 ²
PERSONAL INCOME AND SAVING								
1 Total personal income	4,380.2	4,679.8	4,835.3	4,764.7	4,768.0	4,821.1	4,853.3	4,898.8
2 Wage and salary disbursements	2,585.8	2,738.9	2,808.4	2,778.2	2,770.9	2,800.6	2,822.4	2,839.7
3 Commodity-producing industries	723.8	745.4	738.7	745.2	733.4	735.2	742.3	744.1
4 Manufacturing	542.1	555.8	556.4	557.3	549.3	552.3	559.9	564.3
5 Distributive industries	607.5	634.6	641.2	639.0	635.1	642.0	644.0	643.8
6 Service industries	775.9	845.0	887.9	868.8	866.5	883.0	894.4	907.7
7 Government and government enterprises	478.6	514.0	540.6	525.2	535.8	540.5	541.8	544.2
8 Other labor income	253.7	274.0	290.6	279.9	284.2	288.5	292.8	297.0
9 Proprietors' income	347.0	373.2	379.8	373.9	364.2	380.0	382.5	392.5
10 Business and professional	305.5	330.7	344.7	332.7	331.4	340.4	350.5	356.4
11 Farm	41.4	42.5	35.1	41.2	32.8	39.6	32.0	36.1
12 Rental income of persons	-7.9	-12.9	-12.8	-9.5	-11.9	-11.7	-14.2	-13.6
13 Dividends	119.8	124.8	128.5	127.0	128.7	127.4	128.7	129.4
14 Personal interest income	669.0	721.3	719.7	736.9	730.1	721.8	716.7	740.1
15 Transfer payments	624.4	684.9	759.2	705.8	737.2	751.5	763.7	784.2
16 Old-age survivors, disability, and health insurance benefits	325.1	352.0	379.7	358.4	373.1	377.2	381.7	386.9
17 LESS: Personal contributions for social insurance	211.7	224.3	238.0	227.5	235.4	237.0	239.3	240.4
18 EQUALS: Personal income	4,380.2	4,679.8	4,835.3	4,764.7	4,768.0	4,821.1	4,853.3	4,898.8
19 LESS: Personal tax and nontax payments	591.7	621.0	616.1	627.2	617.1	613.6	615.1	618.5
20 EQUALS: Disposable personal income	3,788.6	4,058.8	4,219.2	4,137.5	4,151.0	4,207.5	4,238.2	4,280.3
21 LESS: Personal outlays	3,622.4 ²	3,853.1 ²	3,998.6	3,922.5 ²	3,938.4 ²	3,978.7 ²	4,025.7 ²	4,051.8
22 EQUALS: Personal saving	166.1 ²	205.8 ²	220.6	215.0 ²	212.6 ²	228.8 ²	212.5 ²	228.6
MEMO								
<i>Per capita (1987 dollars)</i>								
23 Gross domestic product	19,550.5	19,540.2 ²	19,194.2	19,337.3	19,166.5	19,187.7	19,220.9 ²	19,201.5
24 Personal consumption expenditures	13,027.6	13,050.8 ²	12,896.4	12,951.6	12,877.4	12,892.0	12,930.2 ²	12,885.2
25 Disposable personal income	14,030.0	14,154.0	13,992.0	14,058.0	13,965.0	14,022.0	13,992.0	13,990.0
26 Saving rate (percent)	4.4	5.1	5.2	5.2	5.1	5.4 ²	5.0	5.3
GROSS SAVING								
27 Gross saving	743.4 ²	710.9 ²	n.a.	677.5 ²	746.9 ²	713.1 ²	697.2 ²	n.a.
28 Gross private saving	826.5 ²	850.4 ²	n.a.	853.1 ²	873.0 ²	892.1 ²	875.5 ²	n.a.
29 Personal saving	166.1 ²	205.8 ²	220.6	215.0 ²	212.6 ²	228.8 ²	212.5 ²	228.6
30 Undistributed corporate profits ¹	85.8	49.9	n.a.	32.8	45.0	43.4	39.4	n.a.
31 Corporate inventory valuation adjustment	-17.5	-14.2	3.4	-21.2	6.7	9.9	-4.8	1.9
<i>Capital consumption allowances</i>								
32 Corporate	350.5	365.5	383.6	372.7	380.1	383.2	384.6	386.5
33 Noncorporate	224.0	229.3	239.3	232.7	235.3	236.8	239.1	246.1
34 Government surplus, or deficit (-), national income and product accounts	-83.0	-139.5	-170.9	-175.6	-126.1	-179.1	-178.4	n.a.
35 Federal	-124.2	-165.3	-200.5	-193.6	-146.4	-206.7	-210.2	n.a.
36 State and local	41.1	25.7	29.6	18.0	20.4	27.6	31.8	n.a.
37 Gross investment	740.7 ²	719.0 ²	735.8	679.6 ²	764.9 ²	729.6 ²	719.1 ²	729.4
38 Gross private domestic	837.6	802.6	727.4	750.9	709.3	708.8	740.9	750.5
39 Net foreign	-96.8 ²	-83.6 ²	n.a.	-71.3 ²	55.7 ²	20.8 ²	-21.8 ²	n.a.
40 Statistical discrepancy	-2.7	8.1	n.a.	2.1	18.0	16.5	22.0	n.a.

1. With inventory valuation and capital consumption adjustments.
2. With capital consumption adjustment.

SOURCE: Survey of Current Business (U.S. Department of Commerce).

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars; quarterly data seasonally adjusted, except as noted¹

Item credits or debits	1989	1990	1991	1990	1991			
				Q4	Q1	Q2	Q3 ^r	Q4 ^p
1 Balance on current account	-106,304	-92,123	-8,616	-23,402	10,374 ^r	2,897 ^r	-11,617	-10,266
2 Not seasonally adjusted				-25,136	15,507	4,593	-16,502	-12,213
3 Merchandise trade balance	-115,917	-108,115	-73,586	-27,728	-18,538 ^r	-15,537 ^r	-20,849	-18,662
4 Merchandise exports	361,451	389,550	416,517	100,580	100,549 ^r	103,889 ^r	104,018	108,061
5 Merchandise imports	-477,368	-497,665	-490,103	-128,308	-119,087 ^r	-119,426 ^r	-124,867	-126,723
6 Military transactions, net	-6,203	-7,219	-5,280	-2,243	-2,329	-1,484	-882	-584
7 Investment income, net	2,689	11,945	9,364	6,133	4,902 ^r	2,365 ^r	1,863	234
8 Other service transactions, net	28,618	33,595	41,158	9,716	9,420 ^r	10,445 ^r	11,131	10,163
9 Remittances, pensions, and other transfers	-4,420	-4,843	-5,383	-1,201	-1,336 ^r	-1,336 ^r	-1,293	-1,417
10 U.S. government grants (excluding military)	-11,071	-17,486	25,111	-8,079	18,255	8,444	-1,587	0
11 Change in U.S. government assets other than official reserve assets, net (increase, -)	1,320	2,976	3,572	4,759	1,422	-493	3,197	-553
12 Change in U.S. official reserve assets (increase, -)	-25,293	-2,158	5,763	-1,092	-353	1,014	3,877	1,225
13 Gold	0	0	0	0	0	0	0	0
14 Special drawing rights (SDRs)	-535	-192	-177	-93	31	-190	6	-23
15 Reserve position in International Monetary Fund	471	731	-367	-4	-341	72	-114	17
16 Foreign currencies	-25,229	-2,697	6,307	-995	-43	1,132	3,986	1,232
17 Change in U.S. private assets abroad (increase, -)	-104,637	-58,524	-77,082	-38,370	-2,192 ^r	-15,702 ^r	-18,281	-40,908
18 Bank-reported claims	-51,255	-5,333	-3,428	-24,513	20,598	1,215	2,325	-20,710
19 Nonbank-reported claims	2,581	-1,944	-4,798	-2,509	-1,308	-2,076	-1,414	
20 U.S. purchases of foreign securities, net	-22,575	-28,476	-46,215	-7,546	-9,430	-12,833	-12,533	-11,419
21 U.S. direct investments abroad, net	-33,388	-33,437	-29,497	-3,802	-12,052 ^r	-2,008 ^r	-6,659	-8,779
22 Change in foreign official assets in United States (increase, +)	8,624	32,425	20,585	20,301	6,631	-3,105	3,854	13,205
23 U.S. Treasury securities	149	28,643	18,623	20,119	2,381	-2,287	5,799	12,730
24 Other U.S. government obligations	1,383	667	926	708	-29	-219	407	767
25 Other U.S. government liabilities	281	1,703	1,603	1,102	1,012	370	453	-232
26 Other U.S. liabilities reported by U.S. banks	4,976	2,998	-1,856	-707	2,501	-1,084	-2,830	-443
27 Other foreign official assets	1,835	-1,586	1,289	-921	766	115	25	383
28 Change in foreign private assets in United States (increase, +)	207,925	53,879	58,918	18,732	-7,360	6,608	23,125	36,546
29 U.S. bank-reported liabilities	63,382	9,975	-15,046	17,261	-18,795	-28,687	6,474	25,962
30 U.S. nonbank-reported liabilities	5,454	3,779	-511	-1,840	-1,616	-760	1,865	
31 Foreign private purchases of U.S. Treasury securities, net	29,618	1,131	16,861	-2,029	3,409	13,434	-1,468	1,486
32 Foreign purchases of other U.S. securities, net	38,920	1,781	35,417	802	5,306	15,073	10,154	4,884
33 Foreign direct investments in United States, net	70,551	37,213	22,198	4,538	4,336	7,548	6,100	4,214
34 Allocation of special drawing rights	0	0	0	0	0	0	0	0
35 Discrepancy	18,366	63,526	-3,139	19,072	-8,522 ^r	8,781 ^r	-4,156	750
36 Due to seasonal adjustments				2,007	4,322 ^r	496 ^r	-6,232	1,407
37 Statistical discrepancy in recorded data before seasonal adjustment	18,366	63,526	-3,139	17,066	-12,844	8,285	2,076	-657
MEMO								
<i>Changes in official assets</i>								
38 U.S. official reserve assets (increase, -)	-25,293	-2,158	5,763	-1,092	-353	1,014	3,878	1,226
39 Foreign official assets in United States excluding line 25 (increase, +)	8,343	30,722	18,982	19,199	5,619	-3,475	3,401	13,437
40 Change in Organization of Petroleum Exporting Countries official assets in United States (part of line 22)	10,738	2,163	-3,656	575	988	-3,162	-4,352	2,870

1. Seasonal factors not calculated for lines 6, 10, 12-16, 18-20, 22-34, and 38-40.

2. Data are on an international accounts (IA) basis. The data differ from the Census basis data, shown in table 3.11, for reasons of coverage and timing. Military exports are excluded from merchandise trade data and are included in line 6.

3. Reporting banks include all kinds of depository institutions besides commercial banks, as well as some brokers and dealers.

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

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

SOURCE. Survey of Current Business (U.S. Department of Commerce).

3.11 U.S. FOREIGN TRADE¹

Millions of dollars; exports, F.A.S. value; imports, Customs value; monthly data seasonally adjusted

Item	1989	1990	1991 ^r	1991						1992
				July	Aug.	Sept.	Oct.	Nov.	Dec. ^f	Jan. ^p
1 Exports of domestic and foreign merchandise, excluding grant-aid shipments	363,812	393,592	421,614	35,227	34,380	35,348	37,114	36,939	35,887	35,539
2 General imports, including merchandise for immediate consumption plus entries into bonded warehouses	473,211	495,311	487,870	41,176	40,910	42,282	43,434	41,109	41,886	41,305
3 Trade balance	-109,399	-101,718	-66,256	-5,949	-6,530	-6,934	-6,320	-4,171	-5,999	-5,766

1. The Census basis data differ from merchandise trade data shown in table 3.10, U.S. International Transactions Summary, because of coverage and timing. On the *export* side, the largest difference is the exclusion of military sales (which are combined with other military transactions and reported separately in the "service account" in table 3.10, line 6). On the *import* side, this table includes imports of gold, ship purchases, imports of electricity from Canada, and other transactions; military payments are excluded and shown separately in table 3.10.

as indicated above. Since Jan. 1, 1987 census data have been released forty-five days after the end of the month; the previous month is revised to reflect late documents. Total exports and the trade balance reflect adjustments for undocumented exports to Canada. Components may not sum to totals because of rounding.

SOURCE: FT900, *Summary of U.S. Export and Import Merchandise Trade* (U.S. Department of Commerce, Bureau of the Census).

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Type	1988	1989	1990	1991					1992	
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan. ^r	Feb. ^p
1 Total	47,802	74,609	83,316	73,514	74,731	74,508	74,651	77,719	75,868	75,088
2 Gold stock, including Exchange Stabilization Fund ¹	11,057	11,059	11,058	11,062	11,062	11,059	11,058	11,057	11,058	11,058
3 Special drawing rights ^{2,3}	9,637	9,951	10,989	10,479	10,722	10,710	10,942	11,240	10,980	11,020
4 Reserve position in International Monetary Fund ²	9,745	9,048	9,076	8,726	9,094	9,065	8,943	9,488	9,113	8,996
5 Foreign currencies ⁴	17,363	44,551	52,193	43,247	43,853	43,674	43,708	45,934	44,717	44,014

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

2. Special drawing rights are valued according to a technique adopted by the International Monetary Fund (IMF) in July 1974. Values are based on a weighted average of exchange rates for the currencies of member countries. From July 1974 through December 1980, 16 currencies were used; since January 1981, 5 currencies have been used.

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

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

4. Valued at current market exchange rates.

3.13 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS¹

Millions of dollars, end of period

Assets	1988	1989	1990	1991					1992	
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan. ^r	Feb. ^p
1 Deposits	347	589	369	256	384	223	346	968	321	264
Assets held in custody										
2 U.S. Treasury securities ²	232,547	224,911	278,499	279,394	279,013	280,249	285,905	281,107	293,958	297,834
3 Earmarked gold ³	13,636	13,436	13,387	13,330	13,330	13,326	13,307	13,303	13,303	13,305

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

2. Marketable U.S. Treasury bills, notes, and bonds and nonmarketable U.S. Treasury securities payable in dollars and in foreign currencies at face value.

3. Earmarked gold and the gold stock are valued at \$42.22 per fine troy ounce. Earmarked gold is gold held for foreign and international accounts; it is not included in the gold stock of the United States.

3.14 FOREIGN BRANCHES OF U.S. BANKS Balance Sheet Data¹

Millions of dollars, end of period

Assets	1988	1989	1990	1991						1992
				July	Aug.	Sept.	Oct.	Nov.	Dec.		Jan.
All foreign countries										
1 Total, all currencies	505,595	545,366	556,925	529,313	528,077	547,038 ^f	546,570	550,777	548,901 ^f	547,968
2 Claims on United States	169,111	198,835	188,496	174,802	169,061	177,572	176,959	177,828	176,301 ^f	180,298
3 Parent bank	129,856	157,092	148,837	137,159	130,169	137,036	136,570	137,165	137,509 ^f	142,483
4 Other banks in United States	14,918	17,042	13,296	11,100	12,447	13,692	13,432	13,543	12,884	11,715
5 Nonbanks	24,337	24,701	26,363	26,543	26,445	26,844	26,957	27,120	25,908	26,100
6 Claims on foreigners	299,728	300,575	312,449	294,826	296,855	299,910 ^f	299,915	304,212 ^f	303,934	297,154
7 Other branches of parent bank	107,779	113,810	135,003	112,205	112,916	114,526 ^f	108,269	107,343 ^f	111,729	108,456
8 Banks	96,932	90,703	72,602	77,711	76,393	77,293	80,060	84,980	81,970	82,081
9 Public borrowers	17,163	16,456	17,555	18,416	19,110	18,930	18,685	18,940	18,652	18,223
10 Nonbank foreigners	78,454	79,606	87,289	86,494	88,436	89,161	92,901	92,949	91,583	93,394
11 Other assets	36,756	45,956	55,980	59,685	62,161	69,556 ^f	69,696	68,737 ^f	68,666 ^f	70,516
12 Total payable in U.S. dollars	357,573	382,498	379,479	365,008	359,316	367,828 ^f	365,223	365,143	363,941 ^f	359,651
13 Claims on United States	163,456	191,184	180,174	168,353	163,593	171,393	170,615	171,701	169,662 ^f	174,033
14 Parent bank	126,929	152,294	142,962	132,883	126,746	133,450	132,929	133,984	133,476 ^f	138,892
15 Other banks in United States	14,167	16,386	12,513	10,605	11,973	13,109	12,904	12,668	12,025	10,924
16 Nonbanks	22,360	22,504	24,699	24,865	24,874	24,834	24,782	25,049	24,161	24,137
17 Claims on foreigners	177,685	169,690	174,451	169,494	167,039	166,677 ^f	164,543	165,633 ^f	167,010	157,122
18 Other branches of parent bank	80,779	82,949	95,298	79,112	79,317	79,866 ^f	75,649	75,986 ^f	78,114	70,637
19 Banks	54,884	48,396	36,440	45,589	41,761	40,650	41,132	42,808	41,635	39,753
20 Public borrowers	12,131	10,961	12,298	13,565	14,160	13,609	13,889	13,671	13,685	13,202
21 Nonbank foreigners	29,934	27,384	30,415	31,228	31,801	32,552	33,873	33,188	33,576	33,540
22 Other assets	16,432	21,624	24,854	27,161	28,684	29,758 ^f	30,065	27,789 ^f	27,269	28,486
United Kingdom										
23 Total, all currencies	156,835	161,947	184,818	161,869	162,879	172,113	172,795	174,648	175,599	174,467
24 Claims on United States	40,089	39,212	45,560	32,475	31,315	34,409	32,615	32,531	35,257	36,660
25 Parent bank	34,243	35,847	42,413	29,241	28,189	31,205	29,021	28,901	31,931	32,765
26 Other banks in United States	1,123	1,058	792	860	816	997	1,502	1,259	1,267	1,432
27 Nonbanks	4,723	2,307	2,355	2,374	2,310	2,207	2,092	2,371	2,059	2,463
28 Claims on foreigners	106,388	107,657	115,536	103,067	103,935	105,699	108,397	111,323 ^f	109,692	108,006
29 Other branches of parent bank	35,625	37,728	46,367	36,588	38,382	39,077	36,757	36,637 ^f	35,735	33,357
30 Banks	36,765	36,159	31,604	31,866	30,168	31,658	33,375	36,709	36,394	36,497
31 Public borrowers	4,019	3,293	3,860	3,676	3,717	3,502	3,492	3,512	3,306	3,377
32 Nonbank foreigners	29,979	30,477	33,705	30,937	31,668	31,462	34,773	34,465	34,257	34,775
33 Other assets	10,358	15,078	23,722	26,327	27,629	32,005	31,783	30,794 ^f	30,650	29,801
34 Total payable in U.S. dollars	103,503	103,208	116,762	101,040	100,966	105,243	103,439	103,591	105,974	103,833
35 Claims on United States	38,012	36,404	41,259	29,352	28,870	31,772	29,995	30,054	32,418	33,801
36 Parent bank	33,252	34,329	39,609	27,085	26,608	29,673	27,404	27,689	30,370	31,239
37 Other banks in United States	964	843	334	759	680	727	1,378	894	822	901
38 Nonbanks	3,796	1,232	1,316	1,508	1,582	1,372	1,213	1,471	1,226	1,661
39 Claims on foreigners	60,472	59,062	63,701	57,861	56,127	56,354	57,155	59,200 ^f	58,791	55,281
40 Other branches of parent bank	28,474	29,872	37,142	29,111	30,279	30,840	28,655	29,210 ^f	28,667	26,827
41 Banks	18,494	16,579	13,135	15,723	12,534	12,485	13,269	15,480	15,219	14,106
42 Public borrowers	2,840	2,371	3,143	3,032	3,083	2,899	2,969	2,848	2,853	2,707
43 Nonbank foreigners	10,664	10,240	10,281	9,995	10,231	10,130	12,262	11,662	12,052	11,641
44 Other assets	5,019	7,742	11,802	13,827	15,969	17,117	16,289	14,337 ^f	14,765	14,751
Bahamas and Caymans										
45 Total, all currencies	170,639	176,006	162,316	170,044	166,333	169,898 ^f	170,529	170,846	168,326 ^f	167,678
46 Claims on United States	105,320	124,205	112,989	114,870	111,787	116,263	117,782	118,164	115,244 ^f	116,694
47 Parent bank	73,409	87,882	77,873	81,974	77,566	80,890	83,286	83,348	81,520 ^f	84,712
48 Other banks in United States	13,145	15,071	11,869	9,683	11,119	12,063	11,028	11,457	10,907	9,626
49 Nonbanks	18,766	21,252	23,247	23,213	23,102	23,310	23,468	23,359	22,817	22,356
50 Claims on foreigners	58,393	44,168	41,356	46,696	46,318	45,321 ^f	43,662	44,177	45,229	42,660
51 Other branches of parent bank	17,954	11,309	13,416	10,880	10,774	10,326 ^f	9,086	10,268	11,098	10,549
52 Banks	28,268	22,611	16,310	21,836	21,113	20,535	20,300	19,865	20,174	18,787
53 Public borrowers	5,830	5,217	5,807	7,136	7,394	7,149	7,435	7,363	7,161	6,600
54 Nonbank foreigners	6,341	5,031	5,823	6,844	7,037	7,311	6,841	6,681	6,796	6,724
55 Other assets	6,926	7,633	7,971	8,478	8,228	8,314 ^f	9,085	8,505	7,853	8,324
56 Total payable in U.S. dollars	163,518	170,780	158,390	166,115	162,260	165,966 ^f	166,598	166,582	163,771 ^f	163,108

1. Since June 1984, reported claims held by foreign branches have been reduced by an increase in the reporting threshold for "shell" branches from \$50

million to \$150 million equivalent in total assets, the threshold now applicable to all reporting branches.

3.14—Continued

Liabilities	1988	1989	1990	1991						1992
				July	Aug.	Sept.	Oct.	Nov.	Dec.		Jan.
All foreign countries										
57 Total, all currencies	505,595	545,366	556,925	529,313	528,077	547,038 ^f	546,570	550,777	548,901 ^f	547,968
58 Negotiable certificates of deposit (CDs)	28,511	23,500	18,060	19,692	18,796	17,579	18,928	18,334	16,284	16,156
59 To United States	185,577	197,239	189,412	182,270	178,249	188,381 ^f	186,246	188,686	198,121 ^f	189,231
60 Parent bank	114,720	138,412	138,748	127,284	122,179	131,931 ^f	130,092	131,383	136,431 ^f	127,370
61 Other banks in United States	14,737	11,704	7,463	10,090	10,085	11,843	10,336	12,892	13,040	13,300
62 Nonbanks	56,120	47,123	43,201	44,896	45,985	44,607	45,798	44,411	48,650	47,993
63 To foreigners	270,923	296,850	311,668	287,887	290,257	295,393 ^f	295,282	298,152	288,254 ^f	295,713
64 Other branches of parent bank	111,267	119,591	139,113	112,521	112,845	113,849 ^f	108,534	109,085	112,033 ^f	105,725
65 Banks	72,842	76,452	58,986	59,975	62,329	62,665	68,286	67,945	63,097	72,374
66 Official institutions	15,183	16,750	14,791	17,245	18,030	19,420	17,247	19,394	15,596	16,704
67 Nonbank foreigners	71,631	84,057	98,778	98,146	97,053	99,459	101,215	101,728	97,528 ^f	100,910
68 Other liabilities	20,584	27,777	37,785	39,464	40,775	45,685 ^f	46,114	45,605	46,242	46,868
69 Total payable in U.S. dollars	367,483	396,613	383,522	363,869	360,397	367,450 ^f	366,449	369,515	370,561 ^f	360,439
70 Negotiable CDs	24,045	19,619	14,094	14,538	14,183	13,180	14,157	13,813	11,909	11,442
71 To United States	173,190	187,286	175,654	170,610	167,207	176,642 ^f	174,274	176,254	185,286 ^f	176,783
72 Parent bank	107,150	132,563	130,510	120,558	115,999	125,429 ^f	123,399	124,625	129,669 ^f	121,296
73 Other banks in United States	13,468	10,519	6,052	8,815	8,449	10,368	9,011	11,436	11,487	12,016
74 Nonbanks	52,572	44,204	39,092	41,237	42,759	40,845	41,864	40,193	44,130	43,471
75 To foreigners	160,766	176,460	179,002	163,451	164,188	163,299 ^f	161,850	164,275	158,993 ^f	156,191
76 Other branches of parent bank	84,021	87,636	98,128	79,909	79,277	79,427 ^f	75,243	76,224	76,601 ^f	70,691
77 Banks	28,493	30,537	20,251	21,470	23,330	21,239	25,653	24,501	24,156	25,748
78 Official institutions	8,224	9,873	7,921	11,563	11,496	12,591	10,565	13,375	10,304	10,555
79 Nonbank foreigners	40,028	48,414	52,702	50,509	50,085	50,042	50,389	50,175	47,932	49,197
80 Other liabilities	9,482	13,248	14,772	15,270	14,819	14,329 ^f	16,168	15,173	14,373	16,023
United Kingdom										
81 Total, all currencies	156,835	161,947	184,818	161,869	162,879	172,113	172,795	174,648	175,599	174,467
82 Negotiable CDs	24,528	20,056	14,256	14,889	14,148	12,941	14,145	13,506	11,333	10,993
83 To United States	36,784	36,036	39,928	26,599	27,915	31,534	29,137	30,560	37,720	31,018
84 Parent bank	27,849	29,726	31,806	19,545	20,367	23,707	21,080	22,629	29,834	23,112
85 Other banks in United States	2,037	1,256	1,505	1,490	1,662	1,724	2,053	1,934	1,438	2,325
86 Nonbanks	6,898	5,054	6,617	5,564	5,886	6,104	6,004	5,997	6,448	5,381
87 To foreigners	86,026	92,307	108,531	97,263	96,773	98,572	100,267	102,299	98,167	104,868
88 Other branches of parent bank	26,812	27,397	36,709	28,591	27,457	29,898	26,879	26,977	30,054	27,561
89 Banks	30,609	29,780	25,126	24,310	25,131	23,525	28,254	27,959	25,541	31,929
90 Official institutions	7,873	8,551	8,361	10,010	10,722	12,071	10,045	12,628	9,670	10,432
91 Nonbank foreigners	20,732	26,579	38,335	34,352	33,463	33,078	35,089	34,735	32,902	34,946
92 Other liabilities	9,497	13,548	22,103	23,118	24,043	29,066	29,246	28,283	28,379	27,588
93 Total payable in U.S. dollars	105,907	108,178	116,094	99,756	100,131	104,303	103,238	104,433	108,755	103,232
94 Negotiable CDs	22,063	18,143	12,710	12,758	12,337	11,249	12,397	12,042	10,076	9,236
95 To United States	32,588	33,056	34,697	22,355	23,788	27,272	24,394	25,517	33,003	26,419
96 Parent bank	26,404	28,812	29,955	17,924	18,949	22,228	19,391	20,923	28,260	21,663
97 Other banks in United States	1,752	1,065	1,156	1,233	1,216	1,259	1,704	1,481	1,177	1,954
98 Nonbanks	4,432	3,179	3,586	3,198	3,623	3,785	3,299	3,113	3,566	2,802
99 To foreigners	47,083	50,517	60,014	55,433	54,848	56,829	56,639	57,527	56,626	57,522
100 Other branches of parent bank	18,561	18,384	25,957	19,509	18,480	20,878	18,319	18,678	20,800	18,498
101 Banks	13,407	12,244	9,488	9,678	9,731	8,401	12,040	10,542	11,069	13,061
102 Official institutions	4,348	5,454	4,692	7,519	7,929	9,149	7,050	9,995	7,156	7,580
103 Nonbank foreigners	10,767	14,435	19,877	18,727	18,708	18,401	19,230	18,312	17,601	18,383
104 Other liabilities	4,173	6,462	8,673	9,210	9,158	8,953	9,808	9,347	9,050	10,055
Bahamas and Caymans										
105 Total, all currencies	170,639	176,006	162,316	170,044	166,333	169,898 ^f	170,529	170,846	168,326 ^f	167,678
106 Negotiable CDs	953	678	646	904	963	1,055	981	1,034	1,173	1,382
107 To United States	122,332	124,859	114,738	127,083	123,117	128,150 ^f	130,223	129,781	129,872 ^f	130,433
108 Parent bank	62,894	75,188	74,941	81,541	77,159	82,075 ^f	84,853	83,057	79,394 ^f	79,783
109 Other banks in United States	11,494	8,883	4,526	7,484	7,036	8,841	7,070	9,728	10,011	9,870
110 Nonbanks	47,944	40,788	35,271	38,058	38,922	37,234	38,300	36,996	40,467	40,780
111 To foreigners	45,161	47,382	44,444	39,624	39,994	38,616 ^f	36,861	37,857	35,200 ^f	33,958
112 Other branches of parent bank	23,686	23,414	24,715	21,765	21,846	20,515 ^f	19,675	19,555	17,388 ^f	16,442
113 Banks	8,336	8,823	5,588	4,877	5,558	5,431	5,218	5,984	5,662	5,464
114 Official institutions	1,074	1,097	622	661	655	647	666	646	572	450
115 Nonbank foreigners	12,065	14,048	13,519	12,321	11,935	12,023	11,302	11,672	11,578	11,602
116 Other liabilities	2,193	3,087	2,488	2,433	2,259	2,077 ^f	2,464	2,174	2,081	1,905
117 Total payable in U.S. dollars	162,950	171,250	157,132	165,708	162,040	165,235 ^f	166,226	166,157	163,603 ^f	162,667

3.15 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1989	1990	1991						1992
			July	Aug.	Sept.	Oct.	Nov. ^f	Dec. ^f		Jan.^{P}
1 Total ¹	312,477	344,529	350,476	356,885	350,518	358,025	366,199	364,286	374,385
<i>By type</i>									
2 Liabilities reported by banks in the United States ²	36,496	39,880	43,417	47,374	38,402	41,526	42,701	38,161	40,487
3 U.S. Treasury bills and certificates ³	76,985	79,424	86,071	88,596	90,394	94,428	92,855	92,692	92,711
U.S. Treasury bonds and notes									
4 Marketable	179,269	202,487	197,104	196,815	197,645	198,157	205,351	207,805	215,549
5 Nonmarketable	568	4,491	4,704	4,734	4,765	4,796	4,827	4,858	4,892
6 U.S. securities other than U.S. Treasury securities ⁴	19,159	18,247	19,180	19,366	19,312	19,118	20,465	20,770	20,746
<i>By area</i>									
7 Western Europe ¹	132,849	167,191	166,349	170,467	165,061	170,423	173,891	169,652	173,873
8 Canada	9,482	8,671	9,260	10,001	9,608	9,121	9,428	7,310	7,636
9 Latin America and Caribbean	9,313	21,184	30,064	31,377	31,911	32,604	33,991	36,038	36,774
10 Asia	153,338	138,096	134,806	134,826	133,082	134,667	137,522	139,590	145,407
11 Africa	1,030	1,434	1,183	1,202	1,538	1,519	1,383	2,092	2,409
12 Other countries ⁵	6,469	7,955	8,812	9,010	9,296	9,689	9,982	9,602	8,284

1. Includes the Bank for International Settlements.
2. Principally demand deposits, time deposits, bankers acceptances, commercial paper, negotiable time certificates of deposit, and borrowings under repurchase agreements.
3. Includes nonmarketable certificates of indebtedness (including those payable in foreign currencies through 1974) and Treasury bills issued to official institutions of foreign countries.
4. Excludes notes issued to foreign official nonreserve agencies. Includes

5. bonds and notes payable in foreign currencies; zero coupon bonds are included at current value.
 5. Debt securities of U.S. government corporations and federally sponsored agencies, and U.S. corporate stocks and bonds.
 6. Includes countries in Oceania and Eastern Europe.
- SOURCE: Based on Treasury Department data and on data reported to the Treasury Department by banks (including Federal Reserve Banks) and securities dealers in the United States and on the 1984 benchmark survey of foreign portfolio investment in the United States.

3.16 LIABILITIES TO AND CLAIMS ON FOREIGNERS Reported by Banks in the United States Payable in Foreign Currencies¹

Millions of dollars, end of period

Item	1988	1989	1990	1991			
				Mar.	June	Sept.	Dec.
1 Banks' own liabilities	74,980	67,835	70,477	64,929	59,487	63,189	74,919
2 Banks' own claims	68,983	65,127	66,796	66,919	61,619	64,988	73,076
3 Deposits	25,100	20,491	29,672	27,586	27,792	30,230	26,253
4 Other claims	43,884	44,636	37,124	39,333	33,827	34,758	46,823
5 Claims of banks' domestic customers ²	364	3,507	6,309	5,569	1,646	2,348	3,274

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

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

3.17 LIABILITIES TO FOREIGNERS Reported by Banks in the United States¹
Payable in U.S. dollars
Millions of dollars, end of period

Holder and type of liability	1989	1990	1991 ^f	1991						1992
				July	Aug.	Sept.	Oct.	Nov.	Dec. ^g		Jan.^{h}
1 All foreigners	736,878	759,634	753,266	726,807	733,321	735,950	750,205	758,106^f	753,266	749,802
2 Banks' own liabilities.....	577,498	577,229	572,660	548,063	552,670	554,557	565,347	575,544 ^f	572,660	570,735
3 Demand deposits.....	22,032	21,723	20,348	17,929	18,423	19,841	17,637	21,630	20,348	19,310
4 Time deposits ²	168,780	168,017	159,253	148,667	146,395	149,708	154,552	154,425 ^f	159,253	148,576
5 Other ³	67,823	65,822	65,644	66,823	72,595	67,646	73,223	75,748 ^f	65,644	73,790
6 Own foreign offices ⁴	318,864	321,667	327,415	314,644	315,257	317,362	319,935	323,741 ^f	327,415	329,059
7 Banks' custody liabilities ⁵	159,380	182,405	180,606	178,744	180,651	181,393	184,858	182,562	180,606	179,067
8 U.S. Treasury bills and certificates ⁶	91,100	96,796	110,734	101,809	105,325	107,019	112,280	110,938	110,734	109,980
9 Other negotiable and readily transferable instruments ⁷	19,526	17,578	18,656	17,351	16,508	16,820	17,076	17,225	18,656	17,239
10 Other.....	48,754	68,031	51,216	59,584	58,818	57,554	55,502	54,399	51,216	51,848
11 Nonmonetary international and regional organizations⁸	4,894	5,918	8,250	6,236	6,945	6,915	7,689	8,719	8,250	9,596
12 Banks' own liabilities.....	3,279	4,540	6,096	4,127	4,971	5,410	5,988	6,826	6,096	7,813
13 Demand deposits.....	96	36	43	44	28	36	28	24	43	39
14 Time deposits ²	927	1,050	2,314	1,742	1,550	2,307	2,490	2,392	2,314	1,999
15 Other ³	2,255	3,455	3,739	2,341	3,393	3,067	3,470	4,410	3,739	5,775
16 Banks' custody liabilities ⁵	1,616	1,378	2,154	2,109	1,974	1,505	1,701	1,893	2,154	1,783
17 U.S. Treasury bills and certificates ⁶	197	364	1,730	1,404	1,269	1,032	1,246	1,530	1,730	1,328
18 Other negotiable and readily transferable instruments ⁷	1,417	1,014	424	705	705	473	455	363	424	455
19 Other.....	2	0	0	0	0	0	0	0	0	0
20 Official institutions⁹	113,481	119,303	130,853	129,488	135,970	128,796	135,954	135,556	130,853	133,198
21 Banks' own liabilities.....	31,108	34,910	34,176	38,886	43,156	33,854	37,559	38,860	34,176	36,975
22 Demand deposits.....	2,196	1,924	2,642	1,396	1,683	1,645	1,307	1,621	2,642	1,480
23 Time deposits ²	10,495	14,359	16,274	14,970	14,747	13,237	14,544	13,145	16,274	16,228
24 Other.....	18,417	18,628	15,260	22,520	26,726	18,972	21,708	24,094	15,260	19,267
25 Banks' custody liabilities ⁵	82,373	84,393	96,677	90,602	92,814	94,942	98,395	96,696	96,677	96,223
26 U.S. Treasury bills and certificates ⁶	76,985	79,424	92,692	86,071	88,596	90,394	94,428	92,855	92,692	92,711
27 Other negotiable and readily transferable instruments ⁷	5,028	4,766	3,879	4,324	4,047	4,128	3,832	3,627	3,879	3,424
28 Other.....	361	203	106	207	171	420	135	214	106	88
29 Banks¹⁰	515,275	540,805	520,134	498,681	500,544	509,557	515,933	521,617^f	520,134	514,796
30 Banks' own liabilities.....	454,273	458,470	457,449	427,648	429,732	439,924	447,667	455,885 ^f	457,449	450,775
31 Unaffiliated foreign banks.....	135,409	136,802	130,034	113,004	114,475	122,562	127,732	132,144 ^f	130,034	121,716
32 Demand deposits.....	10,279	10,053	8,626	8,423	8,252	8,959	8,164	11,396	8,626	8,807
33 Time deposits ²	90,557	88,541	83,006	70,185	70,608	74,861	78,038	80,293 ^f	83,006	73,710
34 Other ³	34,573	38,208	38,402	34,396	35,615	38,742	41,530	40,455 ^f	38,402	39,199
35 Own foreign offices ⁴	318,864	321,667	327,415	314,644	315,257	317,362	319,935	323,741 ^f	327,415	329,059
36 Banks' custody liabilities ⁵	61,002	82,335	62,685	71,033	70,812	69,633	68,266	65,732	62,685	64,021
37 U.S. Treasury bills and certificates ⁶	9,367	10,669	7,471	7,970	8,242	8,161	8,363	7,855	7,471	7,693
38 Other negotiable and readily transferable instruments ⁷	5,124	5,341	5,808	5,472	5,316	5,819	6,083	5,948	5,808	5,927
39 Other.....	46,510	66,325	49,406	57,591	57,254	55,653	53,820	51,929	49,406	50,401
40 Other foreigners	103,228	93,608	94,029	92,402	89,862	90,682	90,629	92,214	94,029	92,212
41 Banks' own liabilities.....	88,839	79,309	74,939	77,402	74,811	75,369	74,133	73,973	74,939	75,172
42 Demand deposits.....	9,460	9,711	9,037	8,066	8,460	9,201	8,138	8,589	9,037	8,984
43 Time deposits ²	66,801	64,067	57,659	61,770	59,490	59,303	59,480	58,595	57,659	56,639
44 Other ³	12,577	5,530	8,243	7,566	6,861	6,865	6,515	6,789	8,243	9,549
45 Banks' custody liabilities ⁵	14,389	14,299	19,090	15,000	15,051	15,313	16,496	18,241	19,090	17,040
46 U.S. Treasury bills and certificates ⁶	4,551	6,339	8,841	6,364	7,218	7,432	8,243	8,698	8,841	8,248
47 Other negotiable and readily transferable instruments ⁷	7,958	6,457	8,545	6,850	6,440	6,400	6,706	7,287	8,545	7,433
48 Other.....	1,880	1,503	1,704	1,786	1,393	1,481	1,547	2,256	1,704	1,359
49 MEMO: Negotiable time certificates of deposit in custody for foreigners	7,203	7,073	7,456	7,073	7,062	7,542	7,596	7,137	7,456	7,835

1. Reporting banks include all kinds of depository institutions besides commercial banks, as well as some brokers and dealers.

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

3. Includes borrowing under repurchase agreements.

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

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

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

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

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

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

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

3.17—Continued

Area and country	1989	1990	1991 ^f	1991						1992
				July	Aug.	Sept.	Oct.	Nov.	Dec. ^g		Jan.^{h}
1 Total	736,878	759,634	753,266	726,807	733,321	735,950	750,205	758,106 ^f	753,266	749,802
2 Foreign countries	731,984	753,716	745,016	720,571	726,376	729,035	742,516	749,387 ^f	745,016	740,206
3 Europe	237,501	254,452	248,896	228,782	235,018	237,000	246,806	251,343 ^f	248,896	244,604
4 Austria	1,233	1,229	1,203	1,234	961	1,109	1,232	1,313	1,203	1,028
5 Belgium-Luxembourg	10,648	12,382	13,347	12,292	11,168	13,912	13,495	14,600 ^f	13,347	13,385
6 Denmark	1,415	1,399	937	1,197	1,065	1,038	912	1,143	937	991
7 Finland	570	602	1,341	1,222	1,170	618	938	1,080	1,341	893
8 France	26,903	30,946	31,808	26,747	26,580	27,476	30,500	31,095 ^f	31,808	29,044
9 Germany	7,578	7,485	8,638	7,056	7,037	7,500	7,891	8,032	8,638	7,774
10 Greece	1,028	934	763	817	851	944	840	890	763	873
11 Italy	16,169	17,735	13,544	13,883	12,507	12,507	12,274	13,288	13,544	10,798
12 Netherlands	6,613	5,350	7,154	6,069	5,651	6,310	6,346	6,124	7,154	7,896
13 Norway	2,401	2,357	1,866	1,653	1,279	1,444	1,192	1,452 ^f	1,866	1,984
14 Portugal	2,418	2,958	2,184	2,279	2,313	2,391	2,431	2,223	2,184	1,114
15 Spain	4,364	7,544	11,391	10,496	10,396	10,834	12,280	11,148	11,391	9,371
16 Sweden	1,491	1,837	2,222	858	1,424	1,435	1,217	1,105	2,222	1,908
17 Switzerland	34,496	36,690	37,286	34,808	35,967	38,341	36,733	36,711	37,286	36,036
18 Turkey	1,818	1,169	1,598	1,720	1,780	1,538	1,493	1,845	1,598	1,490
19 United Kingdom	102,362	109,555	100,106	90,059	95,359	95,628	99,472	99,835 ^f	100,106	102,323
20 Yugoslavia	1,474	928	622	1,016	955	854	807	544	622	499
21 Other Western Europe ¹¹	13,563	11,689	9,176	12,423	15,176	9,640	12,964	15,257	9,176	13,593
22 U.S.S.R.	350	119	241	75	136	117	178	236	241	209
23 Other Eastern Europe ¹²	608	1,545	3,469	2,878	3,243	3,364	3,411	3,422	3,469	3,395
24 Canada	18,865	20,349	21,563	22,519	23,919	24,038	24,685	23,131	21,563	19,426
25 Latin America and Caribbean	311,028	332,997	343,702	339,202	337,729	340,519	340,561	345,127 ^f	343,702	347,030
26 Argentina	7,304	7,365	7,758	7,097	6,978	6,858	7,190	7,452	7,758	7,900
27 Bahamas	99,341	107,386	99,713	98,011	93,977	96,577	99,858	100,339	99,713	100,365
28 Bermuda	2,884	2,822	3,178	3,087	3,520	3,120	3,191	3,295	3,178	3,664
29 Brazil	6,351	5,834	5,942	5,837	6,074	6,068	5,998	5,811	5,942	5,902
30 British West Indies	138,309	147,321	162,436	161,253	162,590	163,040	160,555	163,423 ^f	162,436	163,697
31 Chile	3,212	3,145	3,284	3,305	3,162	3,092	3,348	3,388	3,284	3,322
32 Colombia	4,653	4,492	4,662	4,419	4,735	4,641	4,823	4,797	4,662	4,627
33 Cuba	10	11	2	2	9	8	4	12	2	6
34 Ecuador	1,391	1,379	1,232	1,267	1,236	1,226	1,237	1,236	1,232	1,250
35 Guatemala	1,312	1,341	1,594	1,641	1,613	1,585	1,541	1,589	1,594	1,554
36 Jamaica	209	257	231	219	235	201	202	201	231	234
37 Mexico	15,423	16,650	19,956	20,008	20,357	20,937	19,979	20,515	19,956	20,398
38 Netherlands Antilles	6,310	7,357	5,593	5,828	5,732	5,565	5,499	5,924	5,593	6,272
39 Panama	4,362	4,574	4,695	4,435	4,748	4,374	4,450	4,563	4,695	4,167
40 Peru	1,984	1,294	1,333	1,287	1,305	1,234	1,240	1,240	1,249	1,233
41 Uruguay	2,284	2,520	2,111	2,450	2,439	2,507	2,442	2,373	2,111	2,313
42 Venezuela	9,482	12,271	13,153	12,170	12,249	12,348	12,237	12,171	13,153	13,540
43 Other	6,206	6,779	6,913	6,840	6,788	7,055	6,773	6,798	6,913	6,586
44 Asia	156,201	136,844	120,478	122,194	121,689	118,830	120,443	120,039	120,478	119,266
45 China	1,773	2,421	2,619	2,408	2,247	2,198	2,494	2,783	2,619	2,757
46 Mainland	19,588	11,246	11,494	11,220	11,579	9,425	12,443	11,675	11,494	10,654
47 Hong Kong	12,416	12,754	14,373	14,719	14,206	14,468	13,943	13,812	14,373	15,448
48 India	780	1,233	2,418	2,122	2,373	2,474	2,504	2,613	2,418	2,297
49 Indonesia	1,281	1,238	1,464	1,191	1,232	1,065	1,230	1,414	1,464	1,043
50 Israel	1,243	2,767	2,015	2,376	2,697	2,848	2,115	2,108	2,015	2,192
51 Japan	81,184	67,076	47,112	50,144	48,875	48,089	47,068	46,004	47,112	46,238
52 Korea	3,215	2,287	2,538	2,444	2,272	2,107	2,169	2,555	2,538	2,407
53 Philippines	1,766	1,585	2,449	1,537	1,465	1,647	1,926	2,139	2,449	2,256
54 Thailand	2,093	1,443	2,252	2,368	2,650	3,348	3,113	3,581	2,252	2,936
55 Middle-East oil-exporting countries ¹³	13,370	15,829	15,745	15,750	14,835	15,310	15,534	16,302	15,745	15,888
56 Other	17,491	16,965	15,999	15,915	17,258	15,851	15,904	15,053	15,999	15,150
57 Africa	3,824	4,630	5,150	3,929	4,017	4,483	4,558	4,465	5,150	5,039
58 Egypt	686	1,425	1,619	999	957	1,125	1,241	1,060	1,619	1,618
59 Morocco	78	104	79	81	91	82	78	93	79	85
60 South Africa	206	228	228	221	137	242	207	173	228	201
61 Zaire	86	53	31	24	58	37	42	32	31	28
62 Oil-exporting countries ¹⁴	1,121	1,110	1,082	960	992	1,145	1,182	1,280	1,082	1,204
63 Other	1,648	1,710	2,111	1,644	1,782	1,852	1,808	1,827	2,111	1,903
64 Other countries	4,564	4,444	5,227	3,945	4,004	4,165	5,463	5,282	5,227	4,841
65 Australia	3,867	3,807	4,464	3,173	3,149	3,231	4,445	4,116	4,464	3,619
66 All other	697	637	763	772	855	934	1,018	1,166	763	1,222
67 Nonmonetary international and regional organizations	4,894	5,918	8,250	6,236	6,945	6,915	7,689	8,719	8,250	9,596
68 International ¹⁵	3,947	4,390	5,754	4,356	4,371	4,877	5,435	6,178	5,754	7,140
69 Latin American regional	684	1,048	1,181	1,273	1,531	1,094	1,242	1,366	1,181	1,422
70 Other regional ¹⁶	263	479	1,315	607	1,043	944	1,012	1,175	1,315	1,034

11. Includes the Bank for International Settlements and Eastern European countries not listed in line 23.

12. Comprises Bulgaria, Czechoslovakia, Hungary, Poland, and Romania.

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

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

15. Excludes "holdings of dollars" of the International Monetary Fund.

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

3.18 BANKS' OWN CLAIMS ON FOREIGNERS Reported by Banks in the United States¹
Payable in U.S. Dollars
Millions of dollars, end of period

Area and country	1989	1990	1991 ^f	1991						1992
				July	Aug.	Sept.	Oct.	Nov.	Dec. ^g		Jan.^{h}
1 Total	534,492	511,543	513,426	497,814	502,559	498,985	511,091	514,539 ^f	513,426	506,937
2 Foreign countries	530,630	506,750	507,662	495,415	500,079	496,416	509,310	511,249 ^f	507,662	502,742
3 Europe	119,025	113,093	114,259	97,767	98,575	103,395	103,756	107,744 ^f	114,259	112,464
4 Austria	415	362	327	269	185	297	374	325	327	211
5 Belgium-Luxembourg	6,478	5,473	6,157	5,924	6,534	7,175	7,677	6,962	6,157	6,698
6 Denmark	582	497	686	898	945	670	609	656	686	777
7 Finland	1,027	1,047	1,912	642	771	908	1,195	1,378	1,912	1,854
8 France	16,146	14,468	15,113	14,300	13,827	14,504	13,080	14,813	15,113	15,196
9 Germany	2,865	3,343	3,339	2,682	3,106	2,672	2,107	2,839 ^f	3,339	3,293
10 Greece	788	727	553	619	495	473	487	555	553	550
11 Italy	6,662	6,052	8,242	5,911	5,931	6,541	6,370	6,362	8,242	7,989
12 Netherlands	1,904	1,761	2,538	2,234	2,101	1,955	2,139	2,220 ^f	2,538	2,662
13 Norway	609	669	661	599	679	682	776	669	669	801
14 Portugal	376	292	344	260	308	266	301	358	344	360
15 Spain	1,930	2,668	1,844	2,582	1,995	2,333	2,410	2,480	1,844	2,486
16 Sweden	1,773	2,094	2,315	1,858	1,633	1,896	1,842	2,347	2,315	2,751
17 Switzerland	6,141	4,202	4,540	3,627	3,609	4,048	4,195	4,469	4,540	4,485
18 Turkey	1,071	1,405	1,058	1,458	1,407	1,382	1,192	1,147	1,058	1,060
19 United Kingdom	65,527	65,151	60,442	50,775	51,625	54,305	55,490	55,911 ^f	60,442	56,452
20 Yugoslavia	1,329	1,142	824	877	820	802	803	848	824	822
21 Other Western Europe ²	1,302	597	789	832	1,024	773	714	1,001	789	1,152
22 U.S.S.R.	1,179	530	1,970	772	1,015	1,157	1,358	1,689 ^f	1,970	2,331
23 Other Eastern Europe ³	921	499	597	586	645	559	731	608	597	534
24 Canada	15,451	16,091	14,937	16,719	14,495	14,734	16,076	15,790 ^f	14,937	14,440
25 Latin America and Caribbean	230,438	231,506	246,011	246,051	249,305	250,313	255,080	252,789 ^f	246,011	249,055
26 Argentina	9,270	6,967	5,875	5,944	5,749	5,749	5,735	5,778	5,875	5,855
27 Bahamas	77,921	76,525	87,116	81,294	78,414	80,217	85,940	87,145	87,116	89,174
28 Bermuda	1,315	4,056	2,188	5,804	11,773	6,847	4,298	4,095	2,188	3,528
29 Brazil	23,749	17,995	11,844	12,350	12,332	11,880	11,499	11,687 ^f	11,844	12,470
30 British West Indies	68,749	88,565	107,844	110,628	111,119	112,589	116,401	111,976 ^f	107,844	106,408
31 Chile	4,353	3,271	2,804	2,832	2,779	2,721	2,837 ^f	2,837 ^f	2,804	2,794
32 Colombia	2,784	2,587	2,424	2,202	2,368	2,431	2,541	2,573 ^f	2,424	2,373
33 Cuba	0	0	0	0	0	0	0	0	0	0
34 Ecuador	1,688	1,387	1,053	1,263	1,238	1,115	1,095	1,090	1,053	1,044
35 Guatemala	197	191	228	190	182	191	191	191 ^f	228	214
36 Jamaica	297	238	158	144	150	150	162	161	158	157
37 Mexico	23,376	14,851	16,658	15,447	15,279	16,427	16,871	17,400	16,658	17,115
38 Netherlands Antilles	1,921	7,998	1,126	1,563	1,540	3,606	1,247	1,122	1,126	1,112
39 Panama	1,740	1,471	1,562	1,501	1,490	1,489	1,558	1,640 ^f	1,562	1,660
40 Peru	771	663	739	712	728	712	722	724	739	735
41 Uruguay	929	786	599	577	571	577	555	550	599	548
42 Venezuela	9,652	2,571	2,527	2,405	2,394	2,443	2,406	2,634	2,527	2,609
43 Other	1,726	1,384	1,266	1,195	1,199	1,164	1,138	1,186 ^f	1,266	1,259
44 Asia	157,474	138,722	125,244	127,560	130,220	120,353	127,019	127,211 ^f	125,244	119,452
45 China	634	620	747	659	575	621	597	698	747	813
46 Taiwan	2,776	1,952	2,088	1,696	1,522	1,460	1,577	1,583	2,088	1,918
47 Hong Kong	11,128	10,648	9,698	9,051	9,154	9,467	10,203	10,171	9,698	9,821
48 India	621	655	440	409	425	449	481	449	440	444
49 Indonesia	651	933	952	874	858	852	841	872	952	1,012
50 Israel	813	774	855	818	919	945	994	907	855	1,071
51 Japan	111,300	90,699	84,806	88,183	90,604	80,498	84,839	85,556 ^f	84,806	80,232
52 Korea	5,323	5,766	6,023	5,597	5,383	5,140	5,340	5,773	6,023	5,641
53 Philippines	1,344	1,247	1,910	1,647	1,682	1,633	1,916	1,971	1,910	1,849
54 Thailand	1,140	1,573	1,645	1,975	1,870	1,934	1,826	1,798	1,645	1,529
55 Middle East oil-exporting countries ⁴	10,149	10,749	8,284	9,771	9,741	10,439	9,973	9,957	8,284	8,330
56 Other	11,594	13,106	7,796	6,880	7,487	6,915	8,432	7,476	7,796	6,792
57 Africa	5,890	5,445	4,920	5,417	5,344	5,272	5,264	5,234	4,920	4,866
58 Egypt	502	380	286	324	315	312	294	343	286	247
59 Morocco	559	513	575	597	576	579	589	583	575	591
60 South Africa	1,628	1,525	1,231	1,627	1,610	1,498	1,494	1,493	1,231	1,217
61 Zaire	16	16	4	9	9	8	9	7	4	4
62 Oil-exporting countries ⁵	1,648	1,486	1,298	1,285	1,273	1,270	1,260	1,320	1,298	1,116
63 Other	1,537	1,525	1,526	1,575	1,561	1,605	1,618	1,488	1,526	1,691
64 Other countries	2,354	1,892	2,291	1,901	2,140	2,349	2,115	2,481	2,291	2,465
65 Australia	1,781	1,413	1,665	1,384	1,464	1,526	1,503	1,718	1,665	1,665
66 All other	573	479	626	517	676	823	612	763	626	997
67 Nonmonetary international and regional organizations ⁶	3,862	4,793	5,764	2,399	2,480	2,569	1,781	3,290	5,764	4,195

1. Reporting banks include all kinds of depository institutions besides commercial banks, as well as some brokers and dealers.

2. Includes the Bank for International Settlements and Eastern European countries not listed in line 23.

3. Comprises Bulgaria, Czechoslovakia, Hungary, Poland, and Romania.

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

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

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

3.19 BANKS' OWN AND DOMESTIC CUSTOMERS' CLAIMS ON FOREIGNERS Reported by Banks in the United States¹ Payable in U.S. Dollars

Millions of dollars, end of period

Type of claim	1989	1990	1991 ^r	1991						1992
				July	Aug.	Sept.	Oct.	Nov. ^f	Dec. ^f	Jan. ^p
1 Total	593,087	579,044	579,523	.....	.....	566,324	.....	.....	579,523	.....
2 Banks' own claims on foreigners	534,492	511,543	513,426	497,814	502,559	498,985	511,091	514,539	513,426	506,937
3 Foreign public borrowers	60,511	41,900	36,003	35,174	35,423	35,076	34,878	35,987	36,003	34,432
4 Own foreign offices ²	296,011	304,315	318,800	305,470	301,649	303,948	313,052	313,758	318,800	306,802
5 Unaffiliated foreign banks	134,885	117,272	116,519	115,041	116,553	113,853	119,847	120,166	116,519	121,189
6 Deposits	78,185	65,253	69,214	69,302	70,730	68,369	72,493	71,578	69,214	71,125
7 Other	56,700	52,019	47,305	45,739	45,823	45,484	47,354	48,588	47,305	50,064
8 All other foreigners	43,085	48,056	42,104	42,129	48,934	46,108	43,314	44,628	42,104	44,514
9 Claims of banks' domestic customers ³	58,594	67,501	66,097	.....	.....	67,339	.....	.....	66,097	.....
10 Deposits	13,019	14,375	15,240	.....	.....	19,512	.....	.....	15,240	.....
11 Negotiable and readily transferable instruments ⁴	30,983	41,333	37,918	.....	.....	35,054	.....	.....	37,918	.....
12 Outstanding collections and other claims	14,592	11,792	12,939	.....	.....	12,773	.....	.....	12,939	.....
13 MEMO: Customer liability on acceptances	12,899	13,628	6,562	.....	.....	8,665	.....	.....	6,562	.....
14 Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States ⁵	45,744	44,554	39,430	40,425	41,717	37,856	39,795 ^f	40,546	39,430	n.a.

1. Data for banks' own claims are given on a monthly basis, but the data for claims of banks' own domestic customers are available on a quarterly basis only.

Reporting banks include all kinds of depository institutions besides commercial banks, as well as some brokers and dealers.

2. For U.S. banks, includes amounts due from own foreign branches and foreign subsidiaries consolidated in "Consolidated Report of Condition" filed with bank regulatory agencies. For agencies, branches, and majority-owned subsidiaries of foreign banks, consists principally of amounts due from head office or parent foreign bank, and foreign branches, agencies, or wholly owned

subsidiaries of head office or parent foreign bank.

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

4. Principally negotiable time certificates of deposit and bankers acceptances.

5. Includes demand and time deposits and negotiable and nonnegotiable certificates of deposit denominated in U.S. dollars issued by banks abroad. For description of changes in data reported by nonbanks, see July 1979 *Bulletin*, p. 550.

3.20 BANKS' OWN CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Banks in the United States¹ Payable in U.S. Dollars

Millions of dollars, end of period

Maturity, by borrower and area	1988	1989	1990	1991			
				Mar.	June	Sept.	Dec. ^p
1 Total	233,184	238,123	206,903	199,254	199,085	194,820	194,201
<i>By borrower</i>							
2 Maturity of one year or less ²	172,634	178,346	165,985	158,220	159,465	159,385	159,756
3 Foreign public borrowers	26,562	23,916	19,305	21,216	18,596	17,088	19,414
4 All other foreigners	146,071	154,430	146,680	137,004	140,869	142,297	140,342
5 Maturity of more than one year ²	60,550	59,776	40,918	41,034	39,620	35,435	34,445
6 Foreign public borrowers	35,291	36,014	22,269	22,498	20,624	17,791	16,203
7 All other foreigners	25,259	23,762	18,649	18,536	18,996	17,644	18,242
<i>By area</i>							
8 Maturity of one year or less ²							
9 Europe	55,909	53,913	49,184	49,641	49,917	51,104	51,687
10 Canada	6,282	5,910	5,450	5,938	7,290	5,671	6,368
11 Latin America and Caribbean	57,991	53,003	49,782	42,660	41,121	47,260	43,073
12 Asia	46,224	57,755	53,258	54,042	53,177	49,291	49,987
13 Africa	3,337	3,225	3,040	3,008	2,945	2,815	2,535
14 All other	2,891	4,541	5,272	2,931	5,016	3,244	6,106
15 Maturity of more than one year ²							
16 Europe	4,666	4,121	3,859	4,329	4,285	3,819	3,881
17 Canada	1,922	2,353	3,290	3,387	3,820	3,673	3,514
18 Latin America and Caribbean	47,547	45,816	25,774	24,961	23,219	19,241	18,672
19 Asia	3,613	4,172	5,165	5,414	5,645	6,095	5,411
20 Africa	2,301	2,630	2,374	2,426	2,456	2,385	2,341
21 All other	501	684	456	517	195	222	626

1. Reporting banks include all kinds of depository institutions besides commercial banks, as well as some brokers and dealers.

2. Remaining time to maturity.

3. Includes nonmonetary international and regional organizations.

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

Billions of dollars, end of period

Area or country	1987	1988	1989	1990				1991			
			Dec.	Mar.	June	Sept.	Dec.	Mar.	June	Sept.	Dec. ^P
1 Total	382.4	346.3	338.8	333.9	321.7	331.5	317.8	325.3	320.2	336.1^F	341.2
2 G-10 countries and Switzerland	159.7	152.7	152.9	146.6	139.3	143.6	132.1	129.9	130.1	134.7	137.5
3 Belgium-Luxembourg	10.0	9.0	6.3	6.7	6.2	6.5	5.9	6.2	6.1	5.8	6.0
4 France	13.7	10.5	11.7	10.4	10.2	11.1	10.4	9.7	10.5	11.1	11.3
5 Germany	12.6	10.3	10.5	11.2	11.2	11.1	10.6	8.8	8.3	9.7	8.2
6 Italy	7.5	6.8	7.4	5.9	5.4	4.4	5.0	4.0	3.6	4.5	5.6
7 Netherlands	4.1	2.7	3.1	3.1	2.7	3.8	3.0	3.3	3.3	3.0	4.7
8 Sweden	2.1	1.8	2.0	2.1	2.3	2.3	2.2	2.0	2.5	2.1	1.9
9 Switzerland	5.6	5.4	7.1	6.2	6.3	5.6	4.4	3.7	3.3	3.9	3.4
10 United Kingdom	68.8	66.2	67.2	64.0	59.9	62.6	60.8	62.3	59.8	65.6	68.5
11 Canada	5.5	5.0	5.4	4.8	5.1	5.0	5.9	6.8	8.2	5.8	5.8
12 Japan	29.8	34.9	32.2	32.2	30.1	31.3	23.9	23.2	24.6	23.2	22.2
13 Other developed countries	26.4	21.0	20.7	23.0	22.4	23.0	22.6	23.1	21.1	21.7	22.6
14 Austria	1.9	1.5	1.5	1.5	1.5	1.6	1.4	1.4	1.1	1.0	.6
15 Denmark	1.7	1.1	1.1	1.2	1.1	1.1	1.1	.9	1.2	.9	.9
16 Finland	1.2	1.1	1.0	1.1	.9	.8	.7	1.0	.8	.7	.7
17 Greece	2.0	1.8	2.5	2.6	2.7	2.8	2.7	2.5	2.4	2.3	2.6
18 Norway	2.2	1.8	1.4	1.7	1.4	1.6	1.6	1.5	1.5	1.4	1.4
19 Portugal .....	.6	.4	.4	.4	.8	.6	.6	.6	.6	.5	.6
20 Spain	8.0	6.2	7.1	8.2	7.8	8.4	8.3	9.0	7.0	8.3	8.2
21 Turkey	2.0	1.5	1.2	1.3	1.4	1.6	1.7	1.7	1.9	1.6	1.4
22 Other Western Europe	1.6	1.3	.7	1.0	1.1	.7	.9	.8	.9	1.0	1.6
23 South Africa	2.9	2.4	2.0	2.0	1.9	1.9	1.8	1.8	1.8	1.6	1.9
24 Australia	2.4	1.8	1.6	2.1	1.8	2.0	1.8	1.9	2.0	2.4	2.7
25 OPEC countries ²	17.4	16.6	17.1	15.5	15.3	14.2	12.8	17.1	14.0	15.6	14.6
26 Ecuador	1.9	1.7	1.3	1.2	1.1	1.1	1.0	.9	.9	.8	.7
27 Venezuela	8.1	7.9	7.0	6.1	6.0	6.0	5.0	5.1	5.3	5.6	5.4
28 Indonesia	1.9	1.7	2.0	2.1	2.0	2.3	2.7	2.8	2.6	2.8	2.8
29 Middle East countries	3.6	3.4	5.0	4.3	4.4	3.1	2.5	6.6	3.7	5.0	4.2
30 African countries	1.9	1.9	1.7	1.8	1.8	1.7	1.7	1.6	1.5	1.5	1.5
31 Non-OPEC developing countries	97.8	85.3	77.5	68.8	66.7	67.1	65.4	66.3	64.9	65.2	64.3
<i>Latin America</i>											
32 Argentina	9.5	9.0	6.3	5.6	5.2	5.0	5.0	4.7	4.6	4.7	4.8
33 Brazil	24.7	22.4	19.0	17.5	16.7	15.4	14.4	13.9	11.6	10.5	9.5
34 Chile	6.9	5.6	4.6	4.3	3.7	3.6	3.5	3.6	3.6	3.7	3.6
35 Colombia	2.0	2.1	1.8	1.8	1.7	1.8	1.8	1.7	1.6	1.6	1.7
36 Mexico	23.5	18.8	17.7	12.8	12.6	12.8	13.0	13.7	14.3	16.1	15.5
37 Peru	1.1	.8	.6	.5	.5	.5	.5	.5	.5	.4	.4
38 Other Latin America	2.8	2.6	2.8	2.8	2.3	2.4	2.3	2.2	2.0	1.9	2.1
<i>Asia</i>											
39 China											
40 Mainland .....	.3	.3	.3	.3	.2	.2	.2	.4	.6	.4	.3
41 Taiwan	8.2	3.7	4.5	3.8	3.6	4.0	3.5	3.6	4.1	4.1	4.1
42 India	1.9	2.1	3.1	3.5	3.6	3.6	3.3	3.5	3.0	2.8	3.0
43 Israel	1.0	1.2	.7	.6	.7	.6	.5	.5	.5	.5	.5
44 Korea (South)	5.0	6.1	5.9	5.3	5.6	6.2	6.2	6.8	6.9	6.5	6.8
45 Malaysia	1.5	1.6	1.7	1.8	1.8	1.8	1.9	2.0	2.1	2.3	2.3
46 Philippines	5.2	4.5	4.1	3.7	3.9	3.9	3.8	3.7	3.7	3.6	3.7
47 Thailand .....	.7	1.1	1.3	1.1	1.3	1.5	1.5	1.6	1.7	1.9	1.7
47 Other Asia ³ .....	.7	.9	1.0	1.2	1.1	1.6	1.7	2.1	2.3	2.3	2.4
<i>Africa</i>											
48 Egypt .....	.6	.4	.4	.4	.5	.4	.4	.4	.4	.4	.4
49 Morocco .....	.9	.9	.9	.9	.9	.9	.8	.8	.7	.7	.7
50 Zaire .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
51 Other Africa	1.3	1.1	1.0	.9	.8	.8	1.0	.8	.8	.8	.7
52 Eastern Europe	3.2	3.6	3.5	3.3	2.9	2.7	2.3	2.1	2.1	1.8	2.4
53 U.S.S.R. .....	.3	.7	.7	.8	.4	.4	.2	.3	.4	.4	.9
54 Yugoslavia	1.8	1.8	1.6	1.4	1.4	1.3	1.2	1.0	1.0	.8	.9
55 Other	1.1	1.1	1.3	1.2	1.1	1.1	.9	.8	.7	.7	.7
56 Offshore banking centers	54.5	44.2	36.6	43.1	40.3	42.6	42.5	49.9	48.2	52.2 ^F	52.0
57 Bahamas	17.3	11.0	5.5	9.2	8.5	8.9	2.8	8.1	6.5	6.4 ^F	12.0
58 Bermuda .....	.6	.9	1.7	1.2	2.5	4.5	4.4	4.4	4.2	7.1	2.2
59 Cayman Islands and other British West Indies	13.5	12.9	9.0	10.9	8.5	9.3	11.5	14.2	15.1	14.0	15.9
60 Netherlands Antilles	1.2	1.0	2.3	2.6	2.3	2.2	7.9	1.1	1.4	3.5	1.2
61 Panama ⁴	3.7	2.5	1.4	1.3	1.4	1.5	1.4	1.4	1.3	1.3	1.3
62 Lebanon .....	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1
63 Hong Kong	11.2	9.6	9.7	9.8	10.0	8.7	7.7	11.6	12.4	12.1	12.2
64 Singapore	7.0	6.1	7.0	8.0	7.0	7.5	6.6	8.9	7.2	7.7	7.1
65 Others ⁵ .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
66 Miscellaneous and unallocated ⁶	23.2	22.6	30.3	33.3	34.5	38.1	39.8	36.5	39.6	44.6	47.7

1. The banking offices covered by these data are the U.S. offices and foreign branches of U.S.-owned banks and of U.S. subsidiaries of foreign-owned banks. Offices not covered include (1) U.S. agencies and branches of foreign banks, and (2) foreign subsidiaries of U.S. banks. To minimize duplication, the data are adjusted to exclude the claims on foreign branches held by a U.S. office or another foreign branch of the same banking institution. The data in this table combine foreign branch claims in table 3.14 (the sum of lines 7 through 10) with the claims of U.S. offices in table 3.18 (excluding those held by agencies and branches of foreign banks and those constituting claims on own foreign branches).

Since June 1984, reported claims held by foreign branches have been reduced by an increase in the reporting threshold for "shell" branches from \$50 million to

\$150 million equivalent in total assets, the threshold now applicable to all reporting branches.

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

3. Excludes Liberia.

4. Includes Canal Zone beginning December 1979.

5. Foreign branch claims only.

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

3.22 LIABILITIES TO UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States¹

Millions of dollars, end of period

Type and area or country	1987	1988	1989	1990			1991		
				June	Sept.	Dec.	Mar.	June	Sept.
1 Total	28,302	32,952	38,776	39,831	45,165	42,928	40,753	39,311	40,128
2 Payable in dollars	22,785	27,335	33,985	35,351	40,034	38,529	36,635	35,291	36,096
3 Payable in foreign currencies	5,517	5,617	4,791	4,480	5,131	4,399	4,119	4,019	4,032
By type									
4 Financial liabilities	12,424	14,507	17,891	19,025	19,898	17,979	17,104	16,767	17,651
5 Payable in dollars	8,643	10,608	14,047	15,663	16,059	14,731	14,182	13,872	14,709
6 Payable in foreign currencies	3,781	3,900	3,844	3,363	3,839	3,247	2,922	2,895	2,942
7 Commercial liabilities	15,878	18,445	20,885	20,806	25,267	24,949	23,650	22,544	22,477
8 Trade payables	7,305	6,505	8,070	7,256	10,960	10,494	8,865	8,697	9,038
9 Advance receipts and other liabilities	8,573	11,940	12,815	13,550	14,306	14,456	14,784	13,846	13,439
10 Payable in dollars	14,142	16,727	19,938	19,688	23,974	23,798	22,453	21,420	21,387
11 Payable in foreign currencies	1,737	1,717	947	1,117	1,292	1,152	1,197	1,124	1,090
By area or country									
Financial liabilities									
12 Europe	8,320	9,962	11,672	11,802	11,251	9,813	9,187	9,244	9,809
13 Belgium-Luxembourg	213	289	340	332	350	344	285	297	347
14 France	382	359	258	165	463	695	627	535	416
15 Germany	551	699	464	547	606	622	561	664	654
16 Netherlands	866	880	941	928	942	990	945	917	943
17 Switzerland	558	1,033	541	552	628	576	577	535	510
18 United Kingdom	5,557	6,533	8,830	8,832	7,632	5,976	5,551	5,706	6,371
19 Canada	360	388	610	306	309	223	272	287	305
20 Latin America and Caribbean	1,189	839	1,357	2,774	3,560	3,400	3,636	3,308	3,472
21 Bahamas	318	184	157	312	395	371	392	375	314
22 Bermuda	0	0	17	0	0	0	0	12	0
23 Brazil	25	0	0	0	0	0	0	0	1
24 British West Indies	778	645	724	1,920	2,548	2,407	2,674	2,319	2,555
25 Mexico	13	1	6	4	4	5	6	6	6
26 Venezuela	0	0	0	0	0	4	4	4	4
27 Asia	2,451	3,312	4,151	4,085	4,296	4,132	4,005	3,918	4,061
28 Japan	2,042	2,563	3,299	2,883	3,161	2,930	2,932	2,865	3,033
29 Middle East oil-exporting countries ²	8	3	2	5	4	5	1	4	19
30 Africa	4	2	2	3	2	2	2	9	3
31 Oil-exporting countries ³	1	0	0	1	0	0	0	7	2
32 All other ⁴	100	4	100	55	479	409	2	2	1
Commercial liabilities									
33 Europe	5,516	7,319	9,071	8,652	10,039	10,310	9,877	8,848	8,975
34 Belgium-Luxembourg	132	158	175	291	245	275	263	254	229
35 France	426	455	877	1,049	1,270	1,218	1,216	1,246	999
36 Germany	909	1,699	1,392	990	1,051	1,270	1,389	1,044	913
37 Netherlands	423	587	710	606	699	844	731	750	750
38 Switzerland	559	417	693	665	746	775	661	586	490
39 United Kingdom	1,599	2,079	2,620	2,450	2,839	2,792	2,852	2,336	3,070
40 Canada	1,301	1,217	1,124	1,179	1,263	1,251	1,231	1,186	1,018
41 Latin America and Caribbean	864	1,090	1,224	1,321	1,690	1,671	1,621	1,631	1,512
42 Bahamas	18	49	41	22	18	12	14	6	14
43 Bermuda	168	286	308	412	371	538	495	505	450
44 Brazil	46	95	100	109	129	145	218	180	209
45 British West Indies	19	34	27	29	42	30	36	50	46
46 Mexico	189	217	323	315	592	475	346	364	290
47 Venezuela	162	114	164	129	165	130	126	121	101
48 Asia	6,565	6,915	7,550	7,365	9,533	9,471	8,669	8,847	8,869
49 Japan	2,578	3,094	2,914	3,197	3,356	3,639	3,413	3,383	3,317
50 Middle East oil-exporting countries ^{2,5}	1,964	1,385	1,632	1,285	2,728	2,016	1,569	1,699	1,808
51 Africa	574	576	886	900	1,334	841	655	594	835
52 Oil-exporting countries ³	135	202	339	287	610	422	225	224	356
53 All other ⁴	1,057	1,328	1,030	1,390	1,408	1,406	1,596	1,436	1,268

1. For a description of the changes in the International Statistics tables, see July 1979 *Bulletin*, p. 550.

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

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

4. Includes nonmonetary international and regional organizations.

5. Revisions include a reclassification of transactions, which also affects the totals for Asia and the grand totals.

3.23 CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Nonbanking Business Enterprises in the United States¹

Millions of dollars, end of period

Type, and area or country	1987	1988	1989	1990			1991		
				June	Sept.	Dec.	Mar.	June	Sept.
1 Total	30,964	33,805	33,080	33,098	32,239	34,780	35,272	36,946	38,424 ^f
2 Payable in dollars	28,502	31,425	30,742	30,765	29,836	32,354	33,068	34,948	36,135 ^f
3 Payable in foreign currencies	2,462	2,381	2,338	2,333	2,402	2,426	2,204	1,997	2,289 ^f
<i>By type</i>									
4 Financial claims	20,363	21,640	19,235	19,438	17,758	19,444	19,392	20,687	22,558 ^f
5 Deposits	14,894	15,643	12,336	11,615	11,810	13,331	12,835	12,300	15,915 ^f
6 Payable in dollars	13,765	14,544	11,409	10,533	10,616	12,318	11,893	11,595	14,994 ^f
7 Payable in foreign currencies	1,128	1,099	927	1,082	1,193	1,012	942	705	921 ^f
8 Other financial claims	5,470	5,997	6,899	7,823	5,949	6,114	6,557	8,387	6,643 ^f
9 Payable in dollars	4,656	5,220	6,145	7,090	5,296	5,247	5,861	7,699	5,970 ^f
10 Payable in foreign currencies	814	777	754	733	652	866	696	688	673 ^f
11 Commercial claims	10,600	12,166	13,845	13,660	14,480	15,336	15,879	16,259	15,866 ^f
12 Trade receivables	9,535	11,091	12,221	11,951	12,702	13,458	13,691	13,963	13,335 ^f
13 Advance payments and other claims	1,065	1,075	1,624	1,708	1,778	1,878	2,189	2,296	2,531 ^f
14 Payable in dollars	10,081	11,660	13,188	13,142	13,924	14,788	15,314	15,654	15,171 ^f
15 Payable in foreign currencies	519	505	657	518	556	548	565	605	695 ^f
<i>By area or country</i>									
<i>Financial claims</i>									
16 Europe	9,531	10,278	8,401	10,780	8,924	9,363	10,524	11,756	13,079 ^f
17 Belgium-Luxembourg	7	18	28	126	27	76	85	74	76 ^f
18 France	332	203	153	126	145	358	193	255	258 ^f
19 Germany	102	120	87	76	79	302	249	233	438
20 Netherlands	350	348	303	339	327	330	443	494	492
21 Switzerland	65	217	91	131	163	293	358	367	527
22 United Kingdom	8,467	9,039	7,496	9,757	7,956	7,760	8,981	10,184	10,905 ^f
23 Canada	2,844	2,325	1,904	2,036	1,989	2,887	1,850	1,986	2,070 ^f
24 Latin America and Caribbean	7,012	8,160	8,020	5,998	6,107	6,091	6,119	5,849	5,969
25 Bahamas	1,994	1,846	1,890	1,499	1,443	1,594	1,847	1,031	1,356
26 Bermuda	7	19	7	3	4	3	6	4	19
27 Brazil	63	47	224	84	70	68	68	127	124
28 British West Indies	4,433	5,763	5,486	4,003	4,191	4,021	3,769	4,307	4,100
29 Mexico	172	151	94	164	158	177	179	161	173
30 Venezuela	19	21	20	20	23	25	28	29	32
31 Asia	879	623	590	534	531	860	568	757	1,080 ^f
32 Japan	605	354	213	185	207	523	246	409	721
33 Middle East oil-exporting countries ²	8	5	8	6	9	8	11	4	3
34 Africa	65	106	140	62	49	37	62	64	61
35 Oil-exporting countries ²	7	10	12	8	7	0	3	1	1
36 All other ⁴	33	148	180	28	158	206	268	275	299
<i>Commercial claims</i>									
37 Europe	4,180	5,181	6,207	6,076	6,495	7,032	7,181	7,545	6,864 ^f
38 Belgium-Luxembourg	178	189	242	209	188	212	226	220	186
39 France	650	672	963	924	1,206	1,240	1,292	1,408	1,328
40 Germany	562	669	696	670	641	805	873	957	853 ^f
41 Netherlands	133	212	479	480	491	552	604	756	641 ^f
42 Switzerland	185	344	313	234	300	301	392	296	259
43 United Kingdom	1,073	1,324	1,575	1,582	1,673	1,774	1,669	1,822	1,803 ^f
44 Canada	936	983	1,087	1,150	1,148	1,070	1,212	1,240	1,231 ^f
45 Latin America and Caribbean	1,930	2,241	2,176	2,207	2,402	2,333	2,314	2,433	2,579 ^f
46 Bahamas	19	36	58	17	25	14	15	16	8
47 Bermuda	170	230	323	284	340	246	231	245	338
48 Brazil	226	299	293	233	251	320	309	297	392 ^f
49 British West Indies	26	22	36	47	35	40	49	43	37
50 Mexico	368	461	507	576	650	656	653	711	740 ^f
51 Venezuela	283	227	147	223	224	189	181	195	196
52 Asia	2,915	2,993	3,561	3,473	3,631	4,049	4,306	4,159	4,219 ^f
53 Japan	1,158	946	1,197	1,097	1,221	1,396	1,778	1,604	1,742 ^f
54 Middle East oil-exporting countries ²	450	453	518	418	407	459	507	510	495 ^f
55 Africa	401	435	422	387	371	488	394	428	518
56 Oil-exporting countries ²	144	122	108	97	72	67	68	59	79
57 All other ⁴	238	333	392	366	433	364	471	453	455

1. For a description of the changes in the International Statistics tables, see July 1979 *Bulletin*, p. 550.

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

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

4. Includes nonmonetary international and regional organizations.

3.24 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transaction and area or country	1990	1991	1992	1991						1992
			Jan. - Jan.	July	Aug.	Sept.	Oct.	Nov.	Dec. ^f	Jan. ^p
U.S. corporate securities										
STOCKS										
1 Foreign purchases	173,293	210,782 ^f	23,270	16,462	17,934	12,919	17,201	20,587 ^f	14,729	23,270
2 Foreign sales	188,419	199,598	25,900	15,304	16,192	13,659	16,791	19,594	17,446	25,900
3 Net purchases, or sales (-)	-15,126	11,183 ^f	-2,630	1,158	1,742	-740	410	993 ^f	-2,717	-2,630
4 Foreign countries	-15,197	10,615 ^f	-2,511	1,135	1,606	-850	365	956 ^f	-2,700	-2,511
5 Europe	-8,479	182 ^f	-1,344	5	753	-567	-452	-238 ^f	-1,883	-1,344
6 France	-1,234	18	-28	-41	39	-95	-21	-50	-125	-28
7 Germany	-367	-63	-159	-8	21	62	12	22	44	-159
8 Netherlands	-397	-228	18	47	-209	38	6	-42	-52	18
9 Switzerland	-2,866	-139	-287	42	96	-48	-93	-508	-7	-287
10 United Kingdom	-2,980	-222 ^f	-882	-130	831	-501	-216	254 ^f	-1,637	-882
11 Canada	886	3,809	260	159	439	16	385	694	131	260
12 Latin America and Caribbean	-1,330	2,177	1,020	160	315	25	366	-197	-280	1,020
13 Middle East ¹	-2,435	-126	-272	272	67	-402	-6	39	-35	-272
14 Other Asia	-3,477	4,263	-2,211	110	-33	210	267	735	-665	-2,211
15 Japan	-2,891	1,181	-2,194	-15	-96	135	156	158	-429	-2,194
16 Africa	-63	153	13	6	4	-7	20	14	7	13
17 Other countries	-298	158	23	423	61	-125	-215	-91	25	23
18 Nonmonetary international and regional organizations	71	568	-119	23	136	110	45	37	-17	-119
BONDS ²										
19 Foreign purchases	118,764	152,815 ^f	16,301	9,994	14,989	14,492	12,844	16,035 ^f	15,092	16,301
20 Foreign sales	102,047	125,001	14,195	7,681	10,812	12,315	10,558	13,059	12,351	14,195
21 Net purchases, or sales (-)	16,717	27,814 ^f	2,106	2,313	4,177	2,177	2,286	2,976 ^f	2,741	2,106
22 Foreign countries	17,187	27,945 ^f	2,073	2,340	4,274	2,216	2,349	2,875 ^f	2,698	2,073
23 Europe	10,079	13,801 ^f	1,379	921	1,727	-111	1,873	1,284 ^f	1,078	1,379
24 France	373	854	-2	15	-26	93	-25	110	75	-2
25 Germany	-377	1,577	594	-1	106	156	213	274	113	594
26 Netherlands	172	482	-113	-1	47	-18	44	91	13	-113
27 Switzerland	284	572 ^f	-67	9	116	-52	-64	-449	73	-67
28 United Kingdom	10,383	9,390 ^f	894	629	1,405	384	2,029	714	179	894
29 Canada	1,906	1,340	-153	34	-40	-155	86	51	114	-153
30 Latin America and Caribbean	4,291	2,449	499	378	172	130	-365	110	627	499
31 Middle East ¹	76	2,185	-75	430	449	350	182	313	253	-75
32 Other Asia	1,083	8,237	332	558	2,015	2,027	526	1,164	543	332
33 Japan	727	5,730	237	285	1,818	1,149	237	874	149	237
34 Africa	96	56	28	-1	4	-2	12	13	11	28
35 Other countries	-344	-123 ^f	63	20	-53	-23	35	-60	72	63
36 Nonmonetary international and regional organizations	-471	-131	33	-27	-97	-39	-63	101	43	33
Foreign securities										
37 Stocks, net purchases, or sales (-) ³	-9,205	-31,325 ^f	-2,558	-3,155	-3,521	-2,159	-2,370	-1,921 ^f	-1,716	-2,558
38 Foreign purchases	122,641	119,752 ^f	12,395	10,174	9,586	9,913	11,292	13,153 ^f	11,015	12,395
39 Foreign sales	131,846	151,077 ^f	14,953	13,329	13,107	12,072	13,662	15,074 ^f	12,731	14,953
40 Bonds, net purchases, or sales (-)	-22,412	-15,911 ^f	-1,365	-807	-2,168	-1,138	-4,750	785 ^f	-1,836	-1,365
41 Foreign purchases	314,645	324,647 ^f	35,494	22,041	22,186	23,442	33,201	29,930 ^f	26,296	35,494
42 Foreign sales	337,057	340,558 ^f	36,859	22,848	24,354	24,580	37,951	29,145 ^f	28,132	36,859
43 Net purchases, or sales (-), of stocks and bonds	-31,617	-47,236 ^f	-3,923	-3,962	-5,689	-3,297	-7,120	-1,136 ^f	-3,552	-3,923
44 Foreign countries	-28,943	-46,948 ^f	-4,174	-4,476	-5,794	-3,477	-6,753	-1,571 ^f	-3,922	-4,174
45 Europe	-8,443	-34,384 ^f	-4,589	-5,035	-4,769	-2,666	-5,691	-4,882 ^f	-4,318	-4,589
46 Canada	-7,502	-7,636 ^f	-906	278	-1,009	-352	-1,619	675	8	-906
47 Latin America and Caribbean	-8,854	930 ^f	-822	130	108	454	549	1,086 ^f	-483	-822
48 Asia	-3,828	-7,114 ^f	2,198	105	-305	-1,153	-197	1,503 ^f	316	2,198
49 Africa	-137	-8	-5	8	-7	2	1	-41	159	-5
50 Other countries	-180	1,265	-50	38	188	238	204	88	396	-50
51 Nonmonetary international and regional organizations	-2,673	-288	251	514	105	180	-367	435	370	251

1. Comprises oil-exporting countries as follows: Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (Trucial States).
 2. Includes state and local government securities and securities of U.S. government agencies and corporations. Also includes issues of new debt securi-

ties sold abroad by U.S. corporations organized to finance direct investments abroad.

3. As a result of the merger of a U.S. and U.K. company in July 1989, the former stockholders of the U.S. company received \$5,453 million in shares of the new combined U.K. company. This transaction is not reflected in the data.

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

Millions of dollars

Country or area	1990	1991 ^f	1992		1991						1992
			Jan. - Jan.	July	Aug.	Sept.	Oct.	Nov.	Dec. ^f	Jan. ^p	
Transactions, net purchases or sales (-) during period ¹											
1 Estimated total ²	18,927	22,276	10,520	725	1,356	-3,862	414	5,446 ^f	4,404	10,520	
2 Foreign countries ²	18,764	22,098	9,763	407	722	-2,804	-171	5,352 ^f	3,695	9,763	
3 Europe ²	18,455	9,464	5,222	-1,082	1,554	464	228	5,023 ^f	2,720	5,222	
4 Belgium-Luxembourg.....	10	523	559	-109	71	-190	1	201 ^f	-21	559	
5 Germany ²	5,880	-4,725	805	684	-360	195	326	707	-139	805	
6 Netherlands.....	1,077	-3,735	-1,936	-997	-372	-426	549	-25	-888	-1,936	
7 Sweden.....	1,152	-662	-50	-299	-239	3	46	-74	582	-50	
8 Switzerland ²	112	1,005	142	-218	292	-184	195	1,105	-778	142	
9 United Kingdom.....	-1,260	5,649	2,879	-398	388	-32	-311	212	2,351	2,879	
10 Other Western Europe.....	11,463	11,395	2,823	258	1,774	1,090	-578	2,910 ^f	1,603	2,823	
11 Eastern Europe.....	13	13	0	-3	0	8	0	-13	10	0	
12 Canada.....	-4,627	-2,746	964	395	-118	78	-838	-441	-1,841	964	
13 Latin America and Caribbean.....	14,734	11,539	-2,921	1,669	1,436	-1,076	-2,086	-3,842 ^f	1,075	-2,921	
14 Venezuela.....	33	10	266	7	-20	-2	20	7	122	266	
15 Other Latin America and Caribbean.....	3,943	5,316	-358	242	-2,010	-1,883	-14	-525 ^f	-1,065	-358	
16 Netherlands Antilles.....	10,757	6,213	-2,829	1,420	3,466	809	-2,092	-3,324	2,018	-2,829	
17 Asia.....	-10,952	3,451	7,675	-491	-2,115	-2,067	3,467	3,709 ^f	844	7,675	
18 Japan.....	-14,785	-4,054	-398	45	-364	-3,625	4,111	503	-1,352	-398	
19 Africa.....	313	689	207	7	27	10	39	-26	318	207	
20 All other.....	842	-299	-1,384	-91	-62	-213	-981	929	579	-1,384	
21 Nonmonetary international and regional organizations.....	163	178	757	318	634	-1,058	585	94	709	757	
22 International.....	287	-358	197	168	654	-1,211	287	95	786	197	
23 Latin American regional.....	-2	-72	-58	150	-146	152	72	-133	-156	-58	
MEMO											
24 Foreign countries ²	18,764	22,098	9,763	407	722	-2,804	-171	5,352 ^f	3,695	9,763	
25 Official institutions.....	23,218	5,318	7,744	-704	-289	830	512	7,194 ^f	2,454	7,744	
26 Other foreign ²	-4,453	16,780	2,019	1,111	1,011	-3,634	-683	-1,842	1,241	2,019	
Oil-exporting countries											
27 Middle East.....	-387	-6,822	623	-643	-3,731	-795	313	96	-163	623	
28 Africa ⁴	0	239	48	0	0	0	0	0	219	48	

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

2. Includes U.S. Treasury notes, denominated in foreign currencies, publicly issued to private foreign residents.

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

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

3.26 DISCOUNT RATES OF FOREIGN CENTRAL BANKS

Percent per year

Country	Rate on Mar. 31, 1992		Country	Rate on Mar. 31, 1992		Country	Rate on Mar. 31, 1992	
	Percent	Month effective		Percent	Month effective		Percent	Month effective
Austria	8.0	Dec. 1991	Germany, Fed. Rep. of ...	8.0	Dec. 1991	Norway	10.50	July 1990
Belgium	8.5	Dec. 1991	Italy	12.0	Nov. 1991	Switzerland	7.0	Aug. 1991
Canada	7.49	Mar. 1992	Japan	4.5	Dec. 1991	United Kingdom .....	.....	.....
Denmark	9.5	Dec. 1991	Netherlands	8.5	Dec. 1991			
France	9.6	Dec. 1991						

1. Since Feb. 1981, the rate has been that at which the Bank of France discounts Treasury bills for seven to ten days.

2. Minimum lending rate suspended as of Aug. 20, 1981.

NOTE. Rates shown are mainly those at which the central bank either discounts

or makes advances against eligible commercial paper or government securities for commercial banks or brokers. For countries with more than one rate applicable to such discounts or advances, the rate shown is the one at which it is understood the central bank transacts the largest proportion of its credit operations.

3.27 FOREIGN SHORT-TERM INTEREST RATES

Averages of daily figures, percent per year

Type or country	1989	1990	1991	1991				1992		
				Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
1 Eurodollars	9.16	8.16	5.86	5.50	5.34	4.96	4.48	4.06	4.03	4.26
2 United Kingdom	13.87	14.73	11.47	10.24	10.38	10.44	10.73	10.60	10.33	10.58
3 Canada	12.20	13.00	9.07	8.59	8.29	7.75	7.50	7.23	7.42	7.63
4 Germany	7.04	8.41	9.15	9.16	9.28	9.33	9.48	9.45	9.51	9.59
5 Switzerland	6.83	8.71	8.01	7.90	8.09	7.89	7.99	7.55	7.28	8.16
6 Netherlands	7.28	8.57	9.19	9.21	9.27	9.32	9.59	9.45	9.52	9.52
7 France	9.27	10.20	9.49	9.30	9.20	9.41	9.97	9.86	9.93	9.99
8 Italy	12.44	12.11	12.04	11.63	11.44	11.66	12.46	12.00	12.17	12.25
9 Belgium	8.65	9.70	9.30	9.01	9.22	9.39	9.61	9.41	9.50	9.56
10 Japan	5.39	7.75	7.33	6.70	6.41	6.22	6.02	5.18	5.19	4.95

NOTE. Rates are for three-month interbank loans, with the following exceptions: Canada, finance company paper; Belgium, three-month Treasury bills; and Japan, CD rate.

3.28 FOREIGN EXCHANGE RATES¹

Currency units per dollar

Country/currency	1989	1990	1991	1991			1992		
				Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
1 Australia/dollar ²	79.186	78.069	77.872	79.251	78.660	77.122	74.756	75.178	75.865
2 Austria/schilling	13.236	11.331	11.686	11.887	11.408	11.003	11.108	11.391	11.693
3 Belgium/franc	39.409	33.424	34.195	34.787	33.391	32.198	32.501	33.307	34.189
4 Canada/dollar	1.1642	1.1668	1.1460	1.1279	1.1302	1.1467	1.1571	1.1825	1.1928
5 China, P.R./yuan	3.7673	4.7921	5.3337	5.3917	5.3994	5.4232	5.4618	5.4776	5.4871
6 Denmark/krone	7.3210	6.1899	6.4038	6.5246	6.2947	6.0831	6.1257	6.2763	6.4462
7 Finland/markka	4.2963	3.8300	4.0521	4.1155	4.1953	4.2447	4.2971	4.4230	4.5325
8 France/franc	6.3802	5.4467	5.6468	5.7583	5.5391	5.3406	5.3858	5.5088	5.6400
9 Germany/deutsche mark	1.8808	1.6166	1.6610	1.6893	1.6208	1.5630	1.5788	1.6186	1.6616
10 Greece/drachma	162.60	158.59	182.63	188.50	183.68	179.52	182.42	187.13	192.26
11 Hong Kong/dollar	7.8008	7.7899	7.7712	7.7542	7.7591	7.7738	7.7612	7.7582	7.7463
12 India/rupee	16.213	17.492	22.712	25.797	25.802	25.818	25.863	25.992	28.378
13 Ireland/pound ²	141.80	165.76	158.26	158.21	164.75	170.46	168.73	164.87	160.50
14 Italy/lira	1,372.28	1,198.27	1,241.28	1,263.20	1,221.04	1,182.21	1,189.76	1,215.92	1,248.28
15 Japan/yen	138.07	145.00	134.59	130.77	129.63	128.04	125.46	127.70	132.86
16 Malaysia/ringgit	2.7079	2.7057	2.7503	2.7469	2.7412	2.7417	2.6891	2.6012	2.5779
17 Netherlands/guilder	2.1219	1.8215	1.8720	1.9039	1.8269	1.7618	1.7780	1.8218	1.8706
18 New Zealand/dollar ²	59.561	59.619	57.832	56.306	56.352	55.256	54.194	54.177	54.790
19 Norway/krone	6.9131	6.2541	6.4912	6.6136	6.3643	6.1558	6.2044	6.3472	6.5188
20 Portugal/escudo	157.53	142.70	144.77	145.41	141.43	138.90	136.92	139.47	143.26
21 Singapore/dollar	1.9511	1.8134	1.7283	1.6940	1.6709	1.6453	1.6337	1.6361	1.6601
22 South Africa/rand	2.6214	2.5885	2.7633	2.8314	2.7916	2.7665	2.7831	2.8156	2.8830
23 South Korea/won	674.29	710.64	736.73	753.54	757.44	761.68	767.09	769.93	775.68
24 Spain/peseta	118.44	101.96	104.01	106.54	102.56	99.70	100.05	101.73	104.88
25 Sri Lanka/rupee	35.947	40.078	41.200	42.179	42.374	42.523	42.665	42.879	42.744
26 Sweden/krona	6.4559	5.9231	6.0521	6.1552	5.9246	5.7158	5.7461	5.8764	6.0263
27 Switzerland/franc	1.6369	1.3901	1.4356	1.4781	1.4348	1.3855	1.4039	1.4561	1.5094
28 Taiwan/dollar	26.407	26.918	26.759	26.406	25.975	25.759	25.150	25.049	25.407
29 Thailand/baht	25.725	25.609	25.528	25.397	25.497	25.431	25.328	25.463	25.637
30 United Kingdom/pound ²	163.82	178.41	176.74	172.31	177.96	182.72	180.90	177.78	172.38
MEMO									
31 United States/dollar ³	98.60	89.09	89.84	90.69	87.98	85.65	86.09	88.04	90.44

1. Averages of certified noon buying rates in New York for cable transfers. Data in this table also appear in the Board's G.5 (405) monthly statistical release. For ordering address, see inside front cover.

2. Value in U.S. cents.

3. Index of weighted-average exchange value of U.S. dollar against the

currencies of ten industrial countries. The weight for each of the ten countries is the 1972-76 average world trade of that country divided by the average world trade of all ten countries combined. Series revised as of August 1978 (see *Federal Reserve Bulletin*, vol. 64 (August 1978), p. 700).

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4.20 DOMESTIC AND FOREIGN OFFICES, Insured Commercial Bank Assets and Liabilities^{1,2}
Consolidated Report of Condition, December 31, 1991

Millions of dollars

Item	Total	Banks with foreign offices			Banks with domestic offices only	
		Total	Foreign	Domestic	Over 100	Under 100
1 Total assets ⁶	3,410,976	1,905,402	425,925	1,560,354	1,130,942	374,632
2 Cash and balances due from depository institutions	302,173	208,273	88,069	120,204	69,787	24,113
3 Cash items in process of collection, unposted debits, and currency and coin		89,857	1,855	88,002	36,700	
4 Cash items in process of collection and unposted debits	↑	n.a.	n.a.	69,423	24,473	↑
5 Currency and coin		n.a.	n.a.	18,579	12,227	
6 Balances due from depository institutions in the United States	n.a.	34,702	23,500	11,203	18,423	n.a.
7 Balances due from banks in foreign countries and foreign central banks		67,545	62,566	4,979	3,459	
8 Balances due from Federal Reserve Banks	↓	16,168	148	16,020	11,204	↓
MEMO						
9 Noninterest-bearing balances due from commercial banks in the United States (included in balances due from depository institutions in the United States)	n.a.	n.a.	n.a.	7,785	13,806	9,243
10 Total securities, loans and lease financing receivables, net	2,821,771	1,483,981	n.a.	n.a.	1,002,640	335,150
11 Total securities, book value	687,181	286,350	31,846	254,505	278,295	122,536
12 U.S. Treasury securities and U.S. government agency and corporation obligations	514,369	202,153	3,662	198,492	214,813	97,403
13 U.S. Treasury securities	n.a.	69,939	2,011	67,928	87,827	n.a.
14 U.S. government agency and corporation obligations	n.a.	132,215	1,651	130,564	126,986	n.a.
15 All holdings of U.S. government-issued or guaranteed certificates of participation in pools of residential mortgages	154,519	76,400	1,251	75,148	55,645	22,475
16 All other	n.a.	55,815	399	55,416	17,342	n.a.
17 Securities issued by states and political subdivisions in the United States	72,754	23,376	712	22,663	33,484	15,894
18 Other domestic debt securities	n.a.	28,390	939	27,451	24,898	n.a.
19 All holdings of private certificates of participation in pools of residential mortgages	3,556	2,080	10	2,069	1,235	241
20 All other domestic debt securities	57,584	26,310	929	25,381	23,663	7,611
21 Foreign debt securities	n.a.	26,552	25,240	1,313	411	n.a.
22 Equity securities	11,955	5,880	1,293	4,587	4,689	1,386
23 Marketable	6,089	2,128	105	2,023	2,931	1,030
24 Investments in mutual funds	3,718	1,249	19	1,230	1,548	921
25 Other	2,523	942	87	855	1,433	148
26 Less: Net unrealized loss	153	64	2	62	50	39
27 Other equity securities	5,866	3,752	1,188	2,563	1,758	356
28 Federal funds sold and securities purchased under agreements to resell	148,557	75,447	513	74,934	52,060	21,050
29 Federal funds sold	129,835	61,351	n.a.	n.a.	47,722	20,762
30 Securities purchased under agreements to resell	18,722	14,096	n.a.	n.a.	4,339	287
31 Total loans and lease financing receivables, gross	2,051,753	1,163,182	204,622	958,560	692,005	196,566
32 Less: Unearned income on loans	10,897	4,113	1,257	2,856	5,096	1,688
33 Total loans and leases (net of unearned income)	2,040,857	1,159,069	203,365	955,704	686,910	194,878
34 Less: Allowance for loan and lease losses	54,429	36,490	n.a.	n.a.	14,625	3,313
35 Less: Allocated transfer risk reserves	395	395	n.a.	n.a.	0	0
36 EQUALS: Total loans and leases, net	1,986,033	1,122,184	n.a.	n.a.	672,285	191,565
Total loans, gross, by category						
37 Loans secured by real estate	846,518	409,527	25,964	383,563	334,085	102,906
38 Construction and land development	↑	↑	↑	64,258	31,541	6,363
39 Farmland				2,145	6,183	10,089
40 1-4 family residential properties				195,252	175,622	57,150
41 Revolving, open-end loans, extended under lines of credit	n.a.	n.a.	n.a.	37,556	29,268	3,393
42 All other loans				157,696	146,354	53,758
43 Multifamily (5 or more) residential properties	↓	↓	↓	10,812	10,935	2,086
44 Nonfarm nonresidential properties				111,096	109,804	27,218
45 Loans to depository institutions	46,455	36,463	14,651	21,812	9,749	243
46 To commercial banks in the United States	n.a.	19,264	690	18,574	9,311	n.a.
47 To other depository institutions in the United States	n.a.	1,212	222	990	401	n.a.
48 To banks in foreign countries	n.a.	15,987	13,739	2,248	37	n.a.
49 Loans to finance agricultural production and other loans to farmers	34,870	5,718	295	5,424	9,844	19,308
50 Commercial and industrial loans	555,983	393,319	97,186	296,132	127,906	34,758
51 To U.S. addressees (domicile)	n.a.	317,111	23,021	294,090	127,367	n.a.
52 To non-U.S. addressees (domicile)	n.a.	76,208	74,166	2,042	539	n.a.
53 Acceptances of other banks	2,000	899	459	440	584	517
54 U.S. banks	n.a.	364	39	324	n.a.	n.a.
55 Foreign banks	n.a.	535	420	116	n.a.	n.a.
56 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	388,831	169,339	18,830	150,509	184,150	35,343
57 Credit cards and related plans	138,521	61,363	n.a.	n.a.	74,576	2,581
58 Other (includes single payment and installment)	250,311	107,975	n.a.	n.a.	109,574	32,761
59 Obligations (other than securities) of states and political subdivisions in the U.S. (includes nonrated industrial development obligations)	29,056	16,387	199	16,189	11,253	1,416
60 Taxable	1,554	1,052	67	985	434	68
61 Tax-exempt	27,503	15,335	132	15,203	10,819	1,348
62 All other loans	111,407	101,259	42,637	58,621	8,561	1,587
63 Loans to foreign governments and official institutions	n.a.	26,244	25,311	933	73	n.a.
64 Other loans	n.a.	75,015	17,326	57,689	8,488	n.a.
65 Loans for purchasing and carrying securities	n.a.	n.a.	n.a.	12,890	1,372	n.a.
66 All other loans	n.a.	n.a.	n.a.	44,799	7,115	n.a.
67 Lease financing receivables	36,633	30,271	4,401	25,870	5,874	488
68 Assets held in trading accounts	67,168	65,356	35,601	29,591	1,578	234
69 Premises and fixed assets (including capitalized leases)	51,870	28,166	↑	n.a.	17,558	6,147
70 Other real estate owned	27,381	16,583	↑	n.a.	8,628	2,170
71 Investments in unconsolidated subsidiaries and associated companies	3,303	2,881	↑	n.a.	363	59
72 Customers' liability on acceptances outstanding	16,386	16,068	n.a.	n.a.	298	20
73 Net due from own foreign offices, Edge and agreement subsidiaries, and IBFs	n.a.	n.a.	↓	52,963	n.a.	n.a.
74 Intangible assets	12,105	7,116	↓	n.a.	4,592	397
75 Other assets	108,819	76,978	↓	n.a.	25,498	6,342

4.20—Continued

Item	Total	Banks with foreign offices			Banks with domestic offices only	
		Total	Foreign	Domestic	Over 100	Under 100
76 Total liabilities, limited-life preferred stock, and equity capital	3,410,976	1,905,402	n.a.	n.a.	1,130,942	374,632
77 Total liabilities ⁷	3,180,345	1,794,359	425,925	1,449,311	1,045,216	340,769
78 Limited-life preferred stock	10	0	n.a.	n.a.	8	2
79 Total deposits	2,671,035	1,400,119	304,557	1,095,563	938,790	332,125
80 Individuals, partnerships, and corporations			184,244	1,009,606	874,699	306,111
81 U.S. government				4,024	2,369	681
82 States and political subdivisions in the United States				35,848	43,022	20,551
83 Commercial banks in the United States				24,849	8,256	1,336
84 Other depository institutions in the United States				4,105	3,660	1,124
85 Banks in foreign countries				6,367	105	n.a.
86 Foreign governments and official institutions		20,400	19,102	1,298	45	n.a.
87 Certified and official checks	19,439	10,542	1,075	9,466	6,635	2,262
88 All other ⁸	n.a.	n.a.	100,135	n.a.	n.a.	61
89 Total transaction accounts				354,937	257,221	90,244
90 Individuals, partnerships, and corporations				299,209	226,240	79,581
91 U.S. government				2,877	2,068	578
92 States and political subdivisions in the United States				12,701	14,600	6,857
93 Commercial banks in the United States				20,708	6,326	725
94 Other depository institutions in the United States				3,084	1,248	214
95 Banks in foreign countries				5,894	94	n.a.
96 Foreign governments and official institutions				998	10	n.a.
97 Certified and official checks				9,466	6,635	2,262
98 All other				n.a.	n.a.	27
99 Demand deposits (included in total transaction accounts)				258,206	148,471	44,443
100 Individuals, partnerships, and corporations				206,841	126,075	38,884
101 U.S. government				2,819	1,959	566
102 States and political subdivisions in the United States				8,481	6,151	1,773
103 Commercial banks in the United States				20,707	6,321	724
104 Other depository institutions in the United States				3,004	1,227	207
105 Banks in foreign countries				5,891	94	n.a.
106 Foreign governments and official institutions				996	10	n.a.
107 Certified and official checks				9,466	6,635	2,262
108 All other				n.a.	n.a.	26
109 Total nontransaction accounts				740,626	681,569	241,882
110 Individuals, partnerships, and corporations				710,397	648,459	226,530
111 U.S. government				1,147	301	103
112 States and political subdivisions in the United States				23,147	28,422	13,695
113 Commercial banks in the United States				4,141	1,929	610
114 U.S. branches and agencies of foreign banks				325	204	n.a.
115 Other commercial banks in the United States				3,816	1,726	n.a.
116 Other depository institutions in the United States				1,021	2,412	910
117 Banks in foreign countries				473	11	n.a.
118 Foreign branches of other U.S. banks				41	9	n.a.
119 Other banks in foreign countries				432	2	n.a.
120 Foreign governments and official institutions				300	34	n.a.
121 All other				n.a.	n.a.	34
122 Federal funds purchased and securities sold under agreements to repurchase	229,679	168,832	1,895	166,936	57,361	3,487
123 Federal funds purchased	147,895	112,938	n.a.	n.a.	33,720	1,237
124 Securities sold under agreements to repurchase	81,785	55,893	n.a.	n.a.	23,641	2,250
125 Demand notes issued to the U.S. Treasury	n.a.	n.a.	n.a.	26,019	4,514	355
126 Other borrowed money	115,651	88,064	33,139	54,926	26,545	1,041
127 Banks liability on acceptances executed and outstanding	16,498	16,180	3,623	12,558	298	20
128 Notes and debentures subordinated to deposits	24,813	23,294	n.a.	n.a.	1,418	101
129 Net due to own foreign offices, Edge and agreement subsidiaries, and IBFs	n.a.	n.a.	n.a.	27,914	n.a.	n.a.
130 All other liabilities	91,781	71,850	n.a.	n.a.	16,291	3,640
131 Total equity capital ⁹	230,621	111,042	n.a.	n.a.	85,718	33,861
MEMO						
132 Holdings of commercial paper included in total loans, gross		934	386	548	2,202	n.a.
133 Total individual retirement accounts (IRA) and Keogh plan accounts				66,910	62,641	19,419
134 Total brokered deposits				41,536	17,584	729
135 Total brokered retail deposits				26,085	15,203	700
136 Issued in denominations of \$100,000 or less				1,465	2,903	563
137 Issued in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less						
Savings deposits				24,620	12,300	137
138 Money market deposit accounts (MMDAs)				225,485	155,662	39,620
139 Other savings deposits (excluding MMDAs)				105,880	98,169	31,617
140 Total time deposits of less than \$100,000				250,071	322	136,865
141 Time certificates of deposit of \$100,000 or more				134,521	102,244	32,666
142 Open-account time deposits of \$100,000 or more				24,669	3,526	1,113
143 All NOW accounts (including Super NOW)				95,805	106,917	44,560
144 Total time and savings deposits	n.a.	n.a.	n.a.	837,357	790,319	287,682
Quarterly averages						
145 Total loans				937,553	674,987	192,950
146 Obligations (other than securities) of states and political subdivisions in the United States				16,872	11,197	n.a.
147 Transaction accounts in domestic offices (NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts)				90,886	103,282	43,950
Nontransaction accounts in domestic offices						
148 Money market deposit accounts (MMDAs)				223,898	154,110	38,991
149 Other savings deposits				101,552	95,182	30,616
150 Time certificates of deposit of \$100,000 or more				142,423	106,345	33,094
151 All other time deposits				287,939	329,531	138,945
152 Number of banks	11,896	227	n.a.	n.a.	2,723	8,946

Footnotes appear at the end of table 4.22

A72 Special Tables □ May 1992

4.21 DOMESTIC OFFICES, Insured Commercial Banks with Assets of \$100 Million or more or with foreign offices^{1,2,6}
Consolidated Report of Condition, December 31, 1991

Millions of dollars

Item	Total	Members			Non-members
		Total	National	State	
1 Total assets ⁶	2,691,296	2,093,589	1,662,629	430,960	597,707
2 Cash and balances due from depository institutions	189,991	157,489	128,186	29,303	32,501
3 Cash items in process of collection and unposted debits	93,896	83,995	68,213	15,783	9,901
4 Currency and coin	30,807	25,322	21,003	4,320	5,484
5 Balances due from depository institutions in the United States	29,626	19,100	15,518	3,582	10,526
6 Balances due from banks in foreign countries and foreign central banks	8,438	6,895	5,996	899	1,543
7 Balances due from Federal Reserve Banks	27,224	22,177	17,458	4,719	5,047
8 Total securities, loans and lease financing receivables, (net of unearned income)	2,302,408	1,766,727	1,423,440	343,288	535,681
9 Total securities, book value	532,800	399,535	306,413	93,123	133,264
10 U.S. Treasury securities	155,754	111,298	86,810	24,488	44,456
11 U.S. government agency and corporation obligations	257,550	202,461	156,625	45,837	55,089
12 All holdings of U.S. government-issued or guaranteed certificates of participation in pools of residential mortgages	130,793	107,981	87,212	20,769	22,812
13 All other	126,757	94,480	69,413	25,067	32,277
14 Securities issued by states and political subdivisions in the United States	56,147	41,059	30,416	10,643	15,088
15 Other domestic debt securities	52,349	37,990	27,039	10,951	14,360
16 All holdings of private certificates of participation in pools of residential mortgages	3,305	2,746	2,311	434	559
17 All other	49,044	35,244	24,727	10,516	13,801
18 Foreign debt securities	1,723	1,289	950	340	434
19 Equity securities	9,276	5,439	4,574	865	3,837
20 Marketable	4,955	1,903	1,712	191	3,052
21 Investments in mutual funds	2,778	1,367	1,323	44	1,411
22 Other	2,289	557	408	149	1,732
23 Less: Net unrealized loss	112	21	19	2	91
24 Other equity securities	4,321	3,536	2,862	673	786
25 Federal funds sold and securities purchased under agreements to resell ¹⁰	126,995	101,402	77,424	23,978	25,592
26 Federal funds sold	47,722	30,861	27,061	3,800	16,861
27 Securities purchased under agreements to resell	4,339	1,944	1,643	301	2,394
28 Total loans and lease financing receivables, gross	1,650,565	1,271,422	1,044,154	227,268	379,143
29 Less: Unearned income on loans	7,951	5,632	4,551	1,081	2,319
30 Total loans and leases (net of unearned income)	1,642,613	1,265,790	1,039,603	226,187	376,824
<i>Total loans, gross, by category</i>					
31 Loans secured by real estate	717,648	534,410	450,136	84,275	183,238
32 Construction and land development	95,799	73,751	60,464	13,287	22,049
33 Farmland	8,327	5,217	4,485	731	3,111
34 1-4 family residential properties	370,874	278,020	235,508	42,512	92,854
35 Revolving, open-end and extended under lines of credit	66,825	51,180	42,808	8,372	15,645
36 All other loans	304,050	226,840	192,700	34,140	77,210
37 Multifamily (5 or more) residential properties	21,746	15,995	13,579	2,416	5,752
38 Nonfarm nonresidential properties	220,901	161,429	136,100	25,329	59,472
39 Loans to commercial banks in the United States	27,886	18,812	15,252	3,560	9,074
40 Loans to other depository institutions in the United States	1,391	1,247	1,158	90	143
41 Loans to banks in foreign countries	2,284	2,212	1,143	1,069	72
42 Loans to finance agricultural production and other loans to farmers	15,267	10,936	9,931	1,005	4,331
43 Commercial and industrial loans	424,038	345,870	275,440	70,429	78,169
44 To U.S. addressees (domicile)	421,457	343,784	273,847	69,936	77,673
45 To non-U.S. addressees (domicile)	2,581	2,086	1,593	493	495
46 Acceptances of other banks ¹¹	1,024	661	483	179	363
47 Of U.S. banks	518	371	228	143	147
48 Of foreign banks	151	100	95	6	50
49 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	334,659	245,796	208,577	37,220	88,862
50 Credit cards and related plans	74,576	45,254	42,550	2,704	29,322
51 Other (includes single payment and installment)	109,574	67,320	56,764	10,557	42,253
52 Loans to foreign governments and official institutions	1,006	963	886	78	43
53 Obligations (other than securities) of states and political subdivisions in the United States	27,441	22,719	16,922	5,797	4,723
54 Taxable	1,419	1,199	908	291	220
55 Tax-exempt	26,022	21,520	16,014	5,506	4,503
56 Other loans	66,176	61,155	42,386	18,769	5,021
57 Loans for purchasing and carrying securities	14,263	13,196	6,838	6,358	1,067
58 All other loans	51,914	47,959	35,548	12,411	3,955
59 Lease financing receivables	31,744	26,639	21,842	4,798	5,104
60 Customers' liability on acceptances outstanding	12,593	11,540	8,561	2,978	1,053
61 Net due from own foreign offices, Edge and agreement subsidiaries, and IBFs	52,963	46,906	20,907	25,998	6,057
62 Remaining assets	186,304	157,833	102,441	55,391	28,471

4.21—Continued

Item	Total	Members			Non-members
		Total	National	State	
63 Total liabilities and equity capital	2,691,296	2,093,589	1,662,629	430,960	597,707
64 Total liabilities ⁴	2,494,528	1,945,074	1,545,413	399,660	549,454
65 Total deposits	2,034,353	1,563,625	1,277,759	285,866	470,728
66 Individuals, partnerships, and corporations	1,884,305	1,444,822	1,182,813	262,009	439,483
67 U.S. government	6,392	5,376	4,716	660	1,016
68 States and political subdivisions in the United States	78,871	58,347	47,627	10,720	20,524
69 Commercial banks in the United States	33,105	29,887	24,013	5,875	3,217
70 Other depository institutions in the United States	7,765	5,408	4,373	1,035	2,356
71 Banks in foreign countries	6,472	5,930	3,652	2,277	542
72 Foreign governments and official institutions	1,342	1,231	867	364	111
73 Certified and official checks	16,101	12,624	9,698	2,927	3,477
74 Total transaction accounts	612,158	489,404	395,501	93,903	122,754
75 Individuals, partnerships, and corporations	525,449	415,456	337,658	77,798	109,993
76 U.S. government	4,944	4,009	3,435	574	936
77 States and political subdivisions in the United States	27,301	21,949	17,527	4,422	5,353
78 Commercial banks in the United States	27,034	25,186	20,239	4,947	1,848
79 Other depository institutions in the United States	4,332	3,542	2,811	732	790
80 Banks in foreign countries	5,988	5,677	3,514	2,164	310
81 Foreign governments and official institutions	1,008	962	621	340	47
82 Certified and official checks	16,101	12,624	9,698	2,927	3,477
83 Demand deposits (included in total transaction accounts)	406,677	332,972	264,685	68,287	73,705
84 Individuals, partnerships, and corporations	332,916	268,642	214,908	53,734	64,274
85 U.S. government	4,778	3,905	3,342	563	873
86 States and political subdivisions in the United States	14,632	12,531	9,647	2,884	2,101
87 Commercial banks in the United States	27,028	25,184	20,238	4,946	1,843
88 Other depository institutions in the United States	4,231	3,448	2,718	731	782
89 Banks in foreign countries	5,985	5,676	3,514	2,163	309
90 Foreign governments and official institutions	1,006	961	621	340	46
91 Certified and official checks	16,101	12,624	9,698	2,927	3,477
92 Total nontransaction accounts	1,422,195	1,074,221	882,258	191,963	347,974
93 Individuals, partnerships, and corporations	1,358,856	1,029,366	845,155	184,211	329,490
94 U.S. government	1,448	1,368	1,281	87	80
95 States and political subdivisions in the United States	51,569	36,398	30,100	6,298	15,171
96 Commercial banks in the United States	6,071	4,702	3,774	928	1,369
97 U.S. branches and agencies of foreign banks	529	316	183	133	212
98 Other commercial banks in the United States	5,542	4,386	3,591	795	1,157
99 Other depository institutions in the United States	3,433	1,866	1,563	303	1,567
100 Banks in foreign countries	484	252	139	114	232
101 Foreign branches of other U.S. banks	50	50	11	39	1
102 Other banks in foreign countries	434	203	128	75	231
103 Foreign governments and official institutions	334	269	246	24	65
104 Federal funds purchased and securities sold under agreements to repurchase ¹²	224,297	188,541	128,243	60,299	35,756
105 Federal funds purchased	33,720	23,507	19,752	3,756	10,212
106 Securities sold under agreements to repurchase	23,641	12,889	10,726	2,163	10,752
107 Demand notes issued to the U.S. Treasury	30,533	28,124	18,345	9,779	2,410
108 Other borrowed money	81,471	57,572	42,957	14,615	23,900
109 Banks liability on acceptances executed and outstanding	12,856	11,802	8,788	3,014	1,053
110 Notes and debentures subordinated to deposits	1,418	961	813	149	456
111 Net due to own foreign offices, Edge and agreement subsidiaries, and IBFs	27,914	22,588	20,141	2,447	5,326
112 Remaining liabilities	109,600	94,448	68,509	25,939	15,151
113 Total equity capital ⁹	196,768	148,515	117,215	31,300	48,253
MEMO					
114 Holdings of commercial paper included in total loans, gross	2,750	1,188	1,156	33	1,562
115 Total individual retirement accounts (IRA) and Keogh plan accounts	129,551	100,073	82,570	17,503	29,478
116 Total brokered deposits	59,120	43,189	37,249	5,940	15,931
117 Total brokered retail deposits	41,288	29,748	25,705	4,042	11,541
118 Issued in denominations of \$100,000 or less	4,368	2,655	2,416	239	1,713
119 Issued in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less	36,921	27,093	23,289	3,803	9,828
Savings deposits					
120 Money market deposit accounts (MMDAs)	381,147	301,158	247,453	53,705	79,989
121 Other savings accounts	204,049	157,702	118,711	38,991	46,347
122 Total time deposits of less than \$100,000	572,039	423,012	356,054	66,959	149,027
123 Time certificates of deposit of \$100,000 or more	236,765	169,961	146,580	23,090	67,094
124 Open-account time deposits of \$100,000 or more	28,195	22,678	13,460	9,219	5,516
125 All NOW accounts (including Super NOW accounts)	202,721	154,665	129,260	25,405	48,056
126 Total time and savings deposits	1,627,676	1,230,633	1,013,074	217,579	397,023
Quarterly averages					
127 Total loans	1,612,540	1,243,081	1,018,126	224,955	369,459
128 Obligations (other than securities) of states and political subdivisions in the United States	28,069	23,473	17,383	6,090	4,596
129 Transaction accounts (NOW accounts, ATS accounts, and telephone preauthorized transfer accounts)	194,168	147,846	123,551	24,295	46,322
Nontransaction accounts					
130 Money market deposit accounts (MMDAs)	378,008	299,116	245,267	53,849	78,893
131 Other savings deposits	196,734	151,860	113,644	38,216	44,874
132 Time certificates of deposits of \$100,000 or more	248,769	178,461	152,901	25,560	70,307
133 All other time deposits	617,469	462,228	384,048	78,179	155,242
134 Number of banks	2,950	1,596	1,335	261	1,354

Footnotes appear at the end of table 4.22

A74 Special Tables □ May 1992

4.22 DOMESTIC OFFICES, Insured Commercial Bank Assets and Liabilities^{1,2,6}
Consolidated Report of Condition, December 31, 1991

Millions of dollars

Item	Total	Members			Non-members
		Total	National	State	
1 Total assets⁶	3,065,928	2,239,904	1,777,348	462,557	826,023
2 Cash and balances due from depository institutions	214,104	167,256	135,915	31,341	46,848
3 Currency and coin	34,328	26,716	22,105	4,611	7,612
4 Noninterest-bearing balances due from commercial banks	30,833	17,247	13,476	3,771	13,586
5 Other	148,943	123,293	100,334	22,959	25,650
6 Total securities, loans, and lease financing receivables (net of unearned income)	2,640,871	1,898,595	1,526,707	371,888	742,276
7 Total securities, book value	655,335	447,734	345,425	102,309	207,601
8 U.S. Treasury securities and U.S. government agency and corporation obligations	510,708	352,666	275,085	77,581	158,042
9 Securities issued by states and political subdivisions in the United States	72,041	46,756	34,889	11,868	25,285
10 Other debt securities	61,925	42,219	30,355	11,863	19,706
11 All holdings of private certificates of participation in pools of residential mortgages	3,546	2,855	2,393	462	691
12 All other	58,379	39,364	27,962	11,401	19,015
13 Equity securities	10,662	6,093	5,096	998	4,568
14 Marketable	5,984	2,306	2,049	256	3,679
15 Investments in mutual funds	3,699	1,752	1,647	105	1,947
16 Other	2,436	588	433	155	1,848
17 Less: Net unrealized loss	151	34	30	4	117
18 Other equity securities	4,677	3,788	3,047	741	889
19 Federal funds sold and securities purchased under agreements to resell ^b	148,044	110,533	84,542	25,991	37,511
20 Federal funds sold	68,484	39,864	34,093	5,771	28,620
21 Securities purchased under agreements to resell	4,626	2,071	1,729	342	2,554
22 Total loans and lease financing receivables, gross	1,847,131	1,346,636	1,101,812	244,824	500,496
23 Less: Unearned income on loans	9,640	6,308	5,072	1,236	3,332
24 Total loans and leases (net of unearned income)	1,837,491	1,340,328	1,096,740	243,588	497,164
<i>Total loans, gross, by category</i>					
25 Loans secured by real estate	820,554	573,289	479,788	93,501	247,265
26 Construction and land development	102,162	76,333	62,333	13,999	25,830
27 Farmland	18,416	8,420	7,060	1,360	9,996
28 1-4 family residential properties	428,025	299,810	251,996	47,815	128,214
29 Revolving, open-end loans, and extended under lines of credit	70,217	52,666	43,863	8,803	17,552
30 All other loans	357,807	247,145	208,133	39,012	110,663
31 Multifamily (5 or more) residential properties	23,832	16,761	14,168	2,593	7,071
32 Nonfarm nonresidential properties	248,119	171,965	144,230	27,734	76,154
33 Loans to depository institutions	31,804	22,420	17,686	4,733	9,384
34 Loans to finance agricultural production and other loans to farmers	34,576	17,584	15,278	2,307	16,991
35 Commercial and industrial loans	458,796	359,981	285,914	74,067	98,815
36 Acceptances of other banks	1,541	859	652	207	682
37 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	370,002	259,752	219,483	40,268	110,250
38 Credit cards and related plans	77,157	46,449	43,617	2,831	30,709
39 Other (includes single payment installment)	142,335	80,081	66,603	13,478	62,254
40 Obligations (other than securities) of states and political subdivisions in the United States	28,857	23,228	17,343	5,886	5,629
41 Taxable	1,487	1,236	942	294	251
42 Tax-exempt	27,371	21,993	16,401	5,592	5,378
43 All other loans	68,769	62,717	43,684	19,033	6,052
44 Lease financing receivables	32,232	26,805	21,983	4,821	5,428
45 Customers' liability on acceptances outstanding	12,613	11,556	8,577	2,979	1,057
46 Net due from own foreign offices, Edge and agreement subsidiaries, and IBFs	52,963	46,906	20,907	25,998	6,057
47 Remaining assets	198,339	162,497	106,148	56,349	35,842
48 Total liabilities and equity capital	3,065,928	2,239,904	1,777,348	462,557	826,023
49 Total liabilities⁴	2,835,297	2,078,484	1,650,068	428,417	756,812
50 Total deposits	2,366,478	1,693,223	1,379,475	313,749	673,255
51 Individuals, partnerships, and corporations	2,190,416	1,564,350	1,276,735	287,615	626,066
52 U.S. government	7,073	5,684	4,915	769	1,389
53 States and political subdivisions in the United States	99,422	65,834	53,682	12,152	33,588
54 Commercial banks in the United States	34,440	30,798	24,513	6,285	3,643
55 Other depository institutions in the United States	8,888	5,789	4,647	1,142	3,099
56 Certified and official checks	18,363	13,565	10,430	3,135	4,799
57 All other	7,875	7,204	4,554	2,650	671
58 Total transaction accounts	702,401	526,114	424,704	101,410	176,287
59 Individuals, partnerships, and corporations	605,030	447,690	363,494	84,196	157,341
60 U.S. government	5,522	4,283	3,613	670	1,240
61 States and political subdivisions in the United States	34,158	24,428	19,561	4,866	9,730
62 Commercial banks in the United States	27,759	25,853	20,368	5,286	1,906
63 Other depository institutions in the United States	4,546	3,635	2,887	748	911
64 Certified and official checks	18,363	13,565	10,430	3,135	4,799
65 All other	7,023	6,662	4,152	2,510	361
66 Demand deposits (included in total transaction accounts)	451,120	351,710	279,333	72,377	99,410
67 Individuals, partnerships, and corporations	371,800	284,773	227,716	57,057	87,026
68 U.S. government	5,345	4,176	3,518	658	1,168
69 States and political subdivisions in the United States	16,405	13,147	10,158	2,989	3,258
70 Commercial banks in the United States	27,752	25,852	20,567	5,285	1,900
71 Other depository institutions in the United States	4,438	3,538	2,792	746	900
72 Certified and official checks	18,363	13,565	10,430	3,135	4,799
73 All other	7,018	6,659	4,151	2,508	358
74 Total nontransaction accounts	1,664,077	1,167,109	954,771	212,339	496,967
75 Individuals, partnerships, and corporations	1,585,386	1,116,660	913,241	203,419	468,725
76 U.S. government	1,551	1,401	1,302	99	150
77 States and political subdivisions in the United States	65,264	41,406	34,121	7,286	23,857
78 Commercial banks in the United States	6,681	4,944	3,945	999	1,737
79 Other depository institutions in the United States	4,343	2,155	1,760	394	2,188
80 All other	832	542	401	141	310

4.22—Continued

Item	Total	Members			Non-members
		Total	National	State	
81 Federal funds purchased and securities sold under agreements to repurchase ¹²	227,784	190,158	129,372	60,786	37,626
82 Federal funds purchased	34,957	24,122	20,164	3,958	10,835
83 Securities sold under agreements to repurchase	25,891	13,891	11,443	2,449	12,000
84 Demand notes issued to the U.S. Treasury	30,888	28,263	18,459	9,804	2,625
85 Other borrowed money	82,512	58,126	43,442	14,684	24,387
86 Banks liability on acceptances executed and outstanding	12,875	11,819	8,804	3,015	1,057
87 Notes and debentures subordinated to deposits	1,519	981	825	156	537
88 Net due to own foreign offices, Edge and agreement subsidiaries, and IBFs	27,914	22,588	20,141	2,447	5,326
89 Remaining liabilities	113,240	95,914	69,691	26,223	17,326
90 Total equity capital⁹	230,631	161,420	127,280	34,140	69,211
MEMO					
91 Assets held in trading accounts ¹³	31,402	30,094	17,031	13,063	1,309
92 U.S. Treasury securities	12,769	12,659	5,599	7,060	110
93 U.S. government agency corporation obligations	4,535	4,362	3,323	1,039	173
94 Securities issued by states and political subdivisions in the United States	1,731	1,702	1,274	429	29
95 Other bonds, notes, and debentures	525	448	214	234	77
96 Certificates of deposit	1,145	1,138	639	499	7
97 Commercial paper	75	75	75	0	0
98 Bankers acceptances	3,167	2,967	1,903	1,064	200
99 Other	6,688	6,504	3,791	2,714	184
100 Total individual retirement accounts (IRA) and Keogh plan accounts	148,970	107,354	88,300	19,053	41,616
101 Total brokered deposits	59,848	43,407	37,374	6,033	16,441
102 Total brokered retail deposits	41,988	29,961	25,828	4,133	12,027
103 Issued in denominations of \$100,000 or less	4,931	2,838	2,524	313	2,093
104 Issued in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less	37,058	27,123	23,303	3,820	9,935
Savings deposits					
105 Money market deposit accounts (MMDAs)	420,767	317,749	260,489	57,260	103,018
106 Other savings deposits	235,666	170,105	128,393	41,712	65,561
107 Total time deposits of less than \$100,000	708,904	473,449	395,343	78,106	235,455
108 Time certificates of deposit of \$100,000 or more	269,431	182,763	156,789	25,974	86,668
109 Open-account time deposits of \$100,000 or more	29,308	23,043	13,756	9,287	6,265
110 All NOW accounts (including Super NOW)	247,281	172,222	143,513	28,710	75,058
111 Total time and savings deposits	1,915,358	1,341,513	1,100,142	241,371	573,845
Quarterly averages					
112 Total loans	1,805,490	1,317,072	1,074,887	242,185	488,418
113 Transaction accounts (NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts)	238,118	165,109	137,563	27,545	73,010
Nontransaction accounts					
114 Money market deposit accounts (MMDAs)	416,999	315,492	258,136	57,356	101,507
115 Other savings deposits	227,350	163,870	123,040	40,831	63,480
116 Time certificates of deposit of \$100,000 or more	281,863	191,670	163,181	28,489	90,193
117 All other time deposits	756,415	513,429	423,964	89,465	242,986
118 Number of banks	11,896	4,762	3,789	973	7,134

1. Effective Mar. 31, 1984, the report of condition was substantially revised for commercial banks. Some of the changes are as follows: (1) Previously, banks with international banking facilities (IBFs) that had no other foreign offices were considered domestic reporters. Beginning with the Mar. 31, 1984 call report these banks are considered foreign and domestic reporters and must file the foreign and domestic report of condition; (2) banks with assets greater than \$1 billion have additional items reported; (3) the domestic office detail for banks with foreign offices has been reduced considerably; and (4) banks with assets under \$25 million have been excused from reporting certain detail items.

2. The "n.a." for some of the items is used to indicate the lesser detail available from banks without foreign offices, the inapplicability of certain items to banks that have only domestic offices and/or the absence of detail on a fully consolidated basis for banks with foreign offices.

3. All transactions between domestic and foreign offices of a bank are reported in "net due from" and "net due to." All other lines represent transactions with parties other than the domestic and foreign offices of each bank. Since these intraoffice transactions are nullified by consolidation, total assets and total liabilities for the entire bank may not equal the sum of assets and liabilities respectively, of the domestic and foreign offices.

4. Foreign offices include branches in foreign countries, Puerto Rico, and in U.S. territories and possessions; subsidiaries in foreign countries; all offices of Edge act and agreement corporations wherever located and IBFs.

5. The "over 100" column refers to those respondents whose assets, as of June 30 of the previous calendar year, were equal to or exceeded \$100 million. (These respondents file the FFIEC 032 or FFIEC 033 call report.) The "under 100" column

refers to those respondents whose assets, as of June 30 of the previous calendar year, were less than \$100 million. (These respondents filed the FFIEC 034 call report.)

6. Since the domestic portion of allowances for loan and lease losses and allocated transfer risk reserve are not reported for banks with foreign offices, the components of total assets (domestic) will not add to the actual total (domestic).

7. Since the foreign portion of demand notes issued to the U.S. Treasury is not reported for banks with foreign offices, the components of total liabilities (foreign) will not add to the actual total (foreign).

8. The definition of "all other" varies by report form and therefore by column in this table. See the instructions for more detail.

9. Equity capital is not allocated between the domestic and foreign offices of banks with foreign offices.

10. Only the domestic portion of federal funds sold and securities purchased under agreements to resell are reported here, therefore, the components will not add to totals for this item.

11. "Acceptances of other banks" is not reported by domestic respondents less than \$300 million in total assets, therefore the components will not add to totals for this item.

12. Only the domestic portion of federal funds purchased and securities sold are reported here, therefore the components will not add to totals for this item.

13. Components of assets held in trading accounts are only reported for banks with total assets of \$1 billion or more; therefore the components will not add to the totals for this item.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, December 31, 1991¹

Millions of dollars

Item	All states		New York		California		Illinois	
	Total including IBF's	IBF's only	Total including IBF's	IBF's only	Total including IBF's	IBF's only	Total including IBF's	IBF's only
1 Total assets⁴	704,506	307,639	523,665	237,601	88,752	41,383	54,155	19,785
2 Claims on nonrelated parties	615,808	221,402	451,177	180,736	82,068	21,112	53,813	15,704
3 Cash and balances due from depository institutions	159,637	133,740	132,102	107,978	13,301	12,672	12,519	12,185
4 Cash items in process of collection and unposted debits	1,759	0	1,712	0	29	0	15	0
5 Currency and coin (U.S. and foreign)	27	n.a.	20	n.a.	1	n.a.	1	n.a.
6 Balances with depository institutions in United States	87,353	65,232	73,126	52,308	7,702	7,129	5,649	5,393
7 U.S. branches and agencies of other foreign banks (including their IBFs)	78,834	61,681	65,739	49,191	7,187	6,903	5,209	5,203
8 Other depository institutions in United States (including their IBFs)	8,519	3,551	7,387	3,117	516	226	440	190
9 Balances with banks in foreign countries and with foreign central banks	69,731	68,508	56,657	55,670	5,548	5,543	6,793	6,791
10 Foreign branches of U.S. banks	2,357	2,186	2,202	2,032	52	51	97	97
11 Other banks in foreign countries and foreign central banks	67,374	66,323	54,455	53,638	5,495	5,492	6,695	6,694
12 Balances with Federal Reserve Banks	767	n.a.	587	n.a.	20	n.a.	60	n.a.
13 Total securities and loans	377,199	73,720	255,194	60,854	61,303	7,522	35,170	2,475
14 Total securities, book value	67,011	15,619	61,407	14,380	3,574	769	1,610	417
15 U.S. Treasury	20,323	n.a.	20,103	n.a.	60	n.a.	118	n.a.
16 Obligations of U.S. government agencies and corporations	10,707	n.a.	10,264	n.a.	284	n.a.	97	n.a.
17 Other bonds, notes, debentures and corporate stock (including state and local securities)	35,982	15,619	31,040	14,380	3,230	769	1,394	417
18 Federal funds sold and securities purchased under agreements to resell	23,914	2,868	21,679	1,976	485	180	1,445	709
19 U.S. branches and agencies of other foreign banks	10,468	1,802	8,919	1,215	275	109	1,073	476
20 Commercial banks in United States	4,566	30	4,328	30	82	0	77	0
21 Other	8,880	1,036	8,432	731	128	71	296	234
22 Total loans, gross	310,346	58,128	193,895	46,499	57,765	6,754	33,567	2,058
23 Less: Unearned income on loans	158	27	107	26	36	1	7	0
24 Equals: Loans, net	310,187	58,102	193,788	46,473	57,729	6,753	33,560	2,058
<i>Total loans, gross, by category</i>								
25 Real estate loans	54,264	543	28,027	308	17,105	182	5,346	53
26 Loans to depository institutions	49,802	33,192	38,081	25,479	6,177	4,659	3,240	1,456
27 Commercial banks in United States (including IBFs)	26,015	12,854	19,131	9,066	4,380	2,904	2,126	790
28 U.S. branches and agencies of other foreign banks	22,557	11,830	16,708	8,253	4,090	2,727	1,469	757
29 Other commercial banks in United States	3,458	1,024	2,422	813	290	178	657	33
30 Other depository institutions in United States (including IBFs)	32	0	25	0	7	0	0	0
31 Banks in foreign countries	23,755	20,338	18,926	16,413	1,790	1,755	1,114	666
32 Foreign branches of U.S. banks	649	442	516	311	114	114	18	18
33 Other banks in foreign countries	23,106	19,896	18,409	16,102	1,676	1,641	1,096	649
34 Other financial institutions	15,376	790	12,895	691	911	52	1,250	36
35 Commercial and industrial loans	166,213	14,242	92,894	11,817	32,769	1,604	23,114	391
36 U.S. addressees (domicile)	144,376	454	75,963	314	30,202	117	22,479	14
37 Non-U.S. addressees (domicile)	21,837	13,788	16,931	11,503	2,566	1,488	635	378
38 Acceptances of other banks	1,395	38	868	37	229	0	195	0
39 U.S. banks	436	19	256	19	125	0	2	0
40 Foreign banks	959	19	612	18	104	0	194	0
41 Loans to foreign governments and official institutions (including foreign central banks)	10,459	9,196	8,952	8,086	426	255	122	121
42 Loans for purchasing or carrying securities (secured and unsecured)	8,906	2	8,865	2	37	0	3	0
43 All other loans	3,931	124	3,313	81	111	0	297	0
44 All other assets	55,059	11,074	42,202	9,928	6,980	737	4,680	335
45 Customers' liability on acceptances outstanding	22,054	n.a.	15,610	n.a.	4,703	n.a.	1,130	n.a.
46 U.S. addressees (domicile)	14,933	n.a.	9,667	n.a.	3,989	n.a.	1,041	n.a.
47 Non-U.S. addressees (domicile)	7,121	n.a.	5,944	n.a.	714	n.a.	88	n.a.
48 Other assets including other claims on nonrelated parties	33,005	11,074	26,592	9,928	2,277	737	3,551	335
49 Net due from related depository institutions ⁵	88,697	86,236	72,487	56,865	6,684	20,271	342	4,081
50 Net due from head office and other related depository institutions ⁵	88,697	n.a.	72,487	n.a.	6,684	n.a.	342	n.a.
51 Net due from establishing entity, head offices, and other related depository institutions ⁵	n.a.	86,236	n.a.	56,865	n.a.	20,271	n.a.	4,081
52 Total liabilities⁴	704,506	307,639	523,665	237,601	88,752	41,383	54,155	19,785
53 Liabilities to nonrelated parties	604,198	265,462	472,895	205,997	77,811	39,942	33,528	11,707

4.30—Continued

Millions of dollars

Item	All states		New York		California		Illinois	
	Total excluding IBF's	IBF's only	Total excluding IBF's	IBF's only	Total excluding IBF's	IBF's only	Total excluding IBF's	IBF's only
54 Total deposits and credit balances	145,183	190,703	122,696	168,050	4,480	12,854	9,062	2,736
55 Individuals, partnerships, and corporations	99,892	16,297	80,399	9,938	3,946	765	7,901	15
56 U.S. addressees (domicile)	83,888	485	70,834	485	1,901	0	6,759	0
57 Non-U.S. addressees (domicile)	16,004	15,812	9,565	9,453	2,045	765	1,143	15
58 Commercial banks in United States (including IBFs)	31,243	60,687	29,195	54,742	249	4,291	887	989
59 U.S. branches and agencies of other foreign banks	10,350	54,024	10,153	48,822	83	3,896	224	701
60 Other commercial banks in United States	20,694	6,663	19,042	5,920	166	395	663	288
61 Banks in foreign countries	5,774	96,848	5,440	87,888	5	6,785	212	1,585
62 Foreign branches of U.S. banks	1,899	7,888	1,689	6,367	0	1,191	210	250
63 Other banks in foreign countries	3,875	88,960	3,751	81,521	5	5,594	2	1,335
64 Foreign governments and official institutions (including foreign central banks)	2,038	16,661	1,693	15,293	221	1,013	54	127
65 All other deposits and credit balances	5,853	210	5,646	190	32	0	1	20
66 Certified and official checks	383		322		26		7	
67 Transaction accounts and credit balances (excluding IBFs)	7,893		6,397		460		306	
68 Individuals, partnerships, and corporations	6,046		4,789		392		295	
69 U.S. addressees (domicile)	4,561		3,797		353		289	
70 Non-U.S. addressees (domicile)	1,485		992		39		6	
71 Commercial banks in United States (including IBFs)	110		101		3		0	
72 U.S. branches and agencies of other foreign banks	28		25		2		0	
73 Other commercial banks in United States	81		76		1		0	
74 Banks in foreign countries	901		808		5		2	
75 Foreign branches of U.S. banks	5		5		0		0	
76 Other banks in foreign countries	897		803		5		2	
77 Foreign governments and official institutions (including foreign central banks)	296		260		2		1	
78 All other deposits and credit balances	158		117		31		0	
79 Certified and official checks	383		322		26		7	
80 Demand deposits (included in transaction accounts and credit balances)	7,109		6,071		231		291	
81 Individuals, partnerships, and corporations	5,504		4,661		197		280	
82 U.S. addressees (domicile)	4,236		3,744		170		275	
83 Non-U.S. addressees (domicile)	1,248		917		27		5	
84 Commercial banks in United States (including IBFs)	91	n.a.	85	n.a.	1	n.a.	0	n.a.
85 U.S. branches and agencies of other foreign banks	25		24		0		0	
86 Other commercial banks in United States	65		61		1		0	
87 Banks in foreign countries	782		696		5		2	
88 Foreign branches of U.S. banks	5		5		0		0	
89 Other banks in foreign countries	777		691		5		2	
90 Foreign governments and official institutions (including foreign central banks)	248		213		2		1	
91 All other deposits and credit balances	102		94		0		0	
92 Certified and official checks	383		322		26		7	
93 Non-transaction accounts (including MMDAs, excluding IBFs)	137,289		116,299		4,020		8,756	
94 Individuals, partnerships, and corporations	93,846		75,611		3,554		7,606	
95 U.S. addressees (domicile)	79,327		67,037		1,547		6,469	
96 Non-U.S. addressees (domicile)	14,519		8,573		2,006		1,137	
97 Commercial banks in United States (including IBFs)	31,134		29,094		247		886	
98 U.S. branches and agencies of other foreign banks	10,522		10,128		82		224	
99 Other commercial banks in United States	20,612		18,966		165		663	
100 Banks in foreign countries	4,873		4,632		0		210	
101 Foreign branches of U.S. banks	1,894		1,684		0		210	
102 Other banks in foreign countries	2,979		2,948		0		0	
103 Foreign governments and official institutions (including foreign central banks)	1,742		1,432		219		53	
104 All other deposits and credit balances	5,695		5,529		0		0	
105 IBF deposit liabilities		190,703		168,050		12,854		2,736
106 Individuals, partnerships, and corporations		16,297		9,938		765		15
107 U.S. addressees (domicile)		485		485		0		0
108 Non-U.S. addressees (domicile)		15,812		9,453		765		15
109 Commercial banks in United States (including IBFs)		60,687		54,742		4,291		989
110 U.S. branches and agencies of other foreign banks		54,024		48,822		3,896		701
111 Other commercial banks in United States		6,663		5,920		395		288
112 Banks in foreign countries		96,848		87,888		6,785		1,585
113 Foreign branches of U.S. banks		7,888		6,367		1,191		250
114 Other banks in foreign countries		88,960		81,521		5,594		1,335
115 Foreign governments and official institutions (including foreign central banks)		16,661		15,293		1,013		127
116 All other deposits and credit balances		210		190		0		20

For notes see end of table.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, December 31, 1991¹—Continued

Millions of dollars

Item	All states		New York		California		Illinois	
	Total including IBF's	IBF's only	Total including IBF's	IBF's only	Total including IBF's	IBF's only	Total including IBF's	IBF's only
117 Federal funds purchased and securities sold under agreements to repurchase	81,527	9,482	65,945	6,203	9,308	1,395	5,632	1,847
118 U.S. branches and agencies of other foreign banks	14,254	3,056	9,656	925	2,676	771	1,795	1,355
119 Other commercial banks in United States	22,886	379	15,546	223	4,675	151	2,371	5
120 Other	44,386	6,048	40,744	5,055	1,957	473	1,466	487
121 Other borrowed money	132,475	55,406	74,263	22,904	44,271	24,890	11,730	6,949
122 Owed to nonrelated commercial banks in United States (including IBFs)	54,446	22,836	23,214	4,957	24,252	14,802	5,469	2,781
123 Owed to U.S. offices of nonrelated U.S. banks	19,181	2,660	10,368	642	6,051	1,514	2,338	466
124 Owed to U.S. branches and agencies of nonrelated foreign banks	35,265	20,176	12,846	4,316	18,201	13,289	3,131	2,315
125 Owed to nonrelated banks in foreign countries	31,583	29,801	16,613	15,443	10,480	9,897	4,093	4,093
126 Owed to foreign branches of nonrelated U.S. banks	2,950	2,883	570	524	2,006	2,006	352	352
127 Owed to foreign offices of nonrelated foreign banks	28,633	26,919	16,043	14,919	8,474	7,890	3,742	3,742
128 Owed to others	46,446	2,769	34,437	2,503	9,538	191	2,168	75
129 All other liabilities	54,311	9,871	41,941	8,840	6,899	803	4,368	175
130 Branch or agency liability on acceptances executed and outstanding	24,248	n.a.	17,832	n.a.	4,756	n.a.	834	n.a.
131 Other liabilities to nonrelated parties	30,063	9,871	24,109	8,840	2,143	803	3,534	175
132 Net due to related depository institutions ⁵	100,308	42,177	50,769	31,604	10,941	1,441	20,627	8,078
133 Net due to head office and other related depository institutions ⁵	100,308	n.a.	50,769	n.a.	10,941	n.a.	20,627	n.a.
134 Net due to establishing entity, head office, and other related depository institutions ⁵	n.a.	42,177	n.a.	31,604	n.a.	1,441	n.a.	8,078
MEMO								
135 Non-interest bearing balances with commercial banks in United States	2,024	0	1,769	0	93	0	87	0
136 Holding of commercial paper included in total loans	1,708	↑	1,539	↑	117	↑	40	↑
137 Holding of own acceptances included in commercial and industrial loans	2,672	↑	1,918	↑	534	↑	32	↑
138 Commercial and industrial loans with remaining maturity of one year or less	95,825	↑	51,369	↑	19,933	↑	13,897	↑
139 Predetermined interest rates	59,572	n.a.	30,391	n.a.	12,885	n.a.	9,924	n.a.
140 Floating interest rates	36,252	↑	20,978	↑	7,048	↑	3,973	↑
141 Commercial and industrial loans with remaining maturity of more than one year	70,389	↓	41,525	↓	12,836	↓	9,217	↓
142 Predetermined interest rates	22,033	↓	11,566	↓	4,129	↓	4,299	↓
143 Floating interest rates	48,356	↓	29,959	↓	8,706	↓	4,919	↓

4.30—Continued

Millions of dollars

Item	All states		New York		California		Illinois	
	Total excluding IBFs	IBFs only	Total excluding IBFs	IBFs only	Total excluding IBFs	IBFs only	Total excluding IBFs	IBFs only
144 Components of total nontransaction accounts, included in total deposits and credit balances of nontransactional accounts, including IBFs	145,183	n.a.	125,216	n.a.	4,445	n.a.	8,691	n.a.
145 Time CDs in denominations of \$100,000 or more	104,399	n.a.	88,617	n.a.	2,549	n.a.	6,951	n.a.
146 Other time deposits in denominations of \$100,000 or more	26,026	n.a.	23,044	n.a.	1,171	n.a.	1,473	n.a.
147 Time CDs in denominations of \$100,000 or more with remaining maturity of more than 12 months ..	14,758	n.a.	13,556	n.a.	725	n.a.	267	n.a.
	All states ²		New York		California		Illinois	
	Total including IBFs	IBFs only	Total including IBFs	IBFs only	Total including IBFs	IBFs only	Total including IBFs	IBFs only
148 Market value of securities held	67,330	15,367	61,659	14,101	3,672	795	1,611	414
149 Immediately available funds with a maturity greater than one day included in other borrowed money	81,132	n.a.	40,648	n.a.	31,024	n.a.	7,771	n.a.
150 Number of reports filed ⁶	581	0	271	0	134	0	53	0

1. Data are aggregates of categories reported on the quarterly form FFIEC 002, "Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks." Details may not add to totals because of rounding. This form was first used for reporting data as of June 30, 1980, and was revised as of December 31, 1985. From November 1972 through May 1980, U.S. branches and agencies of foreign banks had filed a monthly FR 886a report. Aggregate data from that report were available through the Federal Reserve statistical release G.11, last issued on July 10, 1980. Data in this table and in the G.11 tables are not strictly comparable because of differences in reporting panels and in definitions of balance sheet items.

2. Includes the District of Columbia.

3. Effective December 1981, the Federal Reserve Board amended Regulations D and Q to permit banking offices located in the United States to operate International Banking Facilities (IBFs). As of December 31, 1985 data for IBFs are reported in a separate column. These data are either included in or excluded from the total columns as indicated in the headings. The notation "n.a." indicates

that no IBF data are reported for that item, either because the item is not an eligible IBF asset or liability or because that level of detail is not reported for IBFs. From December 1981 through September 1985, IBF data were included in all applicable items reported.

4. Total assets and total liabilities include *net* balances, if any, due from or due to related banking institutions in the United States and in foreign countries (see footnote 5). On the former monthly branch and agency report, available through the G.11 statistical release, *gross* balances were included in total assets and total liabilities. Therefore, total asset and total liability figures in this table are not comparable to those in the G.11 tables.

5. "Related banking institutions" includes the foreign head office and other U.S. and foreign branches and agencies of the bank, the bank's parent holding company, and majority-owned banking subsidiaries of the bank and of its parent holding company (including subsidiaries owned both directly and indirectly).

6. In some cases two or more offices of a foreign bank within the same metropolitan area file a consolidated report.

4.33 ASSETS AND LIABILITIES Life Insurance Companies

Millions of dollars

Account	1990				1991		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	Life insurance companies ¹						
1 Assets	1,328,139	1,374,827	1,384,712	1,408,208	↑	1,505,318	1,538,731
Securities					↑		
2 Government	189,818	196,320	204,511	210,846	↑	241,289	252,888
3 United States	164,986	169,595	177,946	183,919	↑	210,685	221,138
4 State and local	8,699	9,717	9,949	9,546	↑	11,329	11,909
5 Foreign	16,133	17,008	16,616	17,381	↑	19,275	19,841
6 Business	669,561	698,310	699,330	711,081	n.a.	771,650	786,769
7 Bonds	546,379	563,518	578,160	582,597	↑	627,396	635,336
8 Stocks	123,182	134,792	121,170	128,484	↑	144,254	151,433
9 Mortgages	260,829	265,959	267,704	270,109	↑	271,674	270,094
10 Real estate	41,049	43,513	43,531	43,367	↑	45,934	47,164
11 Policy loans	61,368	63,665	61,422	62,603	↑	65,391	66,671
12 Other assets	105,514	107,060	108,214	110,202	↑	109,380	115,145

1. Data are no longer available on a monthly basis for life insurance companies.
2. Direct and guaranteed obligations. Excludes federal agency issues not guaranteed, which are included as "Business" securities.
3. Issues of foreign governments and their subdivisions and bonds of the International Bank for Reconstruction and Development.

Source. Estimates by the American Council of Life Insurance for all life

insurance companies in the United States. Annual figures are annual-statement asset values, with bonds carried on an amortized basis and stocks at year-end market value. Adjustments for interest due and accrued and for differences between market and book values are not made on each item separately but are included, in total, in "Other assets."

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Federal Reserve Banks, Branches, and Offices

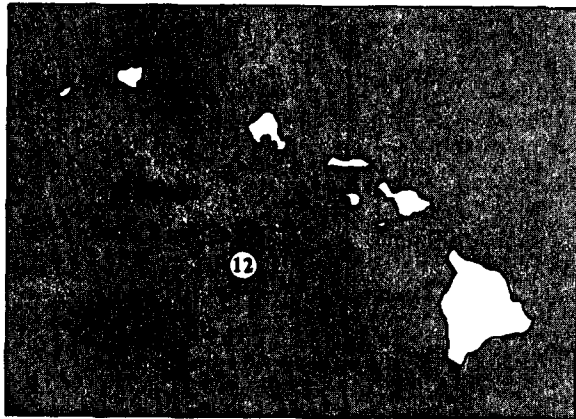
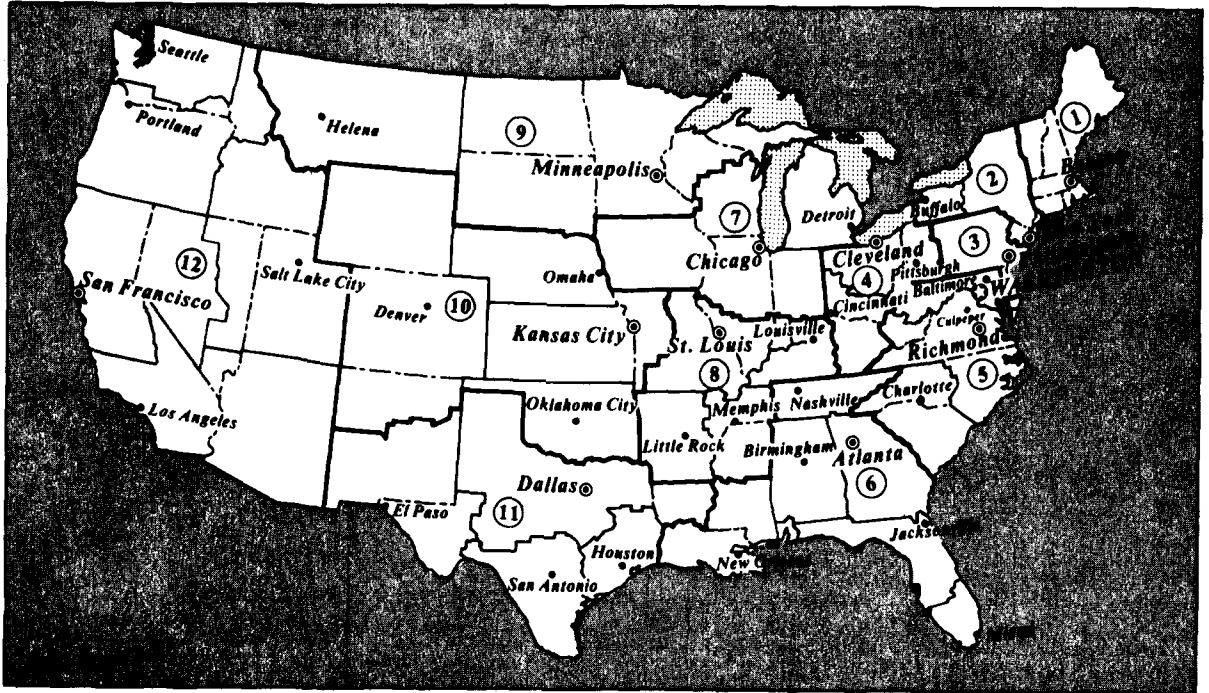
FEDERAL RESERVE BANK branch, or facility	Zip	Chairman Deputy Chairman	President First Vice President	Vice President in charge of branch
BOSTON*	02106	Richard N. Cooper Jerome H. Grossman	Richard F. Syron Cathy E. Minehan	
NEW YORK*	10045	Ellen V. Futter Maurice R. Greenberg	E. Gerald Corrigan James H. Oltman	
Buffalo	14240	Herbert L. Washington		James O. Aston
PHILADELPHIA	19105	Peter A. Benoliel Jane G. Pepper	Edward G. Boehne William H. Stone, Jr.	
CLEVELAND*	44101	John R. Miller A. William Reynolds	Jerry L. Jordan William H. Hendricks	
Cincinnati	45201	Marvin Rosenberg		Charles A. Cerino ¹
Pittsburgh	15230	Robert P. Bozzone		Harold J. Swart ¹
RICHMOND*	23219	Anne Marie Whittemore Henry J. Faison	Robert P. Black Jimmie R. Monhollon	
Baltimore	21203	John R. Hardesty, Jr.		Ronald B. Duncan ¹
Charlotte	28230	Anne M. Allen		Walter A. Varvel ¹
<i>Culpeper Communications and Records Center 22701</i>				John G. Stoides ¹
ATLANTA	30303	Edwin A. Huston Leo Benatar	Robert P. Forrestal Jack Guynn	
Birmingham	35283	Nelda P. Stephenson		Donald E. Nelson ¹
Jacksonville	32231	Lana Jane Lewis-Brent		Fred R. Herr ¹
Miami	33152	Michael T. Wilson		James D. Hawkins ¹
Nashville	37203	Harold A. Black		James T. Curry III
New Orleans	70161	Victor Bussie		Melvyn K. Purcell
				Robert J. Musso
CHICAGO*	60690	Richard G. Cline Robert M. Healey	Silas Keehn Daniel M. Doyle	
Detroit	48231	J. Michael Moore		Roby L. Sloan ¹
ST. LOUIS	63166	H. Edwin Trusheim Robert H. Quenon	Thomas C. Melzer James R. Bowen	
Little Rock	72203	James R. Rodgers		Karl W. Ashman
Louisville	40232	Daniel L. Ash		Howard Wells
Memphis	38101	Seymour B. Johnson		Ray Laurence
MINNEAPOLIS	55480	Delbert W. Johnson Gerald A. Rauenhorst	Gary H. Stern Thomas E. Gainor	
Helena	59601	J. Frank Gardner		John D. Johnson
KANSAS CITY	64198	Burton A. Dole, Jr. Herman Cain	Thomas M. Hoenig Henry R. Czerwinski	
Denver	80217	Barbara B. Grogan		Kent M. Scott
Oklahoma City	73125	Ernest L. Holloway		David J. France
Omaha	68102	Sheila Griffin		Harold L. Shewmaker
DALLAS	75222	Leo E. Linbeck, Jr. Henry G. Cisneros	Robert D. McTeer, Jr. Tony J. Salvaggio	
El Paso	79999	Alvin T. Johnson		Sammie C. Clay
Houston	77252	Judy Ley Allen		Robert Smith, III ¹
San Antonio	78295	Roger R. Hemminghaus		Thomas H. Robertson
SAN FRANCISCO	94120	James A. Vohs Robert F. Erburu	Robert T. Parry Patrick K. Barron	
Los Angeles	90051	Walfred J. Fassler		John F. Moore ¹
Portland	97208	William A. Hilliard		Leslie R. Watters
Salt Lake City	84125	Gary G. Michael		Andrea P. Wolcott
Seattle	98124	George F. Russell, Jr.		Gordon Werkema ¹

*Additional offices of these Banks are located at Lewiston, Maine 04240; Windsor Locks, Connecticut 06096; Cranford, New Jersey 07016; Jericho, New York 11753; Utica at Oriskany, New York 13424; Columbus, Ohio 43216; Columbia, South Carolina 29210; Charleston, West Virginia 25311; Des Moines, Iowa 50306; Indianapolis, Indiana 46204; and Milwaukee, Wisconsin 53202.

1. Senior Vice President.

The Federal Reserve System

Boundaries of Federal Reserve Districts and Their Branch Territories



LEGEND

— Boundaries of Federal Reserve Districts

— Boundaries of Federal Reserve Branch Territories

★ Board of Governors of the Federal Reserve System

⊙ Federal Reserve Bank Cities

• Federal Reserve Branch Cities

· Federal Reserve Bank Facility