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Bank and Nonbank Competition for Small Business Credit: Evidence from the 1987 and 1993 National Surveys of Small Business Finances

Rebel A. Cole and John D. Wolken, of the Board's Division of Research and Statistics, and R. Louise Woodburn, of the Internal Revenue Service, prepared this article. Amy Ashton and Ronnie McWilliams provided research assistance.

Using newly available data from the Board's 1993 National Survey of Small Business Finances together with data from the 1987 survey, we analyze competition between banks and nonbanks in the U.S. market for small business credit. According to many academics and banking practitioners, the U.S. commercial banking industry has declined.¹ In particular, during the late 1980s and the early 1990s, the record number of bank failures and mergers reduced the number of commercial banks in the United States. Also, there has been an apparent decline in commercial banks' share of lending. These occurrences have raised questions about the changing role of commercial banks in providing credit to key sectors, including business lending.

Several explanations have been advanced for the decline in banks' share of business lending. In particular, technological changes in communications, information storage, and other sectors of the economy—as well as globalization—have enabled an increasing number of large firms to gain direct access to money and capital markets. The same technologi-

cal changes have facilitated competition from nonbank sources. Nonbanks consist of thrift institutions (savings and loan associations, savings banks, and credit unions), finance companies, insurance companies, mortgage companies, leasing companies, brokerage firms, other business firms, families and individuals, and government sources of credit.

We explore nonbank competition as an explanation for the decline in banks' share of business lending by examining sources of credit used by small firms.² Credit here is defined as loans and capital leases, excluding credit card debt and trade credit. Because small firms are unlikely to have direct access to money and capital markets, any decline in banks' share of the aggregate dollar amount of credit provided to these firms would be consistent with the view that nonbanks are eroding this share. If banks have provided a constant or increasing share of the credit used by small firms, such evidence would run counter to the view that nonbanks are eroding this share.

We analyze the bank and nonbank shares of the dollar amount of outstanding credit to small businesses, including how these shares have changed from 1987 to 1993. We also examine the incidence of small business borrowing from banks and nonbanks, which is defined as the percentage of firms using credit of a certain type or from a particular source. The incidence data provide a more representative view of the credit services used by a "typical" small firm than do the share data because larger firms have a greater influence on market shares than on incidence. This distinction is important because the larger firms in the survey account for the majority of the dollar amount outstanding of small business credit

NOTE. Ms. Woodburn is on detail to the Board's Division of Research and Statistics as a sampling statistician.

1. See, for example, Allen N. Berger, Anil K. Kashyap, and Joseph M. Scalise, "The Transformation of the U.S. Banking Industry: What a Long, Strange Trip It's Been," *Brookings Papers on Economic Activity*, 1:1995, pp. 55-218; John H. Boyd and Mark Gertler, "Are Banks Dead? Or, Are the Reports Greatly Exaggerated?" Federal Reserve Bank of Minneapolis, *Quarterly Review* (Summer 1994), pp. 2-23; Franklin R. Edwards and Frederic S. Mishkin, *The Decline of Traditional Banking: Implications for Financial Stability and Regulatory Policy*, Working Paper 4993 (National Bureau of Economic Research, January 1995); Edward C. Eltin, "The Evolution of the North American Banking System" (paper prepared for the Experts' Meeting on Structural Changes in Financial Markets: Trends and Practices, Organization for Economic Cooperation and Development, Paris, July 11-12, 1994); and Gary Gorton and Richard Rosen, "Corporate Control, Portfolio Choice, and the Decline of Banking," *Journal of Finance*, vol. 50 (December 1995), pp. 1377-1420.

2. More specifically, the results presented in this paper characterize all enterprises operating under current ownership during 1992 and with fewer than 500 full-time-equivalent employees, excluding real estate operators and lessors, real estate subdividers and developers, real estate investment trusts, agricultural enterprises, financial institutions, not-for-profit institutions, government entities, and subsidiaries controlled by other corporations. Full-time equivalent employment is calculated as the number of full-time employees plus one-half the number of part-time employees.

but for only a small proportion of the number of firms. For example, among small businesses, firms with more than \$1 million in sales account for more than two-thirds of credit but less than one-fifth of the number of firms.

The sources for these data—the 1987 and 1993 National Surveys of Small Business Finances (NSSBF)—are unique.³ The NSSBF is a nationally representative survey of small businesses sponsored by the Federal Reserve Board and the U.S. Small Business Administration to collect information about the sources and types of financial services obtained by small businesses. The surveys are designed to be representative of small businesses generally and provide data on bank and nonbank shares of the small business credit market.⁴ The NSSBF was conducted first in 1987 and again in 1993, making it possible to examine changes in market share over that period. Although the two surveys had somewhat different focuses, the data collected are sufficiently similar to allow comparisons of bank and nonbank market shares across time.⁵ However, differences in the cov-

3. At the time this article was written, the 1993 NSSBF data were still in the editing stage and hence subject to revision. After data edits and other processing steps are completed, an announcement about the availability of the 1993 survey data and a user's manual will appear in the *Federal Reserve Bulletin*.

4. For information about alternative sources of data on small businesses, see U.S. Small Business Administration, *Handbook of Small Business Data*, 2d ed. (Government Printing Office, 1994), and *The State of Small Business: A Report of the President, 1995* (Government Printing Office, 1996).

Bank and thrift regulators began in 1993 to collect data on the aggregate number and amount of small commercial loans outstanding (loans of less than \$1,000,000) at financial institutions, but these data cannot be used to estimate the shares of bank and nonbank lending. They reflect loans made by depository institutions but not loans made by nondepository sources such as brokerage, finance, insurance, and leasing companies.

Surveys of small businesses conducted by trade organizations such as the National Federation of Independent Businesses generally collect information on the incidence of use. Information on dollar amounts by source and loan type are rarely available. See also a 1996 survey conducted for the *American Banker* by Payment Systems, Inc. ("Credit Lines, Leasing in Demand as Small Businesses' Needs Evolve," *American Banker*, September 9, 1996, pp. 9–11).

5. The 1993 NSSBF focused on the availability of credit to small and minority owned businesses, and the 1987 survey focused on the definition of banking markets. Both surveys, however, collected a complete roster of the credit lines, loans, and leases obtained by each firm surveyed, including information on the amount of credit obtained and the identity of the lender. Because of broad changes in the coverage of the two surveys, valid comparisons between 1987 and 1993 data can be made only after statistical adjustments to sampling weights have been made to make them more comparable. See the appendix for a description of these weighting adjustments. For more information about the 1993 NSSBF, see Refel A. Cole and John D. Wolken, "Financial Services Used by Small Businesses: Evidence from the 1993 National Survey of Small Business Finances," *Federal Reserve Bulletin*, vol. 81 (July 1995), pp. 629–67. For more information about the 1987 NSSBF, see Gregory E. Ellichhausen and John D. Wolken, "Banking Markets and the Use of Financial Services by Small and Medium Sized Businesses," *Federal Reserve Bulletin*, vol. 76 (October 1990), pp. 801–17.

erage of the two surveys preclude comparisons of actual dollar amounts. Hence, this analysis cannot address whether total lending to small businesses rose or fell over the period.

This article provides background information about macroeconomic changes that could be expected to have influenced credit conditions over 1987–93, reviews the types of credit supplied to small businesses by banks and nonbanks, and tests whether banks have lost market share to nonbanks. We use two different measures of market share—the percentage of the aggregate dollar amount of credit used by small businesses and the percentage of small businesses using credit.

Overall, our results indicate that small businesses obtained a higher percentage of their credit from nonbanks in 1993 than in 1987 but that this difference was small—about 2.0 percentage points. Banks still provided more than 60 percent of the dollar value of credit, excluding trade credit and credit card debt, and dominated in the provision of credit lines used. However, the percentage of firms obtaining credit from banks dropped significantly, from 44.0 percent in 1987 to only 36.8 percent in 1993, whereas the percentage of firms obtaining credit from nonbanks was stable at 32 percent.⁶

Within the general category of nonbanks, the data indicate that thrift institutions have lost about half of their dollar share, which fell from 7.4 percent to 4.0 percent, of the small business credit market over 1987–93. The losses of market share by banks and thrift institutions primarily accrued to finance companies, leasing companies, and brokerage firms.

The surveys provide information about the different types of loans and various demographic characteristics of small businesses. Overall, mortgages have become a much smaller share of small business debt, while borrowings under lines of credit became a larger share between 1987 and 1993. The percentage of small businesses that used credit lines, equipment loans, and capital leases rose significantly, while the percentage that used mortgages declined significantly. During this period, banks lost market share disproportionately at medium-sized small businesses and at minority-owned firms.

While the evidence presented here suggests that nonbanks have somewhat eroded banks' share of small business credit, it does not address bank and nonbank competition in the provision of other financial services used by small businesses, the most prominent being checking and savings accounts.

6. Tests of statistical significance are computed for the change statistics as discussed in the appendix.

Indeed, 87.8 percent of small businesses used commercial banks for financial services during 1993, more than double the percentage of such firms using nonbanks.⁷ Whether banks have gained or lost ground to nonbanks in the provision of noncredit financial services is an interesting topic for future analysis using data from the NSSBF.

BACKGROUND

The 1980s and early 1990s were periods of tumultuous change for the U.S. commercial banking industry. First, two major banking laws, the Depository Institutions Deregulation and Monetary Control Act of 1980 and the Garn–St Germain Depository Institutions Act of 1982, removed numerous regulations that limited competition among banks and between banks and nonbanks. For example, interest rate ceilings were phased out, and many restrictions on how much banks and thrift institutions could invest in particular asset classes were eased. Additional legislation at the state level eased or removed many limitations on geographic expansion by banks.⁸ Subsequently, a sequence of economic shocks in the 1980s from the collapse of agricultural, oil, and commercial real estate prices contributed to losses that caused banks to fail in numbers not seen since the Great Depression, even though the economy was in an expansion that lasted from 1982 to 1990. More than 100 banks failed in each year from 1985 to 1992, and more than 200 failed each year in 1987, 1988, and 1989. Presumably, these failures tended to eliminate less-efficient banks, whose assets were transferred to more-efficient competitors, thereby leaving a banking industry better equipped to compete with nonbanks.⁹

7. See Cole and Wolken, "Financial Services Used by Small Businesses."

8. For a description of the changes in state laws, see Dean Amel, "State Laws Affecting the Geographic Expansion of Commercial Banks," Board of Governors of the Federal Reserve System, September 1993; and Donald T. Savage, "Interstate Banking: A Status Report," *Federal Reserve Bulletin*, vol. 79 (December 1993), pp. 1075–89.

9. A number of studies have found that failing banks are much less efficient than other banks. See Allen N. Berger and David B. Humphrey, "Measurement and Efficiency Issues in Commercial Banking," in Z. Griliches, ed., *Output Measurement in the Service Sectors*, National Bureau of Economic Research, Studies in Income and Wealth, vol. 56 (University of Chicago Press, 1992), pp. 221–49; Richard Barr and Thomas Siems, *Predicting Bank Failure Using DEA to Quantify Management Quality*, Federal Reserve Bank of Dallas, Financial Industry Studies Working Paper 1–94, January 1994; Robert DeYoung and Gary Whalen, "Is a Consolidated Banking Industry a More Efficient Banking Industry?" Office of the Comptroller of the Currency, *Quarterly Journal*, vol. 13 (September 1994), pp. 11–21; and David C. Wheelock and Paul W. Wilson, "Explaining Bank Failures: Deposit Insurance, Regulation, and Efficiency," *Review of Economics and Statistics*, vol. 77 (November 1995), pp. 689–700.

Following deregulation, the banking industry consolidated sharply via nearly 3,000 mergers during the 1987–93 period. These mergers reduced the ranks of small banks, which tend to specialize in small business lending, as larger banks acquired their smaller competitors. About two-thirds of the acquired banks held less than \$100 million in assets, while roughly half of the acquirers held more than \$1 billion in assets. The percentage of industry assets at the largest banks, those with assets of more than \$100 billion, grew from 12.7 percent at the end of 1986 to 24.1 percent at the end of 1993. Together, bank failures and mergers caused the number of chartered U.S. commercial banks to decline almost one-fourth during the 1987–93 period, from 14,210 to 10,960. During the same period, however, banking industry assets grew from \$2.94 billion to \$3.71 billion.

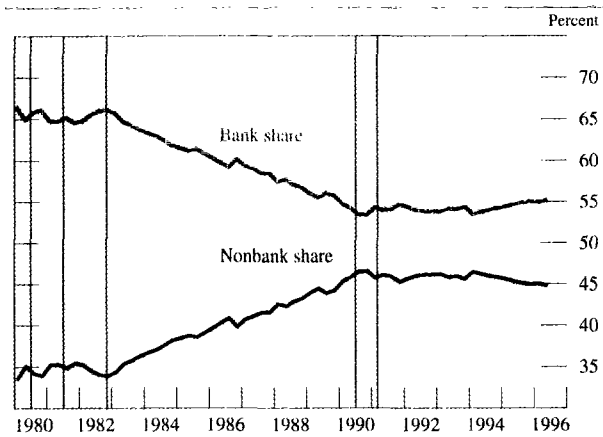
The 1987–93 period also saw record numbers of failures by nonbank competitors, primarily savings and loan associations and savings banks; because of failures and mergers, these institutions declined by almost half during the period, from 3,677 to 2,262. Unlike banking assets, which rose over this period of consolidation, the assets of savings and loans and savings banks fell, from \$1.39 trillion to \$1.0 trillion. Contributing to this divergent experience was the acquisition of the savings institutions' assets by commercial banks.

Largely in response to the record numbers of depository failures and the urging of bank and thrift regulators, the Congress passed two more major banking laws, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) and the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA). Together, FIRREA and FDICIA ushered in regulations regarding risk-based capital and prompt corrective action that effectively increased capital requirements for large portions of the banking and thrift industries.

At the same time, the overall weakness of economic activity left many businesses unwilling to take on new debt and, in many cases, unable to service their existing debt. Their plight contributed to record loan losses in the banking industry. Especially hard hit was the market for commercial mortgages, where prices, as measured by the Russell NCREIF Property Index, dropped almost one-third during the 1990–92 period.

The brief recession of 1990–91 included a slowing of credit flows that numerous economic observers characterized as a "credit crunch." Whether the more stringent banking regulations and the supply of bank credit played a role in bringing about these conditions

1. Bank and nonbank share, of total nonfarm nonfinancial business loans, 1980-96 (%)



NOTE: Total nonfarm nonfinancial business loans are calculated as the sum of "bank loans" and "other loans and advances" at nonfarm nonfinancial corporations and nonfarm noncorporate businesses, as defined by the Federal Reserve Board's flow of funds accounts. Data are quarterly. Shaded areas denote periods of business recession as defined by the National Bureau of Economic Research.

has been the subject of much debate and is beyond the scope of this article.¹⁰ However, harsher economic conditions undoubtedly had adverse effects on the use of credit for small businesses, especially the use of mortgage credit. Consequently, any comparisons of credit use in 1987, a year far along into a seven-year expansion, with credit use in 1993, a year early in the current expansion, will undoubtedly be affected by differences in macroeconomic conditions.

The combination of loan losses, the weak economy, and more stringent regulation led many depositories initially to tighten the terms and standards for underwriting commercial loans and strengthen their capital positions. A Board survey of senior loan officers indicated that standards for approving commercial loans tightened, on net, throughout 1990-92 and only began to ease during 1993. And bank Call Report data show that the average leverage capital ratio for the industry rose from 6.2 percent in 1990 to 7.6 percent in 1993.

10. Joe Peek and Eric Rosengren link regulatory enforcement actions and the shrinkage of bank loans to sectors likely to be bank dependent ("Bank Regulation and the Credit Crunch," *Journal of Banking and Finance*, vol. 19, 1995, pp. 679-92), and tie changes in bank capital to changes in deposits ("The Capital Crunch: Neither a Borrower nor a Lender Be," *Journal of Money, Credit, and Banking*, vol. 27, August 1995, pp. 625-38). In contrast, Allen N. Berger and Gregory S. Udell conclude that the quantitative effects of the new capital regulations were not substantial ("Did Risk-Based Capital Allocate Bank Credit and Cause a Credit Crunch in the U.S.?" *Journal of Money, Credit, and Banking*, vol. 26, August 1994, pp. 585-628). However, they do not rule out regulatory pressure as a reason for some of the banking industry's credit reallocation during the early 1990s.

In this article, market shares rather than aggregate dollar amounts are compared. If all types of lenders and borrowers react to the business cycle in a similar fashion, then these comparisons should be valid. If, however, during a recession, banks reduce lending more than nonbank lenders, some of the observed changes in market shares would be a result of these differing responses. But banks' share declined throughout the 1987-90 period (chart 1) and increased during the latter stages of the 1990-91 recession. Hence, the overall decline in banks' dollar share of small business lending should not be attributed to differing responses to the recession.

TYPES OF CREDIT USED BY SMALL BUSINESSES

Both of the NSSBFs collected information on six types of credit to small businesses—credit lines used, mortgage loans, equipment loans, motor vehicle loans, capital leases, and "other" loans.¹¹ Credit lines used represent loans taken down under an agreement by a lender to provide up to a specified amount of credit for part or all of a specified period. Because the borrower has the option of taking down part or all of the credit for part or all of the specified period, credit lines provide the most flexibility in funding. Credit lines are typically used to finance working capital needs and are often collateralized by assets unrelated to the use of the credit line. In contrast, mortgage loans, equipment loans, motor vehicle loans, and capital leases are typically used to finance specific assets and are typically collateralized by the assets being financed. "Other" loans refer to loans not elsewhere classified, primarily unsecured term loans and loans collateralized by assets other than real estate, equipment, and motor vehicles and not taken down under credit lines.¹²

From 1987 to 1993, the distribution of the total dollar value of credit used by small businesses across loan types changed significantly (table 1). In both years, about three-fifths of the aggregate dollar amount of small business credit was in the form of credit lines used and mortgages; but in 1993, the

11. Both surveys collected information about trade credit, and the 1993 survey also collected information about credit card debt used for business purposes; these two types of credit are not analyzed in this article.

12. Other loans refer to loans that a survey respondent reported after being queried about any credit lines, mortgages, equipment loans, motor vehicle loans, and capital leases. Some of the loans classified as "other" likely should be in another category, but the surveys did not collect sufficient information to permit accurate reclassifications.

1. Distribution of the dollar amount of small business credit outstanding, by credit type, 1987 and 1993

Percent except as noted

Credit type	1987	1993	Change (percentage points)
Credit lines used ¹	34.0	44.1	10.1*
Mortgage loans ²	31.2	13.9	-17.3*
Equipment loans	10.5	11.3	.8
Motor vehicle loans	6.1	6.0	-.1
Capital leases	4.0	6.2	2.2*
Other loans ³	14.3	18.6	4.4*
Total	100	100	...

1. Amounts drawn down under credit lines.

2. Includes both commercial mortgages and residential mortgages if funds were used for business purposes.

3. For definition, see text note 12.

*Statistically significant at the 95 percent confidence level (that is, the probability that any change occurred with the same sign is at least 95 percent). See the appendix for a discussion of some of the statistical techniques used.

share for mortgages had plummeted from 31.2 percent to only 13.9 percent, while that for credit lines used had risen from 34.0 percent to 44.1 percent. Much of this shift may be attributed to upheavals in the commercial real estate market, in which, as noted previously, property values declined almost one-third during the early 1990s. To the extent that these properties were leveraged, borrowers passed losses on to mortgage lenders, who responded by curtailing new real estate lending. With the exception of motor vehicle loans, other types of credit (equipment loans, capital leases, and other loans) registered small gains in market share from 1987 to 1993 at the expense of mortgages. These results are consistent with the 1996 survey conducted for the *American Banker*, which showed that small businesses have increased their reliance on credit lines and leases at the expense of traditional loans.¹³

The same overall trends in the types of credit used by small businesses are also evident in the shares of different credit types held by banks and nonbanks, in that credit lines used grew in importance while mortgages declined in importance (table 2). However, the proportions of credit types in the portfolios of banks and nonbanks are quite different. In 1993, for example, credit lines used accounted for more than half of all bank credit extended to small businesses but only slightly more than one-fourth of all nonbank credit to small businesses.

Among nonbanks, thrift institutions shifted their portfolio out of mortgages and into each of the five other types of credit, more than doubling their allocation to equipment and motor vehicle loans (table 3). Finance companies reduced their allocation to mort-

2. Comparison of the distributions of the dollar amount of small business credit outstanding at banks and nonbanks, by credit type, 1987 and 1993

Percent except as noted

Credit type	Banks			Nonbanks ¹		
	1987	1993	Change (percentage points)	1987	1993	Change (percentage points)
Credit lines used ²	41.9	55.2	13.3	20.3	26.4	6.1
Mortgage loans ³	31.0	14.4	-13.4	31.4	13.2	-18.2
Equipment loans	10.0	11.0	1.0	11.4	11.7	.3
Motor vehicle loans	5.1	4.9	-.2	7.9	7.7	-.2
Capital leases	1.5	2.8	1.3	8.4	11.6	3.2
Other loans ⁴	10.6	11.7	1.1	20.6	29.5	8.9
Total	100	100	...	100	100	...

1. Nonbanks consist of thrift institutions (savings and loan associations, savings banks, and credit unions), finance companies, insurance companies, mortgage companies, leasing companies, brokerage firms, other business firms, families and individuals, and government sources of credit.

2. Amounts drawn down under credit lines.

3. Includes both commercial mortgages and residential mortgages if funds were used for business purposes.

4. For definition, see text note 12.

gages only slightly, while shifting portfolio share from equipment, motor vehicle, and other loans into credit lines used. As a result of these changes, in 1993 credit lines used accounted for more than half of all finance company lending to small businesses. Nonbanks other than thrift institutions and finance companies were the only group of lenders whose portfolio share of credit lines used declined from 1987 to 1993. Other nonbanks shifted out of mortgages primarily into other loans.

BANK AND NONBANK SHARES OF SMALL BUSINESS CREDIT

From 1987 to 1993, banks lost to nonbanks 2 percentage points of their share of the small business credit market (table 4). This finding is consistent with the hypothesis that nonbanks are eroding banks' market share of credit to firms that are too small to gain direct access to money and capital markets. The magnitude of the decline is small, however (banks still had three-fifths of the market in 1993) and lacks statistical significance.¹⁴ Moreover, bank lending to businesses has rebounded strongly since 1993. Evidence from bank Call Reports shows that, after declining from \$633 billion as of June 1991 to \$593 billion as of June 1993, commercial and industrial loans grew to \$737 billion as of June 1996. This growth in overall business lending suggests that

13. See "Credit Lines, Leasing in Demand."

14. The estimated 2 percent decline in the bank share is significantly different from zero at the 74 percent level of confidence.

3. Distribution of the dollar amount of small business credit at nonbank sources, by type of credit, 1987 and 1993

Percent except as noted

Credit type	Thrift institution			Finance company			Other nonbank ¹		
	1987	1993	Change (percentage points)	1987	1993	Change (percentage points)	1987	1993	Change (percentage points)
Credit lines used ²	16.8	22.4	5.6	32.3	51.2	18.9	14.2	8.9	-5.3
Mortgage loans ³	60.9	39.3	-21.6	7.5	6.3	-1.2	34.4	13.0	-21.4
Equipment loans	1.6	6.1	4.5	22.5	16.7	-5.8	8.5	9.1	.6
Motor vehicle loans	3.1	7.4	4.3	20.0	14.5	-5.5	2.1	2.7	.6
Capital leases	3.8	5.9	2.1	5.4	7.4	2.0	12.1	15.8	3.7
Other loans ⁴	13.7	18.8	5.1	12.2	3.9	-8.3	28.7	50.5	21.8
Total	100	100	...	100	100	...	100	100	...

1. Other nonbanks consist of brokerage firms, leasing companies, insurance and mortgage companies, other business firms, government sources, and individuals.

2. Amounts drawn down under credit lines.

3. Includes both commercial mortgages and residential mortgages if funds were used for business purposes.

4. For definition, see text note 12.

banks may have regained market share in the small business credit market since the 1993 NSSBF.

Changes in bank and nonbank shares of the total dollar amount of small business credit from 1987 to 1993 varied by type of credit (table 4). Mortgage loans' share of small business credit declined more than half at both banks and nonbanks, with bank mortgages falling from 19.7 percent to 8.8 percent of the small business credit market and nonbank mortgages falling from 11.5 percent to 5.1 percent. The changes for credit lines, however, were quite different at banks and nonbanks. Bank credit lines grew by just more than one-fourth to 33.8 percent, while nonbank credit lines grew by more than one-third to 10.2 percent. These figures suggest that nonbanks increased their share of the market for small business credit lines used over the same period that credit lines were growing in importance to small businesses. In another development, capital leases grew in importance for both banks and nonbanks. Bank capital leases almost doubled from 0.9 percent to 1.7 percent of all small

business credit, while nonbank capital leases grew from 3.1 percent to 4.5 percent.

To see how these changes in market shares affected specific types of nonbanks, credit shares of each type of nonbank are shown in table 5. As the thrift industry declined over 1987-93, thrift institutions' share of small business credit fell from 7.4 percent to 4.0 percent. When combined with commercial banks' decline of 2.0 percentage points, depository institutions (commercial banks and thrift institutions) lost 5.4 percentage points of market share to nondepository nonbanks. Finance companies reaped the greatest gain in market share, with an increase from 11.4 percent to 14.7 percent. Leasing companies more than doubled their market share from 1.5 percent to 3.5 percent, while brokerage companies increased their share from an almost nonexistent 0.1 percent to 1.4 percent.¹⁵ Insurance and mortgage

15. Brokerage company credit consists primarily of lines of credit used.

4. Distribution of the dollar amount of all small business credit outstanding, by type of credit at banks and nonbanks, 1987 and 1993

Percent except as noted

Credit type	Bank			Nonbank			Total	
	1987	1993	Change (percentage points)	1987	1993	Change (percentage points)	1987	1993
Credit lines used ¹	26.5	33.8	7.3*	7.5	10.2	2.7	34.0	44.1
Mortgage loans ²	19.7	8.8	-10.8*	11.5	5.1	-6.4*	31.2	13.9
Equipment loans	6.3	6.8	.5	4.2	4.5	.3	10.5	11.3
Motor vehicle loans	3.2	3.0	-.2	2.9	3.0	.1	6.1	6.0
Capital leases	.9	1.7	.8*	3.1	4.5	1.4*	4.0	6.2
Other loans ³	6.7	7.2	.5	7.6	11.4	3.8*	14.3	18.6
All	63.3	61.3	-2.0	36.7	38.7	+2.0	100	100

1. Amounts drawn down under credit lines.

2. Includes both commercial mortgages and residential mortgages if funds were used for business purposes.

3. For definition, see text note 12.

* Statistically significant at the 95 percent confidence level.

** Statistically significant at the 90 percent confidence level. See the appendix.

5. Distribution of the dollar amount of all small business credit outstanding, by type of credit and type of nonbank, 1987 and 1993

Percent

Credit type	Thrift institution		Finance company		Brokerage company		Leasing company		Insurance and mortgage companies		Business and government		Individuals		Total	
	1987	1993	1987	1993	1987	1993	1987	1993	1987	1993	1987	1993	1987	1993	1987	1993
Credit lines used ¹	1.2	.9	3.7	7.5	.1	.7	.0	.0	.0	.1	2.4	.4	.0	.6	7.5	10.2
Mortgage loans ²	4.5	1.6	.9	.9	.0	.3	.0	.0	.9	.9	1.5	.5	3.7	.9	11.5	5.1
Equipment loans .....	.1	.2	2.6	2.5	.0	.0	.1	.6	.1	.1	1.0	.9	.4	.2	4.2	4.5
Motor vehicle loans .....	.2	.3	2.3	2.1	.0	.0	.1	.3	.0	.0	.3	.1	.0	.1	2.9	3.0
Capital leases .....	.3	.2	.6	1.1	.0	.0	1.2	2.5	.0	.0	.8	.3	.2	.4	3.1	4.5
Other loans ³	1.0	.8	1.4	.6	.0	.4	.0	.0	.4	.8	1.7	4.1	3.0	4.7	7.6	11.4
Total	7.4	4.0	11.4	14.7	.1	1.4	1.5	3.5	1.4	1.9	7.6	6.3	7.3	6.8	36.7	38.7

Note: Components may not sum to totals because of rounding.

3. For definition, see text note 1².

1. Amounts drawn down under lines of credit.

2. Includes both commercial mortgages and residential mortgages if funds were used for business purposes.

companies saw a modest gain, whereas the shares of credit extended by other business firms and government and by individuals dropped.

A slightly different perspective on the relative importance of bank and nonbank lending is gained by looking at changes in their shares of the total outstanding dollar amount of each credit type (table 6).¹⁶ Banks suffered losses in the market shares of credit lines used, motor vehicle loans, and other loans, while gaining share in the markets for capital leases and, to a lesser extent, for mortgages.

Changes in market shares of the total dollar amount of each credit type also were evident among different types of nonbanks (table 7). Thrift institutions lost almost half of their shares of credit lines used, capital leases, and other loans, but doubled their share of equipment loans and made sizable gains in their share of motor vehicle loans. Finance companies made strong gains in the market for credit lines, increasing their share 6.3 percentage points from 10.8 percent to 17.1 percent. Finance companies also more than doubled their presence in the small business market for mortgage credit. This increase should be kept in perspective, however, as the mortgage share of all small business credit declined more than half over this period (table 1). Other nonbanks registered large gains in the market for other loans, with individuals and other businesses and government being the primary sources for these loans.

A comparison of the bank and nonbank shares of the aggregate amount of credit used by small businesses as categorized by various characteristics of the firms and their primary owners also shows changes from 1987 to 1993 (table 8). Banks lost market share

16. The data in tables 4 and 5 are used to calculate bank and nonbank market shares of the total outstanding dollar amount of each credit type. Each credit type's bank and nonbank share of total credit is divided by the sum of bank and nonbank shares. For example, in 1987 bank credit lines accounted for 26.5 percent of all small business credit, and nonbank credit lines accounted for an additional 7.5 percent, for a total of 34.0 percent. Banks' share of the market for small business credit lines is then calculated as 26.5 percent divided by 34.0 percent, which yields 77.9 percent as the bank share of the small business market for credit lines. Repeating these calculations for each loan type produces the figures in tables 6 and 7. (Figures in the tables may be slightly different because of rounding.)

6. Distribution of the dollar amount of each type of small business credit outstanding at banks and nonbanks, 1987 and 1993

Percent except as noted

Credit type	Banks			Nonbanks			Total	
	1987	1993	Change (percentage points)	1987	1993	Change (percentage points)	1987	1993
Credit lines used ¹	78.0	76.8	-1.2	22.0	23.2	1.2	100	100
Mortgage loans ²	63.1	63.4	.3	36.9	36.6	-.3	100	100
Equipment loans	60.0	60.0	.0	40.0	40.0	.0	100	100
Motor vehicle loans	52.5	50.0	-2.5	47.5	50.0	2.5	100	100
Capital leases	23.0	28.0	5.0	77.0	72.0	-5.0	100	100
Other loans ³	46.9	38.6	-8.3	53.1	61.4	8.3	100	100
All	63.3	61.3	2.0	36.7	38.7	2.0	100	100

1. Amounts drawn down under credit lines

3. For definition, see text note 1².

2. Includes both commercial mortgages and residential mortgages if funds were used for business purposes.

primarily at medium-sized small businesses (firms with 5–19 employees or between \$100,000 and \$1 million in annual sales), which account for approximately one-fourth of all small business credit (memo columns). Although banks' market share of credit used by women-owned firms increased from 50.1 to 54.5 percent, their market share of credit used by minority-owned firms fell 13.2 percentage points, from 66.4 to 53.2 percent.

Banks gained market share in markets where competition among banks (as measured by the Herfindahl concentration index) was low or high, but lost share where competition among banks was classified as moderate (table 8).¹⁷ In high-concentration markets, primarily small rural areas, local banks face little competition from other banks or from nonbanks and, therefore, would be expected to maintain their share. In fact, banks gained market share in rural markets while losing share in urban markets. In medium-concentration markets, which tend to be smaller urban and larger rural areas, banks faced limited competition from other banks and from nonbanks, but nonetheless clearly lost market share to nonbanks. In low-concentration markets, primarily large urban areas, banks compete vigorously both with other banks and with nonbanks and have gained market share. This suggests that nonbanks are more effective when competing with banks that are some-

what, but not completely, sheltered from competition. However, there are many different but interrelated factors at work here, so that any definitive conclusions require a more rigorous analysis that accounts for these relationships.

INCIDENCE OF SMALL BUSINESS CREDIT

This section analyzes the "incidence" of small business credit, which is defined as the percentage of firms using credit of a certain type or from a particular source. In contrast to the analysis of credit shares in the previous section, the analysis of incidence is not dependent on the size of the credit and therefore gives a clearer picture of what sources and types of credit were used by the "typical" small business.¹⁸

In 1993, 54.1 percent of small businesses used some form of credit, down from 60.1 percent in 1987 (table 9). This finding most likely reflects the different macroeconomic conditions of the two periods but may also reflect other factors, such as the effects of FIRREA, FDICIA, and the growing use of credit card debt to finance small businesses.¹⁹ As with the

18. Direct comparisons of the number of firms using credit services in 1987 and 1993 should not be made because of differences in the coverage of the two surveys. Both surveys obtained lists of businesses from Dun and Bradstreet, Inc., which expanded its coverage of small, retail, and business service firms in the years between the two surveys. Therefore, the 1993 survey is more broadly representative of such firms, and valid comparisons between the 1987 and 1993 surveys can be made only after accounting for these differences in coverage (see the appendix).

19. Because only the 1993 NSSBI¹ collected data on the use of personal and business credit card debt for business purposes, changes in the use of such debt cannot be analyzed. Nevertheless, use of credit card debt for business was widespread in 1993, with 39.2 percent of firms reporting business use of personal credit card debt and 27.6 percent of firms reporting use of business credit card debt. (See Cole and Wolken, "Financial Services Used by Small Businesses.")

17. The Herfindahl index is a measure of market concentration calculated as the sum of the squares of each bank's market share, which is defined in terms of total bank deposits. The index ranges from zero (perfect competition) to one (perfect monopoly). In this article, markets with indexes of less than 0.10 are considered competitive; those with indexes of 0.10 to 0.18, moderately concentrated; and those with indexes of more than 0.18, highly concentrated. These categories correspond to those defined in the "Horizontal Merger Guidelines," issued by the U.S. Department of Justice and the Federal Trade Commission, April 2, 1992.

7. Distribution of the dollar amount of each type of small business credit outstanding, by type of nonbank, 1987 and 1993
Percent except as noted

Credit type	Thrift institutions			Finance companies			Other nonbanks ¹			MEMO: Nonbank total	
	1987	1993	Change (percentage points)	1987	1993	Change (percentage points)	1987	1993	Change (percentage points)	1987	1993
Credit lines used ²	3.7	2.1	-1.6	10.8	17.1	6.3**	7.5	4.0	-3.5	22.0	23.2
Mortgage loans ³	14.4	11.4	-3.0	2.8	6.6	3.8	19.8	18.6	-1.2	36.9	36.6
Equipment loans	1.1	2.2	1.1	24.4	21.8	-2.7	14.5	16.1	1.6	40.0	40.0
Motor vehicle loans	3.8	5.0	1.3	37.4	35.9	-1.5	6.3	9.1	2.8	47.5	50.0
Capital leases	7.1	3.8	-3.2	15.6	17.4	1.8	54.3	50.7	-3.6	77.0	72.0
Other loans ⁴	7.1	4.1	-3.0	9.8	3.1	-6.7**	36.2	54.2	18.0*	53.1	61.4
All	7.4	4.0	-3.4*	11.4	14.7	3.3	17.9	19.9	2.0	36.7	38.7

1. Other nonbanks consist of leasing companies, brokerage firms, mortgage and insurance companies, other business firms, government sources, and individuals.

2. Amounts drawn down under credit lines.

3. Includes both commercial mortgages and residential mortgages if funds were used for business purposes.

4. See text note 12.

* Statistically significant at the 95 percent confidence level.

** Statistically significant at the 90 percent confidence level. See the appendix.

8. Total dollar amount of small business credit outstanding, grouped by selected characteristics and distributed by type of issuer, 1987 and 1993

Percent except as noted

Characteristics of firm, owner, and market	Banks			Nonbanks			MEMO: Credit for firm category as a percentage of all small business credit		
	1987	1993	Change (percentage points)	1987	1993	Change (percentage points)	1987	1993	Change (percentage points)
CHARACTERISTIC OF FIRM									
<i>Number of employees</i>									
Fewer than 5	56.4	56.9	.5	43.6	43.1	-.5	18.6	17.8	-.8
5-9	54.7	50.9	-3.8	45.3	49.1	3.8	12.1	12.2	.1
10-19	67.8	54.7	-13.1	32.2	45.3	13.1	10.3	12.4	2.1
20-499	66.5	66.3	-.2	33.5	33.7	.2	59.0	57.6	-3.4
<i>Annual sales (in thousands of 1993 dollars)</i>									
100 or less	50.2	49.5	-.7	49.8	50.5	.7	3.4	5.2	1.8
101-1,000	56.0	52.8	-3.2	44.0	47.2	3.2	28.4	26.0	-2.4
More than 1,000	67.0	65.4	-1.6	33.0	34.6	1.6	68.2	68.8	.6
<i>Age (years)</i>									
5 or less	59.5	58.7	-.8	40.5	41.3	.8	12.8	21.7	8.9
More than 5	63.8	62.1	-1.7	36.2	37.9	1.7	87.2	78.3	-8.9
RACE, ETHNICITY, AND SEX OF MAJORITY OWNER									
Nonwhite or Hispanic	66.4	53.2	-13.2	33.6	46.8	13.2	5.3	7.8	2.5
White Non-Hispanic	63.1	62.0	-1.1	36.9	38.0	1.1	94.7	92.2	-2.5
Female	50.1	54.5	4.4	49.9	45.5	-4.4	7.5	11.7	4.2
Male	64.4	62.2	-2.2	35.6	37.8	2.2	92.5	88.3	-4.2
MARKET CHARACTERISTIC									
<i>Urbanization</i>									
Urban	63.3	60.3	-3.0	36.7	39.7	3.0	79.0	82.4	3.4
Rural	63.3	66.2	2.9	36.7	33.8	-2.9	21.0	17.6	-3.4
<i>Banking market concentration¹</i>									
Low	67.6	70.1	2.5	32.4	29.9	-2.5	12.5	10.0	-2.5
Moderate	64.2	57.4	-6.8	35.8	42.6	6.8	38.7	42.9	4.2
High	61.4	63.1	1.6	38.6	36.9	-1.6	48.8	47.1	-1.7
All firms	63.3	61.3	-2.0	36.7	38.7	2.0	100	100	...

1. As measured by the Herfindahl index. Low = less than 0.10, moderate = 0.10-0.18, and high = more than 0.18.

decline in the *dollar share* of small business borrowing, the type of credit whose *usage* (incidence) declined the most is mortgage loans. In both years, the most widely used types of credit were credit lines and motor vehicle loans.

As they did in the case of market share, banks also lost ground to nonbanks in overall credit incidence. From 1987 to 1993, the percentage of small businesses using bank credit services declined from 44.0 percent to 36.8 percent, while the percentage of firms using nonbank credit services was flat at 32.2 percent (table 9). The percentage of small businesses using bank credit services declined for each type of credit except credit lines and capital leases. Banks were the most important supplier of credit lines in both 1987 and 1993 and were used by one out of five small businesses to obtain credit lines—more than four times the incidence for nonbanks. The percentage of small businesses using nonbank credit

declined for mortgages and other loans but rose for credit lines, equipment loans, motor vehicle loans, and capital leases. In 1993, nonbanks equaled or exceeded banks in the percentage of small businesses to which they provided capital leases and other loans and trailed only slightly in equipment and motor vehicle loans.

To assess the relative importance of thrift institutions and finance companies among nonbanks, their results are tabulated against those of all other nonbank sources (table 10). The percentage of small businesses using thrift institutions for credit services remained constant from 1987 to 1993, even though thrift institutions lost more than half their share of the dollar value of small business credit over the period. This finding is consistent, however, with the shift by thrift institutions from providing mortgages (-1.2 percentage points), which typically are large in amount, to credit lines (+0.5 percentage points) and

9. Percentage of small businesses using selected credit services from all sources and from banks and nonbanks, 1987 and 1993

Credit type	All sources			Bank			Nonbank		
	1987	1993	Change (percentage points)	1987	1993	Change (percentage points)	1987	1993	Change (percentage points)
Any credit	60.1	54.1	-6.1*	44.0	36.8	-7.2*	32.2	32.2	.0
Credit lines	21.4	24.0	2.6*	19.5	20.6	1.1	2.7	4.7	2.0*
Mortgage loans ¹	15.5	5.8	-9.7*	9.9	3.9	-6.0*	6.2	2.2	-4.0*
Equipment loans	12.8	13.9	1.1	7.9	7.5	-.4	5.7	7.4	1.7*
Motor vehicle loans	24.4	24.1	-.3	14.0	13.1	-.9	11.9	12.7	.8
Capital leases	7.2	9.1	1.9*	1.7	1.7	.0	5.8	7.9	2.1*
Other loans ²	14.1	11.0	-3.1*	6.7	4.2	-2.4*	8.0	7.4	-.6

NOTE. Firms may have multiple credit accounts at multiple sources.

1. Includes both commercial mortgages and residential mortgages if funds were used for business purposes.

2. For definition, see text note 12.

* Statistically significant at the 95 percent confidence level.

motor vehicle loans (+0.6 percentage points), which are smaller. In fact, small businesses were more likely to use thrift institutions in 1993 for credit lines and motor vehicle loans than for mortgages.

The percentage of small businesses using finance companies for credit services declined slightly, from 12.0 percent to 11.6 percent. Smaller proportions of firms used finance companies for mortgages, motor vehicle loans, and other loans, while larger proportions used them for credit lines, equipment loans, and capital leases.

In 1993, 19.6 percent of small businesses used other nonbanks (nonbanks other than thrift institutions and finance companies) for credit services, a level 1.2 percentage points higher than in 1987; other nonbanks lost ground only in mortgage loans. Among other nonbanks, leasing companies (not shown in table 10) made the most headway in serving small businesses. The percentage of small businesses borrowing from other nonbanks increased from 4.3 percent in 1987 to 7.6 percent in 1993—a gain accounted for almost entirely by capital leases and motor vehicle loans.

SUMMARY

This article analyzes data from the National Survey of Small Business Finances for 1987 and for 1993 regarding bank and nonbank competition in the market for small business credit. The results indicate that banks have lost market share but only slightly—about 2 percentage points. Moreover, bank lending has strongly rebounded since 1993, suggesting that this loss may have been reversed subsequent to the period covered by the surveys.

According to the survey results, banks provided more than 60 percent of the dollar volume of credit in both survey years, excluding trade credit and credit card debt, and dominated in the provision of credit lines. However, the percentage of firms obtaining credit from banks dropped significantly, from 44.0 percent in 1987 to only 36.8 percent in 1993, while the percentage of firms obtaining credit from nonbanks was stable at about 32 percent. Nonbanks made significant gains in the percentage of small businesses that used them to obtain credit lines, equipment loans, and capital leases; however, banks

10. Percentage of small businesses using selected credit services at selected types of nonbanks, 1987 and 1993

Credit type	Thrift institution			Finance company			Other nonbank ¹		
	1987	1993	Change (percentage points)	1987	1993	Change (percentage points)	1987	1993	Change (percentage points)
Any credit	6.1	6.1	.0	12.0	11.6	-.4	18.4	19.6	1.2
Credit lines	1.6	2.1	.5	.7	1.1	.4	.5	1.6	1.1
Mortgage loans ²	2.2	1.0	-1.2	.5	.2	-.3	3.7	1.0	-2.7
Equipment loans .....	.5	.6	.1	1.6	2.0	.4	3.6	5.0	1.4
Motor vehicle loans	1.8	2.4	.6	8.6	7.8	-.8	1.7	2.8	1.1
Capital leases .....	.1	.2	.1	1.2	1.9	.7	4.8	6.3	1.5
Other loans ³	1.1	.5	-.6	.4	.2	-.2	6.6	6.7	.1

NOTE. Firms may have multiple credit accounts at multiple sources.

1. Other nonbanks consist of leasing companies, brokerage firms, mortgage and insurance companies, other business firms, government sources, and individuals.

2. Includes both commercial mortgages and residential mortgages if funds were used for business purposes.

3. For definition, see text note 12.

made significant gains in the percentage of firms using them to obtain mortgages.

Among nonbanks, the data indicate that thrift institutions lost almost half their share of the small business credit market over the 1987-93 period, falling from 7.4 percent to 4.0 percent of the dollar amount of credit. The losses of market share by banks and thrift institutions primarily accrued to finance companies, leasing companies, and brokerage firms.

The results presented here must be viewed with caution. Many of the factors we analyze are interrelated, and definitive conclusions cannot be drawn until more powerful statistical methods can be brought to bear upon this issue. Moreover, we do not examine bank and nonbank competition in the provision of transaction account and financial management services—markets traditionally dominated by banks. These are important and promising areas for future research.

APPENDIX: BACKGROUND, WEIGHTING ADJUSTMENTS, AND VARIANCE ESTIMATES

The 1987 and 1993 NSSBFs were conducted for different purposes. The 1993 survey focused on the availability of credit to small and minority-owned businesses, whereas the 1987 survey focused on the definition of banking markets. Consequently, respondents to each survey answered a different set of questions, but all respondents provided a complete roster of their firms' finances, including information about the firms' credit lines, loans, and leases.²⁰ Interviewers conducted each survey using a system known as computer-assisted telephone interviewing to enter the responses directly into a computerized survey database. Research Triangle Institute conducted the 1987 survey, with the interviews from September 1988 through September 1989. Price Waterhouse conducted the 1993 survey, with interviews from March 1994 through February 1995. The list from which the sample was drawn (the sampling frame) for both surveys was the current (December 1987 and November 1993) Dun and Bradstreet Market Identifier (DMI) file. This continually updated file combines records derived from the traditional Dun and Bradstreet credit-rating program with records derived from business telephone listings. Because the

DMI frame includes firms that are outside the scope of the surveys, interviewers first screened firms for eligibility, then in the full or "primary" interview surveyed eligible firms as well as the firms for which eligibility could not be determined.

The sample selection for both surveys incorporated stratified random sampling with stratification by urbanization of location (that is, urban or rural), number of employees, and census region. Large firms were oversampled in both surveys. However, the two sample designs differed from each other in significant ways.²¹

The 1987 NSSBF¹ used twenty-four strata constructed as follows: two urbanization categories (urban or rural location), three size categories of firms according to the number of employees (1-49, 50-99, and 100 or more), and four Census regions. In 1987 the screening interview yielded an eligibility rate of 66 percent, and the primary interview yielded a 65.5 percent response rate. A set of analysis weights enabled researchers to account for sample design, eligibility, and differential response.

The 1993 NSSBF¹ sample design employed ninety-seven strata constructed from four partitions of the sample frame - one main partition and three minority partitions of likely Asian-, Black-, and Hispanic-owned firms respectively. The main partition was divided into ninety sampling strata defined by the two urbanization categories, five size categories of firms according to the number of employees (1-19, 20-49, 50-99, 100-499, and unknown), and nine Census regions. Each of the three minority partitions was divided by urbanization for a total of six minority strata. A ninety-seventh stratum was defined to account for firms that were listed on the DMI file with more than 500 employees and that had fewer than 500 when surveyed. The best estimate of the eligibility rate is 68.2 percent, and the overall response rate was 59.5 percent.²² The computation of the analysis weights for the 1993 survey is more complicated than that for the 1987 survey. For 1993, DMI data were used to compute an adjustment for eligibility and nonresponse.

21. For a detailed description of the 1987 survey, see Brenda G. Cox, Gregory E. Ellichhausen, and John D. Wolken, *The National Survey of Small Business Finances: Final Methodology Report, RTI Report RTI/4131-00F* (Research Triangle Park, N.C.: Research Triangle Institute, 1989); and for the 1993 survey description, see Price Waterhouse, "The National Survey of Small Business Finances Methodology Report," July 1996.

22. For the 1993 survey, eligibility for a large proportion of the sample could not be determined. Thus, the eligibility rate was estimated assuming different scenarios for the nonrespondents. The best estimate proportionately assigned ineligibility status to the nonrespondents.

20. The analysis excluded firms classified as real estate operators, lessors, subdividers, and developers, resulting in the exclusion of 66 firms from the 1987 survey and 101 firms from the 1993 survey. These firms were identified by their respective four-digit Standard Industrial Classifications, 6512 (Real Estate Operators and Lessors) and 6552 (Real Estate Subdividers and Developers).

Besides “unit nonresponse”—eligible firms that do not provide interviews—analysts must also account for “item nonresponse” that results when a respondent fails to provide answers to particular questions. Both unit and item nonresponse are important sources of uncertainty. To provide users of the NSSBF data with a complete working dataset, various models were used to impute the missing values from the available data.²³

Weighting Adjustments

Analysis weights were adjusted to facilitate proper comparisons of 1987 and 1993 data. Although both surveys used the DMI file as a sampling frame, the types of businesses represented in the file changed significantly between surveys. These changes increased the DMI files’ coverage of the smallest firms by adding records for firms identified from third-party lists, such as telephone directories. To adjust for the superior coverage of the 1993 DMI file, the 1987 analysis weights were recalculated so that the distribution of firms by employment size in the 1987 data is the same as that in the 1993 data.²⁴

The analysis in this article excluded a small number of firms from each survey because of reporting errors. Each firm with a credit line used, loan, or capital lease accounting for more than 1 percent of the aggregate dollar amount of any credit category was identified. Credit amounts for these firms were then inspected for potential reporting errors that would account for any discrepancies. This inspection identified thirteen firms from the 1987 survey and eighteen firms from the 1993 survey whose data were in error. These firms’ records were dropped from the database, and the weights of the remaining firms were recalculated so that the original frequency distribution in each sampling strata was preserved. After these adjustments, the 1987 sample consisted of 3,145 respondents representing 3.2 million firms, and the 1993 sample consisted of 5,237 respondents, representing 4.9 million firms.

Variance Estimates

To obtain estimates of the change in bank shares and incidence shown in tables 1, 4, 6, 7, 8, 9, and 10, estimates of the sampling variance were calculated for use in tests of statistical significance. Although the sampling variance accounts for the major source of error in a survey, other errors may arise at any stage: for example, a respondent may misinterpret a question; an interviewer may miscode a response; an editor may misinterpret a response. Also, the imputation process itself may be a source of error because of the uncertainty associated with any estimation process. However, the dominant source of error, and the easiest to quantify, is the sampling error.²⁵ For the analysis reported here, sampling variances were computed with the replicate method of bootstrap sampling.²⁶

Sampling variance can be estimated using “replication methods” that sample from the actual respondents in a way that includes the important dimensions of the original sample design.²⁷ The bootstrap method is one such technique that is feasible with the NSSBF. Using the bootstrap method involves sampling with replacement—that is, after each selection, cases are replaced in the sampling pool so that they may be selected in a subsequent draw. This operation was performed 400 times, and a set of analysis weights was computed for each of these 400 replicates. In this model, the sampling error of an estimate computed from the full sample (for example, the proportion of firms using credit) is estimated as the standard deviation computed using the 400 bootstrap estimates.

For the 1987 survey, the replicates were selected to preserve the original sampling strata. The analysis weights for the replicates were computed by adjusting the original analysis weights so that the frequencies estimated within sampling strata remained constant. For the 1993 survey, some of the sampling strata had too few respondents and thus were collapsed within employee size classes into “bootstrap

23. The imputation was similar to that used for the Board’s Survey of Consumer Finances. For details, see Arthur B. Kennickell, “Imputation of the 1989 Survey of Consumer Finances: Stochastic Relaxation and Multiple Imputation,” *Proceedings of the Section on Survey Research Methods* (American Statistical Association, 1991).

24. Ideally, the weights should be adjusted using the precise difference in the coverage of the 1987 and 1993 DMI frames. This information was not available, however, so the 1993 sample estimate was used as a proxy.

25. For instance, researchers have shown that sampling error is large relative to imputation error in the 1992 Survey of Consumer Finances. (See Arthur B. Kennickell, Douglas A. McManus, and R. Louise Woodburn, “Weighting Design for the 1992 Survey of Consumer Finances,” Board of Governors of the Federal Reserve System, Division of Research and Statistics, 1996.)

26. When sampling designs and desired estimators are complex, replicate variance estimators such as the jackknife and the bootstrap are most appropriate. (See R.R. Sitter, “A Resampling Procedure for Complex Survey Data,” *Journal of the American Statistical Association*, vol. 87 (September 1992), pp. 755–65.)

27. See Jun Shao and Dongsheng Tu, *The Jackknife and Bootstrap* (Springer-Verlag, 1995).

A.1. Distribution of the dollar amount of small business credit outstanding, by credit type, 1987 and 1993
Percent except as noted

Credit type	1987	1993	Change (percentage points)
Credit lines used ¹	34.0 (2.97)	44.1 (1.40)	10.1 * (3.28)
Mortgage loans ²	31.2 (2.27)	13.9 (.77)	-17.3 * (2.40)
Equipment loans	10.5 (1.28)	11.3 (.54)	.8 (1.39)
Motor vehicle loans	6.1 (2.13)	6.0 (.32)	-.1 (2.15)
Capital leases	4.0 (.52)	6.2 (.34)	2.2 * (.63)
Other loans ³	14.3 (1.68)	18.6 (1.02)	4.4 * (1.96)
Total	100	100	...

NOTE: Standard deviations shown in parentheses.

1. Amounts drawn down under credit lines.

2. Includes both commercial mortgages and residential mortgages if funds were used for business purposes.

3. For definition, see text note 12.

* Statistically significant at the 95 percent confidence level.

sampling strata." Analysis weights were then computed so that frequencies within the bootstrap sampling strata remained constant.

With the bootstrap replicates and the associated analysis weights developed, the computation of sampling variance is straightforward albeit intensive. Four hundred bootstrap estimates (one from each

bootstrap replicate) were computed. Because the bootstrap estimates represent the sampling distribution of the full-sample estimate, the variance of the bootstrap estimates is the estimate of the sampling variance of the full-sample estimate. For example, the incidence of the use of banks for any credit in 1993 is 36.8 percent (table 9, first line). The bootstrap replicate estimates ranged from 34.9 percent to 38.4 percent, with a median of 36.8 percent and a variance of 0.39. The same process was repeated for all share and incidence estimates for 1987 and for 1993.

To test the significance of the changes between 1987 and 1993, a *z* statistic was computed as follows. The full-sample estimate for 1987 was subtracted from that for 1993 to estimate the difference of the share or incidence measure. The standard deviation of this difference is the square root of the sum of the bootstrap variances of the 1987 and 1993 components. The *z* statistic is then computed as the estimated difference divided by its standard deviation. The *z* statistics have an approximate standard normal distribution, so that significance levels indicating whether these estimates are significantly different from zero are easily computed.²⁸ Table A.1 shows the standard deviations of the data reported in table 1. | |

28. For an explanation of tests of significance with normal data, see H. Blalock, Jr., *Social Statistics* (McGraw-Hill, 1972), pp. 93-105.

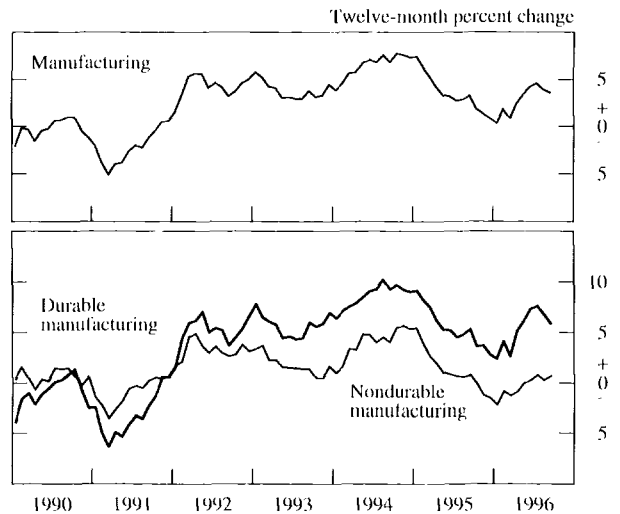
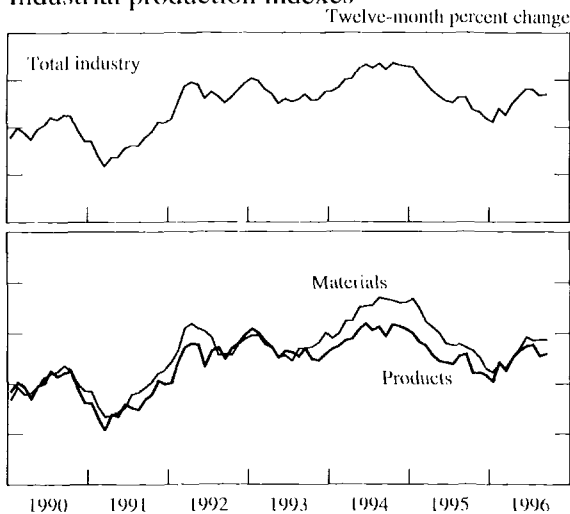
Industrial Production and Capacity Utilization for September 1996

Released for publication October 17

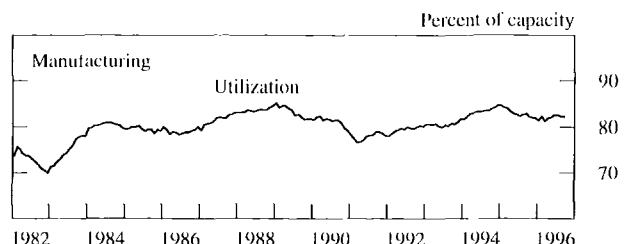
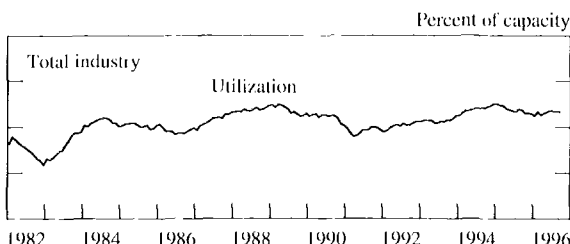
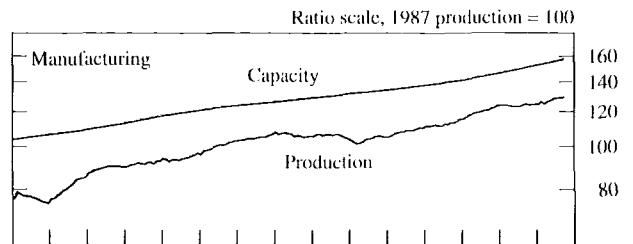
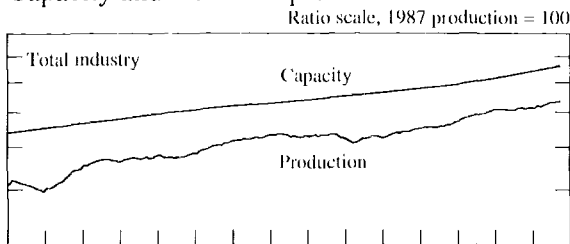
Industrial production increased 0.2 percent in September after a gain of 0.4 percent in August; the August rate is slightly smaller than previously reported. Manufacturing output also increased 0.2 percent in September. The production of motor vehicles and parts, however, fell back about 2 percent for the second straight month. Mining output slipped 0.2 percent, while output at utilities rose 0.4 percent.

At 127.1 percent of its 1987 average, total industrial production in September was 3.5 percent higher than it was in September 1995. Utilization of industrial capacity edged down 0.1 percentage point, to 83.3 percent. Meanwhile, on a quarterly average basis, growth in industrial production slowed from an annual rate of 6.7 percent in the second quarter to 4.4 percent in the third quarter, with the slowdown evident in most major market groups except nondurable consumer goods and durable goods materials.

Industrial production indexes



Capacity and industrial production



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

Industrial production and capacity utilization, September 1996

Category	Industrial production, index, 1987 = 100								
	1996				Percentage change				Sept. 1995 to Sept. 1996
	June ^r	July ^r	Aug. ^r	Sept. ^p	June ^r	July ^r	Aug. ^r	Sept. ^p	
Total	126.4	126.4	126.8	127.1	.8	.0	.4	.2	3.5
Previous estimate	126.2	126.3	126.9	...	.6	.1	.5	...	...
<i>Major market groups</i>									
Products, total ¹	122.3	122.6	122.4	122.9	.8	.2	.1	.4	2.9
Consumer goods	116.8	117.4	116.6	116.6	.4	.5	.7	.1	.5
Business equipment	168.6	170.1	170.8	172.1	1.6	.9	.4	.8	8.8
Construction supplies	113.9	112.5	113.2	113.5	2.6	1.3	.7	.2	4.6
Materials	132.6	132.3	133.7	133.7	.8	.3	1.1	.0	4.3
<i>Major industry groups</i>									
Manufacturing	128.5	129.0	129.1	129.4	.9	.3	.1	.2	3.6
Durable	141.1	141.5	142.2	142.4	1.5	.3	.5	.1	5.9
Nondurable	114.6	115.1	114.6	115.1	.2	.4	.4	.5	.7
Mining	102.8	101.4	103.8	103.6	2.3	-1.3	2.4	.2	3.6
Utilities	126.6	123.1	125.2	125.7	1.4	2.7	1.7	.4	2.5
Capacity utilization, percent									
	Average, 1967-95			1995	1996				Mo to Capacity, per centage change, Sept. 1995 to Sept. 1996
		Low, 1982	High, 1988-89	Sept.	June ^r	July ^r	Aug. ^r	Sept. ^p	
Total	82.1	71.8	84.9	83.7	83.7	83.4	83.4	83.3	3.9
Previous estimate .....	...	...	...	...	83.5	83.3	83.5	...	...
Manufacturing	81.4	70.0	85.2	82.8	82.6	82.5	82.3	82.2	4.4
Advanced processing	80.7	71.4	83.5	81.1	80.8	80.8	80.7	80.5	5.2
Primary processing	82.6	66.8	89.0	86.9	86.8	86.6	86.3	86.2	2.5
Mining	87.4	80.6	86.5	89.3	91.9	90.7	92.9	92.7	1.1
Utilities	86.9	76.2	92.6	90.7	92.6	90.0	91.4	91.6	1.4

NOTE: Data seasonally adjusted or calculated from seasonally adjusted monthly data.

1. Change from preceding month.

2. Contains components in addition to those shown.

r Revised.

p Preliminary.

When analyzed by market group, the data show that the overall output of consumer goods was little changed in September, as substantial declines in the production of automotive products and other consumer durables were offset by advances in the production of nondurable consumer goods. Motor vehicle assemblies fell 0.5 million units (annual rate) from their August level. The output of other durable consumer goods declined noticeably for the third consecutive month, putting it more than 4 percent below its June level and more than 1 percent below its year-ago level; the weakness in September was concentrated in household furniture, refrigerators, and miscellaneous durable goods. In contrast to the lowered output of consumer durables in September, the production of consumer nondurables rose 0.5 percent, led by gains in the production of foods and chemical products; electricity usage and the output of clothing and paper products also increased, but gasoline output fell.

The output of business equipment advanced 0.8 percent; as in August, the increase was concen-

trated at producers of information processing equipment. The output of industrial equipment was unchanged, and production for this segment remains near its September 1995 level. Led by another large drop in motor vehicle assemblies, the production of transit equipment fell again in September. Growth at commercial aircraft manufacturers continued strong, however, with production up more than 14 percent since June. The output of defense and space equipment edged up in September after having posted substantial increases in the two preceding months. The production of construction supplies, which had risen a revised 0.7 percent in August, increased 0.2 percent; the output of business supplies, however, rebounded from the previous two months of weakness, advancing 1.1 percent.

The output of industrial materials was flat in September. With a return to more seasonal temperatures, the production of energy materials edged up 0.2 percent after having risen 2.4 percent in August. After strong growth in August, the output of durable goods materials was unchanged, as gains in the output of

parts destined for use in computer, aviation, and defense equipment were offset by declines in parts used primarily in consumer durables. The output of nondurable materials increased just 0.1 percent after a 0.7 percent decline in August; declines in textile materials and containers largely offset gains in paper, chemical, and miscellaneous materials.

When analyzed by industry group, the data show that after a revised 0.1 percent gain in August, factory output increased 0.2 percent in September; the production of durable goods edged up 0.1 percent, while that of nondurable goods grew 0.5 percent. Among durables, the output of motor vehicles and parts and of miscellaneous manufactures declined substantially; the production of lumber and of iron and steel also fell. These declines were more than offset, however, by substantial increases in computer and office equipment, in aerospace and miscellaneous transportation equipment, and in stone, clay, and glass products and by small increases in other industries. Among nondurables, the indexes for food, tobacco, paper, and chemicals all posted gains in excess of 0.5 percent; printing and publishing and petroleum refining also advanced. On the negative side, the output of leather products, textile mill products, and apparel products, all of which had declined in August, fell again. The production of rubber and plastics products also retreated.

The factory operating rate edged down 0.1 percentage point, to 82.2 percent. The rate for advanced-processing industries decreased 0.2 percentage point, to 80.5 percent, and the rate for primary-processing industries slipped 0.1 percentage point, to 86.2 percent. Although the operating rate for primary processors remains 4 percentage points below the high rate for the current expansion, achieved in December 1994, capacity utilization for these industries is 3.6 percentage points above its 1967–95 average. In particular, the operating rates for primary metals, petroleum refining, fabricated metals products, and rubber and plastics products are more than 5 percentage points above their long-run averages.

This release and the history for all published series are available on the Internet at <http://www.bog.frb.fed.us>, the Board of Governors World Wide Web site.

1996 REVISION ANNOUNCEMENT

During the fourth quarter, the Federal Reserve will publish revisions of its measures of industrial production (IP), capacity, capacity utilization, and

industrial use of electric power; the current target for publishing the revision is late November. The revisions of IP, capacity, and capacity utilization will incorporate updated source data for recent years and will feature a change in the method of aggregating the indexes. From 1977 onward, the value-added proportions used to weight individual series will be updated annually rather than quinquennially. In addition, the IP indexes and the capacity measures will be rebased so that 1992 actual output equals 100. Capacity utilization, the ratio of IP to capacity, will be recomputed on the basis of revised IP and capacity measures.

The aggregate IP indexes will be constructed with a superlative index formula similar to that introduced by the Bureau of Economic Analysis as the featured measure of real output in its January 1996 comprehensive revision of the National Income and Product Accounts. At present, the aggregate IP indexes are computed as linked Laspeyres indexes, with the weights updated every five years. Because of the rapid fall in the relative price of computers and peripheral equipment, that periodic updating of weights is too infrequent to provide reliable estimates of current changes in output, capacity, and capacity utilization. With the publication of the revision, value-added proportions will be updated annually, and the new index number formula will be applied to all aggregates of IP, capacity, and gross value of product. For the most part, relative price movements among the 260 individual components of the IP index are likely to have little visible effect on total IP. However, the more frequent updating of the relative price of the output of the computer industry could lower overall IP growth in some years by as much as ½ percentage point; in other years, the updating of weights will have virtually no effect. Because the new index number formula will slow capacity growth as well as IP growth, the effect of the reaggregation on overall capacity utilization should be small.

The regular updating of source data for IP will include the introduction of annual data from the *1994 Annual Survey of Manufactures* and selected *1995 Current Industrial Reports* of the Bureau of the Census. Available annual data on mining for 1994 and 1995 from the Department of the Interior will also be introduced. Revisions to the monthly indicators for each industry (physical product data, production-worker hours, or electric power usage) and revised seasonal factors will be incorporated back to 1992. In addition, the benchmark index for semiconductor output will be revised back to 1977 to reflect a hedonic price index similar in concept to that used for the computer industry.

The statistics on the industrial use of electric power will be revised back to 1972. These revisions stem from three basic sources. First, the new figures incorporate more complete reports received from utilities for the past few years. Second, an updated panel of reporters on cogeneration will be fully integrated into our survey of electric power use. Third, the levels of the monthly electric power series for manufacturing industries will be benchmarked to indexes derived from data published in the Census Bureau's annual surveys and censuses of manufactures. These indexes will also be revised so that 1992 electric power usage equals 100.

More detail on the plans for this revision is available on the Internet at <http://www.bog.frb.fed.us>. Once the revision is published, the revised data will be available at that site and on diskettes from the Board of Governors of the Federal Reserve System, Publications Services, 202-452-3245. The revised data will also be available through the Economic Bulletin Board of the Department of Commerce; call 202-482-1986. In addition to the data currently provided, the time series of implicit prices necessary for a user to aggregate IP and capacity under the new methodology will be provided by the Industrial Output Section, 202-452-3151. []

Statements to the Congress

Statement by Lawrence B. Lindsey, Member, Board of Governors of the Federal Reserve System, before the Committee on Banking and Financial Services, U.S. House of Representatives, September 12, 1996

I am pleased to appear before this committee today to discuss trends in consumer lending; the Federal Reserve Board's view of the likely causes of these developments; and their likely effect on the U.S. economy, banks, and consumers.

As Chairman Leach noted in his letter of invitation, consumer delinquencies on nonmortgage debt have increased in recent periods, and bankruptcy filings could well exceed 1 million in 1996. These developments have begun to affect profit margins at some financial institutions, and the Federal Reserve has been closely monitoring these conditions and discussing their implications with individual banking organizations and industry groups. In our view, given the generally strong financial condition of the institutions most affected by these developments and that of the U.S. banking system, these adverse trends do not currently present a material threat either to individual banking organizations or to the overall banking system.

We have also been carefully monitoring the effect of higher debt levels on the potential for sustained noninflationary growth in the U.S. economy. Although household debt levels are at or near record levels, we believe that the balance sheet of the household sector viewed in the aggregate is sound. Barring unexpected developments in either consumer credit policies or the wealth or income position of households, we do not believe that current debt levels pose a threat to the continuation of the present economic expansion. However, although balance sheets are sound overall, the trends affecting different household groups have been uneven. As a result, we might expect, and are seeing, increased caution on the part of lenders regarding further extensions of credit. Lenders are, and should be, on heightened alert for potential signs of increased financial stress among households.

In my remarks, I would like to begin with an overview of the economic factors that are likely to have contributed to the rising levels of consumer debt. I shall then turn to the emerging—and still well-contained—consequences that these develop-

ments are having on the banking organizations that are most affected and on the industry overall. Finally, I shall consider some of the potential economic ramifications of the current levels of consumer debt.

REASONS FOR HIGHER DEBT LEVELS

Economic developments in the United States have, in recent years, been favorable to growth in both spending and borrowing by the household sector and to strong growth in consumer lending by U.S. banks, making both supply and demand factors conducive to consumer credit expansion. On the demand side, rising levels of employment and income coupled with the dramatic increases in stock and bond prices, and thus aggregate household wealth, have led to both a greater ability and a greater willingness of consumers to spend.

During this same time period, rates and fees on consumer financing products have been coming down. For example, average credit card rates, which stood at about 18¼ percent in late 1991, declined to less than 15½ percent by May of this year. At the same time, annual fees on credit cards were dropped by many institutions. In addition, declining residential mortgage rates throughout most of this interval contributed to a significant reduction in monthly payments on such debts. The relatively low mortgage rates of the early 1990s precipitated a refinancing boom that allowed many consumers to reduce significantly their monthly mortgage obligations and to pay down higher cost consumer debt.

In combination, these generally favorable developments have given consumers the confidence and financial foundation to incur additional debt to finance major purchases. The net effect is that we have increased our spending faster than we have increased our income. Since the second quarter of 1991, when the present expansion began, real per capita disposable personal income has risen \$1,264, while real per capita expenditures have gone up \$1,389. Essentially, for every \$1.00 our income has gone up, we have spent \$1.10. This extra spending has been particularly concentrated among big ticket items, which economists call “durables.” While real spending per capita has risen about 8.5 percent over-

all, real per capita spending on durables has risen more than three times as fast (27.3 percent). It is not unusual for consumers to borrow to finance these durable purchases. High rates of durable purchases and consumer confidence usually occur during business cycle expansions. So, much of the higher level of consumer debt could be attributed to acquiring additional assets, a normal development at this stage of the business cycle.

The growth in nonmortgage consumer debt has been particularly robust in the past two to three years. As the economy emerged from recession in 1991, growth in nonmortgage consumer debt was much slower than typical, reflecting sluggish spending on durable goods and lingering fears about long-term layoffs and other threats to job security. However, by 1994 consumer confidence had recovered considerably, and demand for autos and other durable goods had strengthened. Nonmortgage consumer debt grew about 15 percent that year and the next. Revolving credit— primarily credit card debt— has been, by far, the fastest-growing component of consumer debt, averaging annual increases of 20 percent over the past two years.

In part, the rapid rise in credit card debt is part of a long-standing trend. In 1977, when first reported separately to the Federal Reserve, revolving debt of U.S. consumers totaled \$30 billion, or 14 percent of all consumer debt. In July of this year, the amount outstanding was \$454 billion (preliminary), or nearly 40 percent of the total. Some surveys show that 80 percent of U.S. households now have at least one credit card. In addition, some of the increase in consumer debt is merely a reflection of the greater prevalence of convenience use of credit cards as a substitute for cash or check payment. Convenience users typically pay their card balances in full each month. The increased convenience use of credit cards has been reinforced in recent years by a variety of incentives, such as the availability of frequent flier miles. But, the Federal Reserve's Survey of Consumer Finances suggests that the convenience share of outstanding credit card debt, defined as credit extended to people who always pay their credit card bills each month, has not risen markedly in recent years and still accounts only for roughly one dollar in seven of aggregate credit card debt.

The particularly rapid growth in the demand for unsecured credit coupled with changes in both legal and social attitudes raises another potential, albeit disturbing, factor affecting demand: the increased incidence of personal bankruptcy. Late last month, the American Bankruptcy Institute reported that personal bankruptcy filings in the second quarter neared

the 300,000 mark and had exceeded 1 million in the previous twelve months for the first time in history. On the basis of available information, it is hard to refute the observation of Sam Gerdano, the head of the institute, that "today's bankruptcy boom is the natural result of three years of sustained consumer spending increases that far outpaced income growth in an era of greater social acceptance of bankruptcy."

A recent survey of the causes of consumer bankruptcy by VISA indicated that being overextended was the most commonly cited reason. Interestingly, it exceeded event-specific reasons such as medical emergencies, unemployment, and divorce.

While rising levels of consumer debt may be contributing to the climb in bankruptcies, bankruptcy law may also be contributing to rising debt levels. Several factors are said to be contributing to higher rates of personal bankruptcy, including greater social acceptability of the practice, changes in law that have made bankruptcy less onerous for individuals, and increased advertising by bankruptcy attorneys. To the extent that bankruptcy is perceived by consumers as an easier option, the demand for credit, and particularly the willingness to take on high levels of credit, is enhanced. With the consequences of bankruptcy reduced, individuals, other things equal, may be more willing to borrow than would otherwise be the case. One may not wish to foreclose the possibility of renewed credit access to those who have been forced by uncontrollable circumstances to seek the protection of bankruptcy, but it should be recognized that undue generosity on this score only encourages greater use of the bankruptcy remedy and consequent chargeoffs.

In sum, a variety of macroeconomic and socioeconomic factors have contributed to the rise in the demand for consumer credit. The lower cost of credit is certainly a factor. Higher income and wealth and the consequent increase in consumer confidence have increased the willingness to both spend and borrow. A long-term trend toward greater willingness to use household debt, particularly credit card debt, has also played a factor. The reduced consequences of personal bankruptcy may also have played a role.

Accompanying the increase in demand for consumer credit have been developments on the supply side of the market. As a percentage of total bank loans, consumer debt (including mortgages) has been increasing steadily for some time— from 33 percent of total bank loans in 1980 to roughly 40 percent five years ago and about 44 percent today. Credit card debt has been a particularly fast growing segment of bank portfolios. Since late in 1991, credit card debt has risen about twice as fast as total loans. If one adds

back estimates of the outstanding securitized credit card debt of banks, such credit has risen almost three times as fast as total loans at banks.

The industry's total increase in credit card loans has been supported by the aggressive marketing of some banks. Marketing campaigns typically involve broad-based, regional, or nationwide solicitations and often include preapproved lines of credit based on the results of "credit scoring" models that statistically evaluate an individual's creditworthiness. Credit scoring and computer-based statistical evaluation have sharply lowered the cost of making a decision to extend credit. This has greatly facilitated the mass marketing of credit to individuals who are not bank customers and who live outside banks' traditional service areas.

In addition, banks' success in securitizing consumer debt instruments for resale in capital markets has increased both their willingness and their ability to make such loans. Securitization and credit scoring have necessitated heavy investments in the technological infrastructure needed to evaluate, originate, and effectively manage such credits.

In turn, this has changed the cost structure of the industry to favor an expansion of volume to exploit scale economies. Major competitors have increasingly used special promotions offering reduced fees and rates to obtain market share and maximize the scale economies of their operations. Some have also been willing to take on greater risk in the interest of increasing loan volumes. Such competitive zeal all too often attracts weak or otherwise marginal borrowers. The resultant adverse selection of credit risks has contributed to a decline in asset quality at some banks.

While these problems have eroded returns at individual institutions, a critical factor that continues to contribute to the emphasis on such lending has been the significant, overall long-term profitability of the credit card business. This is not irrelevant for a banking system whose largest institutions had been under earnings pressure through much of the 1980s because of their exposures to developing countries, energy sector borrowers, and commercial real estate markets. Thus, both supply and demand factors help explain the increase in the levels of consumer debt that we have recently experienced.

EFFECT ON THE BANKING SECTOR

One indication of the profitability of credit card lending can be seen in analyzing the so-called credit card banks (defined to include banks with more than

\$1 billion in assets and with credit card balances comprising more than 50 percent of total assets). For various legal, tax, and operating reasons, most large banking organizations find it convenient to establish such banks, separate from their other operations, as a vehicle for booking most, if not all, of their credit card loans. These roughly thirty entities most recently reported an average annualized return on assets for the second quarter of 2 percent, compared with a quarterly return of 1.3 percent for all insured commercial banks. While credit card banks remained more profitable than other banks, their profitability has declined a good bit in recent years because of heightened competition and the erosion of credit quality. Credit card banks also maintain average equity to asset and loan-loss reserves to total loan ratios well above industry averages.

The strong earnings profiles of the credit card banks, and their associated capital and reserve allocations, are reflections of the risks associated with this form of lending. Higher risk and higher return go hand in hand, and the higher capital and reserves associated with this form of credit are required to balance the risk. Put another way, lenders active in the credit card business are conscious of higher potential loss rates and expect returns that will fully absorb these losses and still provide an adequate profit margin. They are also aware of the necessity to take steps to ensure that the variance in returns on these loans does not create significant solvency concerns for their organizations.

Generally speaking, delinquency rates on non-mortgage consumer loans have been trending up for the past year, with some of the increase in delinquency rates merely the result of the "seasoning" of recently underwritten loans, a typical pattern. However, for credit cards, the widely followed statistics of the American Bankers Association show that the *number* of delinquent accounts is historically high. The more comprehensive figures from the official bank call reports based on the *dollar* volumes of loan balances, however, show a much milder upturn in delinquencies—but still one warranting our attention.

Recently, our supervisory activities, surveys of examiners, and discussions with bankers all have supported the view that banks are recognizing weaknesses in the consumer lending market and are actively adjusting their underwriting and monitoring procedures for these loans. Some banks have also increased their levels of reserves for these loans in recent months.

Since March 1995, the Federal Reserve has also been conducting a quarterly survey of its most senior examiners to track their assessments of conditions in

the banking market, including their assessments of any changes in lending terms and conditions for consumer loans. To supplement these surveys, regular discussions are conducted with bankers and supervisory officials at the Reserve Banks to ascertain their opinions on current lending conditions. In the most recent Federal Reserve Senior Loan Officer Survey, nearly half of the respondent banks, on net, had tightened underwriting standards for approving new credit card applications, up from about a quarter in the two previous surveys. More broadly, the proportion of respondents *less* willing to make consumer installment loans slightly exceeded the proportion that was *more* willing to lend, for the first time since 1991. Such a revisiting of current credit standards and practices seems well considered, given the length of the current period of economic expansion and the signs of weakness in some elements of consumer finances such as rising delinquency and bankruptcy rates.

POTENTIAL ECONOMIC RAMIFICATIONS

Reduced Willingness To Lend

The survey results on banks' willingness to lend to finance consumer purchases raises a natural macroeconomic question. Could a pullback in bank willingness to lend create potential difficulties for the sustainability of the economic expansion? Figure 1 provides some historical detail on this issue.¹ As the figure indicates, there seems to be a degree of coincidence between pullbacks in banks' willingness to lend and economic downturns. Nonetheless, it would be premature to expect that any current pullback in the willingness to lend to consumers would necessarily precipitate a recession.

First, although the chart does indicate an apparent relationship, it is not at all clear that a cause-and-effect relationship exists or in which direction any economic causality might run. On theoretical grounds, one could argue either that a pullback in credit leads to lower spending and thus to a recession or that recessions produce a deterioration in credit quality that causes banks to be less willing to make further extensions of credit.

Second, as the data on delinquencies and bankruptcies make clear, a good case can be made that reductions in credit are appropriate responses to past excess

credit extensions. In this regard, they increase the long-term health and viability of the economic expansion by ending potential economic excesses before they adversely affect the banking and credit delivery system.

Third, the development of computerized credit-scoring models offers the potential for more discerning and carefully targeted reductions in the willingness to extend credit or adjustments in the terms on accounts. In this regard, a reduced willingness to lend may be more narrowly focused than in the past. The adverse impact of a reduction in credit availability might therefore be less in the present expansion than it has been in the past.

Still, the potential for a systematic and widespread pullback in credit access needs careful monitoring. Our first concern is that banks are engaging in safe and sound lending practices. As I mentioned earlier, we believe that they are. Thus, any regulatory or legislative mandate to reduce bank credit extensions to consumers is unnecessary. We also do not believe that the reduced willingness to extend credit at the current time is sufficiently widespread to create any significant macroeconomic risk to the expansion.

Excessive Debt Service Burdens

A second potential economic concern involves high debt-service burdens (that is, the amount a household must pay each month to cover its debt obligations). At some point, one would imagine that the cost of servicing rising levels of debt would absorb such a large chunk of consumers' disposable income that they would have no choice but to reduce current consumption. However, neither economic theory nor empirical evidence provides any good indication of the level at which debt-service constraints begin to reduce spending.

Figure 2 shows the level of estimated debt service as a percentage of disposable personal income over the past thirty years. While high, the current level of debt service payments is not out of the range of past experience. As conventionally measured, the level is now 16.9 percent, up from a cyclical low of 15.3 percent at the end of 1993 but below its peak of 17.6 percent at the end of 1989.

A number of developments have taken place recently that have affected this measure. First, the level of mortgage debt service has fallen by a full percentage point of disposable personal income, from 6.8 percent at the end of 1989 to 5.8 percent currently. This has been partially offset by a higher level of consumer installment debt.

1. The attachment to this statement is available from Publications Services, Mail Stop 127, Board of Governors of the Federal Reserve System, Washington, DC 20551.

Second, the use of auto leasing has expanded rapidly in recent years, in part, acting as a substitute for taking out an installment loan to purchase an automobile. If one adjusts the measure of debt-service burden for leasing, our staff estimates that we would now be about matching the previous peak in the debt-service burden. Since the previous peak at the end of 1989, the effect of auto leasing has more than doubled, raising debt-service payments by more than 1 percent of income currently versus just 0.5 percent of income in late 1989.

The Level and Distribution of Household Debt

The balance sheet of the U.S. household sector, taken as a whole, has improved substantially in recent years. The dramatic increase in the stock market, for example, has increased the financial assets of households by \$4.75 trillion since the end of the recession in 1991. Overall, household assets have increased by \$9.5 trillion, while household liabilities have risen \$1.5 trillion. This rise in aggregate household wealth has doubtless supported the level of consumption spending of recent years and allowed households to increase their consumption faster than their incomes have risen.

From an economic point of view, nothing is wrong with consumers increasing their debt per se. Increasing debt to finance long-term investments, such as housing, durables, or even education, may be prudent depending on one's individual circumstances. Furthermore, taking on debt may be a prudent means of maintaining consumption levels during a period when income is below one's expectations of its long-term trend. As I shall argue later, this may be one reason for higher levels of consumer debt at present.

Suffice it to say that there are good reasons for any individual U.S. family to take on additional debt, and it would be wrong for a Federal Reserve governor to opine that some particular U.S. family is too much in debt. Individuals know their own circumstances far better than any government official. But a look at disaggregated data provides insights into economic trends regarding the willingness of U.S. families to add to their levels of debt.

Figure 3 combines information from the Federal Reserve's Survey of Consumer Finances (SCF) on the distribution of household debt with our estimates from the flow of funds accounts on the debt-to-income ratio of the U.S. household sector.² We esti-

mate that, on average, the household sector increased its debt-to-income ratio about 5 percentage points between 1992 and 1995. This was the result of an increase of 2 percentage points in mortgage debt, from 59.8 percent of income to 61.9 percent of income and an increase of 3 percentage points in nonmortgage consumer debt, from 16.9 percent of income to 19.8 percent of income.

Nevertheless, the survey data suggest some interesting trends in the distribution of this debt. Typically, households earning more than \$100,000 per year sharply reduced their debt levels between 1992 and 1995. The share of total household debt held by these households fell from one-third to one-quarter, and this decline was particularly concentrated among households earning more than \$250,000 per year. These upper income groups experienced a decline in both the mean and median absolute level of debt outstanding, while all other income groups increased their debt.

The decline in the debt levels for these groups makes the rise in debt levels for other groups more striking. For example, households with incomes between \$50,000 and \$100,000 increased their rates of aggregate mortgage debt to aggregate income by about one-sixth and their corresponding consumer debt to income ratio by roughly 50 percent.

Of course, some households increased their debt substantially more than this, and some not at all. The Survey of Consumer Finances does indicate a striking increase in the willingness to go into debt in the \$50,000 to \$100,000 income group. The proportion of survey households in this income group reporting credit card debt rose 13 percentage points, from 51 percent in 1992 to 64 percent in 1995, compared with a 4-point increase, from 44 percent to 48 percent for the whole population. Those holding installment debt such as auto loans increased from 52 percent to 59 percent in this income group, while the proportion in the overall population with this type of debt was unchanged. Nearly 60 percent of the total increase in nonmortgage debt outstanding was assumed by households in this income group.

Debt increases for households earning less than \$50,000 were also sizable. The increasing attractiveness of various types of financing tied to one's home produced a particularly large increase in the ratio of mortgage debt to income. It should be noted that although the mortgage debt to income ratio increased just 7 percentage points for households earning less than \$25,000, compared with 10 percentage points to 11 percentage points for households earning \$25,000 to \$100,000, homeownership rates are much lower among this segment of the population. Adjusted for

2. The data are from 1992 to 1995 because these are the years in which SCF surveys were conducted.

the lower level of homeownership rates among this income group, mortgage debt to income ratios increased more for these lower income groups than for the \$50,000 to \$100,000 income group. I might add that the rapid expansion of mortgage financing among low and moderate income groups is borne out by other data as well. We will not know for some time what the overall effect of this lending will be on default and delinquency rates.

But these data also show that while some of the added credit extension during this period is to people in income groups that traditionally have not owed much debt, the bulk is not. While overall debt levels increased for all groups earning less than \$100,000, the only group to increase its relative share of such nonmortgage debt was the \$50,000 to \$100,000 income group. Thus, it is reasonable to conclude that the main reason for the household debt expansion of recent years is not so much an extension of debt to new households but an increase in the debt levels taken on by fairly well-to-do segments of the population to whom being in debt (albeit not at these levels) is not an unusual experience.

From a macroeconomic perspective, we must therefore consider why these middle and upper middle income households have increased their debt levels. Unfortunately, this is the type of question that will only be definitively answered in hindsight. I mentioned one likely explanation earlier. It is not at all unusual for these households to expand their levels of durable purchases and debt to finance these purchases. Consumer confidence is high and up from levels earlier this decade, thus increasing demand. Thus, one possibility is that what we have experienced is a cyclical phenomenon linked to acquisition of consumer durables by relatively affluent households.

A related possibility is that households may be using their access to both mortgage and consumer credit to finance purchases of financial assets. The expectation of high returns in the stock market may have induced some households to borrow to finance these investments. Tax rules regarding both home mortgages and pension plans such as 401(k)s, may have made such purchases of financial assets with debt for which the interest is tax deductible particularly attractive. Whatever the economic performance of such a financial arrangement, consumers are reducing the liquidity of their balance sheets by such actions. I might also add, however, that our most recent Survey of Consumer Finances found little evidence to support this explanation.

Yet another possibility, consistent with both the data and economic theory, is that consumers' long-term confidence is high, but recent experience with

earnings has been disappointing. Consumers might be choosing to cover what they perceive as a temporary reduction in their wages from their long-term trend through debt. During the three-year period discussed previously, the increase in wage and salary payments has constituted a smaller share of increased gross domestic product than is usual during expansions. During these three years, increased wage and salary payments constituted only 44 percent of increased GDP, versus 47.2 percent during the 1981-90 period. Stated differently, if wages and salaries constituted the same share of GDP in 1995 as they did in 1990, workers would have enjoyed about \$52 billion more in income that year.

Given that overall employment conditions are quite good, workers might reasonably expect this shortfall to be temporary. An economically rational response to this situation would be to borrow temporarily to maintain consumption levels with the expectation that the added debt would be repaid when wages rise to more normal levels. This theory comports with anecdotal concerns about corporate downsizings, which also lend anecdotal support to the sharp debt rise in the \$50,000 to \$100,000 income group. An open question remains as to whether this wage shortfall is indeed temporary. The comparatively poor performance of labor productivity in recent years is not an encouraging sign. On the other hand, as Chairman Greenspan has noted before this committee, there are reasons to expect that we may not be measuring the impact of new technologies on our economy appropriately.

Thus, we cannot tell for certain what the dominant reasons for the debt increase might be. We cannot tell how the habit of households increasing spending faster than income will break: Will productivity increase to allow wages to constitute more normal portions of GDP, or will consumers ultimately be forced to reduce their spending? Nor can we tell when this current pattern will end. Consumers can probably continue to maintain current spending patterns by increasing their debt levels further for the foreseeable future. The prudence of continuing to do so depends crucially on the household's individual situation.

But at present the Board does not believe that current debt-service levels are a necessary impediment to continued economic expansion. We also see no reason to believe that this expansion of consumer debt on the balance sheets of the Nation's banks is any cause to worry about their underlying safety and soundness. Thus, the Federal Reserve believes that the best policy is to continue to monitor and study developments in this area but that no immediate regulatory or legislative action is warranted.

Statement by Susan M. Phillips, Member, Board of Governors of the Federal Reserve System, before the Committee on Banking and Financial Services, U.S. House of Representatives, September 18, 1996

Thank you for the opportunity to discuss the recent trading losses by Sumitomo Corporation and their implications for U.S. banks and markets. These losses, which relate to copper trading, may be as large as \$1.8 billion and once again highlight the importance of sound internal controls by all parties with significant trading activities. At this time the losses appear to be limited to the Sumitomo trading company, which has been meeting all of its obligations to U.S. banks arising from its transactions in the copper market.

In my remarks today, I would like to address the general nature of U.S. bank involvement in trading and financing physical commodity transactions, the Federal Reserve's actions in the immediate aftermath of the announcement of Sumitomo's losses, and the lessons we believe should be drawn from this and similar episodes. In doing so, I would emphasize at the outset that, as a nonfinancial company, the Sumitomo Corporation is not regulated by the Federal Reserve or by any other banking supervisory or regulatory agency in this country or abroad. Consequently, the Federal Reserve's involvement has related principally to reviewing the exposure and role of U.S. banks that lent funds to Sumitomo or that dealt with the company in its copper-related business and to assisting the Commodity Futures Trading Commission (CFTC) in its evaluation of Sumitomo's U.S. activities.

COMMODITIES TRADING AND FINANCING ACTIVITIES OF U.S. BANKS

U.S. banks have long been involved in financing commodity activities through their agriculture lending programs directed at the production and sale of agricultural products, both domestically and abroad. Indeed, more than one-quarter of all U.S. banks have farm loans in excess of 25 percent of their total loans. Such lending, however, has become less important to our banking system as the relative importance of primary agricultural products in real gross domestic product has declined. At midyear 1996, farm lending accounted for roughly 2.7 percent of total lending by U.S. commercial banks, compared with 5.2 percent in 1970. U.S. banks have also, of course, been active in financing the production, distribution, and sale of

many other physical commodities ranging from metals to oil.

Beyond that traditional financing, banks—and, more importantly in this country, nonbank financial institutions—have also participated in agricultural and other commodity markets through their trading of commodity derivatives both on and off organized exchanges. Unlike the banks' more traditional functions, their trading of commodity derivatives has increased in recent years, largely for the same reasons trading activities, in general, have grown: expanded international trade, increased demand for hedging instruments and improved methods for managing and controlling risks, advances in computerization and communications technology, and other factors.

Nevertheless, commodities trading at U.S. banks remains a very small component of their overall activities. Ownership of actual, physical commodities—an activity underlying much of the copper trading of Sumitomo—is generally limited for U.S. banks to gold, silver, and other precious metals. Even their trading of physical commodities contracts on organized exchanges or through privately negotiated transactions is small, accounting for less than 1.0 percent of all their derivatives positions. These contracts, in turn, are about evenly divided between (1) gold and other precious metals and (2) all other commodities.

As you may know, the Sumitomo Corporation has been a major participant in the trading of copper derivatives for many years, largely through the activities of its chief copper trader, Yasuo Hamanaka. Consequently, after indications of problems in the company's copper trading operations, copper prices fell sharply. Copper markets appear to have stabilized, and the Federal Reserve is not aware of any material spillover effects to other markets.

FEDERAL RESERVE ACTIONS AFTER SUMITOMO'S ANNOUNCEMENT

Immediately after Sumitomo's announced loss, the Federal Reserve took steps to determine the size and nature of U.S. bank exposures to the trading company and to the copper market. Several banks had trading or financing transactions with Sumitomo relating to its copper trading and were owed payments by Sumitomo in connection with those transactions. Shortly after the announcement, the banks contacted Sumitomo to review and confirm all outstanding transactions relating to copper, and Sumitomo has

been meeting all of its obligations as they come due. At this time, any losses appear to be limited to the Sumitomo trading company itself, but it should be noted that the company, regulators, and others are reviewing the events leading to the June announcement.

The Federal Reserve also sought to coordinate its review of U.S. banks' copper-related activities with the CFTC, which was reviewing Sumitomo's conduct. To this end, shortly after the announcement of Sumitomo's loss, senior staff of the Federal Reserve and the CFTC began meeting together to share information pertinent to their respective enquiries. This effort is still ongoing.

IMPORTANCE OF SOUND MANAGEMENT CONTROLS

This event highlights, yet again, the importance of a sound management process for controlling risks in both banking and nonbanking organizations. As we have seen time and again in recent years, individual traders today have the capacity to inflict tremendous losses on their institutions when they are allowed to operate in an environment lacking adequate operating procedures and controls. On the other hand, these incidents also illustrate the resilience of even specialized commodities markets and the ability of world markets to absorb dramatic shocks.

It is instructional that the well-publicized losses at Barings, Daiwa, Sumitomo, and others have all derived from violations of fundamental, managerial principles of control, such as those dealing with the recording of all positions and the adequate separation of duties. Managements must build and maintain adequate systems for controlling risks, whether they operate bank or nonbank institutions.

Losses such as Sumitomo's raise the issue of more extensive regulation. Regulation, however, simply cannot substitute for sound management. Earlier episodes clearly demonstrate that the very same problems can occur in regulated as well as unregulated firms and with exchange-traded contracts as well as with privately negotiated contracts. Thus, a more appropriate response—indeed, for nonfinancial

companies the only practical response—is to continue to promote policies that foster greater market discipline.

Encouraging greater disclosure of risk levels is an effort that moves in that direction. Disclosures such as an organization's calculated "value-at-risk" have the potential to provide investors and other market participants with greater information regarding the organization's willingness to take risks and are currently being discussed. Official and market pressures to produce such statistics hopefully will continue to strengthen the internal auditing and information systems of many firms. By themselves, though, such quantitative disclosures will not suffice if large exposures are mismeasured or overlooked. Shareholders, boards of directors, and senior managers must absorb the lesson that strong management and control procedures are essential.

In the case of insured commercial banks, the Federal Reserve and the other U.S. federal banking agencies have stressed the need for adequate management processes in dealing with market conditions today and have announced new supervisory procedures to reinforce the point. Through the Bank for International Settlements and other international organizations, both the banking and securities regulatory communities have taken similar steps abroad. These regulatory efforts, combined with the lessons imposed by the markets, should begin to drive home to market practitioners the importance of sound operating procedures and controls.

CONCLUSION

Although managing and controlling risks in a large organization today can be a complicated, challenging, and expensive task, the costs of *not* adequately controlling risks can be much greater. One must conclude from recent events that some institutions have yet to recognize that fact and take adequate preventive measures. While financial risk-taking is essential to our economy, risks should be taken in an informed and intelligent manner and then only when adequately supported with owners' funds. | |

Announcements

MEETING OF THE CONSUMER ADVISORY COUNCIL

The Federal Reserve Board's Consumer Advisory Council met on October 24, 1996, in a meeting that was open to the public. 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.

AMENDMENT TO SECTION 20 OF THE GLASS-STEAGALL ACT

The Federal Reserve Board announced on September 11, 1996, that it would adopt a change in the manner in which interest earned on certain securities held by a company in an underwriting or dealing capacity is treated in determining whether the company is engaged principally in underwriting and dealing in securities for purposes of section 20 of the Glass-Steagall Act. The amendment is effective November 12, 1996.

Section 20 of the Glass-Steagall Act prohibits a member bank from being affiliated with any company "engaged principally" in underwriting and dealing in securities that a member bank may not underwrite or deal in (ineligible securities). To ensure compliance with section 20, the Board requires that the revenue a bank holding company subsidiary derives from underwriting and dealing in ineligible securities not exceed 10 percent of the total revenue of the company.

The Board is amending its section 20 orders to specify that interest earned on the types of debt securities that a member bank may hold for its own account shall not be treated as revenue from underwriting or dealing in securities for purposes of section 20. Interest on these securities will continue to be included in total revenue. Section 20 subsidiaries may use this method to compute compliance with the revenue limitation in reports filed with the Board after the effective date.

REGULATION B: REVISIONS TO THE OFFICIAL STAFF COMMENTARY

The Federal Reserve Board issued on September 27, 1996, revisions to its official staff commentary to Regulation B (Equal Credit Opportunity). The revisions provide guidance on issues the Board has been asked to clarify, including credit scoring and spousal signature rules. Compliance became mandatory after October 31, 1996.

REGULATION M: REVISIONS

The Federal Reserve Board issued on September 27, 1996, its final regulation to simplify and clarify required disclosures for car leasing and other types of consumer lease transactions. This new version of Regulation M (Consumer Leasing) stems from the increased use of automobile leasing over the past several years and the Board's review of the regulation in accordance with its policy of periodically examining its regulations to carry out the purpose of the underlying law more effectively.

The new regulation, which carries out provisions of the Consumer Leasing Act, is effective October 1, 1997, as set by the statute, but voluntary compliance is acceptable at any time before that date.

In general, the revisions to Regulation M accomplish the following:

- Adopt a revised disclosure format, including the segregation of certain disclosures
- Adopt a total of payments disclosure to facilitate comparisons
- Revise the disclosure of costs paid at lease signing to make it easier for a consumer to understand the amounts to be paid and how they are allocated
- Require a mathematical progression that shows how the monthly lease payment is calculated and the relationship of terms such as the "capitalized cost" and the "residual value" of the leased property
- Require narrative warnings about possible charges for terminating a lease early and for excess wear and tear

- Require changes in advertising rules to implement statutory amendments, simplify disclosure requirements, and deter misleading advertising
- Require a disclosure to accompany any percentage rate indicating the limitations of rate information.

The Board will publish an updated proposal to the commentary in mid-November 1996. The proposal will include material that was published for comment in September 1995 (60 FR 48769), and will incorporate guidance contained in the section-by-section discussion that accompanies the final rule. The proposal will also address substantive questions that may be brought to the Board's attention regarding particular aspects of the final rule. Correspondence should be submitted to the Director, Division of Consumer and Community Affairs, Washington, DC 20551, with a reference to Regulation M commentary, no later than October 28, 1996.

REGULATION Z: AMENDMENT

The Federal Reserve Board announced on September 16, 1996, the adoption of a final rule amending Regulation Z (Truth in Lending). This new rule was effective October 21, 1996.

The revisions to Regulation Z incorporate changes made by the Truth in Lending Act Amendments of 1995. The amendments establish new creditor-liability rules for closed-end loans secured by real property or dwellings and consummated on or after September 30, 1995. The amendments also clarify how lenders must disclose certain fees connected with mortgage loans.

Also, the Board is publishing a new rule regarding the treatment of fees charged in connection with debt cancellation agreements. The rule is similar to the existing rule for credit insurance premiums and provides for more uniform treatment of these fees.

BROADCAST OF AN EDUCATIONAL PROGRAM ON SAVING AND INVESTING

The Federal Reserve Board and the U.S. Securities and Exchange Commission (SEC) announced on September 13, 1996, their co-sponsorship of an educational program for adults on saving and investing entitled "It's Your Money."

This program will be broadcast nationwide by satellite on Saturday, November 9, at 11 a.m. Central

Standard Time. It is the first time that the two regulators have collaborated on a consumer outreach effort of this type and scope.

"It's Your Money" is an hour-long seminar that will cover the basics of saving and investing as well as explore smart ways to deal with today's markets. The purpose of the program, which is free of charge, is to encourage saving and to foster a greater understanding of investments. Topics will include the following:

- Budgeting to find money to save
- Using compounding to help your savings grow
- Choosing banking services
- Understanding risk
- Setting goals
- Making investment choices.

The first half of the seminar will focus on saving; the second segment will be devoted to a presentation on how to invest wisely by SEC Chairman Arthur Levitt. A panel composed of the following experts will field questions on both topics:

- Alice Rivlin, Vice Chair of the Federal Reserve Board
- Kelvin Boston, author of *Smart Money Moves for African Americans*
- Thomas Jones, Vice Chairman and President of TIAA-CREF
- Beth Kobliner, author of *Get a Financial Life*
- Tyler Mathisen, Executive Editor of *Money* magazine
- Grace Weinstein, author of *The Lifetime Book of Money Management*.

The moderator of this educational broadcast will be Bob Ray Sanders, columnist for the *Fort Worth Star-Telegram* and the host of "Between the Lines," a weekly news and public affairs program on KERA-TV, the PBS affiliate in Dallas-Fort Worth.

"It's Your Money" is a unique opportunity for financial institutions, securities firms, certified financial planners, and other related industries and groups to offer their clients and communities a program on saving and investing that allows their individual questions to be answered by a renowned panel of experts.

The Federal Reserve Board and the SEC are pleased to have the support of the Alliance for Investor Education, which is a newly formed group of investment industry organizations. The Alliance has been organized to facilitate a greater understanding of investments, investing, and the financial markets.

This program will be broadcast from Westcott Communications in Dallas, Texas, and made available to individuals and groups through Westcott's Interactive Distance Training Network (IDTN) and its other affiliates throughout the country. In addition, the program has been made available to the Community College Satellite Network, with more than 900 community college members. Members of the National University Teleconference Network, a consortium of downlink facilities at colleges and universities, will also have access to this teleseminar.

American Financial Skylink, a subsidiary of the American Bankers Association, will make this tele-

seminar available to the subscribers of its satellite network in live format on Saturday, November 9, and in videotape format as a special program in December.

If you would like to arrange the broadcast of this teleseminar in your community or to your customers, you can register by calling 1-800-805-9145 or by accessing the Federal Reserve Board's Internet site at <http://www.bog.frb.fed.us>. For more information about the program, call Marci Schneider at 202-452-3655. []

Minutes of the Federal Open Market Committee Meeting Held on August 20, 1996

A meeting of the Federal Open Market Committee was held in the offices of the Board of Governors of the Federal Reserve System in Washington, D.C., on Tuesday, August 20, 1996, at 9:00 a.m.

Present:

Mr. Greenspan, Chairman
Mr. McDonough, Vice Chairman
Mr. Boehne
Mr. Jordan
Mr. Kelley
Mr. Lindsey
Mr. McTeer
Mr. Meyer
Ms. Phillips
Ms. Rivlin
Mr. Stern
Ms. Yellen

Messrs. Broadus, Guynn, Moskow, and Parry,
Alternate Members of the Federal Open Market
Committee

Messrs. Hoening, Melzer, and Ms. Minehan,
Presidents of the Federal Reserve Banks of
Kansas City, St. Louis, and Boston respectively

Mr. Kohn, Secretary and Economist
Mr. Bernard, Deputy Secretary
Mr. Coyne, Assistant Secretary
Mr. Gillum, Assistant Secretary
Mr. Mattingly, General Counsel
Mr. Prell, Economist

Messrs. Lang, Lindsey, Mishkin, Promisel,
Rolnick, Rosenblum, Siegman, Simpson,
and Stockton, Associate Economists

Mr. Fisher, Manager, System Open Market Account

Mr. Eftin, Deputy Director, Division of Research
and Statistics, Board of Governors

Messrs. Madigan and Slifman, Associate Directors,
Divisions of Monetary Affairs and Research and
Statistics respectively, Board of Governors

Ms. Johnson, Assistant Director, Division of
International Finance, Board of Governors

Ms. Low, Open Market Secretariat Assistant,
Division of Monetary Affairs, Board of
Governors

Mr. Connolly, First Vice President, Federal Reserve
Bank of Boston
Mr. Beebe, Ms. Browne, Messrs. Davis, Dewald,
Eisenbeis, and Goodfriend, Senior
Vice Presidents, Federal Reserve Banks of
San Francisco, Boston, Kansas City, St. Louis,
Atlanta, and Richmond respectively
Ms. Krieger, Vice President, Federal Reserve Bank
of New York
Mr. Sullivan, Assistant Vice President, Federal
Reserve Bank of Chicago
Mr. Bryan, Consultant, Federal Reserve Bank of
Cleveland

By unanimous vote, the minutes of the meeting of the Federal Open Market Committee held on July 2-3, 1996, were approved.

The Manager of the System Open Market Account reported on recent developments in foreign exchange markets. There were no open market transactions in foreign currencies for System account during the period since the meeting on July 2-3, 1996, and thus no vote was required of the Committee.

The Manager also reported on developments in domestic financial markets and on System open market transactions in U.S. government securities and federal agency obligations during the period July 3, 1996, through August 20, 1996. By unanimous vote, the Committee ratified these transactions.

The Committee then turned to a discussion of the economic and financial outlook and the implementation of monetary policy over the intermeeting period ahead. A summary of the economic and financial information available at the time of the meeting and of the Committee's discussion is provided below, followed by the domestic policy directive that was approved by the Committee and issued to the Federal Reserve Bank of New York.

The information reviewed at this meeting suggested that the economic expansion had moderated somewhat recently. Growth in consumer spending appeared to be slowing, business purchases of equipment and structures were rising less vigorously, and higher mortgage rates were beginning to exert a restraining effect on housing construction. Business

inventory accumulation had been quite modest, and production and employment were expanding less rapidly. Increases in labor compensation had been somewhat larger this year, but consumer price inflation, adjusted for food and energy prices, had remained on a fairly steady trend.

Private nonfarm payroll employment increased relatively rapidly in July, though at a considerably slower pace than in the second quarter. Job growth in the services industry slowed sharply, and manufacturing employment declined appreciably after having risen somewhat in the second quarter. In contrast, the expansion in employment in wholesale and retail trade picked up slightly in July, and the number of jobs in construction continued to increase at about the second-quarter pace. The average workweek for private production or nonsupervisory workers fell considerably in July, to a level a little below its average for the second quarter, and the civilian unemployment rate edged up to 5.4 percent.

Industrial production rose slightly further in July after three consecutive months of strong gains; manufacturing production expanded less rapidly, and electricity generation dropped sharply as a result of unseasonably cool weather. A substantial increase in the production of motor vehicles and parts accounted for most of the advance in manufacturing output. Elsewhere, the manufacture of office and computing equipment continued on its strong upward trend in July while the production of other business equipment slipped. The output of consumer goods edged lower after having risen slightly in May and June. The rate of utilization of total industrial capacity declined a little in July but remained at a relatively high level.

Retail sales weakened somewhat over June and July following several months of robust growth. Sales of motor vehicles were down in both months, and spending on other goods rose sluggishly on balance. Housing starts fell somewhat further in July, reflecting a sizable decline in single-family starts that more than offset a bounceback in multifamily starts. The drop in housing starts, coupled with lower sales of new and existing homes in June (latest data available), suggested that the rise in mortgage rates was exerting a damping effect on housing demand and homebuilding activity.

Growth in business spending on durable equipment and nonresidential structures had slowed after a very rapid expansion earlier in the year. Shipments of nondefense capital goods were little changed in June after a sizable increase in May. Weakness in outlays for aircraft more than offset persisting strength in spending on office and computing equipment, and

purchases of other types of equipment, notably communications and industrial equipment, continued to advance briskly. Nonresidential construction activity rebounded in June from an appreciable decrease in May. The pace of office building picked up, and construction of other commercial and industrial structures posted healthy gains after May declines.

Business inventories increased by a modest amount in June after having contracted in May. In manufacturing, inventories continued to run off in June, reducing the sector's stock-sales ratio to near its historical low. Wholesale trade stocks also fell in June, and the inventory-sales ratio was in the lower portion of its range over recent years. Retail inventories rose in June; larger stocks at automotive dealers more than accounted for the increase. The inventory-sales ratio for the sector as a whole edged higher but remained at a relatively low level.

The nominal deficit on U.S. trade in goods and services narrowed in June, but on a quarterly average basis the deficit widened in the second quarter from its rate in the first quarter. In June, the value of exports declined slightly, but the value of imports dropped by a considerably larger amount from a relatively high rate in May. Available information suggested that economic activity in the major foreign industrial countries continued to advance, but at an uneven pace; in Germany, activity rebounded from the contraction in the first quarter, while in Japan a considerable slowing of growth had occurred in the second quarter after very rapid expansion in the first quarter.

Price inflation remained moderate on balance in June and July, with declines in energy prices essentially offsetting increases in food prices. Over a somewhat longer horizon, consumer prices for nonfood, non-energy items rose slightly less in the twelve months ended in July than in the previous twelve-month period. Producer prices of finished goods other than food and energy also increased more slowly in the twelve months ended in July. In contrast, growth in labor costs had picked up. The employment cost index for private industry workers advanced at a somewhat faster rate in the second quarter than in the first quarter or in the second half of 1995. Measured over the year ended in June, the index rose by a slightly larger amount than in the previous year.

At its meeting on July 2-3, 1996, the Committee adopted a directive that called for maintaining the existing degree of pressure on reserve positions but that included a bias toward the possible firming of reserve conditions during the intermeeting period. The directive stated that in the context of the Committee's long-run objectives for price stability and

sustainable economic growth, and giving careful consideration to economic, financial, and monetary developments, somewhat greater reserve restraint would be acceptable and slightly lesser reserve restraint might be acceptable during the intermeeting period. The reserve conditions associated with this directive were expected to be consistent with moderate growth of M2 and M3 over coming months.

With economic growth moderating and inflation quiescent, open market operations were directed toward maintaining the existing degree of pressure on reserve positions throughout the intermeeting period. The federal funds rate averaged a little higher than the level expected with an unchanged policy stance, in part because of unexpectedly high demand for reserves in late July and early August. On balance, most other short-term market interest rates declined slightly, and intermediate- and long-term rates fell somewhat more, over the intermeeting period. In the days immediately following the meeting, rates rose sharply in response to incoming data, notably the employment report for June that market participants viewed as indicating increasing pressures on economic resources and labor costs. Subsequently, however, that rise was more than reversed when further data releases were interpreted as suggesting that the economic expansion might be slowing and that the upturn in labor compensation was mild. Equity prices also exhibited considerable volatility over the period since the Committee meeting on July 2–3, with major indexes of stock prices falling steeply through late July before recouping part to most of their losses in association with the bond market rally and favorable earnings reports.

In foreign exchange markets, the trade-weighted value of the dollar in terms of the other G-10 currencies declined slightly over the intermeeting period. The flow of information suggesting a slowing in U.S. economic growth and reduced prospects for a near-term tightening of Federal Reserve policy weighed against the dollar. On the other hand, the yen was bolstered by incoming data suggesting that the Japanese current account surplus was again widening, and the German mark benefited from the Bundesbank's inaction at a time when market participants were expecting a policy easing.

Growth of M2 and M3 moderated in July. Much of the slowdown in the expansion of M2 was associated with an unexpected decline in demand deposits, which had grown rapidly earlier in the year. With bank credit expanding sluggishly, the funding needs of banks were modest, and the slower growth of M2 showed through to M3. For the year through July, both aggregates were estimated to have increased at

rates somewhat below the upper bounds of their respective ranges for the year. Expansion in total domestic nonfinancial debt had been moderate on balance over recent months and had remained in the middle portion of its range.

The staff forecast prepared for this meeting suggested that the expansion would slow to a rate around, or perhaps a little above, the economy's estimated growth potential. Consumer spending was projected to expand at a more moderate pace that would be in line with the projected increase in disposable income; the favorable effect of the earlier run-up in equity prices on household wealth and the generally ample availability of credit were expected to balance continuing consumer concerns about the adequacy of their savings and the restraining effect of high household debt burdens. Homebuilding was forecast to slow somewhat in response to the backup in residential mortgage rates but to remain at a relatively high level in the context of sustained income growth and the still-favorable cash flow affordability of home ownership. Business spending on equipment and structures was projected to grow less rapidly in light of the anticipated moderate growth of sales and profits. On balance, the external sector was expected to exert a small restraining influence on economic activity over the projection period. Only modest fiscal restraint was anticipated over the forecast horizon. Inflation recently had been lifted by adverse developments in energy markets and was projected to remain above the levels of recent years, given the high level of resource utilization, the effects of tight grain supplies on food prices, and a noticeable step-up in labor compensation reinforced by the legislated rise in the federal minimum wage.

In the Committee's discussion of current and prospective economic developments, members commented that on balance the information received since the July meeting, including anecdotal reports from around the nation, pointed to some slowing in the growth of economic activity from a very rapid pace during the spring. The extent of the slowing remained uncertain, and it was unclear at this juncture whether the expansion would slow sufficiently to contain pressures on labor and other producer resources. Nonetheless, broad measures of price inflation, adjusted to exclude their volatile food and energy components, did not exhibit any uptrend despite robust growth in economic activity this year and high levels of resource use. Indeed, some price measures suggested that inflation had trended lower through the second quarter. Moreover, there were no early signs of pressures or imbalances in the industrial sector. In labor markets, however, there were increasing indications

of tightness that might at some point feed through to greater inflation. Upward wage adjustments were becoming more evident and increases in overall compensation had edged up, suggesting the possibility of further increases in labor costs at current or higher levels of labor utilization even before taking account of the effects of the rise in the minimum wage. Although increases in compensation might be moderated by greater productivity or absorbed for a time by lower profit margins, the risks seemed tilted toward increases in inflation at some point, especially if the growth of the economy continued to outstrip its potential and added to pressures on resources.

In the course of the Committee's discussion, members cited a variety of indications that economic growth was slowing from a very rapid pace, and they pointed to a number of factors that in their view should promote continued, though more moderate, expansion in economic activity. These included generally supportive financial conditions, relatively high levels of consumer confidence, and the absence of major imbalances in the economy. It was noted that much of the stimulus for the strong expansion in the first half of the year had been provided by large increases in spending for consumer durables, housing, and business equipment; however, growth in such spending could be expected to slow in the context of increasingly satisfied pent-up demands and the lagged effects of earlier increases in intermediate- and long-term interest rates on these interest-sensitive sectors of the economy. A key uncertainty in the outlook was the prospective behavior of inventories. Should the expansion in final demand fail to moderate to a sustainable pace, business firms would be likely to intensify their efforts to build their inventories, which currently were widely viewed as satisfactory or even relatively lean in relation to sales. While some buildup in inventories appeared to be occurring in the current quarter, developments that might lead to a sharp increase in inventory investment, such as shortages of various goods and materials and lengthening delays in securing deliveries, were not in evidence at this time. Accordingly, aggressive inventory accumulation remained an upside risk to the projected expansion but not one that was likely to materialize unless final demand were to exceed current forecasts by a significant margin.

In their discussion of the outlook for inflation, members observed that increases in prices had remained remarkably subdued for an extended period in relation to measures of resource utilization, notably the rate of unemployment. Such behavior differed markedly from the historical experience under simi-

lar circumstances. One factor tending to hold down prices has been highly competitive markets—throughout the nation and internationally as well—that have made it very difficult for business firms to raise prices. Another key factor, though one whose importance might now be starting to diminish, was the persistence of comparatively small increases in labor compensation, which remained appreciably below earlier norms in relation to levels of unemployment. This development appeared to reflect worker concerns about job security in a period of major business restructuring and downsizing activities as well as substantially reduced increases in benefit costs, notably those relating to health care.

In assessing whether a relatively favorable inflation performance was likely to continue, the members focused on a variety of issues. One was whether the expansion would moderate sufficiently to keep pressures on labor and other resources from intensifying. Another was whether a rate of unemployment in the vicinity of its current level would foster added wage pressures. Uncertainty also surrounded the extent to which further increases in labor compensation costs, should they materialize, would be passed through to higher prices. Improvements in productivity were likely to offset part of such increases, but how much remained an open question. In addition, profit margins were high, but the extent to which they might narrow to absorb increasing labor costs was difficult to predict. With regard to the outlook for wages, members observed that, though it was too early to reach a firm judgment, the acceleration of wage increases this year might well augur faster advances that were more in line with historical experience under essentially full employment conditions. Moreover, the tendency toward reduced increases in the costs of benefits might tend to dissipate, though some members commented that further economies in the provision of medical services might well be achievable for some period. On balance, the inflation risks in the outlook clearly seemed to be to the upside, with the potential for more inflation stemming from rising labor compensation costs augmented by a rise in the minimum wage and the prospect of higher food prices and perhaps energy prices over the next several quarters.

In the Committee's discussion of policy for the intermeeting period ahead, members focused on indications that the economy already was slowing, perhaps by enough to limit pressures on resources, and they noted that broad statistical measures of prices and the anecdotal evidence did not suggest that a pickup in inflation was already under way. Consequently, all but one of the members supported a

proposal to maintain an unchanged policy stance. A member also commented that real interest rates were not unusually low, suggesting that any pickup in inflationary pressures, should that occur, would be modest and readily contained. One concern was that policy tightening at this point might generate an excessive reaction in financial markets, both because it was not generally expected and because it would represent a change in policy direction that might well lead to expectations of further policy tightening. Such a development could have serious adverse consequences for economic activity if the expansion was in fact already slowing to a more sustainable and less inflationary pace. These members therefore concluded that the prudent course at this point was to await further developments that would permit them to assess the possible need for some tightening with a higher degree of confidence. At the same time, it was emphasized that the Committee remained committed to a policy that would resist a rise in inflation; such a policy would entail moving in anticipation of greater price pressures and before they showed through to actual inflation. Accordingly, they also agreed on the desirability of a directive that remained biased toward possible tightening in the intermeeting period ahead. Such a directive would imply that any tightening should be implemented promptly if developments were perceived as pointing to rising inflation. For now, the Committee should remain particularly vigilant to incoming information bearing on the outlook for inflation.

A differing view gave more weight to the risks of rising inflation. In this view, while there were uncertainties, the weight of the evidence suggested that a prompt policy action was needed to contain inflation and set the stage for further progress toward price stability. The possibility of an overreaction in financial markets to a tightening move could not be ruled out, but such a reaction was likely to be short-lived. More importantly, a prompt action would reduce the risk that inflation would worsen and pose difficult problems for monetary policy later.

At the conclusion of the Committee's discussion, all but one member indicated that they supported a directive that called for maintaining the existing degree of pressure on reserve positions and that included a bias toward the possible firming of reserve conditions during the intermeeting period. Accordingly, in the context of the Committee's long-run objectives for price stability and sustainable economic growth, and giving careful consideration to economic, financial, and monetary developments, the Committee decided that somewhat greater reserve restraint would be acceptable and slightly lesser

reserve restraint might be acceptable during the intermeeting period. The reserve conditions contemplated at this meeting were expected to be consistent with moderate growth of M2 and M3 over coming months.

At the conclusion of the meeting, the Federal Reserve Bank of New York was authorized and directed, until instructed otherwise by the Committee, to execute transactions in the System Account in accordance with the following domestic policy directive:

The information reviewed at this meeting suggests that growth in economic activity recently has moderated somewhat. Private nonfarm payroll employment grew less rapidly in July, the average workweek fell sharply, and the civilian unemployment rate edged up to 5.4 percent. Industrial production increased slightly in July after three months of strong gains. Real consumer spending weakened somewhat on balance over June and July following several months of robust growth. Housing starts fell somewhat further in July. Growth in spending on business equipment and nonresidential structures has slowed after a very rapid expansion earlier in the year. The nominal deficit on U.S. trade in goods and services widened in the second quarter from its rate in the first quarter. Increases in labor compensation have been somewhat larger this year, but consumer price inflation, adjusted for food and energy prices, has remained on a fairly steady trend.

Most short-term market interest rates have declined slightly while intermediate- and long-term rates have fallen somewhat more since the Committee meeting on July 2, 1996. In foreign exchange markets, the trade-weighted value of the dollar in terms of the other G-10 currencies has depreciated slightly over the intermeeting period.

Growth of M2 and M3 moderated in July. For the year through July, both aggregates are estimated to have grown at rates somewhat below the upper bounds of their respective ranges for the year. Expansion in total domestic nonfinancial debt has been moderate on balance over recent months and has remained in the middle portion of its range.

The Federal Open Market Committee seeks monetary and financial conditions that will foster price stability and promote sustainable growth in output. In furtherance of these objectives, the Committee at its meeting in July reaffirmed the ranges it had established in January for growth of M2 and M3 of 1 to 5 percent and 2 to 6 percent respectively, measured from the fourth quarter of 1995 to the fourth quarter of 1996. The monitoring range for growth of total domestic nonfinancial debt was maintained at 3 to 7 percent for the year. For 1997 the Committee agreed on a tentative basis to set the same ranges as in 1996 for growth of the monetary aggregates and debt, measured from the fourth quarter of 1996 to the fourth quarter of 1997. The behavior of the monetary aggregates will continue to be evaluated in the light of progress toward price level stability, movements in their velocities, and developments in the economy and financial markets.

In the implementation of policy for the immediate future, the Committee seeks to maintain the existing degree of pressure on reserve positions. In the context of the Committee's long-run objectives for price stability and sustainable economic growth, and giving careful consideration to

economic, financial, and monetary developments, somewhat greater reserve restraint would or slightly lesser reserve restraint might be acceptable in the intermeeting period. The contemplated reserve conditions are expected to be consistent with moderate growth in M2 and M3 over coming months.

Votes for this action: Messrs. Greenspan, McDonough, Boehne, Jordan, Kelley, Lindsey, McTeer, Meyer, Mses. Phillips, Rivlin, and Yellen. Vote against this action: Mr. Stern.

Mr. Stern dissented because he believed that policy should become modestly more restrictive. He was concerned that, in the absence of a substantial and

sustained improvement in productivity, the prevailing pattern of demand might engender an increase in inflationary pressures, and that such pressures would ultimately threaten the ongoing economic expansion. In Mr. Stern's judgment, it was prudent at this point to resist such a development in order to lay a foundation for the long-term health of the economy.

It was agreed that the next meeting of the Committee would be held on Tuesday, September 24, 1996.

The meeting adjourned at 12:45 p.m.

Donald L. Kohn
Secretary

Legal Developments

FINAL RULE—AMENDMENT TO REGULATION B

The Board of Governors is amending 12 C.F.R. Part 202, its official staff commentary to Regulation B (Equal Credit Opportunity). The commentary applies and interprets the requirements of Regulation B and substitutes for individual staff interpretations. The revisions to the commentary provide guidance on issues that the Board has been asked to clarify, including credit scoring and spousal signature rules.

Effective September 30, 1996, 12 C.F.R. Part 202 is amended as follows:

Part 202—Equal Credit Opportunity (Regulation B)

1. The authority citation for Part 202 continues to read as follows:

Authority: 15 U.S.C. 1691-1691f.

2. In Supplement I to Part 202, under *Section 202.2 Definitions*, under 2(p) *Empirically derived and other credit scoring systems.*, four new sentences are added at the end of paragraph 2 to read as follows:

Supplement I to Part 202—Official Staff Interpretations

* * * * *

Section 202.2—Definitions

* * * * *

2(p) *Empirically derived and other credit scoring systems.*

* * * * *

2. * * * To ensure that predictive ability is being maintained, creditors must periodically review the performance of the system. This could be done, for example, by analyzing the loan portfolio to determine the delinquency rate for each score interval, or by analyzing population stability over time to detect deviations of recent applications from the applicant population used to validate the system. If this analysis indicates that the system no longer predicts risk with statistical soundness, the system must be adjusted as necessary to reestablish its predictive ability. A creditor is responsible for ensuring its system is validated and revalidated based on the creditor's own data when it becomes available.

* * * * *

3. In Supplement I to Part 202, under *Section 202.5 Rules Concerning Taking of Applications*, under 5(e) *Written applications.*, paragraph 3 is revised to read as follows:

* * * * *

Section 202.5—Rules Concerning Taking of Applications

* * * * *

5(e) *Written applications.*

* * * * *

3. *Computerized entry.* Information entered directly into and retained by a computerized system qualifies as a written application under this paragraph. (See the commentary to section 202.13(b), *Applications through electronic media and Applications through video.*)

* * * * *

4. In Supplement I to Part 202, under *Section 202.6 Rules Concerning Evaluation of Applications*, under paragraph 6(b)(2), paragraph 2 is revised; paragraphs 4 and 5 are redesignated as paragraphs 5 and 6, respectively; and new paragraph 4 is added to read as follows:

* * * * *

Section 202.6—Rules Concerning Evaluation of Applications

* * * * *

Paragraph 6(b)(2)

* * * * *

2. *Consideration of age in a credit scoring system.* Age may be taken directly into account in a credit scoring system that is "demonstrably and statistically sound," as defined in section 202.2(p), with one limitation: applicants 62 years or older must be treated at least as favorably as applicants who are under 62. If age is scored by assigning points to an applicant's age category, elderly applicants must receive the same or a greater number of points as the most favored class of nonelderly applicants.

i. *Age-split scorecards.* A creditor may segment the population into scorecards based on the age of an applicant. In such a system, one card covers a narrow age range (for example, applicants in their twenties or younger) who are evaluated under attributes predictive for that age group. A second card covers all other applicants who are evaluated under the attributes pre-

dictive for that broad class. When a system uses a card covering a wide age range that encompasses elderly applicants, the credit scoring system does not score age. Thus, the system does not raise the issue of assigning a negative factor or value to the age of elderly applicants. But if a system segments the population by age into multiple scorecards, and includes elderly applicants in a narrower age range, the credit scoring system does score age. To comply with the act and regulation in such a case, the creditor must ensure that the system does not assign a negative factor or value to the age of elderly applicants as a class.

* * * * *

4. *Consideration of age in a reverse mortgage.* A reverse mortgage is a home-secured loan in which the borrower receives payments from the creditor, and does not become obligated to repay these amounts (other than in the case of default) until the borrower dies, moves permanently from the home or transfers title to the home, or upon a specified maturity date. Disbursements to the borrower under a reverse mortgage typically are determined by considering the value of the borrower's home, the current interest rate, and the borrower's life expectancy. A reverse mortgage program that requires borrowers to be age 62 or older is permissible under section 202.6(b)(2)(iv). In addition, under section 202.6(b)(2)(iii), a creditor may consider a borrower's age to evaluate a pertinent element of creditworthiness, such as the amount of the credit or monthly payments that the borrower will receive, or the estimated repayment date.

* * * * *

5. In Supplement I to Part 202, *Section 202.7—Rules Concerning Extensions of Credit*, is amended as follows:

- a. Under Paragraph 7(d)(2), paragraph 1. is revised; and
- b. Paragraph 7(d)(6) is revised.

The revisions read as follows:

* * * * *

Section 202.7 - Rules Concerning Extensions of Credit

* * * * *

Paragraph 7(d)(2)

1. *Jointly owned property.* If an applicant requests unsecured credit, does not own sufficient separate property, and relies on joint property to establish creditworthiness, the creditor must value the applicant's interest in the jointly owned property. A creditor may not request that a nonapplicant joint owner sign any instrument as a condition of the credit extension unless the applicant's interest does not support the amount and terms of the credit sought.

i. *Valuation of applicant's interest.* In determining the value of an applicant's interest in jointly owned property, a creditor may consider factors such as the form

of ownership and the property's susceptibility to attachment, execution, severance, or partition; the value of the applicant's interest after such action; and the cost associated with the action. This determination must be based on the form of ownership prior to or at consummation, and not on the possibility of a subsequent change. For example, in determining whether a married applicant's interest in jointly owned property is sufficient to satisfy the creditor's standards of creditworthiness for individual credit, a creditor may not consider that the applicant's separate property may be transferred into tenancy by the entirety after consummation. Similarly, a creditor may not consider the possibility that the couple may divorce. Accordingly, a creditor may not require the signature of the nonapplicant spouse in these or similar circumstances.

ii. *Other options to support credit.* If the applicant's interest in jointly owned property does not support the amount and terms of credit sought, the creditor may offer the applicant other options to provide additional support for the extension of credit. For example—

A. Requesting an additional party (*see* section 202.7(d)(5));

B. Offering to grant the applicant's request on a secured basis (*see* section 202.7(d)(4)); or

C. Asking for the signature of the joint owner on an instrument that ensures access to the property in the event of the applicant's death or default, but does not impose personal liability unless necessary under state law (*e.g.*, a limited guarantee). A creditor may not routinely require, however, that a joint owner sign an instrument (such as a quitclaim deed) that would result in the forfeiture of the joint owner's interest in the property.

* * * * *

Paragraph 7(d)(6)

1. *Guarantees.* A guarantee on an extension of credit is part of a credit transaction and therefore subject to the regulation. A creditor may require the personal guarantee of the partners, directors, or officers of a business, and the shareholders of a closely held corporation, even if the business or corporation is creditworthy. The requirement must be based on the guarantor's relationship with the business or corporation, however, and not on a prohibited basis. For example, a creditor may not require guarantees only for women-owned or minority-owned businesses. Similarly, a creditor may not require guarantees only from the married officers of a business or married shareholders of a closely held corporation.

2. *Spousal guarantees.* The rules in section 202.7(d) bar a creditor from requiring a signature of a *guarantor's spouse* just as they bar the creditor from requiring the signature of an *applicant's spouse*. For example, although a creditor may require all officers of a closely held corporation to personally guarantee a corporate loan, the creditor may not automatically require that

spouses of married officers also sign the guarantee. If an evaluation of the financial circumstances of an officer indicates that an additional signature is necessary, however, the creditor may require the signature of a spouse in appropriate circumstances in accordance with section 202.7(d)(2).

6. In Supplement 1 to Part 202, *Section 202.13 Information for Monitoring Purposes*, is amended as follows:

- a. Under *13(a) Information to be requested.*, paragraph 6 is revised; and
- b. Under *13(b) Obtaining of information.*, paragraphs 4 and 5 are redesignated as paragraphs 6 and 7, respectively, and new paragraphs 4 and 5 are added.

The revisions and additions are to read as follows:

* * * * *

Section 202.13 Information for Monitoring purposes

13(a) Information to be requested.

* * * * *

6. *Refinancings.* A refinancing occurs when an existing obligation is satisfied and replaced by a new obligation undertaken by the same borrower. A creditor that receives an application to refinance an existing extension of credit made by that creditor for the purchase of the applicant's dwelling may request the monitoring information again but is not required to do so if it was obtained in the earlier transaction.

* * * * *

13(b) Obtaining of information.

* * * * *

4. *Applications through electronic media.* If an applicant applies through an electronic medium (for example, the Internet or a facsimile) without video capability that allows the creditor to see the applicant, the creditor may treat the application as if it were received by mail or telephone.

5. *Applications through video.* If a creditor takes an application through a medium that allows the creditor to see the applicant, the creditor treats the application as taken in person and must note the monitoring information on the basis of visual observation or surname, if the applicant chooses not to provide the information.

* * * * *

FINAL RULE— AMENDMENT TO REGULATION M

The Board of Governors is amending 12 C.F.R. Part 213, its Regulation M (Consumer Leasing). The Consumer Leasing Act requires lessors to provide uniform cost and other disclosures about consumer lease transactions. The

Board has reviewed Regulation M, pursuant to its policy of periodically reviewing its regulations, and has revised the regulation to carry out more effectively the purposes of the Act. The final rule adds disclosures, primarily in connection with motor vehicle leasing, including, for example, disclosures about early termination charges and how scheduled payments are derived (which requires disclosure of such items as the gross capitalized cost of a lease, the vehicle's residual value, the rent charge, and depreciation). General changes in the format of the disclosures require that certain leasing disclosures be segregated from other information. Revisions to the advertising provisions implement a statutory amendment, allowing a toll-free number to substitute for certain disclosures in radio and television advertisements, and make other changes to the advertising rules. A lessor is not required to disclose the cost of a lease expressed as a percentage rate; however, if a rate is disclosed or advertised, a special notice must accompany the rate. Further, a rate in an advertisement cannot be more prominent than any other Regulation M disclosure.

Effective October 31, 1996, 12 C.F.R. Part 213 is amended as follows:

Part 213— Consumer Leasing (Regulation M)

1. The authority citation for Part 213 continues to read as follows:

Authority: 15 U.S.C. 1604.

2. The table of contents to Part 213 is revised to read as follows:

Section

- 213.1 Authority, scope, purpose, and enforcement.
- 213.2 Definitions.
- 213.3 General disclosure requirements.
- 213.4 Content of disclosures.
- 213.5 Renegotiations, extensions, and assumptions.
- 213.6 [Reserved]
- 213.7 Advertising.
- 213.8 Record retention.
- 213.9 Relation to state laws.
- Appendix A to Part 213— Model Forms
- Appendix B to Part 213— Federal Enforcement Agencies
- Appendix C to Part 213— Issuance of Staff Interpretations
- Supplement 1 to Part 213— Official Staff Commentary to Regulation M

3. Part 213 is amended as follows:

- a. Sections 213.1 through 213.5 are revised;
- b. Section 213.6 is removed and reserved;
- c. Sections 213.7 and 213.8 are revised;
- d. Section 213.9 is added;
- e. Appendices A through C are revised; and,
- f. Appendix D is removed.

The revisions and additions read as follows:

Section 213.1—Authority, scope, purpose, and enforcement.

(a) *Authority.* The regulation in this part, known as Regulation M, is issued by the Board of Governors of the Federal Reserve System to implement the consumer leasing provisions of the Truth in Lending Act, which is Title I of the Consumer Credit Protection Act, as amended (15 U.S.C. 1601 *et seq.*).

(b) *Scope and purpose.* This part applies to all persons that are lessors of personal property under consumer leases as those terms are defined in sections 213.2(c)(1) and (h). The purpose of this part is:

- (1) To ensure that lessees of personal property receive meaningful disclosures that enable them to compare lease terms with other leases and, where appropriate, with credit transactions;
- (2) To limit the amount of balloon payments in consumer lease transactions; and
- (3) To provide for the accurate disclosure of lease terms in advertising.

(c) *Enforcement and liability.* Section 108 of the act contains the administrative enforcement provisions. Sections 112, 130, 131, and 185 of the act contain the liability provisions for failing to comply with the requirements of the act and this part.

Section 213.2—Definitions.

For the purposes of this part the following definitions apply:

(a) *Act* means the Truth in Lending Act (15 U.S.C. 1601 *et seq.*) and the Consumer Leasing Act is chapter 5 of the Truth in Lending Act.

(b) *Advertisement* means a commercial message in any medium that directly or indirectly promotes a consumer lease transaction.

(c) *Board* refers to the Board of Governors of the Federal Reserve System.

(d) *Closed-end lease* means a consumer lease other than an open-end lease as defined in this section.

(e)(1) *Consumer lease* means a contract in the form of a bailment or lease for the use of personal property by a natural person primarily for personal, family, or household purposes, for a period exceeding four months and for a total contractual obligation not exceeding \$25,000, whether or not the lessee has the option to purchase or otherwise become the owner of the property at the expiration of the lease. Unless the context indicates otherwise, in this part “lease” means “consumer lease.”

(2) The term does not include a lease that meets the definition of a credit sale in Regulation Z (12 C.F.R. 226.2(a)). It also does not include a lease for agricultural, business, or commercial purposes or a lease made to an organization.

(3) This part does not apply to a lease transaction of personal property which is incident to the lease of real property and which provides that:

(i) The lessee has no liability for the value of the personal property at the end of the lease term except for abnormal wear and tear, and

(ii) The lessee has no option to purchase the leased property.

(f) *Gross capitalized cost* means the amount agreed upon by the lessor and the lessee as the value of the leased property and any items that are capitalized or amortized during the lease term, including but not limited to taxes, insurance, service agreements, and any outstanding balance from a prior loan or lease. *Capitalized cost reduction* means the total amount of any rebate, cash payment, net trade-in allowance, and noncash credit that reduces the gross capitalized cost. The *adjusted capitalized cost* equals the gross capitalized cost less the capitalized cost reduction, and is the amount used by the lessor in calculating the base periodic payment.

(g) *Lessee* means a natural person who enters into or is offered a consumer lease.

(h) *Lessor* means a person who regularly leases, offers to lease, or arranges for the lease of personal property under a consumer lease. A person who has leased, offered, or arranged to lease personal property more than five times in the preceding calendar year or more than five times in the current calendar year is subject to the act and this part.

(i) *Open-end lease* means a consumer lease in which the lessee’s liability at the end of the lease term is based on the difference between the residual value of the leased property and its realized value.

(j) *Organization* means a corporation, trust, estate, partnership, cooperative, association, or government entity or instrumentality.

(k) *Person* means a natural person or an organization.

(l) *Personal property* means any property that is not real property under the law of the state where the property is located at the time it is offered or made available for lease.

(m) *Realized value* means:

- (1) The price received by the lessor for the leased property at disposition;
- (2) The highest offer for disposition of the leased property; or
- (3) The fair market value of the leased property at the end of the lease term.

(n) *Residual value* means the value of the leased property at the end of the lease term, as estimated or assigned at consummation by the lessor, used in calculating the base periodic payment.

(o) *Security interest* and *security* mean any interest in property that secures the payment or performance of an obligation.

(p) *State* means any state, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

Section 213.3—General disclosure requirements.

(a) *General requirements.* A lessor shall make the disclosures required by section 213.4, as applicable. The disclo-

ures shall be made clearly and conspicuously in writing in a form the consumer may keep, in accordance with this section.

(1) *Form of disclosures.* The disclosures required by section 213.4 shall be given to the lessee together in a dated statement that identifies the lessor and the lessee; the disclosures may be made either in a separate statement that identifies the consumer lease transaction or in the contract or other document evidencing the lease. Alternatively, the disclosures required to be segregated from other information under paragraph (a)(2) of this section may be provided in a separate dated statement that identifies the lease, and the other required disclosures may be provided in the lease contract or other document evidencing the lease. In a lease of multiple items, the property description required by section 213.4(a) may be given in a separate statement that is incorporated by reference in the disclosure statement required by this paragraph.

(2) *Segregation of certain disclosures.* The following disclosures shall be segregated from other information and shall contain only directly related information: sections 213.4(b) through (f), (g)(2), (h)(3), (i)(1), (j), and (m)(1). The headings, content, and format for the disclosures referred to in this paragraph (a)(2) shall be provided in a manner substantially similar to the applicable model form in appendix A of this part.

(3) *Timing of disclosures.* A lessor shall provide the disclosures to the lessee prior to the consummation of a consumer lease.

(4) *Language of disclosures.* The disclosures required by section 213.4 may be made in a language other than English provided that they are made available in English upon the lessee's request.

(b) *Additional information; nonsegregated disclosures.* Additional information may be provided with any disclosure not listed in paragraph (a)(2) of this section, but it shall not be stated, used, or placed so as to mislead or confuse the lessee or contradict, obscure, or detract attention from any disclosure required by this part.

(c) *Multiple lessors or lessees.* When a transaction involves more than one lessor, the disclosures required by this part may be made by one lessor on behalf of all the lessors. When a lease involves more than one lessee, the lessor may provide the disclosures to any lessee who is primarily liable on the lease.

(d) *Use of estimates.* If an amount or other item needed to comply with a required disclosure is unknown or unavailable after reasonable efforts have been made to ascertain the information, the lessor may use a reasonable estimate that is based on the best information available to the lessor, is clearly identified as an estimate, and is not used to circumvent or evade any disclosures required by this part.

(e) *Effect of subsequent occurrence.* If a required disclosure becomes inaccurate because of an event occurring after consummation, the inaccuracy is not a violation of this part.

(f) *Minor variations.* A lessor may disregard the effects of the following in making disclosures:

- (1) That payments must be collected in whole cents;
- (2) That dates of scheduled payments may be different because a scheduled date is not a business day;
- (3) That months have different numbers of days; and
- (4) That February 29 occurs in a leap year.

Section 213.4—Content of disclosures.

For any consumer lease subject to this part, the lessor shall disclose the following information, as applicable:

(a) *Description of property.* A brief description of the leased property sufficient to identify the property to the lessee and lessor.

(b) *Amount due at lease signing.* The total amount to be paid prior to or at consummation, using the term "amount due at lease signing." The lessor shall itemize each component by type and amount, including any refundable security deposit, advance monthly or other periodic payment, and capitalized cost reduction; and in motor-vehicle leases, shall itemize how the amount due will be paid, by type and amount, including any net trade-in allowance, rebates, non-cash credits, and cash payments in a format substantially similar to the model forms in Appendix A of this part.

(c) *Payment schedule and total amount of periodic payments.* The number, amount, and due dates or periods of payments scheduled under the lease, and the total amount of the periodic payments.

(d) *Other charges.* The total amount of other charges payable to the lessor, itemized by type and amount, that are not included in the periodic payments. Such charges include the amount of any liability the lease imposes upon the lessee at the end of the lease term; the potential difference between the residual and realized values referred to in paragraph (k) of this section is excluded.

(e) *Total of payments.* The total of payments, with a description such as "the amount you will have paid by the end of the lease." This amount is the sum of the amount due at lease signing (less any refundable amounts), the total amount of periodic payments (less any portion of the periodic payment paid at lease signing), and other charges under paragraphs (b), (c), and (d) of this section. In an open-end lease, a description such as "you will owe an additional amount if the actual value of the vehicle is less than the residual value" shall accompany the disclosure.

(f) *Payment calculation.* In a motor-vehicle lease, a mathematical progression of how the scheduled periodic payment is derived, in a format substantially similar to the applicable model form in Appendix A of this part, which shall contain the following:

- (1) *Gross capitalized cost.* The gross capitalized cost, including a disclosure of the agreed upon value of the vehicle, a description such as "the agreed upon value of the vehicle [state the amount] and any items you pay for over the lease term (such as service contracts, insurance, and any outstanding prior loan or lease balance)," and a statement of the lessee's option to receive a separate written itemization of the gross capitalized cost. If requested by the lessee, the itemization shall be provided before consummation.

- (2) *Capitalized cost reduction.* The capitalized cost reduction, with a description such as “the amount of any net trade-in allowance, rebate, noncash credit, or cash you pay that reduces the gross capitalized cost.”
- (3) *Adjusted capitalized cost.* The adjusted capitalized cost, with a description such as “the amount used in calculating your base [periodic] payment.”
- (4) *Residual value.* The residual value, with a description such as “the value of the vehicle at the end of the lease used in calculating your base [periodic] payment.”
- (5) *Depreciation and any amortized amounts.* The depreciation and any amortized amounts, which is the difference between the adjusted capitalized cost and the residual value, with a description such as “the amount charged for the vehicle’s decline in value through normal use and for any other items paid over the lease term.”
- (6) *Rent charge.* The rent charge, with a description such as “the amount charged in addition to the depreciation and any amortized amounts.” This amount is the difference between the total of the base periodic payments over the lease term minus the depreciation and any amortized amounts.
- (7) *Total of base periodic payments.* The total of base periodic payments with a description such as “depreciation and any amortized amounts plus the rent charge.”
- (8) *Lease term.* The lease term with a description such as “the number of [periods of repayment] in your lease.”
- (9) *Base periodic payment.* The total of the base periodic payments divided by the number of payment periods in the lease.
- (10) *Itemization of other charges.* An itemization of any other charges that are part of the periodic payment.
- (11) *Total periodic payment.* The sum of the base periodic payment and any other charges that are part of the periodic payment.
- (g) *Early termination.* (1) *Conditions and disclosure of charges.* A statement of the conditions under which the lessee or lessor may terminate the lease prior to the end of the lease term; and the amount or a description of the method for determining the amount of any penalty or other charge for early termination, which must be reasonable.
- (2) *Early-termination notice.* In a motor-vehicle lease, a notice substantially similar to the following: “Early Termination. You may have to pay a substantial charge if you end this lease early. *The charge may be up to several thousand dollars.* The actual charge will depend on when the lease is terminated. The earlier you end the lease, the greater this charge is likely to be.”
- (h) *Maintenance responsibilities.* The following provisions are required:
- (1) *Statement of responsibilities.* A statement specifying whether the lessor or the lessee is responsible for maintaining or servicing the leased property, together with a brief description of the responsibility;
- (2) *Wear and use standard.* A statement of the lessor’s standards for wear and use (if any), which must be reasonable; and
- (3) *Notice of wear and use standard.* In a motor-vehicle lease, a notice regarding wear and use substantially similar to the following: “Excessive Wear and Use. You may be charged for excessive wear based on our standards for normal use.” The notice shall also specify the amount or method for determining any charge for excess mileage.
- (i) *Purchase option.* A statement of whether or not the lessee has the option to purchase the leased property, and:
- (1) *End of lease term.* If at the end of the lease term, the purchase price; and
- (2) *During lease term.* If prior to the end of the lease term, the purchase price or the method for determining the price and when the lessee may exercise this option.
- (j) *Statement referencing nonsegregated disclosures.* A statement that the lessee should refer to the lease documents for additional information on early termination, purchase options and maintenance responsibilities, warranties, late and default charges, insurance, and any security interests, if applicable.
- (k) *Liability between residual and realized values.* A statement of the lessee’s liability, if any, at early termination or at the end of the lease term for the difference between the residual value of the leased property and its realized value.
- (l) *Right of appraisal.* If the lessee’s liability at early termination or at the end of the lease term is based on the realized value of the leased property, a statement that the lessee may obtain, at the lessee’s expense, a professional appraisal by an independent third party (agreed to by the lessee and the lessor) of the value that could be realized at sale of the leased property. The appraisal shall be final and binding on the parties.
- (m) *Liability at end of lease term based on residual value.* If the lessee is liable at the end of the lease term for the difference between the residual value of the leased property and its realized value:
- (1) *Rent and other charges.* The rent and other charges, paid by the lessee and required by the lessor as an incident to the lease transaction, with a description such as “the total amount of rent and other charges imposed in connection with your lease [state the amount].”
- (2) *Excess liability.* A statement about a rebuttable presumption that, at the end of the lease term, the residual value of the leased property is unreasonable and not in good faith to the extent that the residual value exceeds the realized value by more than three times the base monthly payment (or more than three times the average payment allocable to a monthly period, if the lease calls for periodic payments other than monthly); and that the lessor cannot collect the excess amount unless the lessor brings a successful court action and pays the lessee’s reasonable attorney’s fees, or unless the excess of the residual value over the realized value is due to unreasonable or excessive wear or use of the leased property (in which case the rebuttable presumption does not apply).
- (3) *Mutually agreeable final adjustment.* A statement that the lessee and lessor are permitted, after termination of the lease, to make any mutually agreeable final adjustment regarding excess liability.

(n) *Fees and taxes.* The total dollar amount for all official and license fees, registration, title, or taxes required to be paid to the lessor in connection with the lease.

(o) *Insurance.* A brief identification of insurance in connection with the lease including:

(1) *Voluntary insurance.* If the insurance is provided by or paid through the lessor, the types and amounts of coverage and the cost to the lessee; or

(2) *Required insurance.* If the lessee must obtain the insurance, the types and amounts of coverage required of the lessee.

(p) *Warranties or guarantees.* A statement identifying all express warranties and guarantees from the manufacturer or lessor with respect to the leased property that apply to the lessee.

(q) *Penalties and other charges for delinquency.* The amount or the method of determining the amount of any penalty or other charge for delinquency, default, or late payments, which must be reasonable.

(r) *Security interest.* A description of any security interest, other than a security deposit disclosed under paragraph (b) of this section, held or to be retained by the lessor; and a clear identification of the property to which the security interest relates.

(s) *Limitations on rate information.* If a lessor provides a percentage rate in an advertisement or in documents evidencing the lease transaction, a notice stating that “this percentage may not measure the overall cost of financing this lease” shall accompany the rate disclosure. The lessor shall not use the term “annual percentage rate,” “annual lease rate,” or any equivalent term.

Section 213.5 - Renegotiations, extensions, and assumptions.

(a) *Renegotiation.* A renegotiation occurs when a consumer lease subject to this part is satisfied and replaced by a new lease undertaken by the same consumer. A renegotiation requires new disclosures, except as provided in paragraph (d) of this section.

(b) *Extension.* An extension is a continuation, agreed to by the lessor and the lessee, of an existing consumer lease beyond the originally scheduled end of the lease term, except when the continuation is the result of a renegotiation. An extension that exceeds six months requires new disclosures, except as provided in paragraph (d) of this section.

(c) *Assumption.* New disclosures are not required when a consumer lease is assumed by another person, whether or not the lessor charges an assumption fee.

(d) *Exceptions.* New disclosures are not required for the following, even if they meet the definition of a renegotiation or an extension:

(1) A reduction in the lease charge;

(2) The deferral of one or more payments, whether or not a fee is charged;

(3) The extension of a lease for not more than six months on a month-to-month basis or otherwise;

(4) A substitution of leased property with property that has a substantially equivalent or greater economic value, provided no other lease terms are changed;

(5) The addition, deletion, or substitution of leased property in a multiple-item lease, provided the average periodic payment does not change by more than 25 percent; or

(6) An agreement resulting from a court proceeding.

Section 213.6 [Reserved]

Section 213.7 Advertising.

(a) *General rule.* An advertisement for a consumer lease may state that a specific lease of property at specific amounts or terms is available only if the lessor usually and customarily leases or will lease the property at those amounts or terms.

(b) *Clear and conspicuous standard.* Disclosures required by this section shall be made clearly and conspicuously.

(1) *Amount due at lease signing.* Except for the statement of a periodic payment, any affirmative or negative reference to a charge that is a part of the total amount due at lease signing under paragraph (d)(2)(ii) of this section, such as the amount of any capitalized cost reduction (or no capitalized cost reduction is required), shall not be more prominent than the disclosure of the total amount due at lease signing.

(2) *Advertisement of a lease rate.* If a lessor provides a percentage rate in an advertisement, the rate shall not be more prominent than any of the disclosures in section 213.4, with the exception of the notice in section 213.4(s) required to accompany the rate; and the lessor shall not use the term “annual percentage rate,” “annual lease rate,” or equivalent term.

(c) *Catalogs and multipage advertisements.* A catalog or other multipage advertisement that provides a table or schedule of the required disclosures shall be considered a single advertisement if, for lease terms that appear without all the required disclosures, the advertisement refers to the page or pages on which the table or schedule appears.

(d) *Advertisement of terms that require additional disclosure.*

(1) *Triggering terms.* An advertisement that states any of the following items shall contain the disclosures required by paragraph (d)(2) of this section, except as provided in paragraphs (e) and (f) of this section:

(i) The amount of any payment;

(ii) The number of required payments; or

(iii) A statement of any capitalized cost reduction or other payment required prior to or at consummation, or that no payment is required.

(2) *Additional terms.* An advertisement stating any item listed in paragraph (d)(1) of this section shall also state the following items:

(i) That the transaction advertised is a lease;

(ii) The total amount due at lease signing, or that no payment is required;

(iii) The number, amounts, due dates or periods of scheduled payments, and total of such payments under the lease;

(iv) A statement of whether or not the lessee has the option to purchase the leased property, and where the lessee has the option to purchase at the end of the lease term, the purchase-option price. The method of determining the purchase-option price may be substituted in disclosing the lessee's option to purchase the leased property prior to the end of the lease term;

(v) A statement of the amount, or the method for determining the amount, of the lessee's liability (if any) at the end of the lease term; and

(vi) A statement of the lessee's liability (if any) for the difference between the residual value of the leased property and its realized value at the end of the lease term.

(c) *Alternative disclosures—merchandise tags.* A merchandise tag stating any item listed in paragraph (d)(1) of this section may comply with paragraph (d)(2) of this section by referring to a sign or display prominently posted in the lessor's place of business that contains a table or schedule of the required disclosures.

(f) *Alternative disclosures—television or radio advertisements.*

(1) *Toll-free number or print advertisement.* An advertisement made through television or radio stating any item listed in paragraph (d)(1) of this section complies with paragraph (d)(2) of this section if the advertisement states the items listed in paragraphs (d)(2)(i) through (iii) of this section, and:

(i) Lists a toll-free telephone number along with a reference that such number may be used by consumers to obtain the information required by paragraph (d)(2) of this section; or

(ii) Directs the consumer to a written advertisement in a publication of general circulation in the community served by the media station, including the name and the date of the publication, with a statement that information required by paragraph (d)(2) of this section is included in the advertisement. The written advertisement shall be published beginning at least three days before and ending at least ten days after the broadcast.

(2) *Establishment of toll-free number.*

(i) The toll-free telephone number shall be available for no fewer than ten days, beginning on the date of the broadcast.

(ii) The lessor shall provide the information required

by paragraph (d)(2) of this section orally, or in writing upon request.

Section 213.8—Record retention.

A lessor shall retain evidence of compliance with the requirements imposed by this part, other than the advertising requirements under section 213.7, for a period of not less than two years after the date the disclosures are required to be made or an action is required to be taken.

Section 213.9—Relation to state laws.

(a) *Inconsistent state law.* A state law that is inconsistent with the requirements of the act and this part is preempted to the extent of the inconsistency. If a lessor cannot comply with a state law without violating a provision of this part, the state law is inconsistent within the meaning of section 186(a) of the act and is preempted, unless the state law gives greater protection and benefit to the consumer. A state, through an official having primary enforcement or interpretative responsibilities for the state consumer leasing law, may apply to the Board for a preemption determination.

(b) *Exemptions.* (1) *Application.* A state may apply to the Board for an exemption from the requirements of the act and this part for any class of lease transactions within the state. The Board will grant such an exemption if the Board determines that:

(i) The class of leasing transactions is subject to state law requirements substantially similar to the act and this part or that lessees are afforded greater protection under state law; and

(ii) There is adequate provision for state enforcement.

(2) *Enforcement and liability.* After an exemption has been granted, the requirements of the applicable state law (except for additional requirements not imposed by federal law) will constitute the requirements of the act and this part. No exemption will extend to the civil liability provisions of sections 130, 131, and 185 of the act.

APPENDIX A TO PART 213—MODEL FORMS

A-1 Model Open-End or Finance Vehicle Lease Disclosures

A-2 Model Closed-End or Net Vehicle Lease Disclosures

A-3 Model Furniture Lease Disclosures

Appendix A-1 Model Open-End or Finance Vehicle Lease Disclosures

Federal Consumer Leasing Act Disclosures

Date _____

Lessor(s) _____

Lessee(s) _____

Amount Due at Lease Signing	Monthly Payments	Other Charges (not part of your monthly payment)	Total of Payments (The amount you will have paid by the end of the lease)
<i>(Itemized below)*</i>	Your first monthly payment of \$ _____ is due on _____, followed by _____ payments of \$ _____ due on _____ the _____ of each month. The total of your monthly payments is \$ _____	Disposition fee (if you do not purchase the vehicle) \$ _____ [Annual tax] _____ Total \$ _____	\$ _____ You will owe an additional amount if the actual value of the vehicle is less than the residual value.

*** Itemization of Amount Due at Lease Signing**

Amount Due At Lease Signing:

How the Amount Due at Lease Signing will be paid:

Capitalized cost reduction	\$ _____	Net trade-in allowance	\$ _____
First monthly payment	_____	Rebates and noncash credits	_____
Refundable security deposit	_____	Amount to be paid in cash	_____
Title fees	_____		
Registration fees	_____		
Total	\$ _____	Total	\$ _____

Your monthly payment is determined as shown below:

Gross capitalized cost. The agreed upon value of the vehicle (\$ _____) and any items you pay over the lease term (such as service contracts, insurance, and any outstanding prior loan or lease balance) \$ _____

If you want an itemization of this amount, please check this box.

Capitalized cost reduction. The amount of any net trade-in allowance, rebate, noncash credit, or cash you pay that reduces the gross capitalized cost -

Adjusted capitalized cost. The amount used in calculating your base monthly payment -

Residual value. The value of the vehicle at the end of the lease used in calculating your base monthly payment -

Depreciation and any amortized amounts. The amount charged for the vehicle's decline in value through normal use and for other items paid over the lease term +

Rent charge. The amount charged in addition to the depreciation and any amortized amounts +

Total of base monthly payments. The depreciation and any amortized amounts plus the rent charge =

Lease term. The number of months in your lease ÷

Base monthly payment =

Monthly sales/use tax +

..... +

Total monthly payment = \$ _____

Rent and other charges. The total amount of rent and other charges imposed in connection with your lease \$ _____

Early Termination. You may have to pay a substantial charge if you end this lease early. The charge may be up to several thousand dollars. The actual charge will depend on when the lease is terminated. The earlier you end the lease, the greater this charge is likely to be.

Excessive Wear and Use. You may be charged for excessive wear based on our standards for normal use [and for mileage in excess of _____ miles per year at the rate of _____ per mile].

Purchase Option at End of Lease Term. [You have an option to purchase the vehicle at the end of the lease term for \$ _____ [and a purchase option fee of \$ _____].] [You do not have an option to purchase the vehicle at the end of the lease term.]

Other Important Terms. See your lease documents for additional information on early termination, purchase options and maintenance responsibilities, warranties, late and default charges, insurance, and any security interest, if applicable.

[The following provisions are the nonsegregated disclosures required under Regulation M.]

Official Fees and Taxes. The total amount you will pay for official and license fees, registration, title, and taxes over the term of your lease, whether included with your monthly payments or assessed otherwise: \$ _____.

Insurance. The following types and amounts of insurance will be acquired in connection with this lease:

_____ We (lessor) will provide the insurance coverage quoted above for a total premium cost of \$ _____.

_____ You (lessee) agree to provide insurance coverage in the amount and types indicated above.

End of Term Liability. (a) The residual value (\$ _____) of the vehicle is based on a reasonable, good faith estimate of the value of the vehicle at the end of the lease term. If the actual value of the vehicle at that time is greater than the residual value, you will have no further liability under this lease, except for other charges already incurred [and are entitled to a credit or refund of any surplus.] If the actual value of the vehicle is less than the residual value, you will be liable for any difference up to \$ _____ (3 times the monthly payment). For any difference in excess of that amount, you will be liable only if:

1. Excessive use or damage [as described in paragraph _____] [representing more than normal wear and use] resulted in an unusually low value at the end of the term.

2. The matter is not otherwise resolved and we win a lawsuit against you seeking a higher payment.

3. You voluntarily agree with us after the end of the lease term to make a higher payment.

Should we bring a lawsuit against you, we must prove that our original estimate of the value of the leased property at the end of the lease term was reasonable and was made in good faith. For example, we might prove that the actual was less than the original estimated value, although the original estimate was reasonable, because of an unanticipated decline in value for that type of vehicle. We must also pay your attorney's fees.

(b) If you disagree with the value we assign to the vehicle, you may obtain, at your own expense, from an independent third party agreeable to both of us, a professional appraisal of the _____ value of the leased vehicle which could be realized at sale. The appraised value shall then be used as the actual value.

Standards for Wear and Use. The following standards are applicable for determining unreasonable or excess wear and use of the leased vehicle:

Maintenance.

[You are responsible for the following maintenance and servicing of the leased vehicle:

_____].

[We are responsible for the following maintenance and servicing of the leased vehicle:

_____].

Warranties. The leased vehicle is subject to the following express warranties:

Early Termination and Default. (a) You may terminate this lease before the end of the lease term under the following conditions:

The charge for such early termination is:

(b) We may terminate this lease before the end of the lease term under the following conditions:

Upon such termination we shall be entitled to the following charge(s) for:

(c) To the extent these charges take into account the value of the vehicle at termination, if you disagree with the value we assign to the vehicle, you may obtain, at your own expense, from an independent third party agreeable to both of us, a professional appraisal of the _____ value of the leased vehicle which could be realized at sale. The appraised value shall then be used as the actual value.

Security Interest. We reserve a security interest of the following type in the property listed below to secure performance of your obligations under this lease:

Late Payments. The charge for late payments is: _____

Option to Purchase Leased Property Prior to the End of the Lease. [You have an option to purchase the leased vehicle prior to the end of the term.

The price will be [\$ _____] [the method of determining the price].] [You do not have an option to purchase the leased vehicle.]

Appendix A-2 Model Closed-End or Net Vehicle Lease Disclosures

Federal Consumer Leasing Act Disclosures

Date _____

Lessor(s) _____

Lessee(s) _____

Amount Due at Lease Signing	Monthly Payments	Other Charges (not part of your monthly payment)	Total of Payments (The amount you will have paid by the end of the lease)
(Itemized below)*	Your first monthly payment of \$ _____ is due on _____, followed by payments of \$ _____ due on _____ the _____ of each month. The total of your monthly payments is \$ _____	Disposition fee (if you do not purchase the vehicle) \$ _____ [Annual tax] _____ Total \$ _____	\$ _____

*** Itemization of Amount Due at Lease Signing**

Amount Due At Lease Signing:	How the Amount Due at Lease Signing will be paid:
Capitalized cost reduction \$ _____ First monthly payment _____ Refundable security deposit _____ Title fees _____ Registration fees _____	Net trade-in allowance \$ _____ Rebates and noncash credits _____ Amount to be paid in cash _____
Total \$ _____	Total \$ _____

Your monthly payment is determined as shown below:

Gross capitalized cost. The agreed upon value of the vehicle (\$ _____) and any items you pay over the lease term (such as service contracts, insurance, and any outstanding prior loan or lease balance) _____	\$ _____
If you want an itemization of this amount, please check this box. <input type="checkbox"/>	
Capitalized cost reduction. The amount of any net trade-in allowance, rebate, noncash credit, or cash you pay that reduces the gross capitalized cost _____	
Adjusted capitalized cost. The amount used in calculating your base monthly payment _____	
Residual value. The value of the vehicle at the end of the lease used in calculating your base monthly payment _____	
Depreciation and any amortized amounts. The amount charged for the vehicle's decline in value through normal use and for other items paid over the lease term _____	
Rent charge. The amount charged in addition to the depreciation and any amortized amounts _____	
Total of base monthly payments. The depreciation and any amortized amounts plus the rent charge _____	
Lease term. The number of months in your lease _____	
Base monthly payment _____	
Monthly sales/use tax _____	
Total monthly payment _____	\$ _____

Early Termination. You may have to pay a substantial charge if you end this lease early. The charge may be up to several thousand dollars. The actual charge will depend on when the lease is terminated. The earlier you end the lease, the greater this charge is likely to be.

Excessive Wear and Use. You may be charged for excessive wear based on our standards for normal use (and for mileage in excess of _____ miles per year at the rate of _____ per mile).

Purchase Option at End of Lease Term. [You have an option to purchase the vehicle at the end of the lease term for \$ _____ and a purchase option fee of \$ _____.] [You do not have an option to purchase the vehicle at the end of the lease term.]

Other Important Terms. See your lease documents for additional information on early termination, purchase options and maintenance responsibilities, warranties, late and default charges, insurance, and any security interest, if applicable.

[The following provisions are the nonsegregated disclosures required under Regulation M.]

Official Fees and Taxes. The total amount you will pay for official and license fees, registration, title, and taxes over the term of your lease, whether included with your monthly payments or assessed otherwise: \$ _____.

Insurance. The following types and amounts of insurance will be acquired in connection with this lease:

_____ We (lessor) will provide the insurance coverage quoted above for a total premium cost of \$ _____.

_____ You (lessee) agree to provide insurance coverage in the amount and types indicated above.

Standards for Wear and Use. The following standards are applicable for determining unreasonable or excess wear and use of the leased vehicle:

Maintenance.

[You are responsible for the following maintenance and servicing of the leased vehicle:

_____].

[We are responsible for the following maintenance and servicing of the leased vehicle:

_____].

Warranties. The leased vehicle is subject to the following express warranties:

Early Termination and Default. (a) You may terminate this lease before the end of the lease term under the following conditions:

The charge for such early termination is:

(b) We may terminate this lease before the end of the lease term under the following conditions:

Upon such termination we shall be entitled to the following charge(s) for:

(c) To the extent these charges take into account the value of the vehicle at termination, if you disagree with the value we assign to the vehicle, you may obtain, at your own expense, from an independent third party agreeable to both of us, a professional appraisal of the _____ value of the leased vehicle which could be realized at sale. The appraised value shall then be used as the actual value.

Security Interest. We reserve a security interest of the following type in the property listed below to secure performance of your obligations under this lease:

Late Payments. The charge for late payments is: _____

Option to Purchase Leased Property Prior to the End of the Lease. [You have an option to purchase the leased vehicle prior to the end of the term. The price will be [\$ _____ /the method of determining the price].] [You do not have an option to purchase the leased vehicle.]

Appendix A-3 Model Furniture Lease Disclosures

Federal Consumer Leasing Act Disclosures

Date _____

Lessor(s) _____

Lessee(s) _____

Item	Color	Description of Leased Property		Mfg.	Quantity
		Stock #			

Amount Due at Lease Signing	Monthly Payments	Other Charges (not part of your monthly payment)	Total of Payments (The amount you will have paid by the end of the lease)
First monthly payment \$	Your first monthly payment of \$	Pick-up fee \$	
Refundable security deposit \$	is due on _____, followed by	\$	
Delivery/Installation fee \$	payments of \$ _____ due on _____	Total \$	\$
\$	the _____ of each month. The total of your		
Total \$	monthly payments is \$ _____		

Purchase Option at End of Lease Term. [You have an option to purchase the leased property at the end of the lease term for \$ _____ [and a purchase option fee of \$ _____].] [You do not have an option to purchase the leased property at the end of the lease term.]

Other Important Terms. See your lease documents for additional information on early termination, purchase options and maintenance responsibilities, warranties, late and default charges, insurance, and any security interest, if applicable.

[The following provisions are the nonsegregated disclosures required under Regulation M.]

Official Fees and Taxes. The total amount you will pay for official fees, and taxes over the term of your lease, whether included with your monthly payments or assessed otherwise: \$ _____

Insurance. The following types and amounts of insurance will be acquired in connection with this lease:

We (lessor) will provide the insurance coverage quoted above for a total premium cost of \$ _____

You (lessee) agree to provide insurance coverage in the amount and types indicated above.

Standards for Wear and Use. The following standards are applicable for determining unreasonable or excess wear and use of the leased property:

Maintenance.

[You are responsible for the following maintenance and servicing of the leased property: _____.]

[We are responsible for the following maintenance and servicing of the leased property: _____.]

Warranties. The leased property is subject to the following express warranties:

Early Termination and Default. (a) You may terminate this lease before the end of the lease term under the following conditions:

The charge for such early termination is: _____

(b) We may terminate this lease before the end of the lease term under the following conditions:

Upon such termination we shall be entitled to the following charge(s) for: _____

Early Termination and Default. (continued)

(c) To the extent these charges take into account the value of the leased property at termination, if you disagree with the value we assign to the property, you may obtain, at your own expense, from an independent third party agreeable to both of us, a professional appraisal of the _____ value of the property which could be realized at sale. The appraised value shall then be used as the actual value.

Security Interest. We reserve a security interest of the following type in the property listed below to secure performance of your obligations under this lease:

Late Payments. The charge for late payments is: _____

Purchase Option Prior to the End of the Lease Term.

[You have an option to purchase the leased property prior to the end of the term. The price will be [\$ _____]/the method of determining the price.]

[You do not have an option to purchase the leased property.]

APPENDIX B TO PART 213—FEDERAL ENFORCEMENT AGENCIES

The following list indicates which federal agency enforces Regulation M (12 C.F.R. Part 213) for particular classes of business. Any questions concerning compliance by a particular business should be directed to the appropriate enforcement agency. Terms that are not defined in the Federal Deposit Insurance Act (12 U.S.C. 1813(s)) shall have the meaning given to them in the International Banking Act of 1978 (12 U.S.C. 3101).

1. *National banks and federal branches and federal agencies of foreign banks*
 District office of the Office of the Comptroller of the Currency for the district in which the institution is located.
2. *State member banks, branches and agencies of foreign banks (other than federal branches, federal agencies, and insured state branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25A of the Federal Reserve Act*
 Federal Reserve Bank serving the District in which the institution is located.
3. *Nonmember insured banks and insured state branches of foreign banks*
 Federal Deposit Insurance Corporation Regional Director for the region in which the institution is located.
4. *Savings institutions insured under the Savings Association Insurance Fund of the FDIC and federally chartered savings banks insured under the Bank Insurance Fund of the FDIC (but not including state-chartered savings banks insured under the Bank Insurance Fund)*
 Office of Thrift Supervision regional director for the region in which the institution is located.
5. *Federal credit unions*
 Regional office of the National Credit Union Administration serving the area in which the federal credit union is located.
6. *Air carriers*
 Assistant General Counsel for Aviation Enforcement and Proceedings, Department of Transportation, 400 Seventh Street, S.W., Washington, DC 20590
7. *Those subject to Packers and Stockyards Act*
 Nearest Packers and Stockyards Administration area supervisor.
8. *Federal Land Banks, Federal Land Bank Associations, Federal Intermediate Credit Banks, and Production Credit Associations*
 Farm Credit Administration, 490 L'Enfant Plaza, S.W., Washington, DC 20578
9. *All other lessors (lessors operating on a local or regional basis should use the address of the FTC regional office in which they operate)*
 Division of Credit Practices, Bureau of Consumer Protection, Federal Trade Commission, Washington, DC 20580

APPENDIX C TO PART 213—ISSUANCE OF STAFF INTERPRETATIONS

Officials in the Board's Division of Consumer and Community Affairs are authorized to issue official staff interpretations of this Regulation M (12 C.F.R. Part 213). These interpretations provide the formal protection afforded under section 130(f) of the act. Except in unusual circumstances, interpretations will not be issued separately but will be incorporated in an official commentary to Regulation M (Supplement I of this part), which will be amended periodically. No staff interpretations will be issued approving lessor's forms, statements, or calculation tools or methods.

4. The Supplement to Part 213 is amended by revising the heading to read as follows:

Supplement I to Part 213—Official Staff Commentary to Regulation M

FINAL RULE—AMENDMENT TO REGULATION Z

The Board of Governors is amending 12 C.F.R. Part 226, its Regulation Z (Truth in Lending). The revisions implement the Truth in Lending Act Amendments of 1995, which establish new creditor-liability rules for closed-end loans secured by real property or dwellings and consummated on or after September 30, 1995. The 1995 Amendments create several tolerances for accuracy in disclosing the amount of the finance charge, and creditors have no civil or administrative liability if the finance charge and affected disclosures are within the applicable tolerances. The amendments also clarify how lenders must disclose certain fees connected with mortgage loans. In addition, the Board is publishing a new rule regarding the treatment of fees charged in connection with debt cancellation agreements, which is similar to the existing rule for credit insurance premiums and provides for more uniform treatment of these fees.

Effective October 21, 1996, 12 C.F.R. Part 226 is amended as follows:

Part 226—Truth in Lending (Regulation Z)

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

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

2. Section 226.2 is amended by revising paragraph (a)(6) to read as follows:

Section 226.2—Definitions and rules of construction.

(a) *Definitions.* * * *

* * * * *

(6) *Business day* means a day on which the creditor's offices are open to the public for carrying on substantially all of its business functions. However, for purposes of rescission under sections 226.15 and 226.23, and for purposes of section 226.31, the term means all calendar days except Sundays and the legal public holidays specified in 5 U.S.C. 6103(a), such as New Year's Day, the Birthday of Martin Luther King, Jr., Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, and Christmas Day.

* * * * *

3. Section 226.4 is amended as follows:

- a. Paragraph (a) is revised;
- b. New paragraph (b)(10) is added;
- c. A heading is added to paragraph (c)(7), the introductory text to paragraph (c)(7) is republished, paragraphs (c)(7)(ii) and (c)(7)(iii) are revised, paragraph (c)(7)(iv) is redesignated as paragraph (c)(7)(v) and republished, and a new paragraph (c)(7)(iv) is added;
- d. The paragraph (d) heading is revised, the paragraph (d)(1) heading and introductory text are revised, paragraph (d)(1)(i) is revised, and a new paragraph (d)(3) is added.
- e. A new paragraph (e)(3) is added.

The revisions and additions are to read as follows:

Section 226.4—Finance charge.

(a) *Definition.* The finance charge is the cost of consumer credit as a dollar amount. It includes any charge payable directly or indirectly by the consumer and imposed directly or indirectly by the creditor as an incident to or a condition of the extension of credit. It does not include any charge of a type payable in a comparable cash transaction.

(1) *Charges by third parties.* The finance charge includes fees and amounts charged by someone other than the creditor, unless otherwise excluded under this section, if the creditor:

- (i) Requires the use of a third party as a condition of or an incident to the extension of credit, even if the consumer can choose the third party; or
- (ii) Retains a portion of the third-party charge, to the extent of the portion retained.

(2) *Special rule; closing agent charges.* Fees charged by a third party that conducts the loan closing (such as a settlement agent, attorney, or escrow or title company) are finance charges only if the creditor:

- (i) Requires the particular services for which the consumer is charged;
- (ii) Requires the imposition of the charge; or
- (iii) Retains a portion of the third-party charge, to the extent of the portion retained.

(3) *Special rule; mortgage broker fees.* Fees charged by a mortgage broker (including fees paid by the consumer directly to the broker or to the creditor for delivery to the broker) are finance charges even if the creditor does not

require the consumer to use a mortgage broker and even if the creditor does not retain any portion of the charge.

(b) *Example of finance charge* * * *

* * * * *

(10) *Debt cancellation fees.* Charges or premiums paid for debt cancellation coverage written in connection with a credit transaction, whether or not the debt cancellation coverage is insurance under applicable law.

(c) *Charges excluded from the finance charge.* * * *

* * * * *

(7) *Real-estate related fees.* The following fees in a transaction secured by real property or in a residential mortgage transaction, if the fees are bona fide and reasonable in amount:

* * * * *

(ii) Fees for preparing loan-related documents, such as deeds, mortgages, and reconveyance or settlement documents.

(iii) Notary and credit report fees.

(iv) Property appraisal fees or fees for inspections to assess the value or condition of the property if the service is performed prior to closing, including fees related to pest infestation or flood hazard determinations.

(v) Amounts required to be paid into escrow or trustee accounts if the amounts would not otherwise be included in the finance charge.

* * * * *

(d) *Insurance and debt cancellation coverage.* (1) *Voluntary credit insurance premiums.* Premiums for credit life, accident, health or loss-of-income insurance may be excluded from the finance charge if the following conditions are met:

(i) The insurance coverage is not required by the creditor, and this fact is disclosed in writing.

* * * * *

(3) *Voluntary debt cancellation fees.* (i) Charges or premiums paid for debt cancellation coverage of the type specified in paragraph (d)(3)(ii) of this section may be excluded from the finance charge, whether or not the coverage is insurance, if the following conditions are met:

(A) The debt cancellation agreement or coverage is not required by the creditor, and this fact is disclosed in writing;

(B) The fee or premium for the initial term of coverage is disclosed. If the term of coverage is less than the term of the credit transaction, the term of coverage also shall be disclosed. The fee or premium may be disclosed on a unit-cost basis only in open-end credit transactions, closed-end credit transactions by mail or telephone under section 226.17(g), and certain closed-end credit transactions involving a debt cancellation agreement

that limits the total amount of indebtedness subject to coverage;

(C) The consumer signs or initials an affirmative written request for coverage after receiving the disclosures specified in this paragraph. Any consumer in the transaction may sign or initial the request.

(ii) Paragraph(d)(3)(i) of this section applies to fees paid for debt cancellation coverage that provides for cancellation of all or part of the debtor's liability for amounts exceeding the value of the collateral securing the obligation, or in the event of the loss of life, health, or income or in case of accident.

(e) *Certain security interest charges.* * * *

* * * * *

(3) *Taxes on security instruments.* Any tax levied on security instruments or on documents evidencing indebtedness if the payment of such taxes is a requirement for recording the instrument securing the evidence of indebtedness.

* * * * *

4. Section 226.17 is amended as follows:

- a. In paragraph (a)(1), footnote 38 is revised;
- b. Paragraph (c)(2) is redesignated as paragraph (c)(2)(i) and revised, and paragraph (c)(2)(ii) is added;
- c. Paragraph (f) is revised.

The revisions and additions are to read as follows:

Section 226.17—General disclosure requirements.

(a) *Form of disclosures.* (1) * * * * *

* * * * *

(c) *Basis of disclosures and use of estimates.* * * *

(2)(i) If any information necessary for an accurate disclosure is unknown to the creditor, the creditor shall make the disclosure based on the best information reasonably available at the time the disclosure is provided to the consumer, and shall state clearly that the disclosure is an estimate.

(ii) For a transaction in which a portion of the interest is determined on a per-diem basis and collected at consummation, any disclosure affected by the per-diem interest shall be considered accurate if the disclosure is based on the information known to the creditor at the time that the disclosure documents are prepared for consummation of the transaction.

* * * * *

(f) *Early disclosures.* If disclosures required by this subpart are given before the date of consummation of a transaction

and a subsequent event makes them inaccurate, the creditor shall disclose before consummation;³⁹

(1) Any changed term unless the term was based on an estimate in accordance with section 226.17(c)(2) and was labelled an estimate;

(2) All changed terms, if the annual percentage rate at the time of consummation varies from the annual percentage rate disclosed earlier by more than 1/8 of 1 percentage point in a regular transaction, or more than 1/4 of 1 percentage point in an irregular transaction, as defined in section 226.22(a).

* * * * *

5. Section 226.18 is amended as follows:

- a. Footnote 41 in paragraph (d) is removed and paragraph (d) introductory text is republished;
- b. New paragraphs (d)(1) and (d)(2) are added;
- c. Footnotes 39 and 40 in paragraph (c) are redesignated as footnotes 40 and 41 respectively; and
- d. Paragraph (n) is revised.

The revisions and additions are to read as follows:

Section 226.18—Content of disclosures.

* * * * *

(d) *Finance charge.* The *finance charge*, using that term, and a brief description such as “the dollar amount the credit will cost you.”

(1) *Mortgage loans.* In a transaction secured by real property or a dwelling, the disclosed finance charge and other disclosures affected by the disclosed finance charge (including the amount financed and the annual percentage rate) shall be treated as accurate if the amount disclosed as the finance charge:

- (i) Is understated by no more than \$100; or
- (ii) Is greater than the amount required to be disclosed.

(2) *Other credit.* In any other transaction, the amount disclosed as the finance charge shall be treated as accurate if, in a transaction involving an amount financed of \$1,000 or less, it is not more than \$5 above or below the amount required to be disclosed; or, in a transaction involving an amount financed of more than \$1,000, it is not more than \$10 above or below the amount required to be disclosed.

* * * * *

(n) *Insurance and debt cancellation.* The items required by section 226.4(d) in order to exclude certain insurance premiums and debt cancellation fees from the finance charge.

* * * * *

38. The following disclosures may be made together with or separately from other required disclosures: the creditor's identity under section 226.18(a), the variable rate example under section 226.18(f)(4), insurance or debt cancellation under section 226.18(n), and certain security interest charges under section 226.18(o).

39. The following disclosures may be made together with or separately from other required disclosures: the creditor's identity under section 226.18(a), the variable rate example under section 226.18(f)(4), insurance or debt cancellation under section 226.18(n), and certain security interest charges under section 226.18(o).

6. Section 226.19 is amended by revising paragraph (a)(2) to read as follows:

Section 226.19—Certain residential mortgage and variable-rate transactions.

(a) * * *

(2) *Redisclosure required.* If the annual percentage rate at the time of consummation varies from the annual percentage rate disclosed earlier by more than 1/8 of 1 percentage point in a regular transaction or more than 1/4 of 1 percentage point in an irregular transaction, as defined in section 226.22, the creditor shall disclose all the changed terms no later than consummation or settlement.

* * * * *

7. Section 226.22 is amended by adding new paragraphs (a)(4) and (a)(5) to read as follows:

Section 226.22—Determination of annual percentage rate.

(a) *Accuracy of annual percentage rate.* * * *

* * * * *

(4) *Mortgage loans.* If the annual percentage rate disclosed in a transaction secured by real property or a dwelling varies from the actual rate determined in accordance with paragraph (a)(1) of this section, in addition to the tolerances applicable under paragraphs (a)(2) and (3) of this section, the disclosed annual percentage rate shall also be considered accurate if:

(i) The rate results from the disclosed finance charge; and

(ii)(A) The disclosed finance charge would be considered accurate under section 226.18(d)(1); or

(B) For purposes of rescission, if the disclosed finance charge would be considered accurate under section 226.23(g) or (h), whichever applies.

(5) *Additional tolerance for mortgage loans.* In a transaction secured by real property or a dwelling, in addition to the tolerances applicable under paragraphs (a)(2) and (3) of this section, if the disclosed finance charge is calculated incorrectly but is considered accurate under section 226.18(d)(1) or section 226.23(g) or (h), the disclosed annual percentage rate shall be considered accurate:

(i) If the disclosed finance charge is understated, and the disclosed annual percentage rate is also understated but it is closer to the actual annual percentage rate than the rate that would be considered accurate under paragraph (a)(4) of this section;

(ii) If the disclosed finance charge is overstated, and the disclosed annual percentage rate is also overstated

but it is closer to the actual annual percentage rate than the rate that would be considered accurate under paragraph (a)(4) of this section.

* * * * *

8. Section 226.23 is amended as follows:

a. Paragraphs (b)(1) through (b)(5) are redesignated as paragraphs (b)(1)(i) through (b)(1)(v);

b. Introductory text of paragraph (b) is redesignated as paragraph (b)(1) and republished;

c. A new paragraph (b)(2) is added; and

d. New paragraphs (g) and (h) are added.

The revisions and additions are to read as follows:

Section 226.23—Right of rescission.

* * * * *

(b)(1) *Notice of right to rescind.* In a transaction subject to rescission, a creditor shall deliver two copies of the notice of the right to rescind to each consumer entitled to rescind. The notice shall be on a separate document that identifies the transaction and shall clearly and conspicuously disclose the following:

(i) The retention or acquisition of a security interest in the consumer's principal dwelling.

(ii) The consumer's right to rescind the transaction.

(iii) How to exercise the right to rescind, with a form for that purpose, designating the address of the creditor's place of business.

(iv) The effects of rescission, as described in paragraph (d) of this section.

(v) The date the rescission period expires.

(2) *Proper form of notice.* To satisfy the disclosure requirements of paragraph (b)(1) of this section, the creditor shall provide the appropriate model form in Appendix H of this part or a substantially similar notice.

* * * * *

(g) *Tolerances for accuracy.* (1) *One-half of 1 percent tolerance.* Except as provided in paragraphs (g)(2) and (h)(2) of this section, the finance charge and other disclosures affected by the finance charge (such as the amount financed and the annual percentage rate) shall be considered accurate for purposes of this section if the disclosed finance charge:

(i) Is understated by no more than 1/2 of 1 percent of the face amount of the note or \$100, whichever is greater; or

(ii) Is greater than the amount required to be disclosed.

(2) *One percent tolerance.* In a refinancing of a residential mortgage transaction with a new creditor (other than a transaction covered by section 226.32), if there is no new advance and no consolidation of existing loans, the finance charge and other disclosures affected by the finance charge (such as the amount financed and the annual percentage rate) shall be considered accurate for purposes of this section if the disclosed finance charge:

- (i) Is understated by no more than 1 percent of the face amount of the note or \$100, whichever is greater; or
- (ii) Is greater than the amount required to be disclosed.

(h) *Special rules for foreclosures.* (1) *Right to rescind.* After the initiation of foreclosure on the consumer's principal dwelling that secures the credit obligation, the consumer shall have the right to rescind the transaction if:

- (i) A mortgage broker fee that should have been included in the finance charge was not included; or
- (ii) The creditor did not provide the properly completed appropriate model form in Appendix H of this part, or a substantially similar notice of rescission.

(2) *Tolerance for disclosures.* After the initiation of foreclosure on the consumer's principal dwelling that secures the credit obligation, the finance charge and other disclosures affected by the finance charge (such as the amount financed and the annual percentage rate) shall be considered accurate for purposes of this section if the disclosed finance charge:

- (i) Is understated by no more than \$35; or
- (ii) Is greater than the amount required to be disclosed.

9. Section 226.31 is amended by revising paragraphs (d) and (g) to read as follows:

Section 226.31- General rules.

* * * * *

(d) *Basis of disclosures and use of estimates.* (1) *Legal Obligation.* Disclosures shall reflect the terms of the legal obligation between the parties.

(2) *Estimates.* If any information necessary for an accurate disclosure is unknown to the creditor, the creditor shall make the disclosure based on the best information reasonably available at the time the disclosure is provided, and shall state clearly that the disclosure is an estimate.

(3) *Per-diem interest.* For a transaction in which a portion of the interest is determined on a per-diem basis and collected at consummation, any disclosure affected by the per-diem interest shall be considered accurate if the disclosure is based on the information known to the creditor at the time that the disclosure documents are prepared.

* * * * *

(g) *Accuracy of annual percentage rate.* For purposes of section 226.32, the annual percentage rate shall be considered accurate, and may be used in determining whether a transaction is covered by section 226.32, if it is accurate according to the requirements and within the tolerances under section 226.22. The finance charge tolerances for rescission under section 226.23(g) or (h) shall not apply for this purpose.

10. In Part 226, Appendix H is amended by revising the H-9 Rescission Model Form and the contents listing at the beginning of Appendix H to read as follows:

APPENDIX H TO PART 226- CLOSED END MODEL FORMS AND CLAUSES

- H-1- Credit Sale Model Form (section 226.18)
- H-2- Loan Model Form (section 226.18)
- H-3- Amount Financed Itemization Model Form (section 226.18(c))
- H-4(A)- Variable-Rate Model Clauses (section 226.18(f)(1))
- H-4(B)- Variable-Rate Model Clauses (section 226.18(f)(2))
- H-4(C)- Variable-Rate Model Clauses (section 226.19(b))
- H-4(D)- Variable-Rate Model Clauses (section 226.20(c))
- H-5- Demand Feature Model Clauses (section 226.18(I))
- H-6- Assumption Policy Model Clause (section 226.18(q))
- H-7- Required Deposit Model Clause (section 226.18(r))
- H-8- Rescission Model Form (General) (section 226.23)
- H-9- Rescission Model Form (Refinancing With Original Creditor) (section 226.23)
- H-10- Credit Sale Sample
- H-11- Installment Loan Sample
- H-12- Refinancing Sample
- H-13- Mortgage with Demand Feature Sample
- H-14- Variable-Rate Mortgage Sample (section 226.19(b))
- H-15- Graduated Payment Mortgage Sample
- H-16- Mortgage Sample (section 226.32)

* * * * *

H-9- Rescission Model Form (Refinancing with Original Creditor)

NOTICE OF RIGHT TO CANCEL

Your Right to Cancel

You are entering into a new transaction to increase the amount of credit previously provided to you. Your home is the security for this new transaction. You have a legal right under federal law to cancel this new transaction, without cost, within three business days from whichever of the following events occurs last:

- (1) The date of this new transaction, which is _____; or
- (2) The date you received your new Truth in Lending disclosures; or
- (3) The date you received this notice of your right to cancel.

If you cancel this new transaction, it will not affect any amount that you presently owe. Your home is the security for that amount. Within 20 calendar days after we receive your notice of cancellation of this new transaction, we must take the steps necessary to reflect the fact that your

home does not secure the increase of credit. We must also return any money you have given to us or anyone else in connection with this new transaction.

You may keep any money we have given you in this new transaction until we have done the things mentioned above, but you must then offer to return the money at the address below. If we do not take possession of the money within 20 calendar days of your offer, you may keep it without further obligation.

How to Cancel

If you decide to cancel this new transaction, you may do so by notifying us in writing, at

(creditor's name and business address).

You may use any written statement that is signed and dated by you and states your intention to cancel, or you may use this notice by dating and signing below. Keep one copy of this notice because it contains important information about your rights.

If you cancel by mail or telegram, you must send the notice no later than midnight of _____(date)_____ (or midnight of the third business day following the latest of the three events listed above).

If you send or deliver your written notice to cancel some other way, it must be delivered to the above address no later than that time.

I WISH TO CANCEL

Consumer's Signature

Date

11. In Supplement I to Part 226, under Section 226.4—Finance Charge, under 4(a) Definition, paragraph 3. ii. is removed.

12. In Supplement I to Part 226, under Section 226.17—General Disclosure Requirements, under 17(c) Basis of disclosures and use of estimates, paragraph 17(c)(2) is redesignated as paragraph 17(c)(2)(i):

Supplement I Official Staff Interpretation

* * * * *

Section 226.17—General Disclosure Requirements

* * * * *

17(c) Basis of Disclosures and Use of Estimates

* * * * *

Paragraph 17(c)(2)(i).

* * * * *

13. In Supplement I to Part 226, under Section 226.18—Content of Disclosures, under 18(d) Finance charge, paragraph 2 is removed.

14. In Supplement I to Part 226, under Section 226.23—Right of Rescission, under 23(b) Notice of right to rescind, the first sentence of paragraph 3 is revised to read as follows:

Section 226.23—Right of Rescission.

* * * * *

23(b) Notice of right to rescind

* * * * *

3. *Content.* The notice must include all of the information outlined in Section 226.23(b)(1)(i) through (v). * * *

* * * * *

ORDERS ISSUED UNDER BANK HOLDING COMPANY ACT

Orders Issued Under Section 3 of the Bank Holding Company Act

Valley View Bancshares, Inc.
Overland Park, Kansas

Order Approving Application to Acquire Bank Holding Companies

Valley View Bancshares, Inc., Overland Park, Kansas ("Valley View"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has requested the Board's approval under section 3 of the BHC Act (12 U.S.C. § 1842) to acquire Industrial Bancshares, Inc., and its subsidiary bank, Industrial State Bank ("Industrial Bank"), both of Kansas City, Kansas; International Bancshares, Inc., and its subsidiary bank, First Bank of Missouri ("First Bank"), both of Gladstone, Missouri; Mission Bancshares, Inc., and its subsidiary bank, The Mission Bank, both of Mission, Kansas; and One Security, Inc., and its subsidiary bank, Security Bank ("Security Bank"), both of Kansas City, Kansas.¹

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (61 *Federal Register* 31,526 (1996)). The time for filing comments has expired, and the Board has considered the proposal and all comments received in light of the factors set forth in section 3 of the BHC Act.

The Affiliated Companies, with total consolidated assets of approximately \$1.6 billion, operate four subsidiary

1. The bank holding companies involved in the proposal comprise the Morgan chain banking organization ("Affiliated Companies"), and the proposal represents a reorganization of the Affiliated Companies into a single bank holding company. On consummation of the proposal, Valley View would directly own all of the voting shares of the subsidiary banks currently owned by the Affiliated Companies.

banks in Kansas and one subsidiary bank in Missouri.² The Affiliated Companies are the fourth largest commercial banking organization in Kansas, controlling approximately \$1.1 billion in deposits, representing 3.2 percent of total deposits in commercial banking organizations in the state.³ The subsidiary bank of the Affiliated Companies in Missouri is the 51st largest commercial banking organization in the state, controlling approximately \$238 million in deposits, representing less than 1 percent of total deposits in commercial banking organizations in the state.

Interstate Analysis

Section 3(d) of the BHC Act, as amended by the section 101 of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994, allows the Board to approve an application by a bank holding company to acquire control of a bank located in a state other than the home state of such bank holding company, if certain conditions are met. For purposes of the BHC Act, the home state of Valley View is Kansas, and Valley View would acquire a bank in Missouri.⁴ The conditions for an interstate acquisition under section 3(d) are met in this case.⁵ In view of all the facts of record, the Board is permitted to approve the proposal under section 3(d) of the BHC Act.

Competitive Considerations

Section 3 of the BHC Act prohibits the Board from approving an application if the proposal would result in a monopoly, or would substantially lessen competition in any relevant market unless such anticompetitive effects are clearly outweighed in the public interest by the probable effects of the transaction in meeting the convenience and needs of the community to be served. As noted above, the proposal represents a reorganization of the Affiliated Companies to form a single bank holding company. Based on all the facts of record, the Board concludes that consummation of the proposal would not have any significantly adverse effects on competition or the concentration of banking resources in any relevant banking market. Accordingly, the Board concludes that competitive considerations are consistent with approval.

2. Asset data are as of June 30, 1996.

3. State deposit data are as of June 30, 1995.

4. Pub. L. No. 103-328, 108 Stat. 2338 (1994). A bank holding company's home state is the 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.

5. See 12 U.S.C. § 1842(d)(1)(A) and (B) and 1842(d)(2)(A) and (B). Valley View is adequately capitalized and adequately managed. Gladstone Bank has been in existence and continuously operated for the minimum period of time required under Missouri law. In addition, on consummation of the proposal, Valley View and its affiliates would control less than 10 percent of the total amount of deposits of insured depository institutions in the United States, and less than 13 percent of the total amount of deposits of insured depository institutions in Missouri, as required by state law.

Other Factors under the BHC Act

The BHC Act also requires the Board to consider the financial and managerial resources and future prospects of the companies and banks involved, as well as considerations relating to the convenience and needs of the community to be served and other supervisory factors. The Board has carefully reviewed the financial and managerial resources and future prospects of Valley View and the bank holding companies to be acquired in light of all the facts of record, including relevant supervisory reports of examination. The Board notes that Valley View is in satisfactory financial condition and would remain so after consummation of the proposal. In addition, reports of examination assessing the managerial resources of Valley View and the other bank holding companies indicate this factor is consistent with approval. Based on all the facts of record, the Board concludes that considerations related to the financial and managerial resources and future prospects of Valley View and the bank holding companies to be acquired are consistent with approval, as are other supervisory factors the Board must consider.

Convenience and Needs Factor

The Board has long held that consideration of the convenience and needs factor includes a review of the records of the relevant depository institutions under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*) ("CRA"). As provided in the CRA, the Board has evaluated this factor in light of examinations by the primary federal supervisory of the CRA performance record of the relevant institutions.

An institution's most recent CRA performance evaluation is a particularly important consideration in the applications process because it represents a detailed on-site evaluation of an institution's overall record of performance under the CRA by its primary federal supervisor.⁶ In addition, the Board considers an institution's policies and practices for compliance with applicable fair lending laws. The Board also has taken into account information on an institution's lending activities that assist in meeting the credit needs of low- and moderate-income neighborhoods.

The Board also has carefully considered comments from The Concerned Clergy Coalition ("Protestant"), which generally allege that the Affiliated Companies have failed to include the inner cities of Kansas City, Kansas, and Kansas City, Missouri, within their delineated community or to assist in meeting the credit needs of these areas. In particular, Protestant alleges that Security Bank has focused its lending efforts outside its delineated community, engaged in insufficient residential and small business lend-

6. The Statement of the Federal Financial Supervisory Agencies Regarding the Community Reinvestment Act provides that a CRA examination is an important and often controlling factor in consideration of an institution's CRA record and that reports of these examinations will be given great weight in the applications process. See 54 *Federal Register* 13,742, 13,745 (1989).

ing activities, engaged in ineffective ascertainment and marketing efforts, and provided inadequate branch facilities.⁷ Protestant also alleges that Security Bank and Industrial Bank have failed to participate adequately in community development programs serving their delineated community.⁸

Performance Examinations. All the subsidiary banks of the Affiliated Companies have received "satisfactory" ratings from their primary federal supervisors in their most recent evaluations for CRA performance.⁹ In particular, Security Bank received a "satisfactory" rating from the Federal Deposit Insurance Corporation ("FDIC") at its most recent examination as of April 1996 ("Security Examination"),¹⁰ and Industrial Bank received a "satisfactory" rating for CRA performance from the FDIC as of September 1994 ("Industrial Examination").

Performance Record of Security Bank. The Security Examination noted that the bank focuses on commercial real estate and other commercial and industrial lending, including a substantial number of loan participations throughout its region. Consistent with Security Bank's business strategy, the bank primarily assists in meeting the credit needs of its community through direct loans to businesses and participation in the financing of larger housing rehabilitation projects. For example, during 1994, 1995, and the first part of 1996, the bank made 153 commercial and real estate loans in the aggregate amount of

\$18.9 million in its delineated community.¹¹ Examiners found the overall geographic distribution of the bank's credit extensions to be reasonable.

Security Bank also significantly increased its community development lending during the same period. In 1994, the bank funded five projects in the aggregate amount of \$706,000, including \$400,000 to rehabilitate a 28-unit low-income apartment complex. An additional \$1.5 million was committed to fund a low-income single family dwelling development project. In 1995, the bank funded four projects in the aggregate amount of \$2.7 million, including \$2 million to help rehabilitate 217 low- and moderate-income apartment units in a 12-building complex, and \$550,000 to help develop 200 low- and moderate-income housing units at the Quality Hill Apartments. During the first part of 1996, Security Bank states that it loaned \$4.9 million to nine redevelopment projects, including \$3.1 million in bond financing to support the renovation of the Twin Oaks apartments to create 600 low- and moderate-income housing units.

Protestant criticizes the small number of housing-related loans reflected in the bank's data submitted under the Home Mortgage Disclosure Act ("HMDA"). As previously noted, Security Bank is primarily a commercial lender and the HMDA data is consistent with its business orientation. The Board also recognizes that HMDA data alone provide an incomplete measure of an institution's lending in its community because these data cover only a few categories of housing-related lending and provide limited information about the covered loans. The bank's HMDA data, nevertheless, reflect positive efforts by Security Bank to assist in meeting the credit needs of all members of its community. Between January 1994 and March 1996, loans were originated for 67 percent of the applications received from minority applicants and 64 percent of the applications received from residents of low- and moderate-income census tracts.¹² During 1993 through 1995, the percentage of home mortgage applications that Security Bank received from African-American applicants, Hispanic applicants, and residents of low- and moderate-income census tracts generally exceeded that of lenders in the market in the aggregate. The Security Examination found no evidence of prohibited discriminatory practices or any other practices designed to discourage loan applications.

Examiners also noted that three of Security Bank's five offices were located in low- and moderate-income census tracts and that their services and business hours appeared to be sufficient to meet the needs of the local community. In 1995, Security Bank conducted a survey by mail of more than 2,400 deposit customers at all its facilities, and

7. Protestant requests that the Board condition its approval of the proposal by requiring Valley View to implement several specific steps that Protestant contends would improve the CRA performance of all the banks involved in the proposal. These steps include: extending the home mortgage purchase products of Valley View's subsidiary bank, Valley View State Bank, Overland Park, Kansas ("Valley View Bank"), to Security Bank and Industrial Bank; expanding home mortgage, consumer, community development, and small business lending by Security Bank and Industrial Bank in their delineated community; establishing an additional full-service branch of Security Bank in its delineated community; and extending the delineated communities of certain banks to include the inner city of Kansas City, Missouri.

8. Protestant criticizes Security Bank for its lack of involvement with several government-sponsored and private community development programs that Protestant describes as being active in Security Bank's delineated community and supported by several other financial institutions. The Board notes that the CRA provides banks with substantial leeway in developing specific CRA-related policies and programs and does not require participation in any particular type of activity or program.

9. Protestant contends that Valley View Bank and First Bank, which serve suburban and other outlying areas of the Kansas City banking market, should extend their delineated communities under the CRA to include the inner city of Kansas City, Missouri, and establish branches there. The most recent CRA examinations of all banks owned by the Affiliated Companies, including Valley View Bank and First Bank, found that the delineated community for each bank was reasonable and did not arbitrarily exclude low- and moderate-income areas.

10. Protestant criticizes the Security Examination and contends that the CRA performance of Security Bank is substantially unchanged since it received a "needs to improve" rating at its examination in September 1992. The FDIC has conducted two evaluations of Security's CRA performance since the 1992 examination, and both examinations (October 1993 and the Security Examination in 1996) have rated the bank's performance as "satisfactory."

11. Protestant notes that the bank made only one or two Small Business Administration ("SBA") loans annually. Valley View states that Security Bank recently hired a loan officer with SBA lending experience and that the bank is developing a plan to become more active in SBA lending.

12. During this period, Security Bank originated loans for 68 percent of the applications it received in the aggregate.

received 900 responses. Surveyed customers were asked about the bank's lobby hours, locations, employee courtesy and personal service, and community involvement. More than 90 percent of respondents rated the bank excellent or adequate overall. The Security Examination also found that the bank maintained an adequate branch closing policy.

The Security Examination found that Security Bank undertook reasonable efforts to ascertain the credit needs of its entire community, especially through involvement in several civic organizations and an officer call program. Examiners noted that marketing efforts included weekly advertisements in several newspapers serving the local community, including a bilingual newspaper serving Hispanic members of the community, and that the bank has hired a bilingual employee at its main office to assist Hispanic customers. Examiners also noted that the board of directors of the bank was adequately involved in the formulation and monitoring of CRA programs and ensured the proper training of officers and employees.

Performance Record of Industrial Bank. Industrial Bank also is primarily a commercial lender. Examiners reviewed the geographic distribution of the bank's commercial, housing-related and consumer loans, credit applications, and credit denial, and found that the distribution was reasonable. For example, examiners found that 41 percent of all commercial loans and 70 percent of all consumer loans that the bank had extended since the prior CRA examination were made within the bank's delineated community. Ninety-three percent of all home mortgage applications and 90 percent of the home mortgage loans originated also were in the delineated community. Examiners also found the bank's involvement with community development projects within its community to be adequate. In 1995 and the first part of 1996, the bank funded nine projects in the aggregate amount of \$1.2 million, including \$550,000 to help rehabilitate the Quality Hill apartment complex and \$448,000 for the development of a church-supported community center. The bank also loaned \$84,000 and committed an additional \$40,000 to individuals for the rehabilitation of low-income housing units.

The Industrial Examination found no substantive violations of the fair lending laws or any other practices designed to discourage loan applications.¹³ Examiners found that the bank relied on direct contacts with government officials and community organizations, as well as calls on customers, to ascertain credit needs. Through its ascertainment efforts, the bank financed a merger of the area's largest minority-owned construction company and the purchase of equipment by another minority-owned firm. The bank also determined through its ascertainment efforts that a need existed in its community for additional home improvement loans, and developed fixed-rate term loan and home equity loan products to address this need. Industrial

Bank also has hired six bilingual employees to assist Hispanic customers.

Conclusion on Convenience and Needs Factor

The Board has carefully considered the entire record in its review of the convenience and needs factor under the BHC Act. Based on all the facts of record, including information provided by Protestant and Valley View and CRA performance examinations, the Board concludes that the efforts of Valley View and the subsidiary banks of the Affiliated Companies to help meet the credit needs of all segments of the communities served, including low- and moderate-income neighborhoods and minority residents, and the convenience and needs considerations, are consistent with approval, and thus there is no need to require the conditions suggested by Protestant.

Based on all the facts of record, the Board has determined that this application should be, and hereby is, approved.¹⁴ The Board's approval is specifically conditioned on compliance by Valley View with all the commitments made in connection with this application. For the purpose of this action, the commitments and conditions relied on by the Board in reaching its decision are deemed to be conditions imposed in writing by the Board in connection with its findings and decision and, as such, may be enforced in proceedings under applicable law.

The proposed acquisition of the other bank holding companies in the Morgan Group shall not be consummated before the fifteenth calendar day following the effective date of this order, and not 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 September 16, 1996.

14. Protestant has requested that the Board hold a public hearing or meeting to receive public testimony on the proposal. Section 3(b) of the BHC Act does not require the Board to hold a public hearing or meeting on an application unless the appropriate supervisory authority for the bank to be acquired makes a timely written recommendation of denial of the application. In this case, the Board has received no such request. Under its 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 C.F.R. 262.3(e) and 262.25(d). The Board has carefully considered Protestant's request in light of all the facts of record. In the Board's view, Protestant has had ample opportunity to submit its views and has, in fact, submitted substantial written materials that have been considered by the Board in acting on the application. Protestant fails to demonstrate why its substantial written submissions do not adequately present its allegations or why a public hearing or meeting is otherwise warranted in this case. For these reasons, and based on all the facts of record, the Board has determined that a public hearing or meeting is not necessary to clarify the factual record in the application, and is not warranted in this case. Accordingly, Protestant's request for a public hearing or meeting is denied.

13. Examiners noted certain technical violations of fair lending laws, which they did not consider to reflect negatively on Industrial Bank's lending practices.

Voting for this action: Chairman Greenspan, Vice Chair Rivlin, and Governors Kelley, Lindsey, Phillips, Yellen, and Meyer.

JENNIFER J. JOHNSON
Deputy Secretary of the Board

Orders Issued Under Section 4 of the Bank Holding Company Act

Cambridge Bancorp
Cambridge, Massachusetts

Order Approving a Notice to Engage in Certain Investment Advisory Activities

Cambridge Bancorp, Cambridge, Massachusetts ("Cambridge"), a bank holding company within the meaning of the Bank Holding Company Act ("BHC Act"), has requested the Board's approval under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) and section 225.23 of the Board's Regulation Y (12 C.F.R. 225.23) to expand the investment advisory activities of its subsidiary, Cambridge Investment Services of New Hampshire, Inc., Concord, New Hampshire ("Company"), to provide discretionary investment management services to customers who do not qualify as institutional customers under Regulation Y.¹

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (61 *Federal Register* 41,415 (1996)). The time for filing comments has expired, and the Board has considered the notice and all comments received in light of the factors set forth in section 4(c)(8) of the BHC Act.

Cambridge, with total consolidated assets of \$404.9 million, controls one commercial bank, Cambridge Trust Company, Cambridge, Massachusetts ("CTC").² Cambridge recently established Company to engage in investment advisory activities.³ Company has not yet commenced operations, and it currently has an application pending with the Securities and Exchange Commission for registration as an investment adviser under the Investment Advisers Act of 1940 (15 U.S.C. § 80b-1 *et seq.*) ("Investment Advisers Act"). Cambridge has committed that Company will register under the Investment Advisers Act before providing the proposed service.

Section 4(c)(8) of the BHC Act provides that a bank holding company may engage, with Board approval, in any activity that the Board determines to be "so closely related to banking or managing or controlling banks as to be a proper incident thereto."⁴ The Board previously has determined that providing discretionary investment manage-

ment services to retail customers is closely related to banking.⁵

In order to approve this notice, the Board must also consider whether the performance of the proposed activity by Cambridge is a proper incident to banking, that is whether the activity proposed "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."⁶ As part of its evaluation of these factors, the Board considers the financial condition and managerial resources of the notificant and its subsidiaries and the effect of the proposed transaction on these resources.⁷ Based on all the facts of record, including relevant reports of examination, the Board has concluded that financial and managerial considerations are consistent with approval of the proposal. The Board also expects that consummation of the proposal would result in greater competition in the market for retail-level discretionary management services and provide added convenience and services to retail customers.

In the *CNB Order*, the Board relied on certain conditions and limitations to mitigate potential adverse effects, such as conflicts of interests and customer confusion, that might arise from the provision of discretionary management services to retail customers. Cambridge has committed that Company will conduct the proposed activity under substantially the same limitations and conditions as those in the *CNB Order*, as listed in Appendix A.

Cambridge also has requested that it be permitted to advertise and market the availability of the services of Company through CTC's branches, including by making referrals and providing brochures and other literature, and to disclose the affiliation of Company with CTC. To mitigate the potential for customer confusion about the uninsured nature of the investments made through Company that might result from such promotional activities, Cambridge has stated that all brochures and advertisements of Company will contain the disclosures required in the Interagency Statement on the Retail Sale of Nondeposit Investment Products ("Interagency Statement"). Cambridge has further committed that each client, before he or she enters into an advisory relationship with Company, will receive a written disclosure that complies with the disclosure requirements of the Interagency Statement. Thus, Cambridge would disclose that Company is a separate entity from CTC; that securities purchased through Company are not guaranteed by Company or CTC; that accounts of Company are not insured by the Federal Deposit Insurance Corporation ("FDIC"); and that assets invested with Company are subject to the risk of loss, including possible loss of the principal invested.

1. 12 C.F.R. 225.2(g).

2. Asset data are as of June 30, 1996.

3. Cambridge previously received approval for Company to provide investment advice to institutional customers. See 12 C.F.R. 225.25(b)(4)(iii).

4. 12 U.S.C. § 1843(c)(8).

5. See *CNB Financial Corp.*, 82 *Federal Reserve Bulletin* 952 (1996) ("*CNB Order*"); *CoreStates Financial Corp.*, 80 *Federal Reserve Bulletin* 644 (1994).

6. 12 U.S.C. § 1843(c)(8).

7. See 12 C.F.R. 225.24.

Based on all the facts of record, the Board finds that the public benefits of Cambridge's proposed activity outweigh any likely adverse effects and, therefore, that the activity is a proper incident to banking for purposes of section 4(c)(8) of the BHC Act.

Based on the foregoing and all the facts of record, the Board has determined that the notice should be, and hereby is, approved. Approval of this notice is specifically conditioned on compliance by Cambridge with the commitments discussed in this order and all other commitments and representations made by Cambridge in connection with this notice. The Board's determination also is subject to all the terms and conditions set forth in Regulation Y, including those in sections 225.7 and 225.23(b) (12 C.F.R. 225.27 and 225.23(b)), and to the Board's authority to require such modification or termination of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to ensure compliance with, and to prevent evasion of, the provisions of the BHC Act and the Board's regulations and orders thereunder. For purposes of this transaction, the commitments and conditions agreed to by Cambridge shall be deemed to be conditions imposed in writing by the Board in connection with its findings and decision and, as such, may be enforced in proceedings under applicable law.

These activities shall not be commenced 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 Boston pursuant to delegated authority.

By order of the Board of Governors, effective September 30, 1996.

Voting for this action: Chairman Greenspan, Vice Chair Rivlin, and Governors Kelley, Lindsey, Phillips, Yellen, and Meyer.

JENNIFER J. JOHNSON
Deputy Secretary of the Board

Appendix A

Cambridge has committed that it would comply with the following conditions:

- (1) No investment transactions will be executed by Company on behalf of retail customers through any broker affiliated with Cambridge;
- (2) Company will not purchase, for discretionary investment advisory accounts, securities for which Cambridge or any of its affiliates acts as underwriter, dealer, distributor, or placement agent, other than obligations of the United States, unless directed to do so in writing by the client prior to each such transaction and after disclosure of any such affiliated relationships involved in the transaction;
- (3) Fees charged by Company to its retail customers for its discretionary investment advisory services will not be based on the number of transactions executed;

(4) Company, Cambridge, and affiliates of Cambridge will not share confidential information regarding their respective customers without the customer's consent;

(5) Company's offices will not be located in, located in the same building as, or geographically proximate, to any branches of CTC; and

(6) Referrals of retail customers to Company by CTC will be made only by CTC trust department or senior management personnel. No such referrals will be made without first providing the customer with written or oral disclosures of the distinct and separate identities of CTC and Company. Before entering into an advisory relationship with Company, each retail customer will receive a written disclosure that Company is a separate entity from CTC; that securities purchased through Company are not insured by the FDIC or guaranteed by Company or CTC; and that assets invested with Company are subject to the risk of loss, including possible loss of the principal invested. In addition, Cambridge, Company, and CTC will otherwise comply with the Interagency Statement on Retail Sales of Nondeposit Investment Products and its interpretations.

The Chase Manhattan Corporation
New York, New York

Mellon Bank Corporation
Pittsburgh, Pennsylvania

Order Approving Notice to Acquire Certain Trust-Related Assets

The Chase Manhattan Corporation, New York, New York ("Chase"), and Mellon Bank Corporation, Pittsburgh, Pennsylvania ("Mellon"), bank holding companies within the meaning of the Bank Holding Company Act ("BHC Act"), have requested the Board's approval under section 4 of the BHC Act (12 U.S.C. § 1843(c)(8)) and section 225.23 of the Board's Regulation Y (12 C.F.R. 225.23) to acquire indirectly assets related to the shareholder service operations of Wells Fargo Bank, N.A., San Francisco, California, and its affiliated banks (collectively "Wells"), and thereby engage in trust-related services pursuant to section 225.25(b)(3) of the Board's Regulation Y (12 C.F.R. 225.25(b)(3)). Chase and Mellon propose to acquire the Wells Fargo shareholder services assets through their joint venture subsidiary, ChaseMellon Shareholder Services, L.L.C., Ridgefield Park, New Jersey ("Chase/Mellon").¹

Notice of this proposal, affording interested persons an opportunity to submit comments, has been published (61 *Federal Register* 42,615, 43,060 (1996)). The time for filing comments has expired, and the Board has considered the notice and all comments received in light of the factors set forth in section 4(c)(8) of the BHC Act.

¹ Chase and Mellon each own 50 percent of Chase/Mellon through wholly owned subsidiaries.

Chase, the largest commercial banking organization in the United States with total consolidated assets of approximately \$321.8 billion, operates banks in Delaware, Florida, New Jersey, New York, and Texas, and engages in a number of permissible activities nationwide.² Mellon, with total consolidated assets of \$42.8 billion, is the 22d largest commercial banking organization in the United States. Mellon operates banking subsidiaries in Pennsylvania, Delaware, Maryland, and New Jersey, and engages in a number of nonbanking activities nationwide.

Proposed Trust-Related Activities

The Board previously has determined that the provision of certain shareholder services, including acting as a stock transfer and dividend disbursing agent and providing similar custodial or agency services, may be performed by bank holding companies pursuant to section 225.23(b)(3) of Regulation Y.³ Chase/Mellon provides a full range of permissible shareholder services pursuant to Regulation Y, and all of the Wells assets to be acquired in the proposal relate to activities that are permissible for bank holding companies.⁴

In considering this proposal, the Board also must determine whether the proposed activities are a proper incident to banking, that is, whether the proposal "can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices."⁵ As part of its evaluation of these factors, the Board has carefully reviewed the financial and managerial resources of Chase and Mellon and their respective subsidiaries, and the effect the transaction would have on such resources in light of all the facts of record.⁶ This includes

review of confidential reports of examination prepared by the primary federal supervisors of the organizations assessing the financial and managerial resources of these organizations. Based on all the facts of record, the Board concludes that the financial and managerial resources of the organizations involved in the proposal are consistent with approval.⁷

In evaluating the competitive effects of the proposal, the Board notes that Wells does not control a significant share of the market for shareholder services and that the effect of the acquisition in the market for these services would be small. In addition, the market for shareholder services is not highly concentrated and customers for these services are sophisticated financial institutions with substantial bargaining power. Based on all the facts of record, the Board concludes that consummation of the proposal would not have a significantly adverse effect on competition in any relevant market.⁸

In reviewing the public interest factors in this case, the Board also has carefully considered contentions by Protestant that the public benefits are not sufficient to outweigh

reached in the Chemical/Chase Order on these issues. As explained in the Chemical/Chase Order, the Board concluded, on the basis of all the facts of record, that the proposal met the competitive, convenience and needs, and other statutory factors the Board is required to consider and should be approved. Protestant's request that the Board reconsider its decision in the Chemical/Chase merger has already been denied.

7. Protestant alleges that the 1995 HMDA data for Chase indicate some disparities in the rate of denials and originations for housing-related loans by racial groups, that Chase has made several misleading and inaccurate media announcements regarding branch closings, that Chase has abandoned LMI areas through branch closings since the merger, and that Chase has not opened certain branches and automated teller machines ("ATMs") in LMI areas identified in connection with the Board's approval of the Chemical/Chase Order. Protestant also maintains that other aspects of Chase's operations reflect adversely on managerial considerations, including trading in unregistered copper futures by Chase Bank, problems with ATM services and billing errors in Chase's secured credit card program, and the departure of mid- and high-level management from Chase. The Board has reviewed all of these allegations in light of supervisory assessments of Chase's managerial resources and Chase's adherence to fair lending and other laws, and updated information from Chase on its branch openings and closings and ATM installations in LMI census tracts, including the facilities discussed by Protestant. The Board notes that the merger of Chemical and Chase, which involved two of the largest domestic banking organizations, was not consummated until July 14, 1996, and that Chase has already begun to implement the programs and policies discussed in the Chemical/Chase Order. The Board also notes that Chase has demonstrated that it has the managerial resources to conduct the activities proposed in this case.

8. Protestant maintains that the Board should consider the competitive effect of all business relationships between Mellon and Chase and reconsider the approval of the Chase/Mellon joint venture. In connection with the formation of Chase/Mellon, both banking organizations made a number of commitments to address conflicts of interests and other adverse effects that could result from a matrix of relationships between co-venturers. In particular, Chase and Mellon committed not to *solicit business on behalf of each other and represented that they did not have or expect to have significant business relationships outside the joint venture.* Chase and Mellon also committed to act on an arm's-length basis in deciding whether to extend credit to any co-venturer or co-venturer's competitor and not to take into account the fact that a potential borrower could be a competitor of Chase/Mellon in deciding whether to extend credit.

2. Asset data are as of June 30, 1996.

3. See *State Street Boston Corporation*, 81 *Federal Reserve Bulletin* 1049 (1995).

4. The shareholder services activities of Wells are set forth in the Appendix.

5. 12 U.S.C. § 1843(c)(8). See 12 C.F.R. 225.24; see also *The Fuji Bank, Limited*, 75 *Federal Reserve Bulletin* 94 (1989); *Bayerische Vereinsbank AG*, 73 *Federal Reserve Bulletin* 155 (1987).

6. Inner City Press/Community on the Move, Bronx, New York ("Protestant"), contends that the Board's order regarding the merger of The Chase Manhattan Corporation and Chemical Banking Corporation, both of New York, New York, *Chemical Banking Corporation*, 82 *Federal Reserve Bulletin* 239 (1996) ("Chemical/Chase Order"), misanalyzed and misinterpreted a number of issues raised by the merger of Chemical and Chase, including the potential anticompetitive effects of the merger, the impact of the announced branch closings on low- and moderate-income ("LMI") communities and communities with predominately minority populations, and the reliability of the data submitted under the Home Mortgage Disclosure Act ("HMDA") relating to loans made through the New York City Partnership. In addition, Protestant argues that the availability of new information since the Chemical/Chase Order, including Chase's HMDA data for 1995 and criticisms by the General Accounting Office of examiner fair lending training and enforcement policies of the federal financial supervisory agencies, require the Board to reconsider the conclusions

the adverse effects of this proposal. The record indicates that the proposal would provide added convenience to the customers of Wells by continuing to provide them with shareholder services from a company committed to these activities. Moreover, the Board believes that there are public benefits derived from permitting capital markets to operate so that bank holding companies may make potentially profitable investments in nonbanking companies and allocate their resources in the manner they believe is most efficient when these investments are consistent with the relevant considerations under the BHC Act, as they are in this case.

For the reasons discussed in this order, the Board believes that the potential for adverse effects, if any, resulting from the transaction are negligible. The Board also concludes that, based on the considerations discussed above, the proposal can reasonably be expected to produce notable public benefits. Accordingly, based on all the facts of record, the Board has determined that consummation of the proposal can reasonably be expected to produce public benefits that would outweigh any likely adverse effects under the proper incident to banking standard of section 4(c)(8) of the BHC Act.

Conclusion

Based on the foregoing and all the facts of record, the Board has determined that the notice should be, and hereby is, approved. The Board's determination is subject to all the terms and conditions set forth in the Board's Regulation Y, including those in sections 225.7 and 225.23(g) (12 C.F.R. 225.7 and 225.23(g)), and to the Board's authority to require such 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 Board's approval is specifically conditioned on compliance with all the commitments made in connection with this proposal, including the commitments discussed in this order. These commitments and conditions shall be deemed to be conditions imposed in writing by the Board in connection with its findings and decision and, as such, may be enforced in proceedings under applicable law.

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

By order of the Board of Governors, effective September 30, 1996.

Voting for this action: Chairman Greenspan, Vice Chair Rivlin, and Governors Kelley, Laidsey, Phillips, Yellen, and Meyer.

JENNIFER J. JOHNSON
Deputy Secretary of the Board

Appendix

Shareholder Services Activities of Wells

- (1) Maintaining the shareholder records, including name, address, and number of shares owned, for its corporate customers and ensuring that the corporation's shareholder list remains current.
- (2) Preparing and mailing checks to dividend holders.
- (3) Mailing quarterly and annual reports, "welcome letters" on behalf of the corporation to its new shareholders, and proxy materials for annual or special meetings.
- (4) Mailing annual meeting materials to shareholders, tabulating votes for the various propositions on proxy statements, and serving as the Inspector of Election for annual meetings (which may involve presenting the shareholder vote counts to the corporation's board of directors and shareholders at the annual meeting).
- (5) Canceling shares in the name of the transferor name and issuing shares in the name of the acquirer pursuant to the sell or transfer of shares.
- (6) Providing shareholders information regarding end-of-year tax reports, lost dividend checks, dividend rates, dates of prior transfers of stock, procedures for transferring shares.
- (7) Facilitating the transfer of shares during the course of corporate reorganizations by providing lists of the shareholders of the stock to be acquired, informing the shareholders (by mail) of the transaction and supplying them with the instructions and forms to be used in tendering their shares, processing the tendered shares and issuing the merger or acquisition compensation to the appropriate shareholders.
- (8) Maintaining the shareholder records, including name, address, and number of shares owned, for the employee stock option plans of its corporate customers.
- (9) Examining shares and any corresponding legal documents submitted in conjunction with the transfer of shares containing legends on the back of the certificates that denote certain restrictions on the sale or transfer of the shares.
- (10) Following the purchase activity of certain shares and issuing reports detailing the names of purchasers, brokers used to purchase shares, and number of shares purchased, to its corporate customers;
- (11) Contacting shareholders on behalf of corporations, to remind the shareholders to submit their vote or proxy for annual shareholder meetings or special shareholder meetings;
- (12) Providing escheat services for abandoned property (i.e., unclaimed dividends and shares of stock).
- (13) Providing corporate customers with on-line inquiry access into Chase/Mellon's databases containing information on the corporation's shareholders.
- (14) Performing various statistical analyses and generating various reports concerning the corporation's shareholder base.

(15) Maintaining separate databases of shares purchased through the dividend reinvestment plans (“DRP”) or employee stock purchase plans (“ESPP”) for its corporate customers.

National Westminster Bank Plc
London, England

*Order Approving Notice to Engage in Certain
Nonbanking Activities*

National Westminster Bank Plc, London, England (“NatWest”), a foreign banking organization subject to the Bank Holding Company Act (“BHC Act”), has requested the Board’s approval under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) and section 225.23 of the Board’s Regulation Y (12 C.F.R. 225.23) to acquire Greenwich Capital Holdings, Inc., Greenwich, Connecticut (“Company”), and thereby engage in the following nonbanking activities:

- (1) Making, acquiring and servicing loans and other extensions of credit, pursuant to section 225.25(b)(1) of Regulation Y (12 C.F.R. 225.25(b)(1));
- (2) Providing investment and financial advisory services, pursuant to section 225.25(b)(4) of Regulation Y (12 C.F.R. 225.25(b)(4));
- (3) Leasing personal or real property or acting as agent, broker, or adviser in leasing such property, pursuant to section 225.25(b)(5) of Regulation Y (12 C.F.R. 225.25(b)(5));
- (4) Arranging commercial real estate equity financing, pursuant to section 225.25(b)(14) of Regulation Y (12 C.F.R. 225.25(b)(14));
- (5) Providing discount and full-service securities brokerage services, pursuant to section 225.25(b)(15) of Regulation Y (12 C.F.R. 225.25(b)(15));
- (6) Underwriting and dealing in obligations of the United States, general obligations of states and their political subdivisions, and other obligations in which state member banks may underwrite and deal under 12 U.S.C. §§ 335 and 24(7) (“bank-eligible securities”), pursuant to section 225.25(b)(16) of Regulation Y (12 C.F.R. 225.25(b)(16));
- (7) Acting as a futures commission merchant (“FCM”), pursuant to section 225.25(b)(18) of Regulation Y (12 C.F.R. 225.25(b)(18));
- (8) Providing investment advice on financial futures and options on futures, pursuant to section 225.25(b)(19) of Regulation Y (12 C.F.R. 225.25(b)(19));
- (9) Underwriting and dealing in, to a limited extent, certain municipal revenue bonds (including certain unrated and “private ownership” municipal revenue bonds), 1-4 family mortgage-related securities, consumer receivable-related securities, and commercial paper (collectively, “bank-ineligible securities”);
- (10) Acting as agent in the private placement of all types of securities, and buying and selling all types of securities on the order of customers as a “riskless principal”;

- (11) Trading for its own account in:
 - (i) Gold and silver bullion, bars, rounds, and coins (“precious metals”); and
 - (ii) Forwards, options, futures, and options on futures contracts for such precious metals for purposes of hedging positions in the underlying precious metals;
- (12) Trading for its own account in foreign exchange spot, forwards, futures, options, and options on futures contracts for purposes other than hedging; and
- (13) Acting as originator, principal, broker, agent, or adviser to institutional customers with respect to interest rate and currency swaps and related swap derivative products.¹

Company would conduct these activities worldwide.

Notice of this proposal, affording interested persons an opportunity to submit comments, has been published (61 *Federal Register* 41,161 (1996)). The time for filing comments has expired, and the Board has considered the proposal and all comments received in light of the factors set forth in section 4(c)(8) of the BHC Act.

NatWest, with total consolidated assets of approximately \$257.8 billion, is the second largest banking organization in England.² In the United States, NatWest operates branches in New York, New York, and Chicago, Illinois, an agency in Los Angeles, California, and a representative office in Houston, Texas. NatWest also controls several subsidiaries that engage in various nonbanking activities in the United States.

Company is a nonbanking company, currently owned by The Long-Term Credit Bank of Japan, Limited, Tokyo, Japan, that engages in a variety of securities-related, advisory and other nonbanking activities worldwide. Company’s principal subsidiary, Greenwich Capital Markets, Inc. (“GCM”), is, and will continue to be, a broker-dealer registered with the Securities and Exchange Commission (“SEC”) under the Securities Exchange Act of 1934 (15 U.S.C. § 78a *et seq.*) and a member of the National Association of Securities Dealers (“NASD”). In addition, GCM is, and will continue to be, registered as an FCM with the Commodity Futures Trading Commission (“CFTC”) under the Commodity Exchange Act (7 U.S.C. § 1 *et seq.*). Accordingly, GCM will be subject to the recordkeeping and reporting obligations, fiduciary standards, and other requirements of the Securities Exchange Act, the Commodity Exchange Act, the SEC, CFTC, and NASD.

Activities Approved by Regulation

The Board previously has determined by regulation that the proposed lending, investment and financial advisory,

1. As used herein, the term “swap derivative products” means caps, floors, collars, and options on swaps, caps, floors, and collars.

2. Asset and ranking data are as of December 31, 1995, and use exchange rates then in effect.

leasing, commercial real estate equity financing arranging, securities brokerage, bank-eligible underwriting and dealing, FCM, and futures advisory 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.³ NatWest proposes to conduct these activities in accordance with the Board's regulations and prior Board decisions relating to these activities.⁴

Underwriting and Dealing in Bank-Ineligible Securities

The Board has determined that, subject to the prudential framework of limitations established in previous decisions to address the potential for conflicts of interests, unsound banking practices, or other adverse effects, the proposed activities of underwriting and dealing in bank-ineligible securities 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.⁵ NatWest has committed that Company will conduct the proposed underwriting and dealing activities using the same methods and procedures and subject to the same prudential limitations established by the Board in the Section 20 Orders.

The Board also has determined that the conduct of these securities underwriting and dealing activities is consistent with section 20 of the Glass Steagall Act (12 U.S.C. § 377), provided that the company engaged in the underwriting and dealing activities derives no more than 10 percent of its total gross revenue from underwriting and dealing in bank-ineligible securities over any two-year period. The Board subsequently modified that prudential framework in the case of a foreign banking organization to take into account principles of national treatment and the Board's policy not to extend U.S. Bank supervisory standards extraterritorially.⁶ NatWest has committed that Company will conduct its underwriting and dealing activities in bank-ineligible securities subject to the 10-percent revenue

test and the prudential limitations established by the Board in its *Sanwa* Order.⁷

Private Placement and "Riskless Principal" Activities

Private placement involves the placement of new issues of securities with a limited number of sophisticated purchasers in a nonpublic offering. A financial intermediary in a private placement transaction acts solely as an agent of the issuer in soliciting purchasers and does not purchase the securities and attempt to resell them. Securities that are privately placed are not subject to the registration requirements of the Securities Act of 1933, and are offered only to financially sophisticated institutions and individuals and not to the public. Company will not privately place registered securities and will only place securities with customers that qualify as accredited investors.

"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 for a customer, purchases (or sells) the security for its own account to offset a contemporaneous sale to (or purchase from) the customer.⁸ Riskless principal transactions are understood in the industry to include only transactions in the secondary market. Thus, Company would not act as a riskless principal in selling bank-ineligible 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 bank-ineligible security for which it or an affiliate makes a market.

The Board has determined that, subject to the limitations established by the Board in prior orders, the proposed private placement and 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.⁹ The Board also has determined that acting as agent in the private placement of securities, and purchasing and selling securities on the order of investors as a riskless principal, do not constitute underwriting and dealing in securities for purposes of section 20 of the Glass-Steagall Act, and that revenue derived from these activities is not subject to the

3. See 12 C.F.R. 225.25(b)(1), (4), (5), (14), (15), (16), (18), and (19).

4. Because Company would provide investment advisory and brokerage services with respect to ineligible securities that it may hold as a principal, NatWest has committed that Company will inform its customers at the commencement of the relationship that, as a general matter, it may be a principal or may be engaged in underwriting with respect to, or may purchase from an affiliate, those securities for which brokerage or advisory services are provided. In addition, NatWest has committed that the confirmations sent by Company to customers will state whether Company acted as agent or as principal in the transaction. See *PNC Financial Corp.*, 75 *Federal Reserve Bulletin* 396 (1989); *Bankers Trust New York Company*, 74 *Federal Reserve Bulletin* 695 (1988).

5. See *Citicorp, et al.*, 73 *Federal Reserve Bulletin* 473 (1987), *aff'd sub nom Securities Industry Ass'n v. Board of Governors of the Federal Reserve System*, 839 F.2d 47 (2d Cir.), *cert. denied*, 486 U.S. 1059 (1988); and *Chemical New York Corporation, et al.*, 73 *Federal Reserve Bulletin* 731 (1987), as modified by *Order Approving Modifications to Section 20 Orders*, 75 *Federal Reserve Bulletin* 751 (1989) (collectively, "Section 20 Orders").

6. *The Sanwa Bank, Limited*, 76 *Federal Reserve Bulletin* 568 (1990) ("Sanwa"); *The Toronto Dominion Bank*, 76 *Federal Reserve Bulletin* 573 (1990).

7. The Board notes that lending to affiliates by U.S. branches and agencies of foreign banks is not restricted by section 23A of the Federal Reserve Act. In view of the limited nature of these activities, the Board does not believe that the record at this time would require extending the restrictions of section 23A to NatWest's U.S. branches and agencies. The Board, however, reserves the right to require that NatWest's U.S. branches and agencies adhere to the restrictions of section 23A should circumstances change to make such a requirement appropriate.

8. See SEC Rule 10b-10(a)(8)(i) (17 C.F.R. 240.10b-10(a)(8)(i)). The Board notes that GCM, as a registered broker-dealer, must conduct its riskless principal activities in accordance with the customer disclosure and other requirements of the federal securities laws.

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

10-percent revenue limitation on bank-ineligible securities underwriting and dealing.¹⁰

NatWest has committed that Company will conduct its private placement activities using the same methods and procedures and subject to the same prudential limitations as those established by the Board in *Bankers Trust* and *J.P. Morgan*,¹¹ including the comprehensive framework of restrictions imposed by the Board in connection with underwriting and dealing in bank-ineligible securities, which were designed to avoid potential conflicts of interests, unsound banking practices, and other adverse effects. NatWest also has committed that Company will conduct its riskless principal activities subject to the limitations previously established by the Board.¹²

Precious Metal and Foreign Exchange Activities

NatWest proposes that Company trade for its own account in gold and silver bullion, bars, rounds, and coins, and forwards, options, futures, and options on futures contracts for such precious metals for purposes of hedging positions in the underlying precious metals. NatWest also proposes that Company trade for its own account in foreign exchange spot, forward, futures, options and options on futures transactions for purposes other than hedging. The Board previously has determined that the proposed precious metals activities are closely related to banking and permissible for bank holding companies under section 4(c)(8) of the BHC Act.¹³ The Board also previously has approved the proposed foreign exchange-related activities subject to certain limitations, and NatWest has committed that Company will conduct its foreign exchange-

related activities in accordance with the limitations established by the Board.¹⁴

Swap Activities

NatWest proposes that Company act as originator, principal, broker, agent, or adviser to institutional customers with respect to interest rate and currency swaps and related swap derivative products. The Board previously has determined that the proposed swap activities are closely related to banking and permissible for bank holding companies under section 4(c)(8) of the BHC Act.¹⁵ NatWest has committed that Company will conduct its swap activities in accordance with the limitations established by the Board in previous decisions.¹⁶

Proper Incident to Banking Standard

In order to approve this proposal, the Board also must determine that the proposed activities are a proper incident to banking, that is, that the proposal "can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices."¹⁷

As part of the Board's evaluation of these factors, the Board considers the financial and managerial resources of the notificant and its subsidiaries and the effect the transaction would have on such resources.¹⁸ The Board notes that NatWest's capital ratios satisfy applicable risk-based capital standards established under the Basle Accord and are considered equivalent to the capital levels that would be required of a U.S. banking organization. The Board also has reviewed the capitalization of NatWest and Company in accordance with the standards set forth in the Section 20 Orders and finds the capitalization of each to be consistent with approval. The determination of the capitalization of Company is based on all the facts of record, including NatWest's projections of the volume of Company's underwriting and dealing activities in bank-ineligible securities. Based on all the facts of record, the Board concludes that financial and managerial considerations are consistent with approval of the proposal.

In considering the potential adverse effects of the proposal, the Board has found that there is no evidence in the

10. See *Bankers Trust*.

11. Among the prudential limitations discussed more fully in *Bankers Trust* and *J.P. Morgan* are that Company will not privately place open-end investment company securities or securities of investment companies that are advised by NatWest or any of its affiliates. In addition, Company will make no general solicitation or general advertising for securities it places.

12. See *The Bank of New York Company, Inc.*, 82 *Federal Reserve Bulletin* 748 (1996). Neither Company nor its affiliates will hold themselves out as making a market in the bank-ineligible securities that Company buys and sells as riskless principal, or enter quotes for specific bank-ineligible securities in any dealer quotation system in connection with Company's riskless principal transactions, except that Company and its affiliates may enter bid or ask quotations, or publish "offering wanted" or "bid wanted" notices on trading systems other than NASDAQ or an exchange, if Company or the affiliate does not enter price quotations on different sides of the market for a particular security for two business days. In other words, Company or its affiliate must wait at least two business days after entering a "bid" quote on a security before entering an "ask" quote on the same security and vice versa. Company will not act as riskless principal for registered investment company securities or for any securities of investment companies that are advised by NatWest or its affiliates. In addition, because Company proposes to provide riskless principal services in combination with investment advisory services, Company will conduct its riskless principal activities in accordance with the limitations established by the Board for the full-service brokerage activities of bank holding companies. See 12 C.F.R. 225.25(b)(15)(ii).

13. See *Midland Bank PLC*, 76 *Federal Reserve Bulletin* 860 (1990).

14. See *The Long-Term Credit Bank of Japan, Limited*, 79 *Federal Reserve Bulletin* 347 (1993); *The Hongkong and Shanghai Banking Corporation*, 75 *Federal Reserve Bulletin* 217 (1989).

15. See *The Long-Term Credit Bank of Japan, Limited*, 79 *Federal Reserve Bulletin* 345 (1993).

16. See *C&S/Sovran Corporation*, 76 *Federal Reserve Bulletin* 857 (1990); *The Sumitomo Bank, Limited*, 75 *Federal Reserve Bulletin* 582 (1989).

17. 12 U.S.C. § 1843(c)(8).

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

record to indicate that consummation of the proposal would result in any significantly adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound banking practices. In addition, the record indicates that there are numerous providers of these nonbanking services.

Based on the foregoing and all other facts of record, the Board has determined that under the framework and conditions established by the Board in this and prior decisions, consummation of the proposal is not likely to result in significantly adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound banking practices. The Board expects, moreover, that consummation of the proposal would provide added convenience, a broader array of products, and improved services to NatWest's customers. The Board has determined, therefore, that the performance of the proposed activities by NatWest can reasonably be expected to produce public benefits that outweigh possible adverse effects under the proper incident to banking standard of section 4(c)(8) of the BHC Act.

Accordingly, and for the reasons set forth in this order and in the Section 20 Orders, the Board has concluded that NatWest's proposal to engage in the proposed activities is consistent with the Glass Steagall Act, and that the proposed activities are so closely related to banking as to be proper incidents thereto within the meaning of section 4(c)(8) of the BHC Act, provided that NatWest limits Company's activities as specified in this order and the Section 20 Orders.

On the basis of all the facts of record, the Board has determined to, and hereby does, approve this notice subject to all the terms and conditions discussed in this order and in the Section 20 Orders. The Board's approval of this proposal extends only to activities conducted within the limitations of those orders and this order, including the Board's reservation of authority to establish additional limitations to ensure that Company's activities are consistent with safety and soundness, avoiding conflicts of interests, and other relevant considerations under the BHC Act. Underwriting and dealing in any manner other than as approved in this order and the Section 20 Orders is not authorized for Company.

The Board's determination also is subject to all the terms and conditions set forth in Regulation Y, including those in sections 225.7 and 225.23(g) (12 C.F.R. 225.7 and 225.23(g)), 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 Board's decision is specifically conditioned on compliance by NatWest with all the commitments made in connection with this notice, including the commitments discussed in this order and the conditions set forth in the Board regulations and orders noted above. The commitments and conditions shall be deemed to be 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 the Federal Reserve Bank of New York, acting pursuant to delegated authority.

By order of the Board of Governors, effective September 19, 1996.

Voting for this action: Chairman Greenspan and Governors Kelley, Lindsey, Phillips, Yellen, and Meyer. Absent and not voting: Vice Chair Rivlin.

JENNIFER J. JOHNSON
Deputy Secretary of the Board

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

Grupo Financiero Banamex Accival, S.A. de C.V.
Mexico City, Mexico

Banco Nacional de México, S.A.
Mexico City, Mexico

Banamex USA Bancorp
Los Angeles, California

Order Approving the Formation of a Bank Holding Company and a Proposal to Engage in Certain Securities Activities

Grupo Financiero Banamex Accival, S.A. de C.V., Mexico City, Mexico ("Banacci"), has requested the Board's approval under section 3(a)(1) of the Bank Holding Company Act ("BHC Act") (12 U.S.C. § 1842(a)(1)) to become a bank holding company within the meaning of the BHC Act through its ownership of 99.9 percent of the voting shares of Banco Nacional de México, S.A., Mexico City, Mexico ("Banamex"), a foreign bank registered as a bank holding company, and thereby to retain all the voting shares of Banamex USA Bancorp, Los Angeles, California ("Bancorp"), and its subsidiary bank, California Commerce Bank ("CCB"), Los Angeles, California ("CCB").¹

Banacci also has requested the Board's approval under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) and section 225.23 of the Board's Regulation Y (12 C.F.R. 225.23) to retain indirectly all the voting shares of ACCI Securities, Inc, New York, New York ("ACCI"), and

1. In 1991, Banacci acquired control of Banamex as part of the Mexico's privatization of its banking system. The shares of Bancorp were placed in a voting trust administered by an independent trustee until the Board could act on an application by Banacci under the BHC Act to retain indirect control of CCB.

2. Banacci acquired ACCI through its wholly owned subsidiary, Acciones y Valores de México, S.A. de C.V., Mexico City, Mexico, in

thereby engage in the following securities-related activities:

- (1) Providing full-service securities brokerage services, pursuant to section 225.25(b)(15) of Regulation Y (12 C.F.R. 225.25(b)(15));
- (2) Acting as agent in the private placement of all types of securities; and
- (3) Buying and selling all types of securities on the order of customers as a "riskless principal."

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (57 *Federal Register* 1484 (1992); 59 *Federal Register* 1400 (1994); 60 *Federal Register* 58,361 and 66,275 (1995)). The time for filing comments has expired, and the Board has considered the application and notice and all comments received in light of the factors set forth in sections 3 and 4 of the BHC Act.

Banamex, with total assets equivalent to approximately \$29 billion, is the largest commercial banking organization in Mexico.³ CCB is the 37th largest commercial banking organization in California, controlling deposits of \$423.4 million, representing less than 1 percent of all deposits in commercial banking organizations in the state.⁴ In addition to CCB, Banamex operates agencies in New York, New York; Los Angeles, California; and Houston, Texas; and a representative office in Houston, Texas.

Home Country Supervisory Considerations

In order to approve an application involving a foreign bank to acquire a U.S. bank or bank holding company, the BHC Act and Regulation Y require the Board to determine that the foreign bank is subject to comprehensive supervision or regulation on a consolidated basis by its home country supervisor.⁵ The Board also must determine that the foreign bank has provided adequate assurances that it will make available to the Board such information on its operations and activities and those of its affiliates that the Board deems appropriate to determine and enforce compliance with applicable law.⁶

The Board considers a foreign bank to be subject to comprehensive supervision or regulation on a consolidated

basis if the Board determines that its home country supervisor receives sufficient information on the foreign bank's worldwide operations, including its relationship to any affiliate, to assess the foreign bank's overall financial condition and compliance with law and regulation.⁷

The National Banking and Securities Commission ("CNBV"), an agency of the Ministry of Finance ("MOF"), was formed in 1995 by combining Mexico's banking and securities supervisory authorities.⁸ CNBV functions as Banamex's primary home country supervisor and is responsible for enforcing Mexican banking and securities laws.⁹ Since 1990, the CNBV has been substantially revising Mexico's banking supervisory framework through the issuance of supervisory and regulatory requirements that seek to ensure the safe and sound operations of Mexican banks.

Recently, many additional steps have been taken to enhance the supervisory function. These include:

- (1) Improvement in the quality of required regulatory financial reporting;
- (2) Strengthening the monitoring of banks' conditions by conducting annual on-site examinations that focus on risk management and management information systems;
- (3) Changes in the asset classification process and related loan loss reserve calculation to provide a better assessment of asset quality; and
- (4) Promotion of a closer exchange of information with foreign supervisory authorities.

In addition, in 1994, CNBV entered into a Financial Technical Assistance Program with the World Bank to strengthen bank supervision. The program is intended to

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

- (i) Ensures that the foreign bank has adequate procedures for monitoring and controlling its activities worldwide;
- (ii) Obtains information on the condition of the foreign bank and its subsidiaries and offices outside the home country through regular reports of examination, audit reports, or otherwise;
- (iii) Obtains information on the dealings and relationships between the foreign bank and its affiliates, both foreign and domestic;
- (iv) Receives from the foreign bank financial reports that are consolidated on a worldwide basis, or comparable information that permits analysis of the foreign bank's financial condition on a worldwide, consolidated basis; and
- (v) Evaluates prudential standards, such as capital adequacy and risk asset exposure, on a worldwide basis. These are indicia of comprehensive, consolidated supervision. No single factor is essential, and other elements may inform the Board's determination. 12 C.F.R. 211.24(c)(1).

8. References to CNBV before 1995 are intended to refer to the previous banking supervisory agency, the National Banking Commission.

9. CNBV also is the primary supervisor of Banamex's securities subsidiaries and of the holding company itself. The bank also receives additional oversight by the MOF and the Bank of Mexico, the central bank. The MOF is responsible for licensing commercial banking activities and regulates the structure and operation of financial groups and certain aspects of banking and brokerage operations. The Bank of Mexico regulates foreign currency activities and acts as a reserve bank and a treasurer for the federal government.

September 1991. The North American Free Trade Agreement ("NAFTA") permits a Mexican financial group formed before the effective date of the NAFTA, like Banacci, which lawfully acquired a Mexican bank and a Mexican securities firm that owns or controls a United States securities company, to continue to engage in the securities activities of the United States company as of the acquisition date, subject to certain restrictions, for up to five years from the acquisition date.

3. Asset data are as of June 30, 1996.

4. State deposit and ranking data are as of June 30, 1995.

5. See 12 U.S.C. § 1842(c)(3)(B); 12 C.F.R. 225.13(b)(5). The Board received comments from Inner City Press/Community on the Move ("Protestant") asserting, without providing any substantiation, that the supervision of Banacci and Banamex under Mexico's bank regulatory system was inconsistent with approval of the proposal.

6. See 12 U.S.C. § 1842(c)(3)(A); 12 C.F.R. 225.13(b)(4).

develop a modern regulatory and legal framework for financial institutions and groups operating in Mexico.

CNBV obtains information on the operations of Banamex primarily through on-site examinations and periodic reports. CNBV conducts annual on-site full-scope examinations of Mexican banks, which include a review of asset quality, capital adequacy, liquidity, earnings, concentration of risks, and international banking operations. CNBV requires banks to submit numerous periodic reports on their worldwide operations, including daily balance sheets, weekly asset/liability positions, foreign currency asset and liability reports, and insider transaction reports.¹⁰

CNBV also receives reports prepared by external auditors who generally conduct annual audits of Banamex's subsidiaries and branches. The auditing firm is responsible for reviewing the bank's annual financial statements, including assessing the bank's asset quality and internal controls.

Mexican banks, including Banamex, are subject to certain restrictions with respect to transactions with affiliates and investments in other companies. Loans to shareholders owning 1 percent or more of the bank's shares, to a board member or board member's relative, or to certain other related parties must be approved by the bank's directors. In addition, the loans must be reported to the CNBV. Total related party transactions may not exceed the bank's net capital.

With respect to monitoring its worldwide operations, Banamex's internal audit department conducts annual audits of its domestic and foreign offices. The audit reports are reviewed by the CNBV during its examinations.

Based on all the facts of record, the Board concludes that, for purposes of the BHC Act, Banamex is subject to comprehensive supervision on a consolidated basis by its home country supervisor.

The Board has reviewed the restrictions on disclosure of information in certain jurisdictions where Banacci and Banamex operate and have communicated with the relevant government authorities concerning access to information. Banacci and Banamex have committed to make available to the Board such information on their operations or activities and those of any of their affiliates that the Board deems necessary to determine and enforce compliance with the International Banking Act, the BHC Act, as amended, and other applicable federal law. To the extent that the provision of such information to the Board may be prohibited or impeded by law, Banacci and Banamex have committed to cooperate with the Board in obtaining any neces-

sary consents or waivers that might be required from third parties for disclosure. In light of these commitments and other facts of record, and subject to the condition described below, the Board concludes that Banacci and Banamex have provided adequate assurances of access to any necessary information the Board may request.

Other Factors under the BHC Act

The BHC Act also requires the Board to consider the financial and managerial resources and future prospects of the companies and banks involved, the convenience and needs of the community to be served, and certain other supervisory factors.

A. Supervisory Factors

The Board has carefully considered the financial and managerial resources and future prospects of Banacci, Banamex, CCB, and their subsidiaries, and other supervisory factors, in light of all the facts of record. Although there are differences between Mexican and U.S. accounting practices, Banamex's capital under Mexican generally accepted accounting practices exceeds the minimum standards in the Basle Accord.¹¹ Banamex's capital also is regarded as equivalent to the capital that would be required of a U.S. banking organization in the context of a nonexpansionary proposal to retain an existing subsidiary.

As a result of the devaluation of the Mexican peso in 1994, however, the financial condition of Banamex has experienced weaknesses, particularly in asset quality. The Board believes that a number of considerations mitigate the effect of Banamex's financial condition on this proposal.¹² Banamex has controlled CCB for approximately 18 years and has maintained its U.S. operations in overall satisfactory financial condition. In addition, Banamex has participated in programs initiated by the government of Mexico that have slowed the growth of asset quality deterioration and improved its capital position. These programs include a debtor support program whereby certain loans are restructured at lower interest rates and a loan purchase/recapitalization program whereby the government of Mexico purchases problem bank loans subject to a commitment by private investors to raise new capital. Banacci has provided a significant portion of the additional capital raised by Banamex under this recapitalization requirement, and generally has demonstrated an ability to serve as a source of strength for its banking operations.¹³ The Board

10. CNBV is in the process of revising the accounting standards used by Mexican banks to make them more consistent with international accounting standards. The changes are expected to improve the quality of disclosure in financial statements on asset quality, investments, capitalization, and earnings performance. In addition, consolidated financial statements will be required for the parent company and all the parent company's financially related subsidiaries. Although the changes have not yet been made, the CNBV supplements its review of the reports through the examination process and other techniques, which allow an assessment of the consolidated condition of the organization.

11. Mexican banks are required to maintain certain minimum capital ratios. Although the calculation of the minimum ratios does not compare directly with the methods used under the Basle Accord, the ratios are calculated on a risk based basis. Banamex currently is in compliance with the Mexican risk-based capital requirements.

12. Protestant notes that Banamex was rated "D1" for financial strength by Moody's Investors Service and questions whether Banacci has sufficient capital to serve as a source of strength for CCB.

13. Under the loan purchase/recapitalization program, Banamex is required to increase its capitalization by approximately \$1.1 billion by

notes, moreover, that Banamex's capital would not be diminished as a result of this proposal and that CCB represents a small portion of Banamex's total assets.¹⁴

Based on these and all the facts of record, the Board concludes that the supervisory factors under the BHC Act, including financial and managerial resources, are consistent with approval of the proposal.

B. Convenience and Needs Factor

The Board has long held that consideration of the convenience and needs factor includes a review of the records of the relevant depository institutions under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*) ("CRA"). As provided in the CRA, the Board has evaluated this factor in light of examinations by the primary federal supervisor of the CRA performance record of the relevant institution.

The Board also has carefully considered comments from Protestant maintaining that CCB has failed to assist in meeting the credit needs of its delineated community and to comply with applicable fair lending laws. Protestant uses the less-than-satisfactory performance evaluations of CCB by its primary federal supervisor, the Federal Deposit Insurance Corporation ("FDIC"), in 1993 and 1994 to support its contentions.

After Protestant's comments were received, CCB received a rating of "satisfactory" from the FDIC in its most recent CRA performance evaluation, as of September 5, 1995 ("1995 Examination"). The Board believes that an institution's most recent CRA performance evaluation is a particularly important consideration in the applications process because it represents a detailed on-site evaluation of the institutions overall record of performance under the CRA by its primary federal supervisor.¹⁵ In addition, the Board considers an institution's policies and practices for compliance with applicable fair lending laws and takes into account information on lending activities that assist in meeting the credit needs of low- to moderate-income neighborhoods.

The 1995 Examination found no evidence of prohibited discrimination or other illegal credit practices. Moreover, examiners found no evidence of policies or practices in-

tended to discourage applications for the types of credit listed in CCB's CRA statement.¹⁶

CCB is primarily an international wholesale bank that does not directly originate long-term residential mortgage or home improvement loans. The 1995 Examination, however, found that the bank assisted in meeting the credit needs of its delineated communities by purchasing home mortgage loans and by providing mortgage warehouse lines of credit to unaffiliated mortgage companies that are active lenders in the Veteran's Administration and Federal Home Administration lending programs. In the first eight months of 1995, CCB provided \$4.6 million through those mortgage lines of credit to finance the purchase of 36 homes. Sixty-four percent of the homes were in low- to moderate-income census tracts, and 78 percent were purchased by minority borrowers. Examiners also noted favorably CCB's efforts to increase consumer lending to low- and moderate-income and minority borrowers within its delineated communities.

In addition, examiners found that, in the time since its previous examinations, CCB had demonstrated an increased effort to ascertain its communities' credit needs, which resulted in CCB's participation with several consortiums created to help meet the credit needs of low- to moderate-income residents and businesses. For example, examiners noted that CCB had funded \$962,000 of a \$2.34 million line of credit to California Community Reinvestment Corporation, which provides long-term financing for multi-family housing for low- to moderate-income families in California. CCB also committed to invest in the California Equity Fund 1995 Limited Partnership, a \$75 million pooled fund to provide equity capital for the construction of approximately 900 affordable homes throughout California in 1995 and 1996. Examiners noted that CCB made a \$50,000 equity investment in and a \$408,000 line of credit commitment to the California Economic Development Lending Initiative, a small business lending consortium. In addition, CCB made a \$40,000 equity investment in the Southern California Business Development Corporation, a multi-bank community development corporation that invests in small businesses in South Central Los Angeles that do not qualify for conventional bank financing.

Based on all the facts of record, including the Protestant's comments, and for the reasons discussed above, the Board concludes that convenience and needs considerations are consistent with approval of this proposal.

Nonbanking Activities

Banacci also has filed notice, pursuant to section 4(c)(8) of the BHC Act, to engage through Company in full-service securities brokerage, private placement, and riskless principal activities. The Board notes that ACCI is a registered

the end of 1996. As of July 31, 1996, Banamex had completed 80 percent of the required capitalization. Banamex has sold approximately \$1.9 billion of commercial loans, net of reserves, to Fobaproa, the Mexican banking insurance fund in exchange for Mexican government securities.

14. CCB represents less than 3 percent of Banamex's total assets.

15. The Board notes that the Statement of the Federal Financial Supervisory Agencies Regarding the CRA provides that a CRA examination is an important and often controlling factor in the consideration of an institution's CRA record and that reports of these examinations will be given great weight in the applications process. 54 *Federal Register* 13,742, 13,745 (1989).

16. Examiners noted certain technical violations of the fair lending laws, which they did not consider to reflect negatively on CCB's lending practices.

broker-dealer with the Securities and Exchange Commission ("SEC") and is a member of the National Association of Securities Dealers, Inc. ("NASD"). ACCI, therefore, is subject to the recordkeeping, reporting, and fiduciary standards of the Securities Exchange Act of 1934 (15 U.S.C. § 78a *et seq.*), the SEC, and the NASD.

Section 4(c)(8) of the BHC Act provides that a bank holding company may, with Board approval, engage in any activity that the Board determines to be "so closely related to banking or managing or controlling banks as to be a proper incident thereto."¹⁷ As noted above, the Board has determined by regulation that the proposed full-service securities brokerage activities are closely related to banking for purposes of section 4(c)(8) of the BHC Act.¹⁸ Banacci has committed that ACCI will conduct these activities in accordance with the Board's regulations and orders approving these activities for bank holding companies.

Private Placement and "Riskless Principal" Activities

Private placement involves the placement of new issues of securities with a limited number of sophisticated purchasers in a nonpublic offering. A financial intermediary in a private placement transaction acts solely as an agent of the issuer in soliciting purchasers and does not purchase the securities and attempt to resell them. Securities that are privately placed are not subject to the registration requirements of the Securities Act of 1933 and are offered only to financially sophisticated institutions and individuals and not to the public. ACCI will not privately place registered securities and will only place securities with customers that qualify as accredited investors.

"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 for a customer, purchases (or sells) the security for its own account to offset a contemporaneous sale to (or purchase from) the customer.¹⁹ "Riskless principal" transactions are understood in the industry to include only transactions in the secondary market. ACCI, thus, would not act as a "riskless principal" in selling securities on the order of a customer that is the issuer of the securities to be sold or in any transaction in which ACCI or an affiliate has a contractual agreement to place the securities as agent of the issuer. ACCI also would not act as a "riskless principal" in any transaction involving a security for which it or an affiliate makes a market.

The Board has determined that, subject to the limitations established by the Board in prior orders, the proposed private placement and 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.²⁰ The Board also has determined that acting as agent in the private placement of securities, and purchasing and selling securities on the order of investors as a riskless principal, do not constitute underwriting and dealing in securities for purposes of section 20 of the Glass-Steagall Act, and that revenue derived from these activities is not subject to the 10-percent revenue limitation on bank-ineligible securities underwriting and dealing.²¹

Banacci has committed that ACCI will conduct its private placement activities using the same methods and procedures and subject to the same prudential limitations as those established by the Board in *Bankers Trust* and *J.P. Morgan*, as modified to reflect the status of Banacci as a foreign banking organization.²² The limitations include the comprehensive framework of restrictions imposed by the Board in connection with underwriting and dealing in bank-ineligible securities, which were designed to avoid potential conflicts of interests, unsound banking practices, and other adverse effects. Banacci also has committed that ACCI will conduct its riskless principal activities subject to the limitations previously established by the Board.²³

Other Considerations

In order to approve this proposal, the Board must determine that the proposed activities are a proper incident to

20. See *The Bank of New York Company, Inc.*, 82 *Federal Reserve Bulletin* 748 (1996) ("Bank of New York"); *J.P. Morgan & Company Inc.*, 76 *Federal Reserve Bulletin* 26 (1990) ("J.P. Morgan"); *Bankers Trust New York Corporation*, 75 *Federal Reserve Bulletin* 829 (1989) ("Bankers Trust").

21. See *Bankers Trust*.

22. See *The Sumitomo Bank, Limited*, 77 *Federal Reserve Bulletin* 339 (1991); *Creditanstalt Bankverein*, 71 *Federal Reserve Bulletin* 183 (1991); *The Royal Bank of Scotland Group PLC*, 76 *Federal Reserve Bulletin* 866 (1990); *Canadian Imperial Bank of Commerce*, 76 *Federal Reserve Bulletin* 158 (1990). Among the prudential limitations discussed more fully in these orders are that Banacci has committed that ACCI will not privately place registered investment company securities or securities of investment companies that are sponsored or advised by Banacci or any of its affiliates. In addition, ACCI will make no general solicitation or general advertising for securities it places.

23. See *Bank of New York*. ACCI will not hold itself out as making a market in the bank ineligible securities that ACCI buys and sells as riskless principal, or enter quotes for specific bank ineligible securities in any dealer quotation system in connection with ACCI's riskless principal transactions, except that ACCI may enter bid or ask quotations, or publish "bid wanted" or "offering wanted" notices on trading systems other than NASDAQ or an exchange, if ACCI does not enter price quotations on different sides of the market for a particular security for two business days. In other words, ACCI must wait at least two business days after entering a "bid" quote on a security before entering an "ask" quote on the same security and *vice versa*. ACCI will not act as riskless principal for registered investment company securities or for any securities of investment companies that are advised by ACCI or its affiliates. In addition, if ACCI provides riskless principal services in combination with investment advisory services in the U.S., it will conduct its riskless principal activities in accordance with the limitations established by the Board for the full service brokerage activities of bank holding companies. See 12 C.F.R. 225.25(b)(15)(ii).

17. 12 U.S.C. § 1843(c)(8).

18. See 12 C.F.R. 225.25(b)(15).

19. See SEC Rule 10b-10(a)(8)(i) (17 C.F.R. 240.10b-10(a)(8)(i)).

The Board notes that, as a registered broker-dealer, ACCI must conduct its riskless principal activities in accordance with the customer disclosure and other requirements of the federal securities laws.

banking, that is, that the performance of the proposed activities by ACCI can reasonably be expected to produce public benefits that would outweigh possible adverse effects.²⁴

In evaluating these factors, the Board considers the financial and managerial resources of the notificant and its subsidiaries, and the effect the proposed transaction would have on those resources.²⁵ Based on all the facts of record, the Board concludes that financial and managerial considerations are consistent with approval of this notice. For the reasons discussed above, and in reliance on all the commitments made in connection with this notice and the conditions discussed in this order, the Board concludes that this proposal is not likely to result in significantly adverse effects, such as decreased or unfair competition, conflicts of interest, unsound banking practices, undue concentration of resources, or other adverse effects. Moreover, the Board expects that the proposal would expand the investment services for and provide greater convenience to, Banacci's customers and increase the level of competition among existing providers of these services. The Board has determined, therefore, that the performance of the proposed activities by ACCI can reasonably be expected to produce public benefits that outweigh possible adverse effects under the proper incident to banking standard of section 4(c)(8) of the BHC Act.

Conclusion

Based on the foregoing and all the facts of record, the Board has determined that the application and notice should be, and hereby are, approved. Should any restrictions on access to information on the operations or activities of Banacci and any of its affiliates subsequently interfere with the Board's ability to determine compliance by Banacci or any of its affiliates with applicable federal statutes, the Board may require termination of any of Banacci's direct or indirect activities in the United States.

The Board's approval is specifically conditioned on compliance by Banacci with all the commitments made in connection with this application and notice and on receipt by Banacci of all necessary approvals from state and federal regulators. The Board's determinations on the nonbanking activities are subject to all the terms and conditions set forth in Regulation Y, including those in sections 225.7 and 225.23(g) of Regulation Y (12 C.F.R. 225.7 and 225.23(g)), and to the Board's authority to require such modification or termination of the activities of a bank holding company or any of its subsidiaries as it finds necessary to ensure compliance with or 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 reaching

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

By order of the Board of Governors, effective September 9, 1996.

Voting for this action: Chairman Greenspan and Governors Kelley, Lindsey, Phillips, Yellen, and Meyer. Absent and not voting: Vice Chair Rivlin.

JENNIFER J. JOHNSON
Deputy Secretary of the Board

The Toronto-Dominion Bank Toronto, Canada

Order Approving an Application to Become a Bank Holding Company and Notices to Acquire Nonbanking Companies

The Toronto-Dominion Bank, Toronto, Canada ("TDB"), a foreign bank subject to the Bank Holding Company Act ("BHC Act"), has requested the Board's approval under section 3 of the BHC Act (12 U.S.C. § 1842) to become a bank holding company by acquiring all the voting shares of Waterhouse Investor Services, Inc., New York ("Waterhouse"), and its wholly owned subsidiary bank, Waterhouse National Bank, White Plains ("WNB"), both in the State of New York.¹ TDB also has requested the Board's approval under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) and section 225.23 of the Board's Regulation Y (12 C.F.R. 225.23) to acquire the nonbanking subsidiaries of Waterhouse and thereby engage nationwide in certain permissible nonbanking activities.²

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published in accordance with the Board's rules (61 *Federal Register* 37,480 and 28,585 (1996)). The time for filing comments has expired, and the Board has considered the proposal and all comments received in light of the factors set forth in sections 3 and 4 of the BHC Act.

TDB, with total consolidated assets of \$84.5 billion, is the fifth largest commercial bank in Canada.³ In the United States, TDB operates a branch in New York, New York, which controls \$3.0 billion in deposits, representing ap-

1. TDB proposes to acquire Waterhouse through its wholly owned subsidiary, TD/Oak, Inc., New York, New York, which has also applied under section 3 of the BHC Act to become a bank holding company.

2. Waterhouse owns the following nonbanking subsidiaries, all in New York, New York: Waterhouse Securities, Inc. ("WSI"), Washington Discount Brokerage Corp., and National Investor Services Corp. Each of these companies provides discount brokerage and other securities related services pursuant to 12 C.F.R. 225.25(b)(15)(i). TDB also has applied for approval to acquire a warrant for up to 6.9 percent of the voting shares of Waterhouse, which would become moot on consummation of the proposal.

3. Asset data are as of April 30, 1996, and are based on the average exchange rate applicable in April 1996.

24. 12 U.S.C. § 1843(c)(8).

25. See 12 C.F.R. 225.24. See also *The Fuji Bank, Limited*, 75 *Federal Reserve Bulletin* 94 (1989); *Bayrische Vereinsbank AG*, 73 *Federal Reserve Bulletin* 155 (1987).

proximately 1.2 percent of total deposits in commercial banks in the state.⁴ TDB also owns an agency in Houston, Texas, and representative offices in New York, New York, and Chicago, Illinois. In addition, TDB engages in a broad range of permissible nonbanking activities in the United States through subsidiaries, including underwriting and dealing in debt and equity securities to a limited extent, discount brokerage, and lending.

Waterhouse is the 34th largest commercial banking organization in New York State, controlling deposits of approximately \$609 million, representing less than 1 percent of total deposits in commercial banks in the state.⁵ Waterhouse also provides discount brokerage and related services primarily to retail customers throughout the United States. On consummation of the proposal, TDB would become the 14th largest commercial bank in New York State, controlling deposits of \$3.6 billion.

Competitive Considerations

The BHC Act prohibits the Board from approving an application under section 3 of the BHC Act if the proposal would result in a monopoly, or would substantially lessen competition in any relevant banking market, unless the Board finds that the anticompetitive effects of the proposal are clearly outweighed in the public interest by the probable effect of the proposal in meeting the convenience and needs of the community to be served.

TDB and WNB compete directly in the New York/New Jersey Metropolitan banking market ("New York Metropolitan banking market").⁶ After consummation of this proposal, TDB would control less than 1 percent of the total deposits in commercial banks and savings associations in the New York Metropolitan banking market,⁷ and the market would remain unconcentrated as measured by the Herfindahl-Hirschman Index ("HHI").⁸ Numerous

competitors also would remain in the market. Accordingly, and based on all the facts of record, the Board has concluded that consummation of this proposal would not have a significantly adverse effect on competition or the concentration of banking resources in any relevant banking market.

Other Factors Under the BHC Act

The BHC Act requires the Board to consider whether a foreign bank is subject to comprehensive supervision and regulation on a consolidated basis by its home country supervisor. The Board also must consider the financial and managerial resources and future prospects of the companies and banks involved, the convenience and needs of the community to be served, and certain other supervisory factors.

A. Supervisory Factors

Under section 3 of the BHC Act, as amended by the Foreign Bank Supervision Enhancement Act of 1991,⁹ the Board may not approve an application involving a foreign bank unless the bank is "subject to comprehensive supervision or regulation on a consolidated basis by the appropriate authorities in the bank's home country."¹⁰ The Board previously has determined, in applications under the International Banking Act (12 U.S.C. § 3101 *et seq.*) ("IBA") and the BHC Act, that certain Canadian commercial banks were subject to comprehensive consolidated supervision by their home country authorities.¹¹ In this case, the Board has determined that TDB is supervised on substantially the same terms and conditions as the other Canadian banks.¹²

effects) unless the post-merger HHI is at least 1800 and the merger increases the HHI by more than 200 points. The Justice Department has stated that the higher than normal HHI thresholds for screening bank mergers for anticompetitive effects implicitly recognize the competitive effect of limited-purpose lenders and other non-depository institutions.

9. Pub. L. No. 102-242, § 201 *et seq.*, 105 Stat. 2286 (1991).

10. 12 U.S.C. § 1842(c)(3)(B). As provided in Regulation Y, the Board determines whether a foreign bank is subject to consolidated home country supervision under the standards set forth in Regulation K (International Banking Operations), 12 C.F.R. 225.13(b)(5). Regulation K provides that a foreign bank may be considered subject to consolidated supervision if the Board determines that the bank is supervised or regulated in such a manner that its home country supervisor receives sufficient information on the worldwide operations of the foreign bank, including the relationship of the bank to its affiliates, to assess the foreign bank's overall financial condition and compliance with law and regulation. 12 C.F.R. 211.24(c)(1)(ii).

11. See *National Bank of Canada*, 82 *Federal Reserve Bulletin* 769 (1996); *Bank of Montreal, et al.*, 80 *Federal Reserve Bulletin* 925 (1994) ("*Bank of Montreal*").

12. In reviewing this factor, the Board has carefully considered comments by Inner City Press/Community on the Move, Bronx, New York ("*Protestant*") contending that Canadian financial institutions are not subject to comprehensive supervision on a consolidated basis. In particular, Protestant argues that recent reported regulatory violations and significant trading losses involving a Japanese bank, a Japanese trading firm, and a Swiss bank require the Board to reconsider its previous determinations that Canadian banks are subject to

4. State data and deposit data for TDB are as of June 30, 1996.

5. State data and deposit data for WNB are as of June 30, 1996.

6. The New York Metropolitan banking market includes New York City; Nassau, Orange, Putnam, Rockland, Suffolk, Sullivan, and Westchester Counties in New York; Bergen, Essex, Hudson, Hunterdon, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, Sussex, Union, Warren, and a portion of Mercer Counties in New Jersey; Pike County in Pennsylvania; and portions of Fairfield and Litchfield Counties in Connecticut.

7. Market share data are as of June 30, 1995, except for data for TDB, which are as of June 30, 1996. Market share data are based on calculations in which 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. See, e.g., *Midwest Financial Group*, 75 *Federal Reserve Bulletin* 386 (1989). Thus, the Board regularly has included thrift deposits in the calculation of market concentration on a 50-percent weighted basis. See, e.g., *First Hawaiian, Inc.*, 77 *Federal Reserve Bulletin* 52 (1991).

8. The HHI would remain unchanged at 735. Under the revised Department of Justice Merger Guidelines, 49 *Federal Register* 26,823 (1984), a market in which the post-merger HHI is below 1000 is considered unconcentrated. 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

Based on all the facts of record, the Board has concluded that TDB is subject to comprehensive supervision and regulation on a consolidated basis by its home country supervisor.

The BHC Act also requires the Board to determine that the foreign bank has provided adequate assurances that it will make available to the Board such information on its operations and activities and those of its affiliates that the Board deems appropriate to determine and enforce compliance with the BHC Act. The Board has reviewed the restrictions on disclosure in jurisdictions where TDB has material operations and has communicated with relevant government authorities concerning access to information. TDB has committed that, to the extent not prohibited by applicable law, it will make available to the Board such information on the operations of TDB and any of its affiliates that the Board deems necessary to determine and enforce compliance with the BHC Act, the FBA, and other applicable federal law. TDB also has committed to cooperate with the Board to obtain any waivers or exemptions that may be necessary in order to enable TDB to make any such information available to the Board. In light of these commitments and other facts of record,¹³ the Board has concluded that TDB has provided adequate assurances of access to any appropriate information the Board may request. For these reasons, based on all the facts of record and subject to the conditions noted below, the Board has concluded that the supervisory factors it is required to consider under section 3(c)(3) of the BHC Act are consistent with approval.

In considering the financial resources of TDB, the Board notes that TDB must comply with capital standards that conform to the Basle Capital Accord, as implemented by Canadian banking authorities. TDB's capital levels comply with those standards and are considered equivalent to the capital that would be required of a United States banking organization. Moreover, the proposed transaction is relatively small, would involve no significant diminution of capital, and is not expected to have a significantly adverse effect on the financial or managerial resources of TDB, Waterhouse, or WNB. The Board also has carefully considered the managerial resources of TDB in light of all the facts of record including assessment of the bank's managerial resources by Canadian banking authorities.¹⁴ Based on

comprehensive supervision on a consolidated basis. Protestant also expresses concern about the conduct of Canadian regulators with respect to certain alleged improper actions involving the takeover of the Maple Leaf Gardens sports arena in Toronto, Canada. Protestant's comments on the trading and other activities of Japanese and Swiss Banks do not relate to the supervision of Canadian financial institutions. TDB denies any improper conduct in the Maple Leaf Gardens transaction, and a lawsuit brought by Canadian authorities related to that transaction has been dismissed.

13. The Board previously has reviewed relevant provisions of confidentiality, secrecy, and other laws in jurisdictions in which TDB has material operations. See *Bank of Montreal; National Bank of Canada*.

14. In weighing the adequacy of the financial and managerial resources, the Board has carefully considered, in light of all the facts

all the facts of record, the Board concludes that considerations relating to the financial and managerial resources and future prospects of the organizations involved are consistent with approval.¹⁵

B. Convenience and Needs Factor

The Board has long held that consideration of the convenience and needs factor includes a review of the records of the relevant depository institutions under the Community Reinvestment Act (12 U.S.C. § 2901 *et seq.*) ("CRA"). The Office of the Comptroller of the Currency ("OCC"), WNB's primary federal supervisor, has not evaluated the bank's record of CRA performance, and TDB has not controlled an institution subject to evaluation under the CRA for a number of years. In this light, Protestant contends that WNB has an inadequate record of performance under the CRA,¹⁶ and that TDB does not have the capability to improve WNB's record of performance.¹⁷ The Board has carefully reviewed Protestant's comments in light of all the facts of record.¹⁸

of record including information received from Canadian regulatory authorities, certain allegations regarding the involvement of TDB and TDB's senior management in the acquisition of Maple Leaf Gardens, in which TDB acted as a lender and acquired indirectly a limited equity position. The Board also has considered press reports submitted by Protestant regarding certain small-business lending and cost-saving practices of TDB management and damages assessed against TDB for cancelling a line of credit.

15. TDB has notified the Board pursuant to the Depository Institution Management Interlocks Act (12 U.S.C. § 3201) ("DIMIA") and the Board's Regulation I. (12 C.F.R. 212) that the chairman of its board of directors also serves on the board of a diversified savings and loan holding company. Protestant has expressed concerns about this interlock. Based on all the facts of record, including TDB's representation that the officer would not serve on the board of Waterhouse or WNB, the Board concludes that the officer's management functions with TDB "relate principally to the business outside the United States of a foreign commercial bank." 12 C.F.R. 212.2(b)(2). Accordingly, the interlocking official is not a "management official" subject to the interlocks prohibition of Regulation I. and the DIMIA.

16. Protestant criticizes a number of aspects of WNB's CRA performance, including making allegations that WNB:

- (1) Failed to implement the CRA initiatives described in Waterhouse's application to charter WNB in 1994;
- (2) Failed to include New York City within its delineated service community;
- (3) Failed to meet adequately the needs of its delineated community;
- (4) Made flawed attempts to improve its CRA performance through investments in community development projects after this application was filed;
- (5) Has lacked a coherent CRA program; and
- (6) Has experienced numerous delays in and made frequent changes to its CRA-related strategies and activities.

17. Protestant maintains that TDB lacks recent experience with CRA compliance and that TDB has failed to understand and properly address the CRA performance issues raised during the processing of the application.

18. Protestant contends that WNB's decision to locate in White Plains, rather than in New York, New York, where Waterhouse is located, has a discriminatory impact on low- and moderate-income ("LMI") and minority communities, which are located primarily elsewhere in the New York Metropolitan banking market. The record

WNB was chartered in 1994 as an "affinity" bank to provide banking services primarily to customers who obtained securities-related services from Waterhouse's brokerage subsidiaries nationwide. The bank did not begin actively to market deposit services until May 1995 or to test-market credit card products until December 1995. From December 1995 to June 1996, the amount of deposits held by WNB doubled to approximately \$609 million.

During this period of significantly increasing deposits, WNB became eligible for consideration as a "limited purpose bank" under the new CRA regulations, which were jointly promulgated by the federal financial supervisory agencies during WNB's start-up period.¹⁹ In August 1996, the OCC designated WNB as a "limited purpose bank" under the new CRA regulations.²⁰ TDB proposes to continue to operate WNB as a limited purpose bank. The designation permits WNB's record of CRA performance to be evaluated under a separate "community development test."²¹ Community development activities as a general matter must benefit areas within an institution's assessment area(s) or a broader statewide or regional area that includes the institution's assessment area.²²

In anticipation of its limited purpose designation WNB refocused its CRA program, and the bank expects to incorporate the following activities into its CRA program and policies:

- (1) Loan participations in programs dedicated to LMI neighborhoods;
- (2) Investments in state and local housing bonds;
- (3) Grants in support of programs benefiting LMI groups; and
- (4) Directorships and memberships in community organizations and associations.

contains no evidence, and Protestant has supplied none, to support its allegations of discrimination or discriminatory impact in the choice of office location.

19. See 60 *Federal Register* 22,156 (1995). A "limited purpose bank" is an institution that offers only a narrow product line (like a credit card) to a regional or broader market and that has been so designated by its primary federal supervisor. 12 C.F.R. 25.11(a). The new CRA regulations permit institutions to apply for limited purpose designation after January 1, 1996, and WNB applied to the OCC in March 1996. WNB proposes to offer credit card products primarily to customers of its brokerage affiliate.

20. See OCC letter dated August 30, 1996, from Bert A. Otto, Acting Deputy Comptroller. Protestant disputes the OCC's determination that WNB qualifies as a limited purpose bank. Neither the CRA nor the new CRA regulations authorize the Board to review such designations by the bank's primary federal supervisor.

21. See 12 C.F.R. 25.21(b)(4). The test evaluates a limited purpose institution on its record of community development services, community development investments and community development lending. See 12 C.F.R. 25.25. The primary purpose of any service, investment or loan considered under the test must be "community development," which is defined in terms of specific categories of activities that benefit LMI individuals, LMI areas, or small businesses. See 12 C.F.R. 25.12(h).

22. Community development activities outside an institution's assessment area may also be considered if the institution has adequately addressed the needs of its assessment area. See 12 C.F.R. 25.25(e).

WNB initiated its new CRA strategy in August 1996 by purchasing a \$2 million New York City Housing Development Corporation bond that is dedicated to financing housing for LMI individuals. In addition, WNB has committed to make \$1 million in qualified community development loans in the coming year. The bank has committed \$600,000 to the Community Preservation Corporation, a private nonprofit mortgage lender specializing in financing housing for LMI families. WNB also made a \$100,000 loan commitment to the Leviticus 25:23 Alternative Fund, Inc., a nonprofit community development loan fund that provides low-interest financing to organizations whose projects benefit LMI individuals and groups.

WNB provided \$75,000 in grants to various organizations in support of their community development efforts, including a grant of \$30,000 to the YMCA of Central and Northern Westchester. WNB also donated \$4,000 to the Westchester Housing Fund to underwrite the costs of a research study on housing in the county. Additionally, members of WNB's board of directors and CRA committee serve as members of organizations dedicated to community development.

The Board has also carefully considered the effect of the proposed acquisition of WNB by TDB on the future performance of WNB under the CRA. TDB is a large banking organization with a satisfactory record of complying with United States banking regulations and substantial financial and managerial resources that are sufficient to ensure compliance by WNB with all relevant regulatory requirements. In connection with the proposal, TDB has made a number of commitments to ensure that WNB performs satisfactorily or better under the CRA. For example, TDB has provided goals for WNB's community development program and procedures for overseeing WNB's CRA program.²³ TDB also intends to work closely with the OCC and the communities involved, and to make adjustments in the bank's CRA program, including quarterly adjustments to its funding for the CRA program, as appropriate. TDB's

23. TDB has committed to support the efforts of WNB's full-time CRA officer, its CRA committee, and its board of directors. TDB also has committed to:

- (1) Appoint a TDB officer who resides in New York to serve on WNB's CRA committee;
- (2) Provide CRA training to TDB's compliance, legal, internal audit, and public affairs departments within three months of the acquisition of WNB;
- (3) Conduct periodic unannounced on-site reviews of WNB's CRA program, the results of which will be reported to TDB's board of directors;
- (4) Require monthly reports that measure past performance and detail future plans from WNB's CRA officer;
- (5) Require WNB's CRA committee to file quarterly CRA reports with the WNB and Waterhouse boards of directors, and annual CRA reports with the TDB board of directors;
- (6) Require that each potential CRA investment is reviewed by WNB's CRA officer, WNB's counsel, and TDB to ensure that the investment is qualified under CRA regulations; and
- (7) Have the TDB and Waterhouse boards of directors review the OCC's CRA evaluations of WNB.

Protestant maintains that TDB's proposals are inadequate and that TDB's commitments are too general to be accorded any weight.

record of operating in the United States and its dealings with federal banking supervisors indicate that TDB may be relied on to implement fully the programs and policies it has committed to implement.

C. Conclusion on the Convenience and Needs Factor

The Board has carefully considered the entire record in its review of the convenience and needs factor under section 3 of the BHC Act, including information provided by the Protestant and TDB. Based on all the facts of record and for the reasons discussed above, the Board concludes that, on balance, considerations relating to the convenience and needs factor, including the CRA performance record of WNB, are consistent with approval of the proposal. To enable the Board to monitor the efforts of WNB and TDB, TDB must submit a copy of WNB's internal quarterly CRA reports to the Federal Reserve Bank of New York for two years or until WNB receives a "satisfactory" or better CRA rating from its primary regulator, whichever period is shorter. The Board also intends to review WNB's progress in future applications by TDB to establish a depository facility, as required by the CRA.

Nonbanking Activities

TDB also has filed notices, pursuant to section 4(c)(8) of the BHC Act, to acquire the nonbanking subsidiaries of Waterhouse and thereby engage in providing discount brokerage and related services.²⁴ The Board has determined that all the activities are closely related to banking,²⁵ and TDB has committed to conduct the nonbanking activities in accordance with Regulation Y.

In order to approve the proposal under section 4(c)(8) of the BHC Act, the Board also must determine that the proposed activities are a proper incident to banking, that is, that the proposal "can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound banking practices." As part of its evaluation of these factors, the Board considers the financial condition and managerial resources of the notificant and its subsidiaries, including the companies to be acquired, and the effect of the proposed transaction on those resources.²⁶ As noted above, based on all the facts of record, the Board has concluded that financial and manage-

rial considerations are consistent with approval of these notices.

The Board also has carefully considered the competitive effects of the proposed acquisition of the nonbanking companies and, in so doing, has considered the comments submitted by Protestant regarding the competitive impact of the proposed acquisition.²⁷ The Board notes that the market for discount brokerage and related services is unconcentrated and that there are numerous providers of the services.²⁸ As a result, consummation of this proposal would have a *de minimis* effect on competition for brokerage services, and the Board has concluded that the proposal would not have a significant adverse effect on competition in any relevant market.

In addition, TDB expects that the proposed transaction would result in public benefits by permitting Waterhouse and its customers to draw on the greater capital resources, technological capabilities, and retail banking experience of TDB and its affiliates. For example, TDB notes that access to its extensive operations and communications systems would give Waterhouse the ability to improve productivity, to reduce costs, and thereby to reduce prices on brokerage and other services. Similarly, TDB expects that access to its financial resources should provide Waterhouse with additional working capital to expand operations to meet customer needs.²⁹ In sum, Waterhouse's affiliation of TDB and its subsidiaries may be expected to yield greater convenience for Waterhouse's customers and to foster improved methods of meeting the needs of those customers.³⁰

For the reasons discussed above, the Board believes that the potential for adverse effects, if any, resulting from the transaction is negligible. The Board also concludes that, based on the considerations discussed above, the proposal can be expected to produce notable public benefits. Accordingly, based on all the facts of record, the Board has

27. Protestant contends that the affiliation of Waterhouse's discount brokerage subsidiary, WSI, with TDB's discount brokerage subsidiary, Green Line Investor Services (USA), Inc. ("Green Line"), would eliminate a current and potentially significant future competitor of WSI.

28. See, e.g., *Banc One Corporation*, 82 *Federal Reserve Bulletin* 88 (1996).

29. Protestant disputes TDB's expectations of public benefits. For example, Protestant contends that Green Line's recent expansion into Hong Kong will divert TDB's resources from WSI, and that TDB's derivatives activities raise further questions about TDB's ability to provide WSI with added financial strength. TDB is a large, diversified banking institution with significant financial resources. Based on all the facts of record, including supervisory information from Canadian banking authorities, the Board concludes that Protestant's contentions are not supported by the weight of the evidence in the record.

30. Protestant notes that TDB entered into a consent judgment with the SEC in September 1989, that prohibited TDB from engaging in securities clearing activities in the United States. TDB informed the SEC of its pending notices with the Board to acquire Waterhouse, and the SEC consented to TDB's request to remove the prohibition. Consequently, by stipulation and order dated August 2, 1996, the U.S. District Court for the Southern District of New York concluded that prohibiting TDB from engaging in the securities clearance business was "no longer necessary to protect the public interest." *SEC v. Hansen*, 82 Civ. 5242 (S.D.N.Y. Aug. 2, 1996).

24. Such services include providing securities execution, clearing, and other services incidental to securities brokerage. TDB has committed to conduct these activities according to the conditions that the Board previously has relied on in approving such activities.

25. See 12 C.F.R. 225.25(b)(15)(i).

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

determined that the balance of public benefits is favorable under the proper incident to banking standard of section 4(c)(8) of the BHC Act.

Conclusion

Based on the foregoing, and in light of all the facts of record, the Board has determined that the application and notices should be, and hereby are, approved.³¹ Should any restrictions on access to information on the operations or activities of TDB and its affiliates subsequently interfere with the Board's ability to obtain information to determine and enforce compliance by TDB or its affiliates with applicable federal statutes, the Board may require termination of any of TDB's direct or indirect activities in the United States. Approval of this application and notice is specifically conditioned on compliance by TDB with all the commitments made in connection with this proposal and with the conditions stated or referred to in this order.

The Board's determination on the nonbanking activities also is subject to all the terms and conditions set forth in Regulation Y, including those in sections 225.7 and 225.23(b) (12 C.F.R. 225.7 and 225.23(b)), and to the Board's authority to require such modification or termina-

31. Protestant has requested that the Board hold a public hearing or meeting on the convenience and needs, managerial, adverse competitive, public benefits, and other effects resulting from this proposal. Section 3(b) of the BHC Act does not require the Board to hold a public meeting or hearing on an application unless the appropriate supervisory authority for the bank to be acquired makes a timely written recommendation of denial of the application. No supervisory agency has recommended denial in this case. Under the Board's Regulation Y, a hearing is required under section 4 of the BHC Act only if there are disputed issues of material fact that cannot be resolved in some other manner. 12 C.F.R. 225.23(f). In addition, under the Board's Rules of Procedure, the Board, in its discretion, hold a public hearing or meeting on an application to clarify factual issues relating to the application and to provide an opportunity for testimony, if appropriate. 12 C.F.R. 262.3(e) and 262.25(d).

Protestant does not identify disputed issues of fact that are material to the Board's decision, including any disputed issues of fact on the public benefits or the competitive effect of the proposal. In addition, interested parties have had an ample opportunity to present their views, and Protestant has submitted substantial written comments that have been carefully considered by the Board. Protestant's request fails to demonstrate why a written presentation would not suffice and to summarize evidence that would be presented at a hearing or meeting. See 12 C.F.R. 262.3(e). The Board has carefully considered the proposal in light of all the facts of record, including Protestant's comments on the issues discussed above, and, for the reasons discussed in this order, has concluded that the factors that the Board must consider under sections 3 and 4 of the BHC Act are consistent with approval. Protestant's request disputes the weight that should be accorded to, and the conclusions that the Board should draw from, the existing facts of record. For these reasons, and based on all the facts of record, the Board has determined that a public hearing or meeting is not required or warranted to clarify the factual record in the proposal, or otherwise warranted in this case. Accordingly, the request for a hearing or public meeting on the proposal is hereby denied.

Protestant also has requested that it be permitted to present its views orally to the Board. See 12 C.F.R. 262.3(e). For the reasons discussed above, the request for oral presentation is hereby denied.

tion of the activities of a bank holding company or any of its subsidiaries as the Board finds necessary to ensure compliance with, and to prevent evasion of, the provisions of the BHC Act and the Board's regulations and orders thereunder. For purposes of this transaction, the commitments and conditions referred to above shall be deemed to be conditions imposed in writing by the Board in connection with its findings and decision, and, as such, may be enforced in proceedings under applicable law.

The acquisition of WNB shall not be consummated before the fifteenth calendar day following the effective date of this order, and this proposal 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 acting pursuant to delegated authority.

By order of the Board of Governors, effective September 30, 1996.

Voting for this action: Chairman Greenspan, Vice Chair Rivlin, and Governors Kelley, Lindsey, Phillips, Yellen, and Meyer.

JENNIFER J. JOHNSON
Deputy Secretary of the Board

ORDERS ISSUED UNDER INTERNATIONAL BANKING ACT

China Construction Bank Beijing, People's Republic of China

Order Approving Establishment of a Representative Office

China Construction Bank, Beijing, People's Republic of China ("Bank"), a foreign bank within the meaning of the International Banking Act ("IBA"), has applied under section 10(a) of the IBA (12 U.S.C. § 3107(a)) to establish a representative office in New York, New York. The Foreign Bank Supervision Enhancement Act of 1991, which amended the IBA, provides that a foreign bank must obtain the approval of the Board to establish a representative office in the United States.

Notice of the application, affording interested persons an opportunity to comment, has been published in a newspaper of general circulation in New York (*The New York Times*, June 19, 1996). The time for filing comments has expired, and the Board has considered the application and all comments received.

As of March 31, 1996, Bank had total assets of approximately \$211 billion. Bank, formerly known as the People's Construction Bank of China, is the third largest of four specialized banks in the People's Republic of China, and is wholly owned by the Chinese government. Bank operates more than 13,000 branches and subbranches and more than 28,000 deposit-taking offices in China, as well as three

domestic financial subsidiaries.¹ Outside China, Bank operates a branch in Hong Kong and representative offices in London, England; Frankfurt, Germany; Seoul, Korea; Tokyo, Japan; and Singapore; and has a minority investment in a Hong Kong bank.

Prior to 1994, one of Bank's primary activities was fiscal lending, which constituted receiving funds from Chinese governmental bodies and state-owned enterprises and lending such funds to state-owned enterprises and infrastructure projects. In 1994, Bank became a state-owned commercial bank engaged primarily in commercial banking. Bank's activities now include commercial and retail deposit-taking, lending for its own account, and borrowing in domestic and international markets. Bank also makes disbursements for and otherwise administers loans for other government-owned banks.

In acting on an application to establish a representative office, the IBA and Regulation K provide that the Board shall take into account whether the foreign bank engages directly in the business of banking outside of the United States, has furnished to the Board the information it needs to assess the application adequately, is subject to comprehensive supervision or regulation on a consolidated basis by its home country supervisor, and has provided adequate assurances of access to information on the operations of the bank and its affiliates to determine compliance with U.S. laws. (12 U.S.C. § 3107(a); 12 C.F.R. 211.24(d)). The Board also may take into account additional standards as set forth in the IBA (12 U.S.C. § 3105(d)(3)-(4)) and Regulation K (12 C.F.R. 211.24(c)). The Board previously has stated that the standards that apply to the establishment of a branch or agency need not in every case apply to the establishment of a representative office.² Moreover, the Board also has determined that an application by a foreign bank to establish a representative office may be approved if:

- (i) The bank commits that the proposed representative office will engage only in a limited set of activities considered to pose minimal risk to U.S. markets or U.S. counterparties; and
- (ii) The bank is subject to a supervisory framework that is consistent with approval of the application, taking into account the limited activities of the proposed office and the operating record of the bank.³

The activities of Bank's representative office would be limited to general marketing or promotional activities, developing and strengthening correspondent banking relationships, research and consulting activities, and certain loan solicitation activities. The representative office would

not engage in activities such as making credit decisions on behalf of Bank, soliciting deposits from other than institutional investors, soliciting business of any kind from individuals acting in their personal capacity, or conducting any activities relating to trading.

The Board has considered the following information with respect to home country supervision of Bank. The People's Bank of China (the "PBOC") is the licensing, regulatory and supervisory authority for banks and all other financial institutions in China and, as such, is the home country supervisor of Bank. While regulation of the specialized banks by the PBOC historically has focused on the banks' compliance with state economic and financial goals, in the last several years China and its banking authorities have taken steps to develop a more market-oriented bank supervisory program placing greater emphasis on prudential standards. The PBOC establishes capital, liquidity and asset quality requirements, regulates the investments of banks in other companies, establishes internal auditing standards for Chinese banks, and monitors Chinese banks for adherence to Chinese laws and regulations. The PBOC, which has authorized Bank to establish the proposed representative office, supervises the foreign and domestic activities of Bank.

The PBOC monitors the operations of Bank through on-site examinations and the review of periodic reports from Bank. The PBOC conducts both comprehensive and limited ad hoc on-site examinations of Bank. On-site examinations generally focus on Bank's execution of economic and financial policies and compliance with financial regulations, as well as Bank's internal controls, asset quality, capital, liquidity and profitability. Bank is required to submit various periodic financial and regulatory reports to the PBOC, including balance sheets, income statements, analyses of classified loans and external debt, reports on foreign exchange risk, reports on deposits, borrowings, guarantees, and securities and investments. Bank also is required to publish its financial statements and audit report yearly.

Bank's internal audit department conducts monthly, quarterly, and annual internal audits of Bank, as well as occasional special audits. Internal audits generally review Bank's internal guidelines, operating and financial plans, budgets, and financial statements, as well as compliance with governmental and Bank's own policies. The PBOC receives copies of Bank's annual audit plan, annual work summary, and other material relating to internal audits. The proposed representative office would provide an annual operations plan and monthly reports to Bank's head office, and would receive occasional on-site inspections from the PBOC and various departments of Bank.

Based on all the facts of record, the Board concludes that factors relating to the supervision of Bank by its home country supervisor are consistent with approval of the proposed representative office. The Board also has determined that, for purposes of the IBA and Regulation K, Bank engages directly in the business of banking outside of the United States through its operations in China. Bank has provided the Board with the information necessary to as-

1. These subsidiaries are China Investment Bank, a commercial bank; The Trust and Investment Company of People's Construction Bank of China; and China Investment Consulting Corporation of China Construction Bank, a financial consulting firm.

2. *Citizens National Bank*, 79 *Federal Reserve Bulletin* 805 (1993).

3. *Promstroybank of Russia*, 82 *Federal Reserve Bulletin* 599 (1996).

sess the application through submissions that address relevant issues.

The Board also has taken into account the additional standards set forth in section 7 of the IBA and Regulation K (see 12 U.S.C. § 3105(d)(3),(4); 12 C.F.R. 211.24(c)(2)). As noted above, the PBOC has authorized Bank to establish the proposed representative office.

The Board also has determined that the financial and managerial factors are consistent with approval of the representative office. Bank's managerial and financial resources indicate that there is a reasonable degree of certainty concerning the financial stability of Bank, based on its operating record and financial standing within the country. In addition, Bank's operating record indicates that it is capable of complying with applicable laws.

Finally, with respect to access to information on Bank's operations, the Board has reviewed the relevant provisions of law in China and has communicated with appropriate government authorities regarding access to information. Bank has committed to make available to the Board such information on the operations of Bank and any of its affiliates that the Board deems necessary to determine and enforce compliance with the IBA, the Bank Holding Company Act of 1956, as amended, and other applicable Federal law. To the extent that the provision of such information to the Board may be prohibited or impeded by law, Bank has committed to cooperate with the Board to obtain any necessary consents or waivers that might be required from third parties in connection with disclosure of certain information. In addition, subject to certain conditions, the PBOC may share information on Bank's operations with other supervisors, including the Board. In light of the commitments provided by Bank and other facts of record, and subject to the condition described below, the Board concludes that Bank has provided adequate assurances of access to any necessary information the Board may request.

On the basis of all the facts of record, and subject to the commitments made by Bank, as well as the terms and conditions set forth in this order, the Board has determined that Bank's application to establish a representative office should be, and hereby is, approved. Should any restrictions on access to information on the operations or activities of Bank and any of its affiliates subsequently interfere with the Board's ability to determine the compliance by Bank or its affiliates with applicable federal statutes, the Board may require termination of any of Bank's direct or indirect activities in the United States. Approval of this application is also specifically conditioned on compliance by Bank with the commitments made in connection with this application and with the conditions in this order.⁴ The commitments and conditions referred to above are conditions imposed in writing by the Board in connection with its decision, and may be enforced in proceedings under 12 U.S.C. § 1818 against Bank and its affiliates.

By order of the Board of Governors, effective September 23, 1996.

Voting for this action: Chairman Greenspan, Vice Chair Rivlin, and Governors Kelley, Lindsey, Phillips, and Yellen. Absent and not voting: Governor Meyer.

JENNIFER J. JOHNSON
Deputy Secretary of the Board

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

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 4

Applicant(s)	Bank(s)	Effective Date
BankAmerica Corporation, San Francisco, California	DFO Holding Company, Inc., San Francisco, California	September 16, 1996
Security Pacific Leasing Corporation, San Francisco, California	Ford Motor Credit Corporation, Dearborn, Michigan	

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
Ameribanc, Inc., St. Louis, Missouri	First Financial Corporation of America, Salem, Missouri	St. Louis	September 17, 1996
BanPonce Corporation, Hato Rey, Puerto Rico	COMBANCORP, City of Commerce, California	New York	August 26, 1996
Popular International Bank, Inc., Hato Rey, Puerto Rico	Commerce National Bank, City of Commerce, California		
BanPonce Financial Corp., Wilmington, Delaware			
Brickyard Bancorp, Inc., Chicago, Illinois	Syseo Financial, Inc., Lincolnwood, Illinois Brickyard Bank, Lincolnwood, Illinois	Chicago	September 25, 1996
Canton Financial Corporation, Canton, Texas	The First National Bank of Canton, Canton, Texas	Dallas	August 29, 1996
Capitol Bancorp, Limited, Lansing, Michigan	Macomb Community Bank, Clinton Township, Michigan	Chicago	September 3, 1996
Castle Creek Capital Partners Fund-I, L.P., Chicago, Illinois	Monarch Bancorp, Laguna Niguel, California	San Francisco	September 6, 1996
Castle Creek Capital, L.L.C., Chicago, Illinois			
Eggemeyer Advisory Corp., Chicago, Illinois			
CB Holding Co., Edmond, Oklahoma	P.N.B. Financial Corporation, Kingfisher, Oklahoma City National Bancshares of Weatherford, Inc., Weatherford, Oklahoma	Kansas City	September 26, 1996
Centura Banks, Inc., Rocky Mount, North Carolina	FirstSouth Bank, Burlington, North Carolina	Richmond	August 30, 1996
Chester Bancorp, Inc., Chester, Illinois	Chester National Bank, Chester, Illinois Chester National Bank of Missouri, Perryville, Missouri	St. Louis	September 12, 1996
Community Central Bank Corporation, Mount Clemens, Michigan	Community Central Bank, Mount Clemens, Michigan	Chicago	September 11, 1996
Crestmark Bancorp, Inc., Bloomfield Hills, Michigan	Crestmark Bank, Troy, Michigan Crestmark Financial, Inc., Troy, Michigan	Chicago	August 22, 1996
F&M Bancorp, Frederick, Maryland	Home Federal Corporation, Hagerstown, Maryland	Richmond	August 23, 1996
First American Bank Corporation, Elk Grove Village, Illinois	Oak Park River Forest Bankshares, Inc., Oak Park, Illinois	Chicago	September 23, 1996

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
FirstValue Corporation, Appleton, Wisconsin	Tigerton Bancorporation, Tigerton, Wisconsin First National Bank in Tigerton, Tigerton, Wisconsin	Chicago	September 11, 1996
Henderson Citizens Bancshares, Inc., Henderson, Texas	Waskom Bancshares, Inc., Waskom, Texas	Dallas	August 26, 1996
Henderson Citizens Bancshares of Delaware, Inc., Dover, Delaware	First State Bank, Waskom, Texas		
Ida Grove Bancshares, Inc., Ida Grove, Iowa	Farmers State Bank, Charter Oak, Iowa	Chicago	September 18, 1996
American Bancshares, Inc., Holstein, Iowa			
Key Capital Corporation, Inc., Owings Mills, Maryland	Key Bank and Trust, Randallstown, Maryland	Richmond	September 13, 1996
Lakes Region Bancorp, Inc., Bannockburn, Illinois	Anchor Bank, Third Lake, Illinois	Chicago	September 19, 1996
LandMark Bancshares of Texas, Inc., Columbia, Missouri	Itasca State Bank, Itasca, Texas	St. Louis	September 9, 1996
The Landrum Company, Columbia, Missouri	LandMark Bancshares of Texas, Inc., Columbia, Missouri	St. Louis	September 9, 1996
Lewis Family Partners, L.P., Morris, Illinois	Illinois Valley Bancorp, Inc., Morris, Illinois	Chicago	September 6, 1996
Lewis Management Company, Morris, Illinois	Grundy County National Bank, Morris, Illinois		
Mercantile Bancorporation Inc., St. Louis, Missouri	First Financial Corporation of America, Salem, Missouri	St. Louis	September 17, 1996
Mercantile Bancorporation Inc., St. Louis, Missouri	Today's Bancorp, Inc., Freeport, Illinois Today's Bank-East, Freeport, Illinois Today's Bank-West, Galena, Illinois	St. Louis	September 17, 1996
Mercantile Bancorporation Incorporated of Illinois, St. Louis, Missouri	Today's Bancorp, Inc., Freeport, Illinois	St. Louis	September 17, 1996
Merchants Bancorp, Inc., Hillsboro, Ohio	Merchants National Bank, Hillsboro, Ohio	Cleveland	September 12, 1996
Mid-Peninsula Bancorp, Palo Alto, California	Cupertino National Bancorp, Cupertino, California Cupertino National Bank & Trust, Cupertino, California	San Francisco	September 25, 1996
Monarch Bancorp, Laguna Niguel, California	Western Bank, Los Angeles, California	San Francisco	September 6, 1996
National Bancshares Corporation of Texas, Laredo, Texas	Luling Bancshares, Inc., Luling, Texas First National Bank, Luling, Texas	Dallas	September 6, 1996
NBT of Delaware, Inc., Wilmington, Delaware			

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Norma McLane-Smith Family Limited Partnership, Poplar Bluff, Missouri	Poplar Bluff Banc Company, Poplar Bluff, Missouri Midwest Bancshares, Inc., Poplar Bluff, Missouri	St. Louis	September 17, 1996
Norwest Corporation, Minneapolis, Minnesota	American Bank Moorhead, Moorhead, Minnesota	Minneapolis	August 30, 1996
Oak Park River Forest Bankshares, Inc., Oak Park, Illinois	Community Bank of Oak Park River Forest, Oak Park, Illinois	Chicago	September 20, 1996
Omni Bancshares, Inc., Metairie, Louisiana	Omni Bank, Metairie, Louisiana	Atlanta	August 28, 1996
PCB Bancorp, Inc., Johnson City, Tennessee	People's Community Bank, Johnson City, Tennessee	Atlanta	August 26, 1996
Regions Financial Corporation, Birmingham, Alabama	American Bancshares of Houma, Inc., Houma, Louisiana American Bank & Trust Company of Houma, Houma, Louisiana	Atlanta	August 28, 1996
San Angelo Bancorp, Inc., Dover, Delaware	Texas State Bank, San Angelo, Texas	Dallas	September 13, 1996
South Alabama Bancorporation, Inc., Mobile, Alabama	First Monco Bancshares, Inc., Monroeville, Alabama The Monroe County Bank, Monroeville, Alabama	Atlanta	August 22, 1996
Southwest Missouri Bancshares, Inc., Ozark, Missouri	Southwest Community Bank, Ozark, Missouri	St. Louis	August 27, 1996
St. Joseph Capital Corporation, South Bend, Indiana	St. Joseph Capital Bank, Mishawaka, Indiana	Chicago	September 4, 1996
Texas Bancorp, Inc., San Angelo, Texas	San Angelo Bancorp, Inc., Dover, Delaware Texas State Bank, San Angelo, Texas	Dallas	September 13, 1996
Texas Financial Bancorporation, Inc., Minneapolis, Minnesota	The Farmers and Mechanics Bank, Galesburg, Illinois	Dallas	September 19, 1996
ValliCorp Holdings, Inc., Fresno, California	Auburn Bancorp, Auburn, California	San Francisco	August 21, 1996
WesBanco, Inc., Wheeling, West Virginia	Vandalia National Corporation, Morgantown, West Virginia	Cleveland	September 20, 1996
Western Acquisition Partners, L.P., Buffalo Grove, Illinois	Western Acquisitions, L.L.C., Buffalo Grove, Illinois Sunwest Bank, Tustin, California	San Francisco	August 22, 1996

Section 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
Allegiant Bancorp, Inc., St. Louis, Missouri	Edge Mortgage Services, Inc., Maryland Heights, Missouri	St. Louis	September 13, 1996
Bayerische Vereinsbank AG, Munich, Germany	VB Structured Finance Inc., New York, New York	New York	September 12, 1996
Capitol Bankshares, Inc., Madison, Wisconsin	Capitol Mortgage Corporation, Madison, Wisconsin	Chicago	August 30, 1996
Centennial Holdings, Ltd., Olympia, Washington	Totten, Inc., Olympia, Washington	San Francisco	September 17, 1996
Citizens Development Company, Billings, Montana	To engage <i>de novo</i> in data processing activities	Minneapolis	September 24, 1996
Dadeland Bancshares, Inc., Miami, Florida	Dadeland Software Services, Inc., Miami, Florida	Atlanta	September 13, 1996
Decatur Financial Inc., Decatur, Indiana	Independent Bankers Life Insurance Company of Indiana, Phoenix, Arizona	Chicago	September 5, 1996
First Alliance Bancorp, Inc., Marietta, Georgia	Premier Bancshares, Inc., Atlanta, Georgia Premier Bank, F.S.B., Atlanta, Georgia Premier Lending Corporation, Atlanta, Georgia	Atlanta	August 22, 1996
First Commercial Corporation, Little Rock, Arkansas	To engage <i>de novo</i> in the leasing of personal property	St. Louis	September 11, 1996
First Interstate BancSystem of Montana, Inc., Billings, Montana	First Interstate Bank of Commerce, fsb, Hamilton, Montana	Minneapolis	September 4, 1996
JS Investments, Limited Partnership, Billings, Montana			
Nbar5, Limited Partnership, Ranchester, Wyoming			
Fulton Financial Corporation, Lancaster, Pennsylvania	To engage in community development activities	Philadelphia	September 20, 1996
Imperial Bancorp, Los Angeles, California	Pacific Bancard Association, Inglewood, California American Heritage/Pacific Bancard Association, Chatsworth, California	San Francisco	August 26, 1996
I.S.B. Financial Corp., Oak Forest, Illinois	To engage <i>de novo</i> in making and servicing loans	Chicago	September 24, 1996
Mercantile Bancorporation Inc., St. Louis, Missouri	Today's Insurance Source Agency, Inc., East Dubuque, Illinois	St. Louis	September 17, 1996
Mountain Bancshares, Inc., Yellville, Arkansas	The Bank of Yellville Financial Services, Yellville, Arkansas	St. Louis	September 24, 1996
Otto Bremer Foundation, St. Paul, Minnesota Bremer Financial Corporation, St. Paul, Minnesota	CBS Financial Corp., Minnetonka, Minnesota	Minneapolis	August 23, 1996

Section 4—Continued

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
Pinnacle Banc Group, Inc., Oakbrook, Illinois	Financial Security Corp., Chicago, Illinois Security Federal Savings and Loan Association, Chicago, Illinois Dovenmuehle Mortgage Company, L.P., Schaumburg, Illinois	Chicago	August 30, 1996
Quad City Holdings, Inc., Bettendorf, Iowa	Nobel Electronic Transfer, L.L.C., Bettendorf, Iowa	Chicago	September 3, 1996
St. Clair Agency, Inc., St. Clair, Minnesota	Clarice Germs Agency, St. Clair, Minnesota	Minneapolis	September 5, 1996
Stichting Prioriteit ABN AMRO Holding, Amsterdam, The Netherlands	Heigl Mortgage and Financial Corporation, Bloomington, Minnesota	Chicago	September 26, 1996
Stichting Administratiekantoor ABN AMRO Holding, Amsterdam, The Netherlands			
ABN AMRO Holding N.V., Amsterdam, The Netherlands			
ABN AMRO Bank N.V., Amsterdam, The Netherlands			
ABN AMRO North America, Inc., Chicago, Illinois			

Sections 3 and 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
Collective Bancorp, Inc., Egg Harbor, New Jersey	Continental Bancorporation, Laurel Springs, New Jersey	Philadelphia	August 30, 1996
First Midwest Financial, Inc., Storm Lake, Iowa	Central West Bancorporation, Casey, Iowa Security State Bank, Stuart, Iowa	Chicago	August 28, 1996

*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
Centura Bank, Rocky Mount, North Carolina	FirstSouth Bank, Burlington, North Carolina	Richmond	August 30, 1996
Crestar Bank MD, Bethesda, Maryland	Crestar Bank FSB, Baltimore, Maryland	Richmond	September 25, 1996
First Banking Center - Burlington, Burlington, Wisconsin	American National Bank & Trust Company of Chicago, Chicago, Illinois	Chicago	September 5, 1996
First Community Bank, Inc., Buckhannon, West Virginia	Huntington National Bank West Virginia, Charleston, West Virginia	Richmond	September 11, 1996
The First Trust & Savings Bank, Aurelia, Iowa	Cleghorn State Bank, Cleghorn, Iowa	Chicago	September 13, 1996
Mercantile Bank of Polk County, Des Moines, Iowa	Mercantile Bank of the Bluffs, Council Bluffs, Iowa Mercantile Bank of Boone, Boone, Iowa Mercantile Bank of Centerville, Centerville, Iowa Mercantile Bank of Chariton, Chariton, Iowa Mercantile Bank of Clay County, Spencer, Iowa Mercantile Bank of Humboldt County, Humboldt, Iowa Mercantile Bank of Jasper County, Newton, Iowa Mercantile Bank of Lyon County, Rock Rapids, Iowa Mercantile Bank of Marshalltown, Marshalltown, Iowa Mercantile Bank of Mount Ayr, Mount Ayr, Iowa Mercantile Bank of Onawa, Onawa, Iowa Mercantile Bank of Osceola County, Sibley, Iowa Mercantile Bank of Pella, Pella, Iowa	Chicago	August 28, 1996
ValluWide Bank, Fresno, California	The Bank of Commerce, N.A., Auburn, California	San Francisco	August 21, 1996

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.

Clifford v. Board of Governors, No. 96-1342 (D.C. Cir., filed September 17, 1996). Petition for review of Board order dated August 21, 1996, denying petitioners' motion to dismiss enforcement action against them.

Artis v. Greenspan, No. 96-CV-02105 (D. D.C., filed September 11, 1996). Class complaint alleging race discrimination in employment. Awaiting service.

Leuthe v. Board of Governors, No. 96-5725 (E.D. Pa., filed August 16, 1996). Action against the Board and other Federal banking agencies challenging the constitutionality of the Office of Financial Institution Adjudication.

Long v. Board of Governors, No. 96-9526 (10th Cir., filed July 31, 1996). Petition for review of Board order dated July 2, 1996, assessing a civil money penalty and cease and desist order for violations of the Bank Holding Company Act.

Esformes v. Board of Governors, No. 96-1916 (S.D. Fla., filed July 12, 1996). Complaint challenging Board denial of administrative request for confidential supervisory information. Plaintiffs' motion for an expedited hearing was denied on August 1, 1996. On September 20, 1996, the Board filed a motion to dismiss or for summary judgment.

Board of Governors v. Interamericas Investments, Ltd., No. 96-7108 (D.C. Cir., filed June 14, 1996). Appeal of district court ruling granting, in part, the Board's application to enforce an administrative investigatory subpoena for documents and testimony. Appellants' motion for a stay of the district court ruling was denied on September 12, 1996.

Interamericas Investments, Ltd. v. Board of Governors, No. 96-60326 (5th Cir., filed May 8, 1996). Petition for review of order imposing civil money penalties and cease and desist order in enforcement case. Petitioners' brief was filed on July 26, 1996, and the Board's brief was filed on September 27, 1996. On August 20, petitioners' motion for a stay of the Board's orders pending judicial review was denied by the Court of Appeals.

Kuntz v. Board of Governors, No. 96-1137 (D.C. Cir., filed April 25, 1996). Petition for review of a Board order dated March 25, 1996, approving an application by CoreStates Financial Corp., Philadelphia, Pennsylvania to acquire Meridian Bancorp, Inc., Reading, Pennsylvania. The Board's motion to dismiss was filed on June 3, 1996.

Kuntz v. Board of Governors, No. 96-1079 (D.C. Cir., filed March 7, 1996). Petition for review of a Board order dated February 7, 1996, approving applications by The Fifth Third Bank, Cincinnati, Ohio, and The Fifth Third Bank of Columbus, Columbus, Ohio, to acquire certain assets and assume certain liabilities of 25 branches of NBD Bank, Columbus, Ohio. Petitioner has moved to consolidate the case with *Kuntz v. Board of Governors*, No. 95-1495. On

April 8, 1996, the Board filed a motion to dismiss the action.

Henderson v. Board of Governors, No. 96-1054 (D.C. Cir., filed February 16, 1996). Petition for review of a Board order dated January 17, 1996, approving the merger of First Citizens BancShares, Inc., Raleigh, North Carolina, with Allied Bank Capital, Inc., Sanford, North Carolina. Petitioners' motion for a stay was denied on March 7, 1996.

Research Triangle Institute v. Board of Governors, No. 1:96CV00102 (M.D.N.C., filed February 12, 1996). Contract dispute. On May 3, 1996, the Board filed a motion to dismiss the action.

Inner City Press/Community on the Move v. Board of Governors, No. 96-4008 (2nd Cir., filed January 19, 1996). Petition for review of a Board order dated January 5, 1996, approving the applications and notices by Chemical Banking Corporation to merge with The Chase Manhattan Corporation, both of New York, New York, and by Chemical Bank to merge with The Chase Manhattan Bank, N.A., both of New York, New York. Petitioners' motion for an emergency stay of the transaction was denied following oral argument on March 26, 1996. The Board's brief on the merits was filed July 8, 1996. The case has been consolidated for oral argument and decision with *Lee v. Board of Governors*, No. 95-4134 (2d Cir.).

Menick v. Greenspan, No. 95-CV-01916 (D. D.C., filed October 10, 1995). Complaint alleging sex, age, and handicap discrimination in employment.

Kuntz v. Board of Governors, No. 95-1495 (D.C. Cir., filed September 21, 1995). Petition for review of Board order dated August 23, 1995, approving the applications of The Fifth Third Bank, Cincinnati, Ohio, to acquire certain assets and assume certain liabilities of 12 branches of PNC Bank, Ohio, N.A., Cincinnati, Ohio, and to establish certain branches. The Board's motion to dismiss was filed on October 26, 1995.

Lee v. Board of Governors, No. 95-4134 (2nd Cir., filed August 22, 1995). Petition for review of Board orders dated July 24, 1995, approving certain steps of a corporate reorganization of U.S. Trust Corporation, New York, New York, and the acquisition of U.S. Trust by Chase Manhattan Corporation, New York, New York. On September 12, 1995, the court denied petitioners' motion for an emergency stay of the Board's orders. The Board's brief was filed on April 16, 1996.

Beckman v. Greenspan, No. 95-35473 (9th Cir., filed May 4, 1995). Appeal of dismissal of action against Board and others seeking damages for alleged violations of constitutional and common law rights. The appellants' brief was filed on June 23, 1995; the Board's brief was filed on July 12, 1995.

Money Station, Inc. v. Board of Governors, No. 95-1182 (D.C. Cir., filed March 30, 1995). Petition for review of a Board order dated March 1, 1995, approving notices by Bank One Corporation, Columbus, Ohio; CoreStates Finan-

cial Corp., Philadelphia, Pennsylvania; PNC Bank Corp., Pittsburgh, Pennsylvania; and KeyCorp, Cleveland, Ohio, to acquire certain data processing assets of National City Corporation, Cleveland, Ohio, through a joint venture subsidiary. On April 23, 1996, the court vacated the Board's order. On July 31, 1996, the full court granted the Board's suggestion for rehearing *en banc*, and vacated the April 23 panel decision.

In re Subpoena Duces Tecum, Misc. No. 95-06 (D.D.C., filed January 6, 1995). Action to enforce subpoena seeking pre-decisional supervisory documents sought in connection with an action by Bank of New England Corporation's trustee in bankruptcy against the Federal Deposit Insurance Corporation. The Board filed its opposition on January 20, 1995. Oral argument on the motion was held July 14, 1995.

Board of Governors v. 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, 1991, the court issued an order temporarily restraining the transfer or disposition of the individual's assets.

FINAL ENFORCEMENT DECISION ISSUED BY THE BOARD OF GOVERNORS

In the Matter of

Donald E. Hedrick and John K. Snyder
Rushville National Bank
Rushville, Indiana

Docket Nos.

OCC-AA-EC-92-176
OCC-AA-EC-94-94

Final Decision

This is an administrative proceeding pursuant to section 8(e) of the Federal Deposit Insurance Act ("FDI Act"), 12 U.S.C. § 1818(e), in which the Office of the Comptroller of the Currency of the United States of America ("OCC") seeks to prohibit Donald E. Hedrick and John K. Snyder (the "Respondents") from further participation in the affairs of any federally-supervised financial institution as a result of their conduct during their former affiliations with Rushville National Bank, Rushville, Indiana (the "Bank"). As required by statute, the OCC has referred the action to the Board of Governors of the Federal Reserve System (the "Board") for final decision.

The proceeding comes before the Board in the form of a 186-page Recommended Decision by Administrative Law Judge ("ALJ") Walter J. Alprin, issued following an administrative hearing held in phases between May 1993 and April 1995, and the filing of post-hearing briefs by the parties. In the Recommended Decision, the ALJ found that Respondent Hedrick had engaged in a variety of banking

misconduct during his tenure as Chairman of the Board of the Bank, including causing the Bank to pay legal fees that should have been borne by the Bank's directors individually, causing the Bank to violate various restrictions on lending—in some cases through the use of nominee borrowers—and improperly financing a personally-owned interest in a real estate development with the Bank's funds. The ALJ concluded that this misconduct constituted unsafe and unsound practices, breaches of fiduciary duty, and violations of law resulting in gain to Hedrick and loss to the Bank. The ALJ found that Respondent Snyder had participated in one of Hedrick's improper transactions by agreeing to act as a nominee borrower to disguise an improper extension of credit to Hedrick, and that misconduct caused loss to the Bank and led to gain by Snyder. The ALJ further found that Hedrick's and Snyder's conduct reflected both willful and continuing disregard for the safety or soundness of the Bank as well as personal dishonesty warranting their prohibition from banking. Respondents have submitted exceptions to these findings, challenging the OCC's characterization of the facts, and in some instances, its authority to bring the action.

Based on a review of the record and the arguments raised by the Respondents, the Board rejects these exceptions for the reasons stated by the ALJ in the Recommended Decision, except as specifically noted in this Decision.¹ The chief arguments made by the Respondents with regard to each of the transactions that form the basis for the prohibition action are summarized below. As explained below, the Board finds that these arguments do not warrant a rejection of the ALJ's recommendation that Hedrick and Snyder should be prohibited from banking.

Accordingly, the Board hereby makes its Final Decision, and adopts the ALJ's Recommended Decision insofar as it relates to the prohibition action, except as specifically supplemented or modified herein. The Board therefore orders that the attached Orders of Prohibition issue against Respondents prohibiting them from future participation in the affairs of any federally-supervised financial institution without the approval of the appropriate supervisory agency.

I. Statement of the Case

A. Statutory Framework

1. Standards for Prohibition Order

Under the FDI Act, the ALJ is responsible for conducting an administrative hearing on a notice of intention to prohibit participation. 12 U.S.C. § 1818(c)(4). Following the hearing, the ALJ issues a recommended decision that is referred to the Board. The parties may then file with the Board exceptions to the ALJ's recommendations. The Board makes the final findings of fact, conclusions of law,

¹ The Board does not reach, and makes no conclusions regarding, the ALJ's recommendations concerning Hedrick's alleged securities fraud. See Recommended Decision ("RD") 102-121.

and determination whether to issue an order of prohibition. *Id.*; 12 C.F.R. 263.40.

The substantive basis for an FDI Act prohibition order requires that the Board must make each of three findings:

- (1) there must be a specified type of **misconduct**—violation of law, unsafe or unsound practice, or breach of fiduciary duty;
- (2) the misconduct must have a prescribed **effect**—financial gain to the respondent or financial loss or other damage to the institution; and
- (3) the misconduct must involve **culpability** of a certain degree—personal dishonesty or willful or continuing disregard for the safety or soundness of the institution.

2. Statutory and Regulatory Lending Restrictions

A number of laws and regulations restrict banks' transactions with affiliates, insider lending, and concentrations of credit.

a. *Affiliate Transaction Limits.* Section 23A of the Federal Reserve Act restricts the volume of transactions between a bank and its affiliates, requires that extensions of credit by a bank to an affiliate meet specific collateral requirements, and requires generally that affiliate transactions be on terms and conditions that are consistent with safe and sound banking practices. 12 U.S.C. § 371c.

b. *Insider Lending Limits.* Regulation O and commensurate regulations of the OCC for national banks implement statutory restrictions on extensions of credit from banks to individuals who are bank "insiders," *i.e.*, individuals who are bank executive officers (including chairman of the board), directors, or principal shareholders, as well as with their "related interests". 12 U.S.C. §§ 375a, 375b; 12 C.F.R. parts 31, 215. These restrictions place absolute and relative limits on extensions of credit to individual insiders and to all insiders in the aggregate, and also impose reporting and approval requirements for such transactions. *See* 12 U.S.C. § 375a; 12 C.F.R. 31.2, 215.4(b)(1). An extension of credit is considered made to an insider to the extent that the proceeds are transferred to the insider or are used for the tangible economic benefit of the insider. 12 C.F.R. 215.3(f).

c. *Concentration of Credit Limits.* Another restriction addresses the risks inherent in a concentration of credit from a national bank to a single borrower. 12 U.S.C. § 84. Under this section, the total loans and other extensions of credit to any single borrower in general may not exceed fifteen percent of a national bank's unimpaired capital and surplus.

3. Indemnification Limits

An OCC regulation generally permits banks to provide in their articles of association for the indemnification of directors, officers or employees for expenses reasonably incurred in actions arising out of the performance of their official duties. 12 C.F.R. 7.5217(a). The regulation specifies, however, that such indemnification shall not be al-

lowed for "expenses, penalties or other payments incurred in an administrative proceeding or action instituted by an appropriate bank regulatory agency which proceeding or action results in a final order assessing civil money penalties or requiring affirmative action by an individual or individuals in the form of payments to the bank." 12 C.F.R. 7.5217(b).

B. Procedural History

The OCC issued Notices of Intention to Prohibit Further Participation ("Prohibition Notices") against Respondents Hedrick and Snyder on November 12, 1992, and April 18, 1993, respectively. RD 1-2. The OCC also brought actions against Hedrick and Snyder seeking civil money penalties and actions against Hedrick and another director for affirmative relief, including restitution.² The final decision as to these non-prohibition actions is statutorily assigned to the Comptroller. The Board takes official notice that the Comptroller issued his Decision and Order on August 19, 1996, ordering Hedrick to pay a civil money penalty of \$250,000 and restitution of \$451,686, Snyder to pay a civil money penalty of \$25,000, and the other director to pay restitution in the amount of \$139,605.

Discussion

1. Relevant Persons and Institutions

Rushville was at all times relevant to this proceeding a national bank subject to supervision by the OCC. RD 4. It was declared insolvent and closed on December 18, 1992.

Respondent Hedrick served as chairman of the board and director of the Bank from May 21, 1985 to November 12, 1992 (RD 5). Hedrick was a 50 percent owner of the bank holding company that owned the Bank until 1989, when, through one of the transactions discussed below, he became the principal shareholder. Hedrick was also president of the Bank from June 1989 to June 1991. RD 30.

Respondent Snyder was a director of the Bank at all times relevant to the charges against him and was Vice-Chairman of the board of directors for a portion of that time. RD 5.

2. Snyder Loan

In 1988 and early 1989, Hedrick owned 50 percent of the stock in Hoosier Bancorp ("Hoosier"), the holding company that owned 87 percent of the stock of the Bank. RD 49. The other 50 percent was owned by Philip Schwab, a bank director, who pledged the shares as security for loans. In 1988 and early 1989, Schwab became involved in personal bankruptcy proceedings that tied up his Hoosier shares. RD 50. Hedrick owned an option to acquire Schwab's Hoosier shares. RD 50.

2. The OCC's charges against other individuals affiliated with the Bank were settled prior to hearing. RD 2.

There were two encumbrances on Schwab's shares. The senior lien was held by Summit Bank of Fort Wayne, Indiana, which also had possession of Schwab's stock, to secure a \$375,000 loan on which Hedrick was the guarantor or co-signer. RD 50. The junior lien on the stock was held by the Bank to secure a \$300,000 loan. RD 50; OCC Ex. 19. Hedrick secured release of Schwab's Hoosier shares in the bankruptcy proceeding by arguing, in part, that the Bank was experiencing regulatory criticism for nonpayment of the loan secured by the stock. OCC Ex. 21. When he acquired Schwab's Hoosier shares, Hedrick assumed the Schwab loan from Summit on which he was guarantor and began making payments on the loan to Summit. RD 52; Joint Stipulation ("Jt. Stip.") 68. Hedrick knew that he could not personally assume the Bank's loan to Schwab because legal limits on loans to executive officers ("insider lending restrictions") prevented him from doing so. Hedrick Tr. 1762, 2031. Instead, on December 15, 1989, the Bank originated a \$300,000 loan to Snyder, then a bank director. RD 53; OCC Ex. 16. Snyder used the proceeds to pay off \$300,000 of the Schwab loan. RD 53. The Bank charged off the remaining \$5,042 in principal, releasing its junior lien on the stock even though the remaining \$76,678 in interest remained unpaid, thereby removing an encumbrance on the shares owned by Hedrick. RD 53.³

The note that Snyder executed to the Bank as evidence of the loan stated that the loan was a consumer loan for the purpose of "investment in holding company." The loan was secured by a coin collection, carried a 13 percent interest rate, and matured in three years. RD 53. The \$300,000 loan was undersecured in that, while the Bank did not obtain an appraisal of the coins pledged as collateral, Snyder's contemporaneous financial statement showed the coins' value to be \$40,000. RD 54; OCC Ex. 3. The loan terms required semi-annual interest-only payments in 1990 and semi-annual principal and interest payments beginning in 1991 and continuing until the maturity of the loan in December 1992. Snyder's contemporaneous financial statement and income tax statements showed insufficient income to make the necessary payments without selling his other assets. RD 54-55; OCC Ex. 3, 5; Lewis Tr. 1061. The board of directors approved the Snyder loan by a unanimous voice vote, with Hedrick present. RD 55; OCC Ex. 15.

At about the same time, Hedrick transferred 7,500 Hoosier shares (out of the 38,161 shares that he owned but that were in Summit's possession) to Snyder. RD 56. In his testimony, Hedrick made clear that these shares were not purchased by Snyder, but were given to him by Hedrick. Hedrick Tr. 1923.⁴ Shortly thereafter, Hedrick and Snyder

executed a written agreement (the "Hedrick/Snyder Agreement") whereby Hedrick would make periodic payments to Snyder that corresponded in time and amount to the interest and principal amounts due to the Bank on the Snyder loan. RD 57; OCC Ex. 1. The agreement also called for Snyder to transfer the 7,500 shares back to Hedrick, in amounts proportionate to each principal payment made on the Snyder loan. OCC Ex. 1. Hedrick was to make payments on the Snyder loan if Snyder were unable to make them. Hedrick Tr. 1927. Hedrick did not inform the board of directors of the nature of the Hedrick/Snyder Agreement. RD 57; OCC Ex. 15; Hanni Tr. 2180-81. In practice, Hedrick made payments on the Snyder loan directly to the Bank. RD 58.⁵

In 1991, when Hedrick could not make a payment on time, Hedrick and Snyder altered the terms of their agreement to defer the dates of payment to Snyder. RD 58; Snyder Tr. 35-36. Shortly thereafter, the Bank, with Hedrick voting, restructured the terms of Snyder's loan (the "Restructure"), requiring only a single partial payment at maturity, with no specific plan to retire the debt. RD 59; OCC Ex. 4, 30. Later, on April 6, 1992, the Hedrick/Snyder agreement was again amended to reschedule the amounts due under the agreement, and the board of directors, with Hedrick voting, then approved a parallel extension of the date for payment to the Bank of the principal due on the Snyder loan. RD 61; OCC Ex. 33.

No further payments on the Snyder loan were made. RD 61. On December 18, 1992, when the Bank was declared insolvent and closed, the Bank charged off \$260,000 in principal on the Snyder loan and reversed accrued interest of \$52,081. RD 61.

Snyder's repayment of the Schwab loan with the proceeds of the Snyder loan was a device that benefitted Hedrick because it enabled him to acquire the Hoosier shares when he knew that he was legally precluded from assuming the Schwab loan encumbering those shares. RD 61. The Restructure of the Snyder loan benefitted Hedrick by easing the repayment schedule to the Bank, and nominally Hedrick's obligations to Snyder, when Hedrick was unable to make the required payments. RD 61-62.

Both the initiation and the Restructure of the Snyder loan caused the Bank to violate legal limits on loans to executive officers.⁶ The loan was attributable to Hedrick for purposes of lending limits because, under the applicable regulation: "An extension of credit is considered made

5. Through a related company, Hedrick made payments of \$19,447 on July 6 and December 28, 1990, RD 58, and on July 24, 1991. RD 60-61. Hedrick claimed the interest payments on the Snyder loan as tax-deductible loan interest. RD 61. Snyder did not deduct the interest payments on his income tax return. RD 61.

6. Loans and other extensions of credit attributable to Hedrick after the Snyder loan was made totaled about \$358,383, causing the Bank to exceed the individual insider lending limit by approximately \$275,983. RD 62; OCC Ex. 35. Loans and other extensions of credit attributable to Hedrick after the Restructure totaled about \$391,520, which exceeded the individual insider lending limit by about \$342,770 and exceeded the Bank's aggregate insider lending limit by \$99,020. RD 63; OCC Ex. 38.

3. While there is no evidence that any affirmative action was taken to release the lien, the loan that the lien secured was repaid and no action was taken to pledge the shares to secure the Snyder loan. *Cf.* Lewis Tr. 1023-24.

4. This arrangement makes clear that the Snyder loan was not, in fact, for the purpose of investing in the holding company, as Snyder's note stated.

to an insider to the extent that the proceeds are transferred to the insider or are used for the tangible economic benefit of the insider." 12 C.F.R. 215.3(f). Here, Hedrick not only received the tangible benefits of the extension of credit through the payment of the amount due on the Schwab loan and the release of the junior lien on the stock he owned, but he functioned as the borrower in all but name. Snyder received no direct benefit from the loan, since the proceeds were immediately devoted to retiring the Schwab loan for Hedrick's benefit, the 7,500 shares of stock were to be returned to Hedrick as he paid down the loan, and the shares were worth less than the \$300,000 liability he undertook. Snyder testified that he did not expect to make payments on the loan (Snyder Tr. 31), testimony supported by his financial position and by the fact that Hedrick in fact made payments on the loan directly. RD 79-80. The loan's terms were modified when Hedrick, not Snyder, had difficulty making the payments. Hedrick, but not Snyder, deducted the interest on his income taxes. Accordingly, it is clear that the loan was made for Hedrick's benefit and is properly attributable to him for purposes of insider lending restrictions. It is also clear that Snyder's involvement was that of a nominee to disguise the economic and legal realities of the loan to Hedrick.

The ALJ found that Hedrick repaid Snyder for his participation in the Snyder Loan by appointing him Vice-Chairman of the board of directors two months after the loan was made, a position that carried with it some additional income and health insurance. RD 81. The ALJ noted that Snyder had preexisting health problems and could not obtain other coverage, so that employer-paid health insurance was a very valuable benefit. RD 82.

In their exceptions, Respondents essentially argue that the Snyder loan was not an extension of credit to Hedrick but rather the benign assumption of a nonperforming loan by a qualified investor for the benefit of the Bank. Exceptions 18-24. Respondents argue that Snyder incurred the indebtedness to protect the Bank from a loss on the Schwab loan and that Hedrick received no benefit from the loan. Resp. Exceptions 17-24. Respondents also argue that the nominee arrangement was not deceptive because bank personnel and OCC examiners were aware of the arrangement.

The Board adopts the ALJ's rejection of these arguments. First, there is no contemporaneous evidence that the extension of credit was for the purpose of protecting the Bank, since it was labelled a consumer loan for investment in a holding company. RD 77. Furthermore, the economic realities of the loan undercut the argument, since Snyder did not have the liquid assets to make the payments due on the loan and showed no disposition to liquidate his other assets to make the payments. Instead, the Bank in substance had to look to Hedrick for repayment of the loan. This not only violated various restrictions on insider lending, but was ultimately futile, since Hedrick was able to manipulate the terms of his repayment and caused the Bank to suffer a loss of \$260,000 in principal and \$52,000 in accrued interest on the Snyder Loan. Furthermore, the

nominee nature of the loan, which was inherently deceptive, refutes the suggestion that the loan was legitimately believed to be entirely for the benefit of the Bank. RD 78.

The peculiar characteristics of the Hedrick/Snyder Agreement also rebut the argument that the arrangement was generally known and endorsed by Bank and OCC personnel. As an OCC examiner testified, he heard of the "buy-sell" agreement between Hedrick and Snyder, and understood it to give Hedrick an option on Snyder's Hoozier stock, so that the stock would not "fall in unfriendly hands." Holland Tr. 2244-45. Accordingly, knowledge of the existence of the Snyder loan and the Hedrick/Snyder Agreement, since it was consistent with the assumption that Snyder was the substantive borrower on the loan and that he had merely given Hedrick a right of first refusal on the stock securing the loan, does not negate the deceptive purpose and effect of the arrangement.

The lending limit violations caused by the Snyder loan were exacerbated by further extensions of credit to Hedrick that expanded the scope of his violations. On March 26, 1991, the Bank made a \$50,000 loan to Hedrick that represented further violations of the insider lending and concentration of credit restrictions.⁷ Then, on September 24, 1991, the Bank extended a \$150,000 line of credit to Hedrick, and the next day advanced \$36,000 to Hedrick under that line of credit. RD 65.⁸ Respondents except to these findings on the ground that the violations are contingent on the finding that the Snyder loan is attributable to Hedrick, which the Board rejects for the reasons stated above. Hedrick also excepts on the ground that the position of chairman of the board is not an "executive officer" for purposes of Regulation O, an argument that is refuted by the plain terms of the regulation. See 12 C.F.R. 215.2(c)(1) ("executive officer" defined to include chairman of the board unless excluded from participation by formal action).

In addition, Hedrick engaged in another nominee loan arrangement where he received the benefit of a loan made nominally to Virgil Parks, the manager of Sand Dune Shores, a Florida time share development in which Hedrick was involved. After the loan was made, the proceeds were used to pay down the amount outstanding on one of Hedrick's loans.⁹ RD 70, 94; JI. Stip. 14. The loan, accord-

7. The ALJ found that the extension of credit caused the total of loans and other extensions of credit outstanding to Hedrick to exceed the Bank's individual insider lending limit by \$344,395 and the aggregate insider lending limit by \$108,770. The total also exceeded the Bank's limit on loans to one borrower by about \$43,070. RD 64.

8. The ALJ found that loans and other extensions of credit attributable to Hedrick after the \$36,000 advance exceeded the Bank's limit to one borrower by about \$22,865, exceeded the Bank's individual insider lending limit by about \$438,678 and exceeded the Bank's aggregate insider lending limit by \$188,678. RD 66-67.

9. This caused Hedrick's outstanding loan totals to remain constant, so that there was no further insider lending violation. But the ALJ found that the Bank lost value on the transaction because the loan purported to be secured by eight time share units in Sand Dune Shores, of which five had previously been assigned to the Bank. When the Parks loan was ultimately repaid by the Sand Dunes Shores

ingly, is a further illustration of the manner in which Hedrick casually shifted money between the Bank, his own accounts, and those of his business associates. Accordingly, the Board rejects the Respondent's exception that characterizes the OCC's charges in this respect as making a "mountain out of a molehill". *Exceptionous* at 26-27.

The Board adopts the ALJ's conclusions of law with respect to the Snyder loan. The ALJ found that the Respondents' actions satisfied the misconduct element in that the loan represented a breach of fiduciary duty, an unsafe and unsound banking practice, and various violations of the banking laws regarding lending limits. RD 147, 153. The ALJ also found that Snyder breached his fiduciary duty to the Bank by allowing himself to be used as a nominee for Hedrick and not disclosing to the Bank the true purpose of the loan. RD 154. The Board agrees that it is an unsafe or unsound practice and a breach of fiduciary duty, as well as a violation of law,¹⁰ to undertake a nominee loan scheme in which a loan is made for the benefit of an undisclosed person, thus preventing the bank from assessing the true risk or legal status of the loan. *United States v. Olson*, 825 F.2d 121, 123 (7th Cir. 1987), *citing United States v. Angelos*, 763 F.2d 859, 861 (7th Cir. 1985); *United States v. Hoffman*, 1996 WL 469901 *3 (4th Cir. 1996); *Feingold v. United States*, 49 F.3d 437, 440 (8th Cir. 1995); *United States v. Krepps*, 605 F.2d 101 (3d Cir. 1979). This particular loan was also unsafe or unsound in that it was severely undercollateralized.

The ALJ found that the Snyder loan satisfied the effects requirement in that the Bank lost \$260,000 in principal and \$52,081 in accrued interest on the Snyder loan, while Hedrick benefitted by securing the release of the Bank's lien on the Hoosier stock owned by Hedrick. RD 155. The ALJ found that Snyder benefitted by receiving appointment to the vice-chairmanship of the board of directors with a salary increase and health insurance benefits. RD 156.

The ALJ found that the Snyder loan satisfied the culpability requirement as to both Hedrick and Snyder. The ALJ found that the conduct of both Hedrick and Snyder willful and misleading in that they did not disclose to the board of directors the nominee nature of the loan. RD 159. The ALJ found that the continued failure to disclose the nature of the arrangement at the time of the further extensions of credit to Hedrick represented a continuing disregard for the safety and soundness of the Bank by both Hedrick and Snyder. The ALJ further found that the failure to disclose represented personal dishonesty by both Snyder and Hedrick. RD 160.

Accordingly, the Board finds that the Snyder loan transaction, standing alone, forms a sufficient basis for the prohibition of both Hedrick and Snyder from banking.

3. Directors' Legal Fees

Apart from the Snyder loan transaction, the Board also concludes that Hedrick is subject to prohibition in connection with the diversion of Bank resources to pay the legal expenses of directors in contesting an OCC action seeking the imposition of civil money penalties. The Bank's payment of those fees violated an OCC regulation that strictly limits the circumstances under which a bank may reimburse such fees. The OCC regulation generally permits a bank to provide in its articles of association for the indemnification of directors, officers or employees for expenses reasonably incurred in actions arising out of the performance of their official duties. 12 C.F.R. 7.5217(a). The regulation specifies, however, that such indemnification shall not be allowed for "expenses, penalties or other payments incurred in an administrative proceeding or action instituted by an appropriate bank regulatory agency which proceeding or action results in a final order assessing civil money penalties or requiring affirmative action by an individual or individuals in the form of payments to the bank." 12 C.F.R. 7.5217(b).

The ALJ found that Hedrick violated this regulation by negotiating the terms of legal representation in connection with administrative charges brought by the OCC in 1985. In that 1985 action, the OCC charged that the Bank had not complied with the terms of a cease and desist order previously imposed by consent, and brought a cease and desist action against the Bank accompanied by civil money penalty assessments of \$15,000 against Hedrick and \$10,000 each against five other directors. RD 8; OCC Ex. 1-5. The Bank retained a law firm, Hartke & Hartke, to contest both the cease and desist charges on behalf of the Bank and the civil money penalty actions on behalf of the individual directors. *Jt. Stip.* 9, 10. The OCC withdrew its cease and desist action in March, 1986. At that time, the Bank owed the law firm \$77,500 in unpaid legal fees. RD 13. The withdrawal of that action left pending only the civil money penalty action against the directors, in a cumulative amount of \$65,000.

The five individual directors agreed to pay a flat fee of \$1,500 apiece to Hartke & Hartke for representation in contesting the penalties, but the only payments the individuals ever made were \$100 apiece by four of the directors, not including Hedrick. RD 13, 43; OCC Ex. 1-13. Notwithstanding the absence of any pending proceeding against it, the Bank, pursuant to a 36-month representation agreement negotiated by Hedrick, continued for years to pay \$6,000 a month in legal fees plus expenses to Hartke & Hartke for representation of the directors in the civil money penalty litigation. RD 16, 19-25. The civil money penalties were sustained by the Comptroller, affirmed on petition for review to the United States Court of Appeals for the Seventh Circuit, *Abercrombie v. Clarke*, 920 F.2d 1351 (7th Cir. 1990), and left undisturbed by the Supreme Court, which denied certiorari. 502 U.S. 809 (1991). Hedrick made independent decisions to authorize the legal fees and expenses for the attempt to seek rehearing in the Seventh Circuit and

¹⁰ *Condominium Association*, the Bank thereupon returned to the condominium association the time share units that had nominally served as the collateral, including the five that in fact the Bank owned. RD 72; OCC Ex. 61. The ALJ found that the Bank lost the value of the five time share units. RD 72, 95.

10. See 18 U.S.C. § 656 (willful misapplication of bank funds).

the attempt to seek certiorari, even though the Bank was not a party to those actions. RD 29, 43-44; Hedrick Tr. 862. The ALJ concluded that the total of fees and expenses paid by the Bank to contest the directors' civil money penalty action was \$139,605. RD 45. The individual directors never reimbursed the Bank for those fees and expenses, as required by regulation. RD 32; OCC Ex. 53.¹¹

The ALJ concluded that Hedrick violated the OCC's regulation regarding indemnity by negotiating an agreement with the Hartkes for the purpose of causing the Bank to pay the directors legal fees. RD 38. Under that agreement, the Bank improperly advanced to the directors payments for legal fees and expenses.¹² Hedrick also failed to reimburse the Bank for fees and expenses undertaken on his behalf after the OCC prevailed in its civil money penalty litigation, failed to take any action to cause the other directors to make reimbursement, and concealed the nature of the payments from the OCC. RD 46-48. The ALJ further found that the representation agreement, the advance of funds on behalf of the directors, and the failure to reimburse represented unsafe and unsound practices, especially in light of the Bank's financial condition and the failure to ascertain whether the directors possessed the ability to repay the advances. RD 146-147.

The ALJ found that the Bank sustained loss¹³ as a result of the improper representation agreement, RD 145, and that Hedrick benefitted from the Bank's payment of fees and expenses on his behalf. RD 155.¹⁴ The ALJ found that Hedrick's conduct in negotiating the Hartke fee arrangements and causing the Bank to pay the directors' legal fees evidenced willful and continuing disregard for the safety and soundness of the Bank. RD 158. The ALJ noted that Hedrick's subjective appreciation of the wrongfulness of his actions could reasonably be inferred from his attempts to disguise the nature of the Hartke fee agreement. RD 158; see RD 47-48.

In his exceptions, Hedrick argues that he reasonably relied upon the advice of counsel in negotiating the legal representation and that the allegations are time-barred under 18 U.S.C. § 2462 because the initial actions with respect to the fee arrangement took place more than five years before the notice of charges was issued by the OCC. The Board denies both exceptions.

Even if advice of counsel were a valid defense to the charges, it would be inapplicable here because substantial

evidence supports Hedrick's awareness that the fee arrangement was improper. Hedrick is the person who negotiated the terms of the fee agreement with the Hartkes. RD 38. It is clear that Hedrick was made aware of the applicable regulation in that an OCC examiner pointedly left a copy of the regulation with Hedrick in December 1986. RD 38. Furthermore, the Hartkes made reference to the requirements of the regulation in various communications, including a letter advising Hedrick that civil money penalties must be paid by the individual directors, OCC Ex. L-9, and a letter advising that any fee amounts advanced by the Bank on behalf of individual directors were subject to reimbursement by the directors if the OCC prevailed. OCC Ex. L-32. Hedrick's awareness of the regulation's requirements is also displayed by the consideration given by the board of directors to amending the Bank's articles of association to provide for indemnification, as required by the regulation. RD 39; OCC Ex. L-7. It is also clear that Hedrick was aware that the \$1,500 nominal amount charged the individual directors as a "flat fee" was a fiction, since he knew the amounts expended by the Bank after the Bank was no longer a party to the OCC action and he knew that the Hartkes had not been paid by the directors. RD 48. Accordingly the Board adopts the ALJ's rejection of the argument that advice of counsel served to negate Hedrick's misconduct with respect to the Bank's payment of fees for the directors.

The Board also finds that this charge is not precluded by application of the five-year statute of limitations in 18 U.S.C. § 2462. While the Board doubts that the statute of limitations applies to banking administrative enforcement actions generally,¹⁵ and questions in particular its application to the remedial sanction of prohibition,¹⁶ the Board concludes that these issues need not be resolved here because, on these facts, the prohibition cause of action in connection with the legal fees issue was not time-barred.

Because the OCC issued its prohibition notice against Hedrick on November 12, 1992, the statute of limitations,

15. In *In re Interamericas Investments Ltd.*, 82 Federal Reserve Bulletin 609, 617 n.17, the Board questioned whether section 2462 should be applied to enforcement actions by the banking agencies under the Bank Holding Company Act and the Federal Deposit Insurance Act. The Board found it unnecessary to answer that question, however, since section 2462 was found not to bar the action for factual reasons. *Id.* at 617.

16. The limitations statute reads, in relevant part: "Except as otherwise provided by Act of Congress, an action, suit or proceeding for the enforcement of any civil fine, penalty, or forfeiture, pecuniary or otherwise, shall not be entertained unless commenced within five years from the date when the claim first accrued. . . ." 28 U.S.C. § 2462. The Board believes that the remedy of prohibition, which is designed to protect the banking industry against individuals found to have engaged in misconduct of a certain sort, is not a "fine, penalty or forfeiture" within the meaning of the statute. *Cf. U.S. v. Stoller*, 78 F.3d 710 (1st Cir. 1996) (prohibition order is remedial and not a "punishment" within the meaning of the double jeopardy clause); *Federal Election Commission v. Nat'l Republican Senatorial Committee*, 877 F. Supp. 15, 21 (D.D.C. 1995) (injunctive actions outside scope of section 2462); *but cf. Johnson v. SEC*, 87 F.3d 484 (D.C. Cir. 1996) (SEC broker suspension constitutes punishment and thus is subject to section 2462).

11. The Hartkes settled an enforcement action by the OCC by agreeing to a suspension from practice before the OCC for two years and civil money penalties totalling \$35,000. RD 36.

12. The Bank's articles of association never provided for indemnity, a prerequisite to the Bank's advance of legal fees to the directors for their individual litigation. 12 C.F.R. 7.5217(a). RD 39.

13. The Board need not consider OCC Enforcement Counsel's exceptions to the amount of the loss determined by the ALJ, since the precise amount of the loss is not relevant to the prohibition determination. See Exceptions at 2-5.

14. The Board adopts OCC Enforcement Counsel's exceptions in the nature of technical corrections that the ALJ used "Hartke" where he meant "Hedrick" in two instances on page 155 of the Recommended Decision. Exceptions at 10.

even if applicable, does not bar any cause of action that accrued after November 12, 1987. Here, while the advances were at all times unauthorized, this prohibition did not fully accrue until the directors failed to reimburse the Bank following the exhaustion of appeals when the Supreme Court denied certiorari in October 1991. Had the OCC brought its charges before then, the unresolved contingency of reimbursement would have rendered judgments as to the degree of loss and nature of culpability tentative. The Board therefore finds that the prohibition cause of action for the unreimbursed legal fees did not accrue more than five years before the prohibition notice was issued.

Furthermore, the Board adopts the ALJ's conclusion that various actions taken by Hedrick to disguise the payment of legal fees by the Bank constituted fraudulent concealment that tolled the running of the statute of limitations. RD 46-48.¹⁷ The ALJ found that Hedrick misled OCC examiners as to the nature of the services being provided for the fees, that the terms of the representation were not fully known within the Bank, and that Hedrick continued to conceal the purposes of the retainer agreement throughout the OCC's investigation. RD 46-48. Accordingly, the statute of limitations did not preclude this basis for prohibition.¹⁸

4. Transactions With Affiliates

In 1989, the Bank "upstreamed" \$82,000 to Hoosier, its parent bank holding company, to be used for income tax payments. Jt. Stip. 32, 33. Because the Bank was operating at a loss, Hoosier was legally obligated to reimburse the Bank for any tax benefit. RD 95-96. Hoosier's inability to reimburse the Bank had the effect of creating an unsecured loan of \$82,000 to an affiliate in violation of 12 U.S.C. § 371c. RD 96.

The OCC instructed the Bank to correct the violation. RD 96. In response, Hedrick caused the Bank to make an unsecured loan of \$50,000 to a director of the Bank, the proceeds of which were deposited, along with funds from Hedrick, into a Hoosier account. RD 96, 100. Hoosier used those funds to reimburse the Bank, and the Bank reported to bank regulators that the violation had been corrected. RD 96; Jt. Stip. 35. In effect, then, Hedrick caused the Bank to fund its own repayment. Because Hoosier was the beneficiary of the loan, the loan represented another im-

proper affiliate transaction and a new violation of 12 U.S.C. § 371c. See 12 U.S.C. § 371c(a)(2).

Similarly, the Bank upstreamed \$47,134 in insurance premiums to Hoosier that Hoosier was unable to reimburse or collateralize in violation of 12 U.S.C. § 371c. RD 96; Jt. Stip. 36, 38. In response to OCC criticism in May 1990, Hedrick in December 1990 pledged two deposit accounts and another director pledged shares of stock to secure Hoosier's loan. RD 97. The stock pledge and one of Hedrick's account pledges were released when the balance in Hedrick's other account became sufficient to secure the loan to Hoosier. RD 97. The Bank retained a \$50,000 hold on that account. RD 97. One week after the OCC had been informed of the substituted collateral, Hedrick ordered the hold on his account overridden to gain access to a portion of the frozen funds. RD 97, 101; Jt. Stip. 39. The withdrawal of funds from the account left the balance of the loan to Hoosier undersecured in another violation of 12 U.S.C. § 371c. RD 98. The violation was later cured by an additional deposit by Hedrick. RD 102.

The ALJ found that the transactions were unsafe and unsound, RD 149, and breaches of Hedrick's fiduciary duty to the Bank, RD 152, as well as violations of law. The ALJ found that the transactions caused financial gain to Hedrick in that he was Hoosier's principal shareholder and benefitted from the extinction of a Hoosier debt. RD 156. Hedrick also received financial gain from overriding the hold on his account to gain access to his funds. RD 156.

The ALJ found that Hedrick acted with personal dishonesty by claiming that the first affiliate transaction involving Hoosier was corrected, thereby misleading the OCC and the Board. RD 160. He also found that Hedrick displayed willful and continuing disregard for the safety and soundness of the Bank in both affiliate transactions. RD 183.

Hedrick's exceptions to the Recommended Decision argue that the affiliate transactions represent yet another instance of the OCC's making a "mountain out of a molehill" by mischaracterizing Hedrick's good-faith coping with a difficult financial situation. Exceptions 27-29. The Board rejects Hedrick's version, and finds that the facts with respect to the affiliate transactions underscore Hedrick's unwillingness or inability to observe the distinctions between the Bank's resources and his own.

5. Sand Dune Shores

Hedrick held an interest in a time-share apartment complex called Sand Dune Shores. RD 121. The ALJ found that Hedrick caused the Bank to engage in improper transactions that furthered Hedrick's interest in his investment rather than that of the Bank, while failing to disclose his personal interest or abstain from voting when the board of directors authorized the Bank to pay the taxes, interest and expenses of the development. RD 121. Hedrick also caused the Bank to purchase contracts from other banks to relieve Hedrick from obligations on guarantees.

Hedrick became the substitute general partner of Sand Dune Shores, Ltd. ("SDSU"), a limited partnership, in

17. In *3M Company (Minnesota Mining and Manufacturing) v. Browner*, 17 F.3d 1453 (1994), the D.C. Circuit ruled in a case involving the imposition of penalties by the Environmental Protection Agency that the limitations period applies, not just to court cases to collect penalties already assessed by agencies, but also to the agency adjudications themselves. The court noted, however, that the limitations period might be tolled in cases of fraudulent concealment. 17 F.3d at 1461 n.15.

18. Of course, as stated above, the Snyder loan transaction, as to which there is no limitations issue, independently constitutes a sufficient basis for prohibition.

1985, after the previous general partner had declared bankrupt, after SDSL had become delinquent on federal taxes, and after the Bank's compliance committee had directed Hedrick to liquidate his interest in SDSL. RD 121-122; *Jt. Stip.* 48. The Bank held conditional sales contracts on SDSL time-share units valued at about \$278,934. RD 122. Hedrick was the guarantor of conditional sales contracts on SDSL time-share units financed by financial institutions other than the Bank, aggregating to between \$790,000 and \$1,300,000 by September 1985. RD 133. Hedrick also held a number of SDSL time-share units for sale and testified that his personal Sand Dune Shores records were intertwined with those of the Bank. Hedrick *Tr.* 263-64.

From October 1986 until May 1988, the Bank paid approximately \$407,242 in delinquent property taxes, interest, and other expenses of SDSL in order to protect its \$214,000 interest in the sales contracts. RD 122-124. In return, the Bank received an assignment of SDSL's interest in 102 time-share units, nominally worth over \$500,000, but ultimately worth far less. RD 124. In at least two of the meetings where the board of directors voted to authorize tax payments to Sand Dune Shores, Hedrick was present and voting. RD 124. The ALJ found that there was no evidence that the payments for the benefit of SDSL were to avoid lawsuits, and concluded that the payments were instead intended to protect Hedrick against loss. RD 134.

In 1988, the Bank paid \$79,869 to another lender for additional SDSL time-share sales contracts that had been guaranteed by Hedrick, about half of which were characterized as "bad accounts" with a salvage value of about \$18,000. RD 126. In 1989, the Bank purchased another 108 SDSL sales contracts from another lender for about \$55,750. RD 127. In each case, the Bank's purchase relieved Hedrick of his liability on his guarantees. RD 126, 127; *Jt. Stip.* 54, 56. At the board of directors meetings where the purchases were authorized, Hedrick did not abstain from the vote to purchase the contracts. RD 127; *Amy Tr.* 1593-95; 1597-99. The ALJ concluded that the Bank ultimately charged off \$406,000 on the Sand Dune Shores relationship, more than it would have lost if it had lost its interests in the sales contracts through tax foreclosure. RD 131, 137.

The ALJ found that Hedrick's conflicts of interest violated his fiduciary duty and caused the Bank to engage in unsafe and unsound practices because it lacked the information necessary to make an informed decision about its transactions. RD 137. The Bank lost more than \$405,000 in Sand Dune Shores outlays and Hedrick received the benefit of being relieved of guarantees valued at between \$790,000 and \$1,300,000. RD 157. The ALJ concluded that Hedrick's conduct with respect to Sand Dune Shores represented personal dishonesty and willful and continuing disregard in that: he concealed the true purpose of the Bank's payments on behalf of SDSL; he failed to liquidate his interests in SDSL as directed by the Bank's compliance committee; and he continued to use the Bank to further his own interests and the interests of SDSL while the Bank lost substantial amounts of money. RD 161, 185.

Hedrick argues in his exceptions, first, that the OCC is raising events that occurred more than five years before charges were brought and therefore outside the statute of limitations. Exceptions at 32. As before, the Board need not address the applicability of the statute of limitations to prohibition actions, since a number of the charged actions took place after November 12, 1987 and therefore within a five-year period preceding the issuance of the prohibition notice.¹⁹

Hedrick also vigorously argues that the Sand Dune Shores relationship was in the best interests of the Bank, that the actions taken preserved the Bank's investment from foreclosure and protected the Bank against lawsuit. Exceptions at 32-37. Hedrick also argues, citing to his own testimony, that the other directors and Bank personnel were aware of Hedrick's positions with Sand Dune Shores. Exceptions at 37-38.

The Board rejects these exceptions, finding that Hedrick's role in causing the Bank to pour money into a project in which he had substantial financial exposure represents a classic example of financial self-dealing. Even if it were true as a matter of fact that other members of the board of directors were aware of the extent of his involvement in the project, that awareness was not documented in board minutes and no measures were taken to insulate Hedrick from voting on decisions that affected his interests. For purposes of this prohibition action, the precise amount lost by the Bank is not material, since it is clear that Hedrick received financial gain from the Bank's support of the project. Accordingly, the Board concludes that the Sand Dune Shores transactions constituted yet another independent basis for Hedrick's prohibition.

6. Summary

The Board concludes that substantial evidence in the record supports the issuance of an order of prohibition against Respondent Snyder for his role as a nominee in the Snyder loan, and against Respondent Hedrick for his participation in the Snyder loan and other lending and affiliate transaction violations, for orchestrating the Bank's payment of legal fees and expenses that were the responsibility of the directors, and for his self-dealing in transactions related to Sand Dune Shores.

Conclusion

For the foregoing reasons, the Board orders that the attached Order of Prohibition issue.

19. Board meetings where tax payments on behalf of Sand Dune Shores were authorized included March 26 and May 17, 1988. RD 124. The Bank purchased time-share unit sales contracts on which Hedrick was the guarantor on or about October 5, 1988, and June 1, 1989. RD 126, 127.

Order of Prohibition

WHEREAS, pursuant to section 8(e) of the Federal Deposit Insurance Act, as amended, (the "Act") (12 U.S.C. § 1818(e)), the Board of Governors of the Federal Reserve System ("the Board") is of the opinion, for the reasons set forth in the accompanying Final Decision, that a final Order of Prohibition should issue against DONALD E. HEDRICK and JOHN K. SNYDER;

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to sections 8(b)(3), 8(e), and 8(j) of the Federal Deposit Insurance Act, as amended, (12 U.S.C. §§ 1818(b)(3), 1818(e) and 1818(j)), that:

1. In the absence of prior written approval by the Board, and by any other Federal financial institution regulatory agency where necessary pursuant to section 8(e)(7)(B) of the Act (12 U.S.C. § 1818(e)(7)(B)), DONALD E. HEDRICK and JOHN K. SNYDER are hereby prohibited:

- (a) From participating in the conduct of the affairs of any bank holding company, any insured depository institution or any other institution specified in subsection 8(e)(7)(A) of the Act (12 U.S.C. § 1818(e)(7)(A));
- (b) From soliciting, procuring, transferring, attempting to transfer, voting or attempting to vote any proxy, consent, or authorization with respect to any voting rights in any institution described in subsection 8(e)(7)(A) of the Act (12 U.S.C. § 1818(e)(7)(A));
- (c) From violating any voting agreement previously approved by the appropriate Federal banking agency; or
- (d) From voting for a director, or from serving or acting as an institution-affiliated party as defined in section 3(u) of the Act, (12 U.S.C. § 1813(u)), such as an officer, director, or employee.

2. This Order, and each provision hereof, is and shall remain fully effective and enforceable until expressly stayed, modified, terminated or suspended in writing by the Board.

This Order shall become effective upon the expiration of thirty days after service is made.

By Order of the Board of Governors, this 11th day of September, 1996.

Board of Governors of the
Federal Reserve System

WILLIAM W. WILES
Secretary of the Board

*FINAL ENFORCEMENT ORDER ISSUED BY THE BOARD
OF GOVERNORS*

National Bank of Greece
Athens, Greece

The Federal Reserve Board announced on September 13, 1996, the joint issuance with the Federal Deposit Insurance Corporation and the Commissioner of Banks for the Commonwealth of Massachusetts of a Cease and Desist Order against the National Bank of Greece, Athens, Greece, and the National Bank of Greece's branch in Boston.

The Federal Reserve Board also issued jointly with the Federal Deposit Insurance Corporation an Order of Assessment of a Civil Money Penalty against the National Bank of Greece and its Boston branch.

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SYMBOLS AND ABBREVIATIONS

c	Corrected	G-10	Group of Ten
e	Estimated	GNMA	Government National Mortgage Association
n.a.	Not available	GDP	Gross domestic product
n.e.c.	Not elsewhere classified	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	MSA	Metropolitan statistical area
BIF	Bank insurance fund	NOW	Negotiable order of withdrawal
CD	Certificate of deposit	OCID	Other checkable deposit
CMO	Collateralized mortgage obligation	OPIC	Organization of Petroleum Exporting Countries
FFB	Federal Financing Bank	OFS	Office of Thrift Supervision
FHA	Federal Housing Administration	PO	Principal only
FHLBB	Federal Home Loan Bank Board	REIT	Real estate investment trust
FHLMC	Federal Home Loan Mortgage Corporation	REMIC	Real estate mortgage investment conduit
FmHA	Farmers Home Administration	RP	Repurchase agreement
FNMA	Federal National Mortgage Association	RTC	Resolution Trust Corporation
FSLIC	Federal Savings and Loan Insurance Corporation	SAIF	Savings Association Insurance Fund
G-7	Group of Seven	SCO	Securitized credit obligation
		SDR	Special drawing right
		SIC	Standard Industrial Classification
		VA	Department of Veterans Affairs

GENERAL INFORMATION

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

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

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

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

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

Percent annual rate of change, seasonally adjusted¹

Monetary or credit aggregate	1995		1996 ¹		1996 ¹				
	Q3	Q4	Q1	Q2	Apr.	May	June	July	Aug.
<i>Reserves of depository institutions²</i>									
1 Total	1.5	6.9	7.9	6.4	11.7	20.8	2.5	20.3	21.1
2 Required	2.5	7.7	8.5	5.7	11.6	15.4	9.1	18.8	19.2
3 Nonborrowed	2.1	6.4	6.5	7.6	13.2	21.6	8.3	20.0	20.5
4 Monetary base	1.7	7.7	1.5	2.1	.6	1.0	5.7	7.6	6.2
<i>Concepts of money, liquid assets, and debt³</i>									
5 M1	1.5	5.1	2.7	.7	3.3	6.8	.5	8.8	9.9
6 M2	6.6 ⁴	4.1	5.8	3.9	1.8	2.0	5.3	1.9	4.7
7 M3	7.7 ⁵	4.6 ⁶	7.1	5.3	1.8	2.7	4.5	2.6	5.1
8 L	8.9 ⁷	6.0 ⁸	5.0	5.5	5.4	.9	5.7	3.0	n.a.
9 Debt	5.2 ⁹	4.7	5.0	5.6	5.5	4.6	5.0	5.3	n.a.
<i>Nontransaction components</i>									
10 In M2 ⁸	10.5 ⁸	8.4 ⁸	9.6	5.9	4.0	0	7.7	6.4	9.3
11 In M3 only ⁸	12.2 ⁸	6.4 ⁸	12.3	10.5	1.5	21.1	1.5	5.3	10.9
<i>Time and savings deposits</i>									
<i>Commercial banks</i>									
12 Savings, including MMDAs	9.0	13.1	22.6	12.7	8.6	4.1	12.3	9.7	16.6
13 Small time ^{8,9}	11.0	4.8	2.5	2.9	3.5	2.9	.6	5.8	6.0
14 Large time ^{8,9}	13.2 ⁹	19.5 ⁹	8.0	17.3	7.5	20.3	18.9	17.0	17.4
<i>Thrift institutions</i>									
15 Savings, including MMDAs	7.3	2.8	3	8.1	13.9	5.2	2.9	.3	5.2
16 Small time ⁸	4.1	4.9 ⁸	2.3	3.2	1.7	2.4	3.1	2.7	3.4
17 Large time ⁸	13.7	8.4 ⁸	6.4	3.0	1.6	9.5	4.8	12.7	7.9
<i>Money market mutual funds</i>									
18 Retail	34.6 ⁴	16.9 ⁴	14.3	10.5	1.7	5.0	20.0	13.0	14.8
19 Institution only	27.6	10.3	27.9	8.7	13.0	10.3	29.1	16.8	20.4
<i>Repurchase agreements and Eurodollars</i>									
20 Repurchase agreements ¹⁰	5.0	14.6	1.3	4.9	7.8	80.0	70.7	24.2	16.0
21 Eurodollars ¹⁰	9.4	6.7 ⁸	17.0	12.0	35.6	16.0	9.7	19.3	13.5
<i>Debt components⁴</i>									
22 Federal	1.4 ⁴	2.3	3.0	4.7	4.2	2.0	2.1	6.0	n.a.
23 Nonfederal	5.5 ⁴	5.6 ⁴	5.7	5.8	6.0	5.5	6.0	5.0	n.a.

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

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

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

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

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

M2: M1 plus (1) savings (including MMDAs), (2) small denomination time deposits (time deposits including retail RPs in amounts of less than \$100,000), and (3) balances in retail money market mutual funds (money funds with minimum initial investments of less than \$50,000). Excludes individual retirement accounts (IRAs) and Keogh balances at depository institutions and money market funds. Seasonally adjusted M2 is calculated by summing savings deposits, small denomination time deposits, and retail money fund balances, each seasonally adjusted separately, and adding this result to seasonally adjusted M1.

M3: M2 plus (1) large denomination time deposits (in amounts of \$100,000 or more), (2) balances in institutional money funds (money funds with minimum initial investments of \$50,000 or more), (3) RP liabilities (overnight and term) issued by all depository institutions, and (4) Eurodollars (overnight and term) held by U.S. residents at foreign branches of U.S. banks worldwide and at all banking offices in the United Kingdom and Canada. Excludes

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

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

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

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

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

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

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

10. Includes both overnight and term.

1.11 RESERVES OF DEPOSITORY INSTITUTIONS AND RESERVE BANK CREDIT¹

Millions of dollars

Factor	Average of daily figures			Average of daily figures for week ending on date indicated						
	1996			1996						
	June	July	Aug.	July 17	July 24	July 31	Aug. 7	Aug. 14	Aug. 21	Aug. 28
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	420,911	423,813 ²	425,068	425,198	419,280 ²	424,567 ²	425,657	423,864	424,564	425,325
U.S. government securities										
2 Bought outright - System account	382,000	383,166	385,637	383,393	382,763	383,049	382,448	384,392	387,926	387,238
3 Held under repurchase agreements	4,456	5,677	3,734	6,422	1,794	6,078	6,808	3,044	2,189	2,672
Federal agency obligations										
4 Bought outright	2,401	2,359	2,336	2,351	2,351	2,436	2,336	2,336	2,336	2,336
5 Held under repurchase agreements	524	449	899	1,010	414	407	899	738	515	1,300
6 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions										
7 Adjustment credit	185	92	17	5	16	261	21	11	6	35
8 Seasonal credit	190	285	311	283	299	308	284	295	319	337
9 Extended credit	0	0	0	0	0	0	0	0	0	0
10 Float	380	470 ²	459	385	455 ¹	273 ²	448	345	496	481
11 Other Federal Reserve assets	30,775	31,314	31,674	31,349	31,188	31,856	32,421	32,703	30,777	30,975
12 Gold stock	11,051	11,050	11,050	11,050	11,050	11,050	11,050	11,050	11,050	11,050
13 Special drawing rights certificate account	10,168	10,168	9,718	10,168	10,168	10,168	9,718	9,718	9,718	9,718
14 Treasury currency outstanding	24,482	24,543	24,606	24,549	24,553	24,567	24,581	24,595	24,609	24,623
ABSORBING RESERVE FUNDS										
15 Currency in circulation	423,445	428,381	429,507	428,958	427,422	427,164	428,677	429,673	429,499	429,179
16 Treasury cash holdings	281	269	268	268	267	258	262	268	268	270
Deposits, other than reserve balances, with Federal Reserve Banks										
17 Treasury	6,162	5,304	5,107	5,464	5,260	5,384	5,069	4,781	5,129	5,272
18 Foreign	177	180	186	176	173	164	189	186	181	194
19 Service-related balances and adjustments	6,161	6,228	6,361	6,002	6,380	6,281	6,307	6,312	6,367	6,495
20 Other	330	318	311	342	313	295	313	305	324	309
21 Other Federal Reserve liabilities and capital	13,224	13,391	13,993	13,252	13,242	13,885	14,218	13,786	13,842	14,098
22 Reserve balances with Federal Reserve Banks ³	16,832	15,503 ²	14,709	16,494	11,994 ²	16,920 ²	15,969	13,917	14,332	14,899
End of month figures										
Wednesday figures										
	June	July	Aug.	July 17	July 24	July 31	Aug. 7	Aug. 14	Aug. 21	Aug. 28
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	425,292	436,342 ²	426,665	432,275	419,952 ²	436,332 ²	424,544	426,917	425,142	430,828
U.S. government securities ²										
2 Bought outright - System account	383,914	382,378	386,955	383,364	382,967	382,378	383,243	385,806	387,269	386,478
3 Held under repurchase agreements	7,086	15,458	4,374	12,700	2,080	15,458	4,854	4,670	3,310	7,572
Federal agency obligations										
4 Bought outright	2,388	2,336	2,336	2,351	2,351	2,336	2,336	2,336	2,336	2,336
5 Held under repurchase agreements	0	282	1,238	1,690	700	282	642	898	665	1,778
6 Acceptances	0	0	0	0	0	0	0	0	0	0
Loans to depository institutions										
7 Adjustment credit	388	1,423	10	9	17	1,423	5	28	17	42
8 Seasonal credit	248	295	329	295	310	295	283	310	328	341
9 Extended credit	0	0	0	0	0	0	0	0	0	0
10 Float	190	510 ²	201	18	203 ²	510 ²	815	99	253	1,041
11 Other Federal Reserve assets	31,458	33,649	31,221	31,848	31,324	33,649	32,367	32,967	30,968	31,239
12 Gold stock	11,050	11,050	11,050	11,050	11,050	11,050	11,050	11,050	11,050	11,050
13 Special drawing rights certificate account	10,168	10,168	9,718	10,168	10,168	10,168	9,718	9,718	9,718	9,718
14 Treasury currency outstanding	24,511	24,567	24,637	24,539	24,553	24,567	24,581	24,595	24,609	24,623
ABSORBING RESERVE FUNDS										
15 Currency in circulation	424,780	428,715	432,045	428,935	427,693	428,715	429,951	430,353	429,799	431,017
16 Treasury cash holdings	280	261	277	269	257	261	268	268	268	277
Deposits, other than reserve balances, with Federal Reserve Banks										
17 Treasury	7,701	6,836	5,149	5,323	5,211	6,836	4,695	5,449	5,879	5,858
18 Foreign	183	166	171	167	167	166	169	177	183	216
19 Service-related balances and adjustments	6,172	6,281	6,276	6,002	6,380	6,281	6,307	6,312	6,367	6,495
20 Other	326	278	293	363	291	278	307	308	322	296
21 Other Federal Reserve liabilities and capital	13,374	14,817	14,007	13,067	13,194	14,817	13,563	13,662	13,581	13,953
22 Reserve balances with Federal Reserve Banks ³	18,205	24,761 ²	13,852	23,907	12,530 ²	24,761 ²	14,634	15,752	14,121	18,106

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

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

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

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1.12 RESERVEs AND BORROWINGS Depository Institutions¹

Millions of dollars

Reserve classification	Prorated monthly averages of biweekly averages									
	1993	1994	1995	1996						
	Dec	Dec	Dec	Feb.	Mar.	Apr.	May	June	July	Aug.
1 Reserve balances with Reserve Banks ²	29,474	24,658	20,440	16,792	18,426	19,181	16,753	16,590	15,392 ¹	14,760
2 Total vault cash ³	36,818	40,378	42,088	42,115	40,892	40,889	41,146	41,979	42,773	42,517
3 Applied vault cash ⁴	3,484	36,682	17,460	36,957	36,458	36,688	36,382	37,095	37,451	36,876
4 Surplus vault cash ⁵	3,344	1,696	4,628	5,158	4,415	4,201	4,764	4,883	5,322	5,641
5 Total reserves ⁶	62,858	61,340	57,900	53,749	54,884	55,869	53,135	53,685	52,843 ¹	51,635
6 Required reserves ⁷	61,795	60,172	56,622	52,898	53,747	54,750	52,275	52,535	51,778	50,671
7 Excess reserve balances at Reserve Banks ⁸	1,063	1,168	1,278	851	1,137	1,120	860	1,150	1,065 ⁹	965
8 Total borrowings at Reserve Banks ⁹	81	209	257	35	21	91	127	386	368	344
9 Seasonal borrowings	8	100	40	7	10	34	105	192	284	309
10 Extended credit ¹⁰	0	0	0	0	0	0	0	0	0	0

Reserve classification	Biweekly averages of daily figures for two week periods ending on dates indicated									
	1996									
	May 8	May 22	June 5	June 19	July 3	July 17	July 31 ¹	Aug. 14	Aug. 28	Sept. 11
1 Reserve balances with Reserve Banks ²	16,876	16,946	16,341	16,565	16,735	16,049	14,447	14,940	14,611	14,608
2 Total vault cash ³	42,013	40,873	40,879	42,824	41,403	42,347	43,492	43,326	41,604	43,007
3 Applied vault cash ⁴	37,190	36,091	36,117	37,747	36,712	37,320	37,740	37,604	36,110	37,055
4 Surplus vault cash ⁵	4,823	4,782	4,762	5,078	4,692	5,027	5,752	5,722	5,494	5,953
5 Total reserves ⁶	54,065	53,037	52,458	54,311	53,447	53,369	52,187	52,543	50,721	51,663
6 Required reserves ⁷	53,002	52,201	51,743	53,234	52,007	52,543	50,964	51,514	49,825	50,681
7 Excess reserve balances at Reserve Banks ⁸	1,063	836	715	1,078	1,439	826	1,223	1,029	896	981
8 Total borrowings at Reserve Banks ⁹	92	129	156	469	386	290	442	306	349	394
9 Seasonal borrowings	71	103	138	173	241	273	304	290	328	308
10 Extended credit ¹⁰	0	0	0	0	0	0	0	0	0	0

1 Data in this table also appear in the Board's H-3 (502) weekly statistical release. For ordering address, see inside front cover. Data are not break-adjusted or seasonally adjusted.
 2 Excludes required clearing balances and adjustments to compensate for float and includes other off balance sheet "as of" adjustments.
 3 Total "lagged" vault cash held by depository institutions subject to reserve requirements. Dates refer to the maintenance periods during which the vault cash may be used to satisfy reserve requirements. The maintenance period for weekly reporters ends sixteen days after the lagged computation period during which the vault cash is held. Before Nov. 25, 1992, the maintenance period ended thirty days after the lagged computation period.
 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 Consists of borrowing at the discount window under the terms and conditions established for the extended credit program to help depository institutions deal with sustained liquidity pressures. Because there is not the same need to repay such borrowing promptly as with traditional short-term adjustment credit, the money market effect of extended credit is similar to that of nonborrowed reserves.

1.13 SELECTED BORROWINGS IN IMMEDIATELY AVAILABLE FUNDS Large Banks¹

Millions of dollars, averages of daily figures

Source and maturity	1996, week ending Monday									
	July 1	July 8	July 15	July 22	July 29	Aug. 5	Aug. 12	Aug. 19	Aug. 26	
<i>Federal funds purchased, repurchase agreements, and other selected borrowings</i>										
<i>From commercial banks in the United States</i>										
1 For one day or under continuing contract	77,701	81,116	75,971	75,271	72,877	80,201	78,496	77,921	72,303	
2 For all other maturities	17,237 ²	15,860 ²	16,560 ²	15,215 ²	14,764 ²	13,630	14,649	14,729	16,804	
<i>From other depository institutions, foreign banks and official institutions, and U.S. government agencies</i>										
3 For one day or under continuing contract	18,186	22,846	22,183	22,679	18,460	21,936	18,160	17,835	15,445	
4 For all other maturities	21,379 ²	20,342 ²	21,720 ²	20,415 ²	20,440 ²	18,788	19,797	19,880	22,697	
<i>Repurchase agreements on U.S. government and federal agency securities</i>										
<i>Brokers and nonbank dealers in securities</i>										
5 For one day or under continuing contract	15,609	17,296	14,058	11,804	12,467	14,777	12,955	15,474	13,056	
6 For all other maturities	37,087	38,104	39,958	39,674	41,571	38,984	39,498	34,426	35,857	
<i>All other customers</i>										
7 For one day or under continuing contract	34,219 ²	36,086	37,174	37,226	37,015	37,215	39,384	39,689	37,664	
8 For all other maturities	13,905	13,089	12,734	13,145	13,065	13,154	13,285	12,907	13,674	
MIM0										
<i>Federal funds loans and resale agreements in immediately available funds in maturities of one day or under continuing contract</i>										
9 To commercial banks in the United States	72,771 ²	70,774	64,529	64,835	66,286	69,859	63,772	68,417	70,265	
10 To all other specified customers	22,812 ²	25,514	25,023	22,049	21,470	22,020	21,308	20,455	19,724	

1 Banks with assets of \$1 billion or more as of Dec. 31, 1988.
 2 Data in this table also appear in the Board's H-5 (507) weekly statistical release. For ordering address, see inside front cover.
 3 Brokers and nonbank dealers in securities, other depository institutions, foreign banks and official institutions, and U.S. government agencies.

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per year

Current and previous levels

Federal Reserve Bank	Adjustment credit ¹			Seasonal credit ²			Extended credit ³		
	On 10/4/96	Effective date	Previous rate	On 10/4/96	Effective date	Previous rate	On 10/4/96	Effective date	Previous rate
Boston	5.00	2/1/96	5.25	5.40	9/26/96	5.40	5.90	9/26/96	5.90
New York		1/31/96							
Philadelphia		1/31/96							
Cleveland		1/31/96							
Richmond		2/1/96							
Atlanta		1/31/96							
Chicago	5.00	2/1/96	5.25	5.40	9/26/96	5.40	5.90	9/26/96	5.90
St. Louis		2/5/96							
Minneapolis		1/31/96							
Kansas City		2/1/96							
Dallas		1/31/96							
San Francisco		1/31/96							

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—Nov. 2	13-14	13	1988—Aug. 9	6-6.5	6.5
1978—Jan. 9	6-6.5	6.5	6	13	13	11	6.5	6.5
20	6.5	6.5	Dec. 4	12	12	1989—Feb. 24	6.5-7	7
May 11	6.5-7	7	1982—July 20	11.5-12	11.5	27	7	7
12	7	7	23	11.5	11.5	1990—Dec. 19	6.5	6.5
July 3	7-7.25	7.25	Aug. 2	11-11.5	11	1991—Feb. 1	6-6.5	6
10	7.25	7.25	3	11	11	4	6	6
Aug. 21	7.75	7.75	16	10.5	10.5	1991—Apr. 30	5.5-6	5.5
Sept. 22	8	8	27	10-10.5	10	May 2	5.5	5.5
Oct. 16	8-8.5	8.5	30	10	10	Sept. 13	5-5.5	5
20	8.5	8.5	Oct. 12	9.5-10	9.5	17	5	5
Nov. 1	8.5-9.5	9.5	13	9.5	9.5	Nov. 6	4.5-5	4.5
3	9.5	9.5	Nov. 22	9-9.5	9	7	4.5	4.5
1979—July 20	10	10	26	9	9	Dec. 20	3.5-4.5	3.5
Aug. 17	10-10.5	10.5	Dec. 14	8.5-9	8.5	24	3.5	3.5
20	10.5	10.5	15	8.5-9	8.5	1992—July 2	3-3.5	3
Sept. 19	10.5-11	11	17	8.5	8.5	7	3	3
21	11	11	1984—Apr. 9	8.5-9	9	1994—May 17	3-3.5	3.5
Oct. 8	11-12	12	13	9	9	18	3.5	3.5
10	12	12	Nov. 21	8.5-9	8.5	Aug. 16	3.5-4	4
1980—Feb. 15	12-13	13	26	8.5	8.5	18	4	4
19	13	13	Dec. 24	8	8	Nov. 15	4-4.75	4.75
May 29	12-13	13	1985—May 20	7.5-8	7.5	17	4.75	4.75
30	12	12	24	7.5	7.5	1995—Feb. 1	4.75-5.25	5.25
June 13	11-12	11	1986—Mar. 7	7-7.5	7	9	5.25	5.25
16	11	11	10	7	7	1996—Jan. 31	5.00-5.25	5.00
July 28	10-11	10	Apr. 21	6.5-7	6.5	Feb. 5	5.00	5.00
29	10	10	23	6.5	6.5	In effect Oct. 4, 1996	5.00	5.00
Sept. 26	11	11	July 11	6	6			
Nov. 17	12	12	Aug. 21	5.5-6	5.5			
Dec. 5	12-13	13	22	5.5	5.5			
8	13	13	1987—Sept. 4	5.5-6	6			
1981—May 5	13-14	14	11	6	6			
8	14	14						

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

2. Available to help relatively small depository institutions meet regular seasonal needs for funds that arise from a clear pattern of intrayear movements in their deposits and loans and that cannot be met through special industry lenders. The discount rate on seasonal credit takes into account rates charged by market sources of funds and ordinarily is reestablished on the first business day of each two-week reserve maintenance period; however, it is never less than the discount rate applicable to adjustment credit.

3. May be made available to depository institutions when similar assistance is not reasonably available from other sources, including special industry lenders. Such credit may be provided when exceptional circumstances (including sustained deposit drains, impaired access to money market funds, or sudden deterioration in loan repayment performance) or practices involve only a particular institution, or to meet the needs of institutions experiencing difficulties adjusting to changing market conditions over a longer period (particularly at times of deposit disintermediation). The discount rate applicable to adjustment credit ordinarily is charged on extended-credit loans outstanding less than thirty days; however, at the discretion

of the Federal Reserve Bank, this time period may be shortened. Beyond this initial period, a flexible rate somewhat above rates charged on market sources of funds is charged. The rate ordinarily is reestablished on the first business day of each two-week reserve maintenance period, but it is never less than the discount rate applicable to adjustment credit plus 50 basis points.

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

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	Requirement	
	Percentage of deposits	Effective date
<i>Net transaction accounts</i> ²		
1 \$0 million-\$52.0 million ³	3	12/19/95
2 More than \$52.0 million ⁴	10	12/19/95
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 on the Federal Reserve Bulletin*. Under the Monetary Control Act of 1980, depository institutions include commercial banks, mutual savings banks, savings and loan associations, credit unions, agencies and branches of foreign banks, and Edge Act corporations.

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

3. The Monetary Control Act of 1980 requires that the amount of transaction accounts against which the 3 percent reserve requirement applies be modified annually by 80 percent of the percentage change in transaction accounts held by all depository institutions, determined as of June 30 of each year. Effective Dec. 19, 1995, the amount was decreased from \$54.0 million to \$52.0 million.

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

succeeding calendar year by 80 percent of the percentage increase in the total reservable liabilities of all depository institutions, measured on an annual basis as of June 30. No corresponding adjustment is made in the event of a decrease. The exemption applies only to accounts that would be subject to a 3 percent reserve requirement. Effective Dec. 19, 1995, the exemption was raised from \$4.2 million to \$4.3 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. 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.

The reserve requirement on nonpersonal time deposits with an original maturity of 1½ years or more has been zero since Oct. 6, 1983.

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

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS¹

Millions of dollars

Type of transaction and maturity	1993	1994	1995	1996						
				Jan.	Feb.	Mar.	Apr.	May	June	July
U.S. TREASURY SECURITIES										
<i>Outright transactions (excluding matched transactions)</i>										
Treasury bills										
1 Gross purchases	17,717	17,481	10,932	0	0	0	88	0	3,311	0
2 Gross sales	0	0	0	0	0	0	0	0	0	0
3 Exchanges	332,229	376,277	398,487	31,476	39,332	30,556	32,218	30,367	31,726	32,368
4 Redemptions	0	0	900	0	0	0	0	0	0	0
Others within one year										
5 Gross purchases	1,223	1,238	300	0	0	0	35	0	0	0
6 Gross sales	0	0	0	0	0	0	0	0	0	0
7 Maturity shifts	0	0	0	2,048	2,746	0	3,511	3,107	0	2,807
8 Exchanges	31,368	21,444	0	3,287	7,575	0	4,821	3,438	0	4,415
9 Redemptions	0	0	0	1,278	0	0	787	0	0	0
One to five years										
10 Gross purchases	10,350	9,168	4,966	0	0	0	1,809	0	0	0
11 Gross sales	0	0	0	0	0	0	0	0	0	0
12 Maturity shifts	27,140	6,004	0	2,048	1,908	0	3,511	1,049	0	2,807
13 Exchanges	0	17,801	0	3,287	5,175	0	4,824	3,748	0	3,694
Five to ten years										
14 Gross purchases	4,168	3,818	1,239	0	0	0	479	0	0	0
15 Gross sales	0	0	0	0	0	0	0	0	0	0
16 Maturity shifts	0	3,145	0	0	818	0	0	1,038	0	0
17 Exchanges	0	2,903	0	0	1,500	0	0	1,700	0	721
More than ten years										
18 Gross purchases	3,457	3,606	3,122	0	0	0	1,065	0	0	0
19 Gross sales	0	0	0	0	0	0	0	0	0	0
20 Maturity shifts	0	918	0	0	20	0	0	0	0	0
21 Exchanges	0	775	0	0	960	0	0	0	0	0
All maturities										
22 Gross purchases	36,915	35,314	20,649	0	0	0	3,566	0	3,311	0
23 Gross sales	0	0	0	0	0	0	0	0	0	0
24 Redemptions	767	2,337	2,376	1,278	0	0	787	0	0	0
<i>Matched transactions</i>										
25 Gross purchases	1,475,941	1,700,836	2,197,736	260,425	274,290	251,623	253,182	259,135	248,534	267,138
26 Gross sales	1,475,085	1,701,309	2,202,030	259,186	275,979	251,086	251,510	259,595	249,277	268,975
<i>Repurchase agreements</i>										
27 Gross purchases	375,447	309,276	331,694	16,040	6,230	31,602	48,869	30,688	43,048	36,151
28 Gross sales	370,723	311,898	325,497	28,802	6,230	27,706	80,345	27,404	41,666	37,779
29 Net change in U.S. Treasury securities	41,729	29,882	17,175	12,751	1,689	4,433	3,271	2,824	3,950	6,836
FEDERAL AGENCY OBLIGATIONS										
<i>Outright transactions</i>										
30 Gross purchases	0	0	0	0	0	0	0	0	0	0
31 Gross sales	0	0	0	0	0	0	0	0	0	0
32 Redemptions	774	1,002	1,303	0	0	108	82	16	40	52
<i>Repurchase agreements</i>										
33 Gross purchases	35,063	52,696	36,851	9,793	765	5,610	2,372	5,122	5,138	3,145
34 Gross sales	34,669	52,696	36,776	10,893	765	4,610	3,372	4,372	6,488	2,863
35 Net change in federal agency obligations	380	1,002	1,228	1,100	0	892	1,082	1,334	1,390	231
36 Total net change in System Open Market Account	41,348	28,880	15,948	-13,851	-1,689	5,325	2,192	4,158	2,560	7,066

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

A10 Domestic Financial Statistics | November 1996

1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements¹

Millions of dollars

Account	Wednesday					End of month		
	1996					1996		
	July 31	Aug. 7	Aug. 14	Aug. 21	Aug. 28	June 30	July 31	Aug. 31
Consolidated condition statement								
ASSETS								
1 Gold certificate account	11,050	11,050	11,050	11,050	11,050	11,050	11,050	11,050
2 Special drawing rights certificate account	10,168	9,718	9,718	9,718	9,718	10,168	10,168	9,718
3 Com.	521	532	547	556	553	552	521	550
<i>Loans</i>								
4 To depository institutions	1,718	288	338	340	383	646	1,718	339
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	2,336	2,336	2,336	2,336	2,336	2,388	2,336	2,336
8 Held under repurchase agreements	282	642	898	665	1,778	0	282	1,238
9 Total U.S. Treasury securities	397,836	388,097	390,476	390,579	394,050	391,000	397,836	391,329
10 Bought outright ²	382,378	383,243	385,806	387,269	386,478	383,914	382,478	386,955
11 Bills	185,833	186,698	186,786	187,009	186,217	187,370	185,833	186,694
12 Notes	150,102	150,102	151,546	152,392	152,392	150,102	150,102	152,492
13 Bonds	46,443	46,443	47,475	47,869	47,869	46,443	46,443	47,869
14 Held under repurchase agreements	15,458	4,854	4,670	3,310	7,572	7,086	15,458	4,471
15 Total loans and securities	402,173	391,363	394,049	393,921	398,547	394,025	402,173	395,242
16 Items in process of collection	6,143	6,884	5,891	5,831	5,923	4,152	6,143	4,100
17 Bank premises	1,190	1,193	1,199	1,199	1,198	1,182	1,190	1,197
<i>Other assets</i>								
18 Denominated in foreign currencies ³	20,183	20,192	20,201	20,209	20,218	19,554	20,183	20,036
19 All other	12,349	11,149	11,637	9,645	9,919	10,726	12,349	9,997
20 Total assets	463,777	452,081	454,291	452,129	457,126	451,409	463,777	451,890
LIABILITIES								
21 Federal Reserve notes	404,930	406,169	406,572	406,013	407,223	401,101	404,930	408,235
22 Total deposits	38,332	26,657	28,642	27,179	30,933	32,804	38,332	25,846
23 Depository institutions	31,052	21,487	22,708	20,795	24,562	24,594	31,052	20,233
24 U.S. Treasury - General account	6,836	4,695	5,449	5,879	5,858	7,701	6,836	5,149
25 Foreign - Official accounts	166	169	177	183	216	183	166	171
26 Other	278	307	308	322	296	326	278	293
27 Deferred credit items	5,697	5,692	5,415	5,356	5,018	4,130	5,697	3,802
28 Other liabilities and accrued dividends ⁵	5,156	4,372	4,345	4,226	4,524	4,464	5,156	4,585
29 Total liabilities	454,116	442,889	444,973	442,774	447,698	442,499	454,116	442,468
CAPITAL ACCOUNTS								
30 Capital paid in	4,437	4,442	4,487	4,492	4,519	4,138	4,437	4,520
31 Surplus	3,966	3,966	3,966	3,966	3,966	3,966	3,966	3,966
32 Other capital accounts	1,257	783	864	896	943	806	1,257	936
33 Total liabilities and capital accounts	463,777	452,081	454,291	452,129	457,126	451,409	463,777	451,890
M-1 MO								
34 Marketable U.S. Treasury securities held in custody for foreign and international accounts	559,611	553,739	555,005	560,583	564,101	551,797	559,611	567,974
Federal Reserve note statement								
35 Federal Reserve notes outstanding (issued to Banks)	521,387	522,806	524,035	525,468	526,560	519,234	521,387	527,475
36 U.S.S. Held by Federal Reserve Banks	116,457	116,637	117,463	119,455	119,337	118,133	116,457	119,240
37 Federal Reserve notes, net	404,930	406,169	406,572	406,013	407,223	401,101	404,930	408,235
<i>Collateral held against notes, net</i>								
38 Gold certificate account	11,050	11,050	11,050	11,050	11,050	11,050	11,050	11,050
39 Special drawing rights certificate account	10,168	9,718	9,718	9,718	9,718	10,168	10,168	9,718
40 Other eligible assets	0	0	0	0	0	0	0	0
41 U.S. Treasury and agency securities	383,713	385,401	385,804	385,246	386,455	379,883	383,713	387,467
42 Total collateral	404,930	406,169	406,572	406,013	407,223	401,101	404,930	408,235

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

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.

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loan and Security Holding

Millions of dollars

Type of holding and maturity	Wednesday					End of month		
	1996					1996		
	July 31	Aug 7	Aug 11	Aug 21	Aug 28	June 30	July 31	Aug 31
1 Total loans	1,718	288	338	340	383	249	568	373
2 Within fifteen days ¹	1,555	57	94	298	343	231	512	330
3 Sixteen days to ninety days	1,163	231	245	12	40	18	57	43
4 Total U.S. Treasury securities	397,836	388,097	390,476	390,579	394,050	383,914	397,836	386,955
5 Within fifteen days ¹	28,057	23,199	22,890	18,939	17,181	1,110	28,057	3,280
6 Sixteen days to ninety days	86,783	83,247	83,560	92,760	92,893	99,538	86,783	92,893
7 Ninety-one days to one year	118,032	116,687	117,187	109,870	114,655	116,591	118,032	121,790
8 One year to five years	92,581	92,581	93,859	95,012	95,012	91,693	92,581	95,012
9 Five years to ten years	33,662	33,662	34,124	33,653	33,653	32,941	33,662	33,653
10 More than ten years	38,721	38,721	39,456	40,456	40,456	38,721	38,721	40,356
11 Total federal agency obligations	2,618	2,978	3,234	3,001	4,114	2,388	2,618	2,336
12 Within fifteen days ¹	438	612	898	962	2,100	307	438	322
13 Sixteen days to ninety days	722	876	876	579	561	495	722	561
14 Ninety-one days to one year	492	494	494	494	484	610	492	484
15 One year to five years	475	475	475	475	475	485	475	475
16 Five years to ten years	467	467	467	467	467	467	467	467
17 More than ten years	25	25	25	25	25	25	25	25

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

NO11. Total acceptances data have been deleted from this table because data are no longer available.

1.20 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND MONETARY BASE¹

Billions of dollars, averages of daily figures

Item	1992 Dec	1993 Dec	1994 Dec	1995 Dec	1996							
					Jan.	Feb.	Mar.	Apr.	May	June	July	Aug
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ²												
Seasonally adjusted												
1 Total reserves ³	54.37	60.52	59.36	56.36	55.61	54.85	55.73	55.18	54.23	54.11	53.20	52.26
2 Nonborrowed reserves ⁴	54.24	60.44	59.16	56.11	55.57	54.81	55.71	55.09	54.10	53.73	52.83	51.93
3 Nonborrowed reserves plus extended credit ⁵	51.24	60.44	59.16	56.11	55.57	54.81	55.71	55.09	54.10	53.73	52.83	51.93
4 Required reserves	53.21	59.46	58.20	55.09	54.12	54.00	54.59	54.06	53.37	52.96	52.13	51.90
5 Monetary base ⁶	351.24	386.88	418.72	435.01	435.18	433.67	436.87	436.63	437.01	439.08	441.85	444.13
Not seasonally adjusted												
6 Total reserves ⁷	56.06	62.37	61.13	58.02	56.95	53.80	54.97	56.00	53.29	53.87	53.05 ⁸	51.88
7 Nonborrowed reserves	55.93	62.29	60.92	57.76	56.91	53.77	54.95	55.90	53.16	53.48	52.69	51.54
8 Nonborrowed reserves plus extended credit ⁹	55.93	62.29	60.92	57.76	56.91	53.77	54.95	55.90	53.16	53.48	52.69	51.54
9 Required reserves ⁸	54.90	61.31	59.96	56.74	55.47	52.95	53.84	54.88	52.43	52.72	51.99	50.91
10 Monetary base ⁹	354.55	390.59	422.51	439.03	436.01	430.29	431.86	437.12	436.13	439.88	443.19	444.51
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ¹⁰												
11 Total reserves ¹¹	56.54	62.86	61.44	57.90	56.93	53.75	54.88	55.87	53.14	53.69	52.84 ⁸	51.64
12 Nonborrowed reserves	56.42	62.78	61.13	57.64	56.90	53.72	54.86	55.78	53.01	53.30	52.48	51.30
13 Nonborrowed reserves plus extended credit ⁵	56.42	62.78	61.13	57.64	56.90	53.72	54.86	55.78	53.01	53.30	52.48	51.30
14 Required reserves	55.39	61.80	60.17	56.62	55.45	52.90	53.75	54.75	52.28	52.54	51.78	50.67
15 Monetary base ¹³	360.90	397.62	427.25	444.45	441.96	436.26	440.77	442.96	442.17	445.94	449.26	450.70
16 Excess reserves ¹⁴	1.16	1.06	1.17	1.28	1.49	.85	1.14	1.12	.86	1.15	1.07	.97
17 Borrowings from the Federal Reserve	.12	.08	.21	.26	.03	.04	.02	.09	.13	.39	.37	.33

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

2. Figures reflect adjustments for discontinuities, or "breaks," associated with regulatory changes in reserve requirements. (See also table F-10.)

3. Seasonally adjusted, break-adjusted total reserves equal seasonally adjusted, break-adjusted required reserves (line 1) plus excess reserves (line 16).

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

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

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

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

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

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

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

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

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

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

1.21 MONEY STOCK, LIQUID ASSETS, AND DEBT MEASURES¹

Billions of dollars, averages of daily figures

Item	1992 Dec.	1993 Dec.	1994 Dec.	1995 Dec. ¹	1996 ¹			
					May	June	July	Aug.
Seasonally adjusted								
<i>Measures²</i>								
1 M1	1,024.4	1,128.6	1,148.7	1,124.9	1,117.2	1,116.7	1,108.5	1,099.4
2 M2	3,438.7	3,494.0 ³	3,509.2 ⁴	3,657.4	3,723.7	3,740.0	3,745.8	3,757.2
3 M3	4,187.1 ¹	4,249.6	4,319.1 ¹	4,570.5	4,691.0	4,714.5	4,724.6	4,744.8
4 L	5,075.6 ¹	5,164.5	5,302.8 ¹	5,679.8	5,800.2	5,827.9	5,842.7	n.a.
5 Debt	11,880.1 ¹	12,507.6 ¹	13,148.8 ¹	13,869.4	14,185.7	14,244.5	14,307.1	n.a.
<i>M1 components</i>								
6 Currency ³	292.9	322.4	354.9	373.2	377.1	379.4	382.6	385.0
7 Travelers checks ⁴	8.1	7.9	8.5	8.9	8.7	8.6	8.5	8.4
8 Demand deposits ⁵	339.1	384.3	382.4	389.8	409.7	413.7	410.6	407.5
9 Other checkable deposits ⁶	384.2	314.0	402.9	353.0	321.8	315.0	306.8	298.6
<i>Nontransaction components</i>								
10 In M2 ⁷	2,414.3	2,365.4	2,360.5 ¹	2,532.6	2,606.5	2,623.3	2,637.3	2,657.7
11 In M3 only ⁸	748.5 ¹	755.6	809.9 ¹	913.1	973.3	974.5	978.8	987.7
<i>Commercial banks</i>								
12 Savings deposits, including MMDAs	754.1	785.0	751.9	775.0	829.7	838.2	845.0	856.7
13 Small time deposits ^{9, 10, 11}	509.3	470.3 ¹	505.3 ¹	578.3	574.8	575.1	577.9	580.8
14 Large time deposits	286.5 ¹	272.2 ¹	298.8 ¹	342.1	361.1	366.8	372.0	377.4
<i>Thrift institutions</i>								
15 Savings deposits, including MMDAs	433.0	433.8	497.0	359.5	367.9	368.8	368.7	367.1
16 Small time deposits ^{9, 10}	361.9	317.6	318.2	359.4	353.4	352.5	351.7	353.0
17 Large time deposits ¹⁰	67.1	61.5	64.8	75.1	75.1	75.4	76.2	76.7
<i>Money market mutual funds</i>								
18 Retail	356.0	358.7	388.1	460.3	480.8	488.8	494.1	500.2
19 Institution-only	199.8	197.9	183.7	227.2	243.5	249.4	252.9	257.2
<i>Repurchase agreements and Eurodollars</i>								
20 Repurchase agreements ¹²	128.1	157.5	180.8	177.6	195.1	183.6	179.9	177.5
21 Eurodollars ¹²	66.9	66.3	82.3	91.1	98.5	99.3	97.7	98.8
<i>Debt components</i>								
22 Federal debt	3,064.3 ¹	3,323.3 ¹	3,492.2 ¹	3,648.8	3,704.3	3,710.7	3,729.4	n.a.
23 Nonfederal debt	8,815.2 ¹	9,184.2 ¹	9,656.6 ¹	10,220.7	10,481.5	10,533.8	10,577.7	n.a.
Not seasonally adjusted								
<i>Measures²</i>								
24 M1	1,046.0	1,153.7	1,174.2	1,150.7	1,104.0	1,112.8	1,108.5	1,095.3
25 M2	3,455.1	3,514.1	3,529.6 ¹	3,677.1	3,709.2	3,738.4	3,752.7	3,761.1
26 M3	4,205.1 ¹	4,271.2 ¹	4,340.9 ¹	4,591.6	4,681.9	4,711.7	4,726.8	4,750.9
27 L	5,102.9 ¹	5,194.1 ¹	5,332.3 ¹	5,709.3	5,781.0	5,819.0	5,839.9	n.a.
28 Debt	11,881.5	12,509.6	13,150.2	13,869.2	14,136.8	14,196.3	14,246.3	n.a.
<i>M1 components</i>								
29 Currency	295.0	324.8	357.5	376.1	377.5	380.5	383.7	385.9
30 Travelers checks	7.8	7.6	8.1	8.5	8.6	8.9	9.1	9.0
31 Demand deposits	354.4	401.8	400.1	407.9	399.5	409.8	411.2	405.0
32 Other checkable deposits ⁶	388.9	419.4	408.4	358.1	318.3	313.6	304.5	295.4
<i>Nontransaction components</i>								
33 In M2 ⁷	2,409.1	2,360.4	2,355.4 ¹	2,526.4	2,605.1	2,625.6	2,644.2	2,665.8
34 In M3 only ⁸	750.0 ¹	757.1	811.3 ¹	914.5	972.7	973.4	974.0	989.7
<i>Commercial banks</i>								
35 Savings deposits, including MMDAs	752.9	784.3	751.6	775.0	827.7	839.9	847.4	859.8
36 Small time deposits ^{9, 10, 11}	507.8	468.2	502.3 ¹	574.3	576.9	577.1	580.3	582.2
37 Large time deposits	286.0 ¹	272.0 ¹	298.1 ¹	342.0	363.5	367.5	370.3	378.2
<i>Thrift institutions</i>								
38 Savings deposits, including MMDAs	432.4	433.4	396.9	359.5	367.0	369.5	369.7	368.4
39 Small time deposits ^{9, 10}	360.9	316.1	316.3 ¹	356.9	354.7	353.8	353.2	353.9
40 Large time deposits ¹⁰	67.0	61.5	64.8	75.1	75.6	75.6	75.9	76.9
<i>Money market mutual funds</i>								
41 Retail	355.1	358.3	388.2	460.6	478.9	485.3	493.6	501.6
42 Institution-only	201.1	199.4	185.5	229.4	241.1	244.5	250.2	256.9
<i>Repurchase agreements and Eurodollars</i>								
43 Repurchase agreements ¹²	127.2	156.6	179.6	176.2	195.4	187.2	180.5	178.5
44 Eurodollars ¹²	68.7	67.6	83.4	91.9	97.2	98.5	97.1	99.2
<i>Debt components</i>								
45 Federal debt	3,069.8	3,329.5	3,499.0	3,645.9	3,692.1	3,698.1	3,708.3	n.a.
46 Nonfederal debt	8,811.7	9,180.1	9,651.2	10,223.3	10,444.7	10,498.2	10,538.0	n.a.

Footnotes appear on following page

NOTES TO TABLE 1.21

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

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

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

M2: M1 plus (1) savings deposits (including MMDAs), (2) small denomination time deposits (time deposits including retail RPs in amounts of less than \$100,000), and (3) balances in retail money market mutual funds (money funds with minimum initial investments of less than \$50,000). Excludes individual retirement accounts (IRAs) and Keogh balances at depository institutions and money market funds. Seasonally adjusted M2 is calculated by summing savings deposits, small-denomination time deposits, and retail money fund balances, each seasonally adjusted separately, and adding this result to seasonally adjusted M1.

M3: M2 plus (1) large-denomination time deposits (in amounts of \$100,000 or more) issued by all depository institutions, (2) balances in institutional money funds (money funds with minimum initial investments of \$50,000 or more), (3) RP liabilities (overnight and term) issued by all depository institutions, and (4) Eurodollars (overnight and term) held by U.S. residents at foreign branches of U.S. banks worldwide and at all banking offices in the United Kingdom and Canada. Excludes amounts held by depository institutions, the U.S. government, money market funds, and foreign banks and official institutions. Seasonally adjusted M3 is calculated by summing large time deposits, institutional money fund balances, RP liabilities, and Eurodollars, each seasonally adjusted separately, and adding this result to seasonally adjusted M2.

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

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

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

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

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

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

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

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

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

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

12. Includes both overnight and term.

1.22 DEPOSIT INTEREST RATES AND AMOUNTS OUTSTANDING Commercial and BIF-insured saving banks¹

Item	1993 Dec.	1994 Dec.	1995 Dec.	1996							
				Jan.	Feb.	Mar.	Apr.	May	June	July ¹	Aug.
Interest rates (annual effective yields) ²											
INSURED COMMERCIAL BANKS											
1 Negotiable order of withdrawal accounts	1.86	1.96	1.91	1.90	1.91	1.85	1.89	1.88	1.90	1.91	1.94
2 Savings deposits ³	2.46	2.92	3.10	3.01	2.98	2.91	2.91	2.89	2.86	2.88	2.85
<i>Interest-bearing time deposits with balances of less than \$100,000, by maturity</i>											
3 7 to 91 days	2.65	3.79	4.10	4.02	3.99	4.02	4.01	4.03	4.08	4.14	4.17
4 92 to 182 days	2.91	4.44	4.68	4.57	4.45	4.49	4.51	4.51	4.55	4.59	4.61
5 183 days to 1 year	3.13	5.12	5.02	4.91	4.79	4.83	4.86	4.88	4.95	5.00	5.00
6 More than 1 year to 2½ years	3.55	5.74	5.17	5.03	4.89	4.94	5.03	5.10	5.18	5.25	5.25
7 More than 2½ years	4.28	6.30	5.40	5.26	5.10	5.19	5.28	5.36	5.46	5.51	5.50
BIF-INSURED SAVINGS BANKS ⁴											
8 Negotiable order of withdrawal accounts	1.87	1.94	1.91	1.85	1.84	1.83	1.84	1.82	1.80	1.81	1.81
9 Savings deposits ³	2.63	2.87	2.98	2.95	2.92	2.86	2.85	2.84	2.85	2.88	2.86
<i>Interest-bearing time deposits with balances of less than \$100,000, by maturity</i>											
10 7 to 91 days	2.81	3.80	4.43	4.38	4.26	4.37	4.42	4.49	4.54	4.64	4.65
11 92 to 182 days	3.02	4.89	4.95	4.86	4.77	4.76	4.77	4.83	4.91	5.01	5.06
12 183 days to 1 year	3.31	5.52	5.18	5.06	4.91	4.89	4.91	4.96	5.02	5.09	5.26
13 More than 1 year to 2½ years	3.67	6.09	5.33	5.22	5.10	5.15	5.23	5.25	5.35	5.41	5.59
14 More than 2½ years	4.62	6.43	5.46	5.34	5.24	5.24	5.32	5.38	5.51	5.60	5.80
Amounts outstanding (millions of dollars)											
INSURED COMMERCIAL BANKS											
15 Negotiable order of withdrawal accounts	305,237	304,896	248,417	245,749	242,930	218,604	228,637	208,890	203,034	206,703	192,551
16 Savings deposits ³	767,035	737,068	776,466	768,071	784,035	827,666	805,317	839,482	844,348	840,966	866,712
17 Personal	598,276	580,438	615,113	612,321	623,110	661,919	639,921	669,107	672,737	667,217	687,900
18 Nonpersonal	168,759	156,630	161,353	155,750	160,925	165,748	165,396	170,375	171,611	173,749	178,812
<i>Interest-bearing time deposits with balances of less than \$100,000, by maturity</i>											
19 7 to 91 days	29,362	32,265	32,170	33,783	35,719	35,377	34,071	30,356	31,345	31,964	33,002
20 92 to 182 days	109,050	96,650	93,941	95,350	97,219	97,141	96,052	95,896	95,100	94,256	91,596
21 183 days to 1 year	145,386	163,062	183,834	184,046	184,095	186,158	190,018	193,722	195,450	197,664	200,868
22 More than 1 year to 2½ years	139,781	164,395	208,601	212,394	210,493	208,915	208,252	208,767	209,587	209,084	209,743
23 More than 2½ years	180,461	192,712	199,002	199,254	198,922	198,980	197,783	198,332	198,856	197,858	199,547
24 IRA and Keogh plan deposits	144,011	144,155	150,546	150,366	149,965	150,496	150,580	150,889	151,349	151,836	151,908
BIF-INSURED SAVINGS BANKS ⁴											
25 Negotiable order of withdrawal accounts	11,191	11,175	11,918	11,139	11,597	11,703	11,492	11,744	11,234	10,893	10,801
26 Savings deposits ³	80,376	70,082	68,643	66,702	67,614	67,276	66,808	67,715	66,886	66,894	67,944
27 Personal	77,263	67,159	65,366	63,377	64,524	64,208	63,559	64,199	63,594	63,594	64,394
28 Nonpersonal	3,113	2,923	3,277	3,325	3,090	3,068	3,249	3,516	3,292	3,300	3,549
<i>Interest-bearing time deposits with balances of less than \$100,000, by maturity</i>											
29 7 to 91 days	2,746	2,144	2,001	2,009	2,131	2,140	2,179	2,345	2,226	2,378	2,356
30 92 to 182 days	12,974	11,361	12,140	12,334	13,247	13,477	13,911	13,934	13,702	13,638	13,633
31 183 days to 1 year	17,469	18,391	25,686	26,304	26,863	26,534	27,265	28,079	27,907	28,605	29,717
32 More than 1 year to 2½ years	16,589	17,787	27,482	26,582	26,945	25,934	25,684	25,422	25,492	26,181	26,376
33 More than 2½ years	20,501	21,293	22,866	22,449	21,819	22,646	22,526	22,638	22,569	22,616	22,694
34 IRA and Keogh plan accounts	19,791	19,013	21,321	20,827	20,845	20,615	20,553	20,543	20,709	20,763	20,763

1. BIF, Bank Insurance Fund. Data in this table also appear in the Board's H.6 (508) Special Supplementary Table monthly statistical release. For ordering address, see inside front cover. Estimates are based on data collected by the Federal Reserve System from a stratified random sample of about 425 commercial banks and 75 savings banks on the last day of each month. Data are not seasonally adjusted and include IRA and Keogh deposits and foreign currency-denominated deposits. Data exclude retail repurchase agreements and deposits held in U.S. branches and agencies of foreign banks.

2. As of October 31, 1994, interest rate data for NOW accounts and savings deposits reflect a series break caused by a change in the survey used to collect these data.

3. Includes personal and nonpersonal money market deposits.

4. Includes both mutual and federal savings banks.

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1.23 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 deposit	1993 ²	1994 ²	1995 ²	1996						
				Jan.	Feb.	Mar.	Apr.	May	June	
DEBITS										
<i>Seasonally adjusted</i>										
<i>Demand deposits</i> ³										
1 All insured banks	334,784.1	369,029.1	397,649.3	430,421.2	447,869.0	422,696.7	463,244.4 ⁴	470,742.4 ⁴	423,913.3	423,913.3
2 Major New York City banks	171,224.3	191,168.8	201,161.3	229,379.2	238,538.4	224,066.5	245,140.5	252,388.2 ⁴	219,267.0	219,267.0
3 Other banks	163,559.7	177,860.3	196,487.9	201,042.0	209,330.6	198,630.2	217,803.9 ⁴	218,354.2 ⁴	204,646.3	204,646.3
4 Other checkable deposits ⁴	3,481.5	3,798.6	4,207.4	4,967.8	5,024.4	4,942.7	5,281.2 ⁴	5,703.6 ⁴	5,183.2	5,183.2
5 Savings deposits (including MMDAs) ⁵	3,497.4	3,766.3	4,507.8	6,035.9	6,406.6	6,283.1	7,357.1 ⁴	7,132.9	7,198.9	7,198.9
DEPOSIT TURNOVER										
<i>Demand deposits</i> ³										
6 All insured banks	785.9	817.4	874.1	916.8	950.6	881.0	970.0	987.3	865.1	865.1
7 Major New York City banks	4,198.1	4,481.5	4,867.3	5,368.0	5,852.3	5,608.2	5,884.3	6,032.3	4,921.9	4,921.9
8 Other banks	424.6	435.1	475.2	471.1	486.4	451.6	499.7	502.0	459.4	459.4
9 Other checkable deposits ⁴	11.9	12.6	15.4	20.8	21.6	21.7	23.3	26.4	24.7	24.7
10 Savings deposits (including MMDAs) ⁵	4.6	4.9	6.1	7.7	8.1	7.8	9.0	8.7	8.6	8.6
DEBITS										
<i>Not seasonally adjusted</i>										
<i>Demand deposits</i> ³										
11 All insured banks	334,899.2	369,121.8	397,657.8	429,213.3	414,819.1	442,977.6	456,898.8 ⁴	459,061.9 ⁴	436,753.7	436,753.7
12 Major New York City banks	171,283.5	191,226.0	201,182.6	227,293.7	222,007.5	236,954.2	238,335.3	240,893.0	225,760.4	225,760.4
13 Other banks	163,615.7	177,895.7	196,475.3	201,919.6	192,811.6	206,023.4	218,563.4 ⁴	218,168.8 ⁴	210,993.3	210,993.3
14 Other checkable deposits ⁴	3,481.7	3,795.6	4,202.6	5,393.9	4,629.1	4,990.4	5,580.9 ⁴	5,479.7 ⁴	5,332.4	5,332.4
15 Savings deposits (including MMDAs) ⁵	3,398.3	3,764.4	4,500.8	6,309.7	5,798.9	6,444.7	7,690.2 ⁴	7,061.9 ⁴	7,375.0	7,375.0
DEPOSIT TURNOVER										
<i>Demand deposits</i> ³										
16 All insured banks	786.1	818.2	874.6	895.4	900.9	947.0	956.6	980.2 ⁴	903.0	903.0
17 Major New York City banks	4,197.9	4,490.3	4,873.1	5,109.7	5,427.5	6,060.5	5,774.9	5,963.5	5,188.2	5,188.2
18 Other banks	424.8	435.3	475.4	463.3	459.6	480.6	500.9	509.8	479.4	479.4
19 Other checkable deposits ⁴	11.9	12.6	15.3	22.0	19.9	21.8	24.1	25.6	25.6	25.6
20 Savings deposits (including MMDAs) ⁵	4.6	4.9	6.1	8.1	7.3	7.9	9.4	8.6	8.8	8.8

1. Historical tables containing revised data for earlier periods can be obtained from the Publications Section, Division of Support Services, Board of Governors of the Federal Reserve System, Washington, DC 20551.

2. Data in this table also appear in the Board's G.6 (406) monthly statistical release. For ordering address, see inside front cover.

3. Annual averages of monthly figures.

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

4. As of January 1994, other checkable deposits (OCDs), previously defined as automatic transfer to demand deposits (ATDS) and negotiable order of withdrawal (NOW) accounts, were expanded to include telephone and preauthorized transfer accounts. This change redefined OCDs for debits data to be consistent with OCDs for deposits data.

5. Money market deposit accounts.

1.26 ASSETS AND LIABILITIES OF COMMERCIAL BANKS¹

Billions of dollars

Account	Monthly averages								Wednesday figures			
	1995	1996 ¹							1996			
	Aug.	Feb.	Mar.	Apr.	May	June	July	Aug.	Aug. 7	Aug. 14	Aug. 21	Aug. 28
Seasonally adjusted												
All Commercial Banking Institutions												
<i>Assets</i>												
1 Bank credit	3,548.3	3,617.8	3,611.7	3,660.1	3,661.3	3,669.0	3,612.0	3,668.8	3,670.4	3,666.9	3,669.5	3,668.7
2 Securities in bank credit	985.2	998.6	983.5	982.6	989.1	980.7	975.2	966.4	974.2	970.7	967.6	961.0
3 U.S. government securities	708.5	716.3	705.9	705.9	714.7	708.1	708.0	703.3	704.1	704.0	697.9	702.6
4 Other securities	276.6	282.3	277.5	276.7	274.3	272.6	267.2	263.1	269.5	266.7	269.7	258.4
5 Loans and leases in bank credit	2,563.3	2,619.3	2,628.2	2,677.5	2,675.9	2,688.3	2,696.8	2,702.4	2,696.2	2,696.2	2,701.9	2,707.7
6 Commercial and industrial	701.4	728.5	727.5	733.3	735.8	738.9	742.8	741.2	742.1	740.6	744.6	746.7
7 Real estate	1,067.9	1,089.6	1,091.9	1,096.7	1,098.3	1,101.6	1,102.6	1,109.3	1,106.1	1,108.7	1,111.6	1,110.5
8 Revolving home equity	78.2	79.8	79.8	80.0	79.5	79.1	79.5	80.1	80.0	80.0	80.1	80.3
9 Other	989.7	1,009.8	1,015.1	1,016.7	1,018.8	1,022.4	1,023.0	1,029.2	1,026.1	1,028.8	1,031.4	1,030.1
10 Consumer	485.7	500.6	504.1	507.8	505.3	510.5	512.5	514.2	512.7	512.6	514.4	515.8
11 Security ²	84.3	85.1	84.9	85.9	82.6	82.1	80.3	76.7	77.3	77.5	77.1	75.9
12 Other	224.9	214.9	216.9	215.7	215.2	215.3	218.6	217.9	218.9	218.7	218.2	218.8
13 Interbank loans ³	189.5	192.3	202.6	208.9	208.7	207.0	199.6	203.3	199.9	206.2	206.1	200.7
14 Cash assets ⁴	211.7	219.6	216.4	222.5	219.1	216.7	216.8	219.3	218.1	218.9	215.8	221.7
15 Other assets ⁵	221.6	242.8	241.8	243.6	243.5	253.9	265.0	267.9	264.5	268.1	267.7	267.6
16 Total assets ⁶	4,117.3	4,245.8	4,245.7	4,277.9	4,278.9	4,289.3	4,295.6	4,301.4	4,295.1	4,302.2	4,301.2	4,300.7
<i>Liabilities</i>												
17 Deposits	2,616.7	2,681.7	2,702.5	2,718.7	2,717.7	2,721.4	2,728.4	2,741.9	2,749.7	2,742.1	2,745.7	2,740.5
18 Transaction	783.3	765.5	766.6	769.9	750.7	799.7	732.5	733.2	737.1	730.6	738.3	731.7
19 Nontransaction	1,833.5	1,916.2	1,935.9	1,948.8	1,967.0	1,921.8	1,995.9	2,008.7	2,012.5	2,011.5	2,007.3	2,008.8
20 Large time	408.8	426.4	429.1	433.3	440.0	435.4	448.0	452.7	450.0	453.1	453.1	451.1
21 Other	1,424.7	1,489.9	1,506.9	1,515.4	1,521.4	1,526.4	1,572.9	1,556.0	1,552.6	1,558.5	1,554.2	1,552.7
22 Borrowings	687.8	691.8	688.8	710.5	710.3	702.1	692.6	700.4	693.5	700.0	696.6	712.1
23 From banks in the U.S.	194.2	192.6	204.0	202.6	203.3	203.6	200.2	200.0	191.6	204.8	197.8	204.9
24 From nonbanks in the U.S.	493.5	499.2	484.8	504.0	507.0	498.5	492.4	500.5	498.8	495.1	498.8	507.2
25 Net due to related foreign offices	244.5	246.6	261.6	251.6	256.1	255.2	249.1	243.5	250.0	243.0	251.7	249.0
26 Other liabilities ⁸	215.9	233.8	234.1	231.7	220.1	227.0	221.6	228.9	226.6	230.2	231.1	228.7
27 Total liabilities	3,764.9	3,883.9	3,877.0	3,915.5	3,904.2	3,905.8	3,894.7	3,914.8	3,909.8	3,915.3	3,917.4	3,910.4
28 Residual (assets less liabilities) ⁹	352.5	361.9	368.7	362.3	374.7	383.5	401.0	386.6	385.3	386.9	383.8	390.4
Not seasonally adjusted												
<i>Assets</i>												
29 Bank credit	3,577.1	3,639.5	3,646.1	3,661.3	3,661.2	3,665.9	3,661.6	3,667.5	3,668.7	3,669.3	3,661.6	3,663.9
30 Securities in bank credit	988.8	993.6	988.0	987.9	993.6	981.9	971.7	970.4	976.4	976.6	966.8	964.0
31 U.S. government securities	711.4	711.6	710.3	712.0	715.5	708.3	705.5	707.2	708.3	707.6	701.3	701.7
32 Other securities	277.3	282.0	277.7	275.9	278.1	273.6	265.9	264.9	269.2	268.2	265.5	259.3
33 Loans and leases in bank credit	2,558.3	2,615.9	2,648.1	2,673.3	2,684.0	2,692.9	2,697.1	2,692.3	2,692.8	2,692.8	2,697.8	2,699.9
34 Commercial and industrial	698.2	726.6	731.4	739.3	741.3	741.9	733.9	740.9	741.5	739.0	740.7	740.3
35 Real estate	1,067.6	1,086.5	1,089.3	1,092.8	1,095.3	1,100.2	1,102.4	1,108.8	1,105.5	1,109.1	1,110.0	1,109.9
36 Revolving home equity	78.5	79.3	79.0	79.4	79.4	79.1	79.6	80.4	80.0	80.2	80.4	80.7
37 Other	989.1	1,007.2	1,010.3	1,013.5	1,015.9	1,021.1	1,022.8	1,028.5	1,025.5	1,028.9	1,029.6	1,029.3
38 Consumer	485.9	501.1	499.9	505.0	503.6	506.8	509.8	514.4	510.7	512.3	515.0	512.9
39 Security ²	82.1	88.7	84.8	86.7	78.4	80.0	77.8	74.7	75.8	75.5	74.2	74.0
40 Other	224.5	214.0	213.8	219.5	219.2	215.3	217.1	218.3	218.7	217.0	217.8	217.7
41 Interbank loans ³	184.7	194.2	200.5	205.9	202.3	203.3	196.8	197.6	195.6	202.5	197.4	191.4
42 Cash assets ⁴	202.8	210.4	209.2	217.0	216.7	214.6	214.6	209.7	205.6	209.3	200.8	209.6
43 Other assets ⁵	226.5	242.2	240.3	241.0	244.4	253.4	265.7	270.0	268.7	269.8	266.3	269.1
44 Total assets ⁶	4,104.1	4,239.5	4,229.1	4,268.4	4,267.6	4,279.9	4,284.1	4,286.9	4,280.9	4,293.0	4,271.2	4,276.3
<i>Liabilities</i>												
45 Deposits	2,603.6	2,672.7	2,688.9	2,715.6	2,707.3	2,718.2	2,721.5	2,729.7	2,732.9	2,736.7	2,708.5	2,711.7
46 Transaction	768.9	758.3	751.8	768.9	743.9	743.2	735.4	719.5	725.3	723.0	700.9	708.9
47 Nontransaction	1,834.7	1,914.3	1,937.1	1,946.7	1,963.3	1,975.0	1,986.2	2,010.1	2,007.5	2,013.6	2,007.7	2,002.8
48 Large time	408.0	426.9	430.6	433.2	435.4	435.2	435.9	437.0	439.1	451.5	452.9	452.2
49 Other	1,426.7	1,487.5	1,506.5	1,513.4	1,518.0	1,529.8	1,540.3	1,558.1	1,552.9	1,562.2	1,551.8	1,549.6
50 Borrowings	686.2	686.2	680.7	696.6	707.7	711.8	701.7	696.8	690.8	699.1	691.3	701.6
51 From banks in the U.S.	188.2	191.3	199.2	206.4	204.6	205.2	198.4	193.3	188.5	199.1	189.6	194.9
52 From nonbanks in the U.S.	497.9	494.9	481.5	490.2	503.1	506.6	503.3	503.5	501.4	499.9	501.8	506.7
53 Net due to related foreign offices	242.8	248.2	262.2	254.8	258.4	247.8	247.1	242.6	241.8	248.6	249.6	244.1
54 Other liabilities ⁸	215.8	231.3	235.5	228.0	222.7	228.0	234.1	228.3	229.6	229.6	239.3	239.0
55 Total liabilities	3,748.4	3,871.4	3,857.3	3,895.0	3,896.1	3,905.6	3,898.0	3,897.4	3,891.5	3,903.9	3,881.9	3,886.4
56 Residual (assets less liabilities) ⁹	355.8	368.1	371.8	373.3	371.5	371.3	386.1	389.5	389.4	389.1	389.3	389.9

Footnotes appear on following page.

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1.26 ASSETS AND LIABILITIES OF COMMERCIAL BANKS¹ Continued

Billions of dollars

Account	Monthly averages								Wednesday figures			
	1995	1996 ²							1996			
		Aug	Feb.	Mar.	Apr	May	June	July	Aug	Aug. 7	Aug. 14	Aug. 21	Aug. 28
DOMESTICALLY CHARTERED COMMERCIAL BANKS												
Seasonally adjusted												
<i>Assets</i>												
57 Bank credit	3,121.7	3,196.5	3,198.5	3,211.9	3,214.0	3,211.1	3,212.3	3,206.8	3,207.0	3,207.7	3,208.4	3,204.3
58 Securities in bank credit	848.3	857.9	844.3	841.8	845.5	835.9	833.4	823.2	829.4	828.5	821.4	816.3
59 U.S. government securities	641.5	642.8	634.8	631.3	636.8	628.8	627.3	619.5	622.7	621.4	616.1	617.9
60 Other securities	206.7	210.1	208.6	207.4	208.8	207.1	206.1	201.7	206.7	207.1	208.4	198.5
61 Loans and leases in bank credit	2,773.1	2,443.6	2,355.1	2,370.1	2,368.5	2,375.3	2,379.0	2,383.6	2,377.7	2,179.3	2,386.9	2,388.0
62 Commercial and industrial	525.6	511.5	511.9	546.5	548.8	549.0	550.3	552.3	550.0	550.5	551.1	553.9
63 Real estate	1,030.6	1,055.3	1,061.7	1,061.5	1,065.2	1,068.7	1,069.1	1,075.8	1,072.6	1,075.2	1,078.0	1,071.0
64 Revolving home equity	78.2	79.8	79.8	79.9	79.5	79.1	79.5	80.1	80.0	80.0	80.1	80.3
65 Other	952.4	975.5	971.9	987.6	985.7	989.6	989.8	989.7	992.6	995.3	997.9	996.7
66 Consumer	485.7	500.6	504.1	507.8	505.3	510.5	512.5	514.2	512.7	512.6	514.4	515.8
67 Security ³	51.0	52.2	51.2	52.9	50.7	46.8	46.1	42.0	43.7	42.9	42.3	40.2
68 Other	180.5	194.0	197.8	199.4	198.5	201.3	200.7	199.2	198.7	197.9	199.1	201.1
69 Interbank loans ⁴	165.5	171.6	181.8	187.8	187.4	184.5	180.4	183.4	178.9	185.7	185.5	183.4
70 Cash assets ⁵	184.6	190.3	189.1	196.3	193.2	191.5	192.8	194.2	192.8	193.9	190.7	196.6
71 Other assets ⁶	170.6	186.3	186.8	188.7	188.1	201.7	215.3	219.8	216.8	219.9	219.4	219.3
72 Total assets⁷	3,585.5	3,687.9	3,699.4	3,727.6	3,725.8	3,731.6	3,741.9	3,746.3	3,737.8	3,749.4	3,746.1	3,745.8
<i>Liabilities</i>												
73 Deposits	2,448.3	2,516.9	2,534.6	2,549.2	2,545.1	2,549.3	2,553.9	2,567.6	2,565.0	2,567.3	2,561.7	2,566.7
74 Transaction	774.0	754.8	756.7	759.4	745.3	748.8	741.9	732.5	726.2	719.9	717.5	724.0
75 Nontransaction	1,674.1	1,762.1	1,777.8	1,789.7	1,799.7	1,810.5	1,812.0	1,835.1	1,838.8	1,847.4	1,844.2	1,842.6
76 Large time	750.3	744.3	743.4	735.6	729.4	728.3	725.5	720.3	727.2	728.9	721.0	721.5
77 Other	1,423.1	1,487.7	1,504.5	1,514.1	1,520.4	1,527.4	1,536.6	1,554.8	1,551.6	1,557.6	1,553.2	1,551.2
78 Borrowings	567.2	574.1	577.0	591.1	585.4	582.1	576.1	580.2	577.1	579.3	575.9	588.1
79 From banks in the U.S.	175.8	171.1	183.5	181.1	183.9	183.3	180.6	179.1	174.1	184.5	176.0	183.5
80 From nonbanks in the U.S.	391.4	401.0	393.5	406.7	401.5	398.8	395.5	401.1	402.6	394.8	399.9	404.6
81 Net due to related foreign offices	90.8	90.5	81.4	81.7	88.2	79.8	77.1	72.0	74.0	71.8	78.7	67.3
82 Other liabilities ⁸	136.9	151.9	147.1	154.8	146.6	155.9	155.1	160.7	158.9	162.4	162.5	160.4
83 Total liabilities	3,243.3	3,335.4	3,340.0	3,379.7	3,365.2	3,367.1	3,362.2	3,380.4	3,374.9	3,380.8	3,378.7	3,382.4
84 Residual (assets less liabilities) ⁹	342.2	352.5	359.4	347.8	360.6	364.5	379.7	365.8	362.9	368.6	367.4	363.3
Not seasonally adjusted												
<i>Assets</i>												
85 Bank credit	3,119.0	3,188.4	3,191.4	3,214.7	3,214.4	3,211.4	3,204.3	3,203.4	3,202.9	3,206.2	3,201.2	3,199.5
86 Securities in bank credit	850.3	849.0	846.7	847.0	848.8	839.2	829.3	825.2	829.7	831.0	822.3	818.4
87 U.S. government securities	643.6	638.7	633.9	640.1	638.4	630.0	625.2	621.4	624.2	623.5	617.4	619.5
88 Other securities	206.8	210.3	208.8	206.9	210.4	209.2	204.1	203.8	205.6	207.5	205.0	198.9
89 Loans and leases in bank credit	2,768.6	2,439.4	2,344.7	2,367.7	2,365.6	2,372.2	2,375.0	2,378.2	2,373.1	2,375.1	2,378.9	2,381.1
90 Commercial and industrial	521.7	510.7	515.0	552.4	554.3	551.4	550.3	548.1	548.0	547.0	548.1	547.8
91 Real estate	1,030.2	1,052.0	1,055.9	1,060.0	1,062.4	1,067.4	1,069.2	1,075.3	1,072.1	1,075.6	1,076.4	1,076.4
92 Revolving home equity	78.4	79.3	79.0	79.3	79.4	79.0	79.6	80.3	80.0	80.1	80.4	80.6
93 Other	951.8	972.7	976.9	980.7	983.0	988.3	989.6	995.0	992.1	995.4	996.1	995.8
94 Consumer	485.9	501.1	499.9	505.0	504.6	506.8	509.8	514.4	510.7	512.3	515.0	517.9
95 Security ³	49.9	54.2	51.3	53.9	49.5	47.0	44.8	41.1	43.0	42.2	40.6	39.2
96 Other	180.9	192.4	192.6	196.3	195.9	199.7	200.9	199.3	199.3	198.1	198.7	199.8
97 Interbank loans ⁴	161.3	175.3	180.5	185.7	180.8	182.6	177.6	178.5	176.5	183.3	178.3	172.2
98 Cash assets ⁵	174.9	192.2	182.2	191.4	191.0	188.6	188.8	184.0	179.9	183.6	175.1	183.9
99 Other assets ⁶	171.3	185.1	186.1	187.9	188.4	201.4	216.7	220.7	219.6	220.6	217.1	220.1
100 Total assets⁷	3,569.6	3,684.3	3,683.2	3,722.8	3,717.6	3,726.8	3,730.0	3,728.7	3,721.1	3,735.7	3,713.8	3,717.8
<i>Liabilities</i>												
101 Deposits	2,436.7	2,508.2	2,520.5	2,548.4	2,533.3	2,543.9	2,549.3	2,556.9	2,560.3	2,564.0	2,535.8	2,538.8
102 Transaction	759.7	747.6	742.1	758.9	733.6	732.6	734.7	708.9	714.6	712.3	690.2	698.2
103 Nontransaction	1,677.0	1,760.5	1,778.4	1,789.5	1,799.7	1,811.3	1,824.6	1,848.1	1,845.7	1,851.7	1,845.6	1,840.6
104 Large time	251.4	275.8	273.8	271.0	282.7	282.9	285.6	291.7	288.8	291.1	292.5	292.8
105 Other	1,425.6	1,484.7	1,504.6	1,512.5	1,511.0	1,528.4	1,539.0	1,556.4	1,556.9	1,560.5	1,553.0	1,547.8
106 Borrowings	561.1	573.2	569.5	576.3	584.5	587.6	582.8	574.6	568.8	576.9	572.2	579.3
107 From banks in the U.S.	170.0	175.6	178.5	184.1	182.8	183.3	177.8	172.6	167.8	178.4	168.9	174.2
108 From nonbanks in the U.S.	391.1	397.6	390.9	392.0	401.7	401.3	405.1	402.0	398.5	403.3	405.1	
109 Net due to related foreign offices	89.1	92.3	84.5	85.0	93.2	78.7	76.0	70.5	69.9	66.6	77.5	71.9
110 Other liabilities ⁸	135.8	152.3	148.8	152.8	148.1	156.3	155.1	159.2	156.9	160.4	160.2	159.8
111 Total liabilities	3,225.6	3,326.0	3,323.4	3,362.5	3,359.1	3,366.5	3,363.2	3,361.2	3,355.9	3,368.0	3,345.7	3,349.8
112 Residual (assets less liabilities) ⁹	344.0	358.3	359.8	360.4	358.5	360.4	366.7	367.4	365.2	367.8	368.1	368.0

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

2. Excludes federal funds sold to, reverse repurchase agreements with, and loans to commercial banks in the United States.

3. Consists of reserve repurchase agreements with broker-dealers and loans to purchase and carry securities.

4. Consists of federal funds sold to, reverse repurchase agreements with, and loans to commercial banks in the United States.

5. Includes vault cash, cash items in process of collection, demand balances due from depository institutions in the United States, balances due from Federal Reserve Banks, and other cash assets.

6. Excludes the due from position with related foreign offices, which is included in lines 25, 53, 81, and 109.

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

8. Excludes the due-to position with related foreign offices, which is included in lines 25, 53, 81, and 109.

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

1.27 ASSETS AND LIABILITIES OF LARGE WEEKLY REPORTING COMMERCIAL BANKS

Millions of dollars, Wednesday figures

Account	1996									
	July 3	July 10	July 17	July 24	July 31	Aug 7	Aug 14	Aug 21	Aug 28	
ASSETS										
1 Cash and balances due from depository institutions	125,867	114,182 ¹	121,647	109,031 ¹	130,333	112,971	115,647	108,841	116,821	
2 U.S. Treasury and government securities	275,301 ¹	274,358 ¹	273,825 ¹	274,822 ¹	276,175 ¹	275,939	274,634	269,193	270,536	
3 Trading account	19,693	19,343	18,671	18,847	21,740	22,003	21,912	18,357	20,047	
4 Investment account	255,609 ¹	255,115 ¹	255,154 ¹	255,976 ¹	254,485 ¹	253,936	252,712	250,836	250,189	
5 Mortgage backed securities ¹	116,184 ¹	116,016 ¹	115,085	115,354	116,003	115,521	116,262	114,386	115,089	
All others, by maturity										
6 One year or less	33,131	32,917	33,661	31,451	31,970	31,661	31,941	32,514	31,858	
7 One year through five years	59,845 ¹	60,099 ¹	59,796 ¹	59,414 ¹	59,251 ¹	59,259	57,032	56,187	56,681	
8 More than five years	36,156 ¹	36,082 ¹	36,612 ¹	36,757 ¹	47,061 ¹	47,490	17,476	47,448	46,861	
9 Other securities	121,919 ¹	121,696 ¹	122,680 ¹	119,404 ¹	114,417 ¹	121,491	123,372	120,774	114,690	
10 Trading account	2,403	2,325	2,274	2,114	2,271	2,232	3,901	3,669	3,389	
11 Investment account	63,403	62,886	62,978	62,395	62,278	62,039	62,005	61,482	60,219	
State and local government, by maturity	18,303	18,368	18,399	18,658	18,770	18,697	18,732	18,649	18,719	
12 One year or less	3,634	3,720	3,807	3,794	3,877	3,936	3,966	3,946	3,957	
13 More than one year	11,669	13,648	14,592	14,861	14,898	14,760	14,766	14,748	14,767	
14 Other bonds, corporate stocks, and securities	45,100	44,518	43,578	43,737	43,509	43,347	43,273	42,788	41,500	
16 Other trading account assets	56,113 ¹	56,484 ¹	57,478 ¹	54,894 ¹	49,868 ¹	57,222	57,466	55,623	51,082	
17 Federal funds sold ¹	122,635	105,551	105,366	103,366	116,876	100,008	110,231	106,145	102,216	
18 To commercial banks in the United States	91,258	75,201	74,976	75,560	87,541	72,475	82,388	79,747	76,710	
19 To nonbank brokers and dealers in securities	25,629	25,948	25,741	23,847	22,708	23,566	23,769	21,927	20,437	
20 To others	5,748	4,402	4,648	4,259	6,606	3,967	4,076	4,474	5,069	
21 Other loans and leases, gross	1,133,955 ¹	1,132,949 ¹	1,134,218 ¹	1,132,862 ¹	1,132,808 ¹	1,130,800	1,129,385	1,134,096	1,133,622	
22 Commercial and industrial	463,274 ¹	459,351 ¹	460,818 ¹	460,432 ¹	461,152 ¹	459,337	457,820	459,840	459,119	
23 Bankers acceptances and commercial paper	1,365	1,104	1,477	1,477	1,576	1,528	1,540	1,573	1,626	
24 All other	461,911 ¹	457,947 ¹	459,381 ¹	458,879 ¹	459,617 ¹	457,809	456,250	458,267	457,493	
25 U.S. addressees	459,216 ¹	455,187 ¹	456,518 ¹	455,974 ¹	456,789 ¹	455,016	453,429	455,387	454,617	
26 Non-U.S. addressees	2,696	2,759	2,842	2,907	2,828	2,793	2,821	2,880	2,876	
27 Real estate loans	521,651	521,806	521,466	522,547	522,517 ¹	521,073	525,408	524,127	524,367	
28 Revolving, home equity	49,487	49,234	49,579	49,813	49,881	49,981	50,027	49,750	49,878	
29 All other	472,464 ¹	472,582 ¹	471,947 ¹	472,734 ¹	472,636 ¹	471,089	475,382	474,375	474,490	
30 To individuals for personal expenditures	259,682 ¹	259,831 ¹	261,417 ¹	262,870 ¹	262,772 ¹	262,151	263,571	266,070	267,427	
31 To depository and financial institutions	75,806	77,635	81,484	77,282	75,901	76,067	74,952	75,703	75,401	
32 Commercial banks in the United States	42,590	43,834	45,983	43,555	43,551	41,175	43,640	44,334	44,461	
33 Banks in foreign countries	3,617	3,367	6,471	4,338	4,752	4,918	3,575	3,835	4,996	
34 Nonbank depository and other financial institutions	29,880	29,435	29,040	27,889	28,601	27,973	27,747	27,533	27,911	
35 For purchasing and carrying securities	15,111	13,899	14,561	14,891	15,186	13,878	13,007	13,531	13,712	
36 To finance agricultural production	7,295	7,286	7,405	7,259	7,254	7,218	7,187	7,136	7,147	
37 To states and political subdivisions	10,613	10,606	10,698	10,690	10,695	10,668	10,596	10,633	10,598	
38 To foreign governments and official institutions	1,079	1,046	1,313	960	959	897	897	865	888	
39 All other loans	29,980	25,923	25,000	26,166	26,246 ¹	25,881	24,833	25,432	25,105	
40 Lease financing receivables	49,161	49,567	49,755	49,863	50,521	50,618	51,113	50,738	50,858	
41 LESS Unearned income	1,988	2,018	2,032	2,148	2,132	2,127	2,184	2,156	2,150	
42 Loan and lease reserve ¹	33,617	33,602	33,782	33,781	33,956	33,979	34,020	33,963	33,883	
43 Other loans and leases, net	1,298,351 ¹	1,292,328 ¹	1,298,399 ¹	1,296,933 ¹	1,296,719 ¹	1,294,694	1,293,181	1,297,976	1,297,589	
44 All other assets	172,833 ¹	173,917 ¹	173,522 ¹	173,053 ¹	175,616 ¹	177,281	178,485	176,487	177,956	
45 Total assets	2,116,605 ¹	2,081,165 ¹	2,095,440 ¹	2,076,608 ¹	2,110,126 ¹	2,082,389	2,095,544	2,079,417	2,079,808	

Footnotes appear on the following page

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

Millions of dollars, Wednesday figures

Account	1996								
	July 3	July 10	July 17	July 24	July 31	Aug. 7	Aug. 14	Aug. 21	Aug. 28
LIABILITIES									
46 Deposits	1,289,561 ¹	1,264,555 ¹	1,263,211	1,253,938	1,283,227 ¹	1,274,042	1,280,105	1,258,687	1,261,757
47 Demand deposits	334,379 ¹	314,610 ¹	313,598	304,755	331,143 ¹	312,771	314,765	296,862	304,377
48 Individuals, partnerships, and corporations	286,287 ¹	272,017	269,945	262,340	284,906 ¹	269,880	272,486	255,318	261,588
49 Other holders	48,091	42,563 ¹	43,653	42,415	46,237	42,891	42,378	41,544	42,789
50 States and political subdivisions	8,647	7,715	7,816	7,938	9,328	8,151	8,006	7,554	8,084
51 U.S. government	2,466	1,681	1,619	1,765	2,321	1,790	1,855	1,801	1,545
52 Depository institutions in the United States	22,769	19,972 ¹	19,370	19,596	21,449	21,000	20,419	19,612	19,477
53 Banks in foreign countries	5,861	5,439	6,871	5,168	4,566	4,575	4,268	5,020	5,503
54 Foreign governments and official institutions	761	539	802	523	807	551	863	509	541
55 Certified and officers' checks	7,587	7,218	7,175	7,424	7,766	6,825	6,967	7,049	7,639
56 Transaction balances other than demand deposits ⁴	70,075 ¹	70,509 ¹	70,722 ¹	70,079 ¹	70,994 ¹	67,187	65,918	66,761	66,830
57 Nontransaction balances	885,110 ¹	879,136 ¹	878,892 ¹	879,104 ¹	881,091 ¹	894,084	899,422	895,062	890,550
58 Individuals, partnerships, and corporations	857,029 ¹	851,185 ¹	850,638 ¹	850,794 ¹	852,344 ¹	864,990	870,444	866,738	862,425
59 Other holders	28,081 ¹	28,251	28,254	28,310	28,747 ¹	29,094	28,979	28,323	28,125
60 States and political subdivisions	22,008 ¹	22,179	22,059	22,131	22,489	22,841	22,570	21,786	21,761
61 U.S. government	4,242	4,004	4,010	4,005	4,138 ¹	4,133	4,107	4,088	4,076
62 Depository institutions in the United States	1,324	1,531	1,675	1,663	1,684 ¹	1,716	1,851	1,998	1,826
63 Foreign governments, official institutions, and banks	406	536	509	510	436	424	451	451	462
64 Liabilities for borrowed money ⁵	406,565 ¹	400,228 ¹	412,179 ¹	400,518 ¹	407,122 ¹	390,314	396,442	391,402	395,446
65 Borrowings from Federal Reserve Banks	0	0	0	0	1,381	0	20	0	0
66 Treasury tax and loan notes	6,145 ¹	2,692	12,317 ¹	18,540	22,647 ¹	7,989	5,226	9,566	8,973
67 Other liabilities for borrowed money ⁶	400,420 ¹	397,536 ¹	399,862 ¹	381,979 ¹	383,094 ¹	382,325	391,197	381,836	386,463
68 Other liabilities (including subordinated notes and debentures)	214,045 ¹	208,998 ¹	212,699 ¹	213,632 ¹	211,718 ¹	211,171	211,584	221,039	215,181
69 Total liabilities	1,910,174¹	1,873,781¹	1,888,089¹	1,868,088¹	1,902,068¹	1,875,527	1,888,131	1,871,128	1,872,374
70 Residual (total assets less total liabilities) ⁷	206,431 ¹	207,383	207,351	208,520 ¹	208,058 ¹	206,862	207,413	208,289	207,435
MEMO									
71 Total loans and leases, gross, adjusted, plus securities ⁸	1,719,963 ¹	1,710,643 ¹	1,715,130 ¹	1,710,339 ¹	1,709,113 ¹	1,711,591	1,711,597	1,706,126	1,700,863
72 Time deposits in amounts of \$100,000 or more	130,282	130,983	131,296	132,154	130,448	133,259	135,756	136,345	136,205
73 Loans sold outright to affiliates ⁹	980	974	967	958	951	942	934	926	919
74 Commercial and industrial	263	263	263	263	263	263	263	262	262
75 Other	717	711	704	695	689	680	671	663	656
76 Foreign branch credit extended to U.S. residents ¹⁰	29,032 ¹	28,721 ¹	28,662 ¹	28,766 ¹	28,895 ¹	28,228	28,406	28,319	28,587
77 Net owed to related institutions abroad	74,003 ¹	68,022 ¹	69,383 ¹	73,402 ¹	71,933 ¹	66,378	62,858	74,169	68,097

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

8. Excludes loans to and federal funds transactions with commercial banks in the United States.
 9. 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.
 10. 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.

1.28 LARGE WEEKLY REPORTING U.S. BRANCHES AND AGENCIES OF FOREIGN BANKS

Assets and Liabilities

Millions of dollars, Wednesday figures

Account	1996								
	July 3	July 10	July 17	July 24	July 31	Aug. 7	Aug. 14	Aug. 21	Aug. 28
ASSETS									
1 Cash and balances due from depository institutions	15,588	15,069	15,486	15,065	15,508	15,790	15,450	15,070	15,557
2 U.S. Treasury and government agency securities	50,401	50,927	51,105	51,780	52,247	52,858	54,089	53,680	54,683
3 Other securities	39,819	40,206	40,838	40,101	40,252	41,235	39,500	39,628	39,614
4 Federal funds sold ¹	28,122	28,779	28,406	26,480	26,710	26,954	27,591	20,926	23,724
5 To commercial banks in the United States	6,022	6,667	6,531	4,831	5,674	3,827	5,117	3,006	6,078
6 To others ²	22,050	22,112	21,875	21,650	21,036	23,127	22,474	17,920	17,646
7 Other loans and leases, gross	193,652	192,435	194,750	194,536	194,731	194,302	193,547	194,350	193,996
8 Commercial and industrial	122,738 ³	121,833 ³	123,292	123,294	122,401	122,092	121,474	122,284	122,473
9 Bankers acceptances and commercial paper	5,096	4,979	4,953	4,951	4,718	4,653	4,543	4,540	4,555
10 All other ⁴	117,643 ³	116,854 ³	118,339	118,344	117,684	117,439	116,931	117,745	117,918
11 U.S. addressees	110,815 ³	109,934 ³	111,360	111,388	110,747	110,527	110,509	111,202	111,333
12 Non-U.S. addressees	6,827	6,919	6,979	6,956	6,936	6,912	6,422	6,543	6,585
13 Loans secured by real estate	19,979	20,105	19,848	19,837	19,890	19,847	19,995	20,085	20,067
14 Loans to depository and financial institutions	37,352	37,529	38,773	38,397	39,340	38,918	39,330	38,990	38,849
15 Commercial banks in the United States	2,715	2,704	2,709	2,586	2,584	2,641	2,584	2,553	3,197
16 Banks in foreign countries	3,334	3,244	3,518	3,351	3,370	3,057	3,176	3,155	3,195
17 Nonbank financial institutions	31,402	31,581	32,546	32,460	33,385	33,220	33,570	33,282	32,457
18 For purchasing and carrying securities	5,920	5,300	5,444	5,490	5,472	5,609	5,042	5,316	5,131
19 To foreign governments and official institutions	773	778	775	787	933	976	944	840	867
20 All other	6,890 ³	6,890 ³	6,619	6,731	6,696	6,859	6,782	6,834	6,609
21 Other assets (claims on nonrelated parties)	32,944	33,634	34,049	34,490	35,740	35,242	36,813	35,158	38,657
22 Total assets¹	387,099	387,109	388,883	388,071	393,033	392,458	394,928	390,489	396,478
LIABILITIES									
23 Deposits or credit balances owed to other than directly related institutions	104,020	106,582	109,787	109,304	109,190	107,388	107,220	110,536	113,839
24 Demand deposits ⁴	4,203	4,095	4,664	3,839	4,192	3,982	3,894	3,973	4,102
25 Individuals, partnerships, and corporations	3,503	3,413	4,015	3,223	3,416	3,365	3,224	3,317	3,434
26 Other	700	683	648	616	776	617	670	656	668
27 Nontransaction accounts	99,818	102,486	105,123	105,465	104,997	103,405	103,327	106,563	109,737
28 Individuals, partnerships, and corporations	74,784	74,867	76,480	76,329	75,548	75,487	76,829	78,953	81,717
29 Other	26,034	27,619	28,643	29,136	29,449	27,918	26,498	27,610	28,020
30 Borrowings from other than directly related institutions	81,982	81,803	78,595	80,900	86,068	87,963	84,257	81,837	81,345
31 Federal funds purchased ⁵	53,652	52,091	48,083	48,649	53,673	56,351	53,072	50,919	47,447
32 From commercial banks in the United States	11,635	10,089	7,897	9,042	13,688	13,339	12,363	12,699	10,186
33 From others	42,018	42,001	40,186	39,607	39,985	43,012	40,710	38,220	36,961
34 Other liabilities for borrowed money	30,329	29,712	30,512	32,251	32,395	31,612	31,185	30,917	34,198
35 To commercial banks in the United States	3,953	4,129	3,712	3,612	3,641	3,820	3,597	3,591	3,643
36 To others	26,377	25,583	26,800	28,639	28,754	27,793	27,588	27,326	30,555
37 Other liabilities to nonrelated parties	55,731	56,051	55,708	55,563	57,353	56,440	56,846	55,574	57,650
38 Total liabilities⁶	387,099	387,109	388,883	388,071	393,033	392,458	394,928	390,489	396,478
MEMO									
39 Total loans (gross) and securities, adjusted ⁷	303,106	302,976	305,859	305,481	305,682	308,884	307,027	303,025	302,742
40 Net owed to related institutions abroad	116,692	116,615	120,544	116,686	112,577	114,590	118,668	110,866	113,198

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

1.32 COMMERCIAL PAPER AND BANKERS DOLLAR ACCEPTANCES OUTSTANDING

Millions of dollars, end of period

Item	Year ending December					1996					
	1991	1992	1993	1994	1995	Feb	Mar	Apr.	May	June	July
Commercial paper (seasonally adjusted unless noted otherwise)											
1 All issuers	528,832	545,619	555,075	595,382	674,904	687,669	695,230	710,690	719,069	731,027	734,731
Financial companies ¹											
2 Dealer-placed paper ² , total	212,999	226,356	218,947	223,038	275,815	293,313	291,600	302,504	301,670	310,524	317,426
3 Directly placed paper ³ , total	182,463	171,605	180,389	207,701	210,829	208,046	208,880	211,833	221,463	223,236	227,583
4 Nonfinancial companies ⁴	133,370	147,558	155,739	164,643	188,260	186,310	194,750	196,352	195,936	197,267	194,722
Bankers dollar acceptances (not seasonally adjusted) ⁵											
5 Total	43,770	38,194	32,348	29,835	29,242	↑	↑	↑	↑	↑	↑
By holder											
6 Accepting banks	11,017	10,555	12,421	11,783	↑	↑	↑	↑	↑	↑	↑
7 Own bills	9,347	9,197	10,707	10,462							
8 Bills bought from other banks	1,670	1,458	1,714	1,321							
Federal Reserve Banks ⁶											
9 Foreign correspondents	1,739	1,276	725	410	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
10 Others	31,014	26,461	19,202	17,642							
By basis											
11 Imports into United States	12,843	12,209	10,217	10,062							
12 Exports from United States	10,451	8,096	7,293	6,355							
13 All other	20,577	17,890	14,838	13,417							

1. Institutions engaged primarily in commercial, savings, and mortgage banking, sales, personal, and mortgage financing, factoring, finance leasing, and other business lending, insurance underwriting, and other investment activities.
 2. Includes all financial-company paper sold by dealers in the open market.
 3. As reported by financial companies that place their paper directly with investors.
 4. Includes public utilities and firms engaged primarily in such activities as communications, construction, manufacturing, mining, wholesale and retail trade, transportation, and services.

5. Data on bankers dollar acceptances are gathered from approximately 100 institutions. The reporting group is revised every January. Beginning January 1995, data for Bankers dollar acceptances will be reported annually in September.
 6. In 1977 the Federal Reserve discontinued operations in bankers dollar acceptances for its own account.

1.33 PRIME RATE CHARGED BY BANKS Short-Term Business Loans¹

Percent per year

Date of change	Rate	Period	Average rate	Period	Average rate	Period	Average rate
1993 Jan. 1	6.00	1993	6.00	1994 Jan.	6.00	1995 Jan.	8.50
		1994	7.15	Feb.	6.00	Feb.	9.00
		1995	8.83	Mar.	6.06	Mar.	9.00
1994 Mar. 24	6.25			Apr.	6.45	Apr.	9.00
Apr. 19	6.75			May	6.99	May	9.00
May 17	7.25	1993 Jan.	6.00	June	7.25	June	9.00
Aug. 16	7.75	Feb.	6.00	July	7.25	July	8.80
Nov. 15	8.50	Mar.	6.00	Aug.	7.51	Aug.	8.75
		Apr.	6.00	Sept.	7.75	Sept.	8.75
1995 Feb. 1	9.00	May	6.00	Oct.	7.75	Oct.	8.75
July 7	8.75	June	6.00	Nov.	8.15	Nov.	8.75
Dec. 20	8.50	July	6.00	Dec.	8.50	Dec.	8.65
		Aug.	6.00				
1996 Feb. 1	8.25	Sept.	6.00			1996 Jan.	8.50
		Oct.	6.00			Feb.	8.25
		Nov.	6.00			Mar.	8.25
		Dec.	6.00			Apr.	8.25
						May	8.25
						June	8.25
						July	8.25
						Aug.	8.25
						Sept.	8.25

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

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

1.35 INTEREST RATES Money and Capital Markets

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

Item	1993	1994	1995	1996				1996, week ending				
				May	June	July	Aug.	Aug. 2	Aug. 9	Aug. 16	Aug. 23	Aug. 30
MONEY MARKET INSTRUMENTS												
1 Federal funds ^{1,2,3}	3.02	4.21	5.83	5.24	5.27	5.40	5.22	5.53	5.38	5.10	5.18	5.21
2 Discount window borrowing ⁴	3.00	3.60	5.21	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
<i>Commercial paper</i> ^{3,5,6}												
3 1-month	3.17	4.43	5.93	5.38	5.45	5.44	5.39	5.43	5.39	5.39	5.36	5.39
4 3-month	3.22	4.66	5.93	5.39	5.49	5.53	5.42	5.52	5.43	5.40	5.40	5.43
5 6-month	3.30	4.93	5.93	5.42	5.57	5.67	5.51	5.65	5.49	5.48	5.47	5.54
<i>Finance paper, directly placed</i> ^{3,5,7}												
6 1-month	3.12	4.33	5.81	5.29	5.35	5.33	5.28	5.32	5.29	5.29	5.26	5.27
7 3-month	3.16	4.53	5.78	5.29	5.37	5.43	5.31	5.43	5.32	5.29	5.29	5.31
8 6-month	3.15	4.56	5.68	5.23	5.35	5.44	5.33	5.44	5.34	5.32	5.32	5.32
<i>Bankers acceptances</i> ^{3,5,8}												
9 3-month	3.13	4.56	5.81	5.29	5.38	5.45	5.32	5.44	5.33	5.31	5.29	5.33
10 6-month	3.21	4.83	5.80	5.21	5.47	5.57	5.40	5.56	5.40	5.35	5.35	5.43
<i>Certificates of deposit, secondary market</i> ^{3,9}												
11 1-month	3.11	4.38	5.87	5.32	5.37	5.37	5.32	5.35	5.32	5.32	5.30	5.32
12 3-month	3.17	4.63	5.92	5.36	5.46	5.53	5.40	5.52	5.41	5.39	5.37	5.42
13 6-month	3.28	4.96	5.98	5.47	5.64	5.75	5.57	5.72	5.56	5.54	5.54	5.61
14 Eurodollar deposits, 3-month ^{3,10}	3.18	4.63	5.93	5.36	5.46	5.49	5.41	5.51	5.44	5.38	5.38	5.40
<i>U.S. Treasury bills</i>												
<i>Secondary market</i> ^{3,5}												
15 3-month	3.00	4.25	5.49	5.02	5.09	5.15	5.05	5.15	5.03	5.03	5.02	5.09
16 6-month	3.12	4.64	5.56	5.12	5.25	5.30	5.13	5.24	5.11	5.11	5.10	5.18
17 1-year	3.29	5.02	5.60	5.33	5.48	5.52	5.35	5.48	5.30	5.30	5.34	5.48
<i>Auction average</i> ^{3,5,11}												
18 3-month	3.02	4.29	5.51	5.02	5.11	5.17	5.09	5.20	5.08	5.04	5.06	5.07
19 6-month	3.14	4.66	5.59	5.12	5.26	5.32	5.17	5.34	5.13	5.08	5.13	5.16
20 1-year	3.33	5.02	5.69	5.31	5.56	5.49	5.36	n.a.	n.a.	n.a.	5.36	n.a.
U.S. TREASURY NOTES AND BONDS												
<i>Constant maturities</i> ¹²												
21 1-year	3.43	5.32	5.94	5.64	5.81	5.85	5.67	5.80	5.60	5.62	5.64	5.81
22 2-year	4.05	5.94	6.15	6.10	6.30	6.27	6.03	6.17	5.95	5.96	6.00	6.22
23 3-year	4.44	6.27	6.25	6.27	6.49	6.45	6.21	6.34	6.12	6.13	6.18	6.41
24 5-year	5.14	6.69	6.38	6.48	6.69	6.64	6.39	6.52	6.28	6.31	6.38	6.60
25 7-year	5.54	6.91	6.50	6.66	6.83	6.76	6.52	6.63	6.41	6.44	6.51	6.73
26 10-year	5.87	7.09	6.57	6.74	6.91	6.87	6.64	6.76	6.56	6.56	6.63	6.84
27 20-year	6.29	7.49	6.95	7.17	7.22	7.14	6.97	7.03	6.84	6.90	6.98	7.17
28 30-year	6.59	7.37	6.88	6.93	7.06	7.03	6.84	6.94	6.75	6.77	6.84	7.03
<i>Composite</i>												
29 More than 10 years (long-term)	6.45	7.41	6.93	7.08	7.20	7.13	6.94	7.02	6.83	6.87	6.94	7.14
STATE AND LOCAL NOTES AND BONDS												
<i>Moody's series</i> ¹³												
30 Aaa	5.38	5.77	5.80	5.75	5.67	5.83	5.64	5.72	5.65	5.61	5.62	5.61
31 Baa	5.83	6.17	6.10	5.97	5.98	5.96	5.83	5.92	5.88	5.79	5.82	5.82
32 Bond Buyer series ¹⁴	5.60	6.18	5.95	5.98	6.02	5.92	5.76	5.79	5.67	5.74	5.75	5.86
CORPORATE BONDS												
33 Seasoned issues, all industries ¹⁵	7.54	8.26	7.83	7.91	8.00	7.95	7.76	7.85	7.66	7.69	7.77	7.95
<i>Rating group</i>												
34 Aaa	7.22	7.97	7.59	7.62	7.71	7.65	7.46	7.55	7.35	7.39	7.48	7.66
35 Aa	7.40	8.15	7.72	7.77	7.87	7.82	7.63	7.73	7.53	7.57	7.64	7.82
36 A	7.58	8.28	7.83	7.94	8.02	7.97	7.77	7.86	7.67	7.70	7.78	7.95
37 Baa	7.93	8.63	8.20	8.30	8.40	8.35	8.18	8.27	8.08	8.11	8.18	8.35
38 A-rated, recently offered utility bonds ¹⁶	7.46	8.29	7.86	8.02	8.13	8.07	7.87	7.76	7.73	7.81	7.98	8.16
MEMO												
39 Dividend-price ratio ¹⁷	2.78	2.82	2.56	2.21	2.21	2.28	2.22	2.31	2.23	2.23	2.21	2.21

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

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

3. Annualized using a 360-day year for 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 approximately 11:00 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. Department of the Treasury.

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

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

15. Daily figures from Moody's Investors Service. Based on yields to maturity on selected long-term bonds.

16. 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.

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

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

1.36 STOCK MARKET Selected Statistics

Indicator	1993	1994	1995	1995	1996							
				Dec	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Prices and trading volume (averages of daily figures) ¹												
<i>Common stock prices (indexes)</i>												
1 New York Stock Exchange (Dec 31, 1965 = 50)	249.71	254.16	291.18	327.90	329.22	346.46	346.73	347.50	354.84	358.32	345.06	354.59
2 Industrial	300.10	315.52	367.40	412.11	413.05	435.92	439.55	441.99	452.63	458.30	438.58	444.91
3 Transportation	242.68	247.17	270.14	303.53	300.43	315.29	324.77	326.42	334.66	331.57	316.57	321.61
4 Utility	114.55	104.96	110.64	123.95	127.09	135.51	122.83	122.44	124.86	123.60	122.66	122.37
5 Finance	216.55	209.75	238.48	273.36	274.96	290.97	290.44	287.92	290.43	294.42	287.89	302.95
6 Standard & Poor's Corporation (1941-43 = 10) ²	451.63	460.42	541.72	614.57	614.42	649.54	647.07	647.17	661.23	668.50	644.06	662.68
7 American Stock Exchange (Aug 31, 1973 = 50) ³	438.77	449.49	498.13	538.01	540.48	562.34	565.69	580.60	600.93	591.99	550.16	554.88
<i>Volume of trading (thousands of shares)</i>												
8 New York Stock Exchange	263,374	290,652	345,729	384,310	416,048	434,607	426,198	419,941	404,184	392,413	398,245	333,343
9 American Stock Exchange	18,188	17,951	20,387	21,085	21,069	27,107	22,988	24,886	28,127	23,903	21,281	17,916
Customer financing (millions of dollars, end-of-period balances)												
10 Margin credit at broker-dealers ⁴	60,310	61,160	76,680	76,680	73,530	77,090	78,308	81,170	86,100	87,160	79,860	82,980
<i>Free credit balances at brokers⁵</i>												
11 Margin accounts ⁶	12,360	14,095	16,250	16,250	14,950	15,840	15,770	15,780	16,890	16,800	17,700	17,520
12 Cash accounts	27,715	28,870	34,340	34,340	32,465	34,700	33,113	33,100	33,760	33,775	32,935	32,680
Margin requirements (percent of market value and effective date) ⁷												
	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. Daily data on prices are available upon request to the Board of Governors. For ordering address, see inside front cover.

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

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

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

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

6. Series initiated in June 1984.

7. Margin requirements, stated in regulations adopted by the Board of Governors pursuant to the Securities Exchange Act of 1934, limit the amount of credit that can be used to

purchase and carry "margin securities" (as defined in the regulations) when such credit is collateralized by securities. Margin requirements on securities 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 of the option plus 20 percent of the market value of the stock underlying the option (or 15 percent in the case of stock-index options).

1.38 FEDERAL FISCAL AND FINANCING OPERATIONS

Millions of dollars

Type of account or operation	Fiscal year			Calendar year					
	1993	1994	1995	1996					
				Mar.	Apr.	May	June	July	Aug.
<i>US budget¹</i>									
1 Receipts, total	1,153,535	1,257,737	1,355,213	89,087 ²	203,468 ²	90,122 ²	151,995 ²	103,893 ²	99,996
2 On budget	841,601	922,711	1,004,134	56,753	160,856 ²	60,181 ²	116,794 ²	75,283 ²	71,505
3 Off budget	311,934	335,026	351,079	32,334	42,612	29,938	35,201	28,611	28,491
4 Outlays, total	1,408,675	1,460,841	1,519,133	136,366 ²	131,072 ²	143,422 ²	117,898 ²	130,989 ²	141,878
5 On budget	1,117,088	1,181,469	1,240,469	108,445 ²	105,210 ²	114,566 ²	101,241 ²	104,454 ²	113,840
6 Off budget	266,587	279,372	288,664	27,921	25,862	28,856	13,657	26,455	27,987
7 Surplus or deficit (-), total	255,140	203,104	163,920	47,279 ²	72,396 ²	53,300 ²	34,097 ²	27,096	41,831
8 On budget	300,487	258,758	226,335	51,688	55,643	54,380	12,557	29,252	42,335
9 Off budget	45,347	55,654	62,415	4,413	16,750	1,082	21,544	2,156	504
<i>Source of financing (total)</i>									
10 Borrowing from the public	248,619	185,344	171,288	99,189	35,466	20,633	8,619	29,098	16,160
11 Operating cash (decrease, or increase (-))	6,283	16,561	2,007	9,283	26,449	43,809	33,519	1,762	23,405
12 Other ²	738	1,196	5,361	193	10,481 ²	11,142 ²	8,041 ²	3,763	1,966
<i>MFMO</i>									
13 Treasury operating balance (level, end of period)	52,506	35,942	47,949	21,874	48,323	4,514	38,033	36,771	13,066
14 Federal Reserve Banks	17,289	6,848	8,620	7,021	11,042	3,757	7,701	6,836	5,149
15 Tax and loan accounts	35,217	29,094	29,329	14,853	37,281	757	30,332	29,936	7,917

1. Since 1990, off-budget items have been the social security trust funds (federal old-age survivors insurance and federal disability insurance) and the U.S. Postal Service.

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

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

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

1.39 U.S. BUDGET RECEIPTS AND OUTLAYS¹

Millions of dollars

Source or type	Fiscal year		Calendar year						
	1994	1995	1994	1995		1996	1996		
			II2	II1	II2	II1	June	July	Aug.
RECEIPTS									
1 All sources	1,257,737	1,355,213	625,781¹	711,003¹	656,865¹	767,099¹	151,995¹	103,893¹	99,996
2 Individual income taxes, net	543,055	590,244	273,315	307,498	292,393	347,285	60,816	49,814	46,105
3 Withheld	459,699	499,927	240,063	251,398	256,916	264,177	35,911	48,072	43,834
4 Nonwithheld	160,433	175,855	42,029	132,001	43,100	162,782	26,926	3,631	4,007
5 Refunds	77,077	85,538	8,787	75,959	10,058	79,735	2,061	1,893	1,737
Corporation income taxes									
6 Gross receipts	154,205	174,422	78,393	92,132	88,302	96,480	37,950	5,656	3,718
7 Refunds	13,820	17,418	7,747	10,399	7,518	9,704	992	681	644
8 Social insurance taxes and contributions, net	461,475	484,473	220,140	261,837	224,269	277,767	45,583	39,258	40,953
9 Employment taxes and contributions ²	428,810	451,045	206,615	241,557	211,323	257,446	44,888	36,946	36,562
10 Unemployment insurance	28,004	28,878	11,177	18,001	10,702	18,068	400	1,939	3,994
11 Other net receipts ³	4,661	4,550	2,349	2,279	2,247	2,254	295	372	397
12 Excise taxes	55,225	57,481	30,178	27,452	30,014	25,682	4,310	4,508	4,033
13 Customs deposits	20,099	19,301	11,041	8,848	9,849	8,731	1,450	1,712	1,807
14 Estate and gift taxes	15,225	14,763	7,067	7,425	7,718	8,775	1,141	1,259	1,566
15 Miscellaneous receipts ⁴	22,274	31,944	13,395 ¹	16,211 ¹	11,839 ¹	12,087 ¹	1,738 ¹	2,368 ¹	2,459
OUTLAYS									
16 All types	1,460,841	1,519,133	752,378¹	761,289¹	752,983¹	786,206¹	117,898¹	130,989¹	141,828
17 National defense	281,642	272,066	141,885	135,648	132,913 ¹	133,439	19,769	22,541	26,000
18 International affairs	17,083	16,433	11,889	4,797	6,928 ¹	8,074	837	497	969
19 General science, space, and technology	16,227	16,724	7,604	8,611	8,809 ¹	8,897	1,536	1,660	1,526
20 Energy	5,219	4,936	2,923	2,358	2,203	1,355	822	187	153
21 Natural resources and environment	21,064	22,105	11,911	10,273	12,632 ¹	10,238	1,543	2,062	1,821
22 Agriculture	15,046	9,773	7,623	4,039	3,062 ¹	71	124	843	627
23 Commerce and housing credit	5,118	14,441	4,042 ¹	13,471 ¹	3,940 ¹	6,861 ¹	1,289 ¹	2,23 ¹	1,678
24 Transportation	38,066	39,350	21,835	18,193	19,940 ¹	18,291	3,185	5,648	3,583
25 Community and regional development	10,454	10,641	6,283	5,073	6,192 ¹	5,237	896	959	1,021
26 Education, training, employment, and social services	46,407	54,263	27,450	25,893	24,945 ¹	26,137	3,903	3,108	5,037
27 Health	107,122	115,418	54,147	59,057	56,986 ¹	59,957	9,762	10,077	10,352
28 Social security and Medicare	464,312	495,701	236,817	251,975	251,387	264,649	44,131	45,376	46,205
29 Income security	214,031	220,449	101,806	117,190	104,121 ¹	121,032	11,332	18,189	20,125
30 Veterans benefits and services	37,642	37,938	19,761	19,269	18,684	18,164	1,570	3,255	4,657
31 Administration of justice	15,256	16,223	7,753	8,051	8,114	9,021	1,327	1,989	1,460
32 General government	11,303	13,835	7,355	5,796	7,620	4,641	1,755	53	1,490
33 Net interest ⁵	202,957	232,173	109,434	116,169	119,351	120,579	18,977	20,311	21,460
34 Undistributed offsetting receipts ⁶	37,772	44,355	20,066	17,631	26,995	16,716	7,646	5,543	2,880

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

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

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

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

5. Includes interest received by trust funds.

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

SOURCE: Fiscal year totals: U.S. Office of Management and Budget, *Budget of the US Government, Fiscal Year 1997*; monthly and half-year totals: U.S. Department of the Treasury, *Monthly Treasury Statement of Receipts and Outlays of the US Government*

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars, end of month

Item	1994			1995			1996		
	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30
1 Federal debt outstanding	4,673	4,721	4,827	4,891	4,978	5,001	5,017	5,153	5,197
2 Public debt securities	4,646	4,693	4,800	4,864	4,951	4,974	4,989	5,118	5,161
3 Held by public	3,443	3,480	3,543	3,610	3,635	3,653	3,684	3,764	3,739 ^f
4 Held by agencies	1,203	1,213	1,257	1,255	1,317	1,321	1,305	1,354	1,422 ^f
5 Agency securities	28	29	27	27	27	27	28	36	36
6 Held by public	27	29	27	26	27	27	28	28	28 ^f
7 Held by agencies	0	0	0	0	0	0	0	8	8 ^f
8 Debt subject to statutory limit	4,559	4,605	4,711	4,775	4,861	4,885	4,900	5,030	5,073
9 Public debt securities	4,559	4,605	4,711	4,774	4,861	4,885	4,900	5,030	5,073
10 Other debt ¹	0	0	0	0	0	0	0	0	0
MEMO									
11 Statutory debt limit	4,900	4,900	4,900	4,900	4,900	4,900	4,900	5,500	5,500

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

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

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

Billions of dollars, end of period

Type and holder	1992	1993	1994	1995	1995		1996	
					Q3	Q4	Q1	Q2
1 Total gross public debt	4,177.0	4,535.7	4,800.2	4,988.7	4,974.0	4,988.7	5,117.8	5,161.1
By type								
2 Interest-bearing	4,173.9	4,532.3	4,769.2	4,964.4	4,950.6	4,964.4	5,083.0	5,126.8
3 Marketable	2,754.1	2,989.5	3,126.0	3,307.2	3,260.5	3,307.2	3,375.1	3,348.4
4 Bills	657.7	714.6	733.8	760.7	742.5	760.7	811.9	773.6
5 Notes	1,608.9	1,764.0	1,867.0	2,010.3	1,980.3	2,010.3	2,014.1	2,025.8
6 Bonds	472.5	495.9	510.3	521.2	522.6	521.2	534.1	534.1
7 Nonmarketable ¹	1,419.8	1,542.9	1,643.1	1,657.2	1,690.2	1,657.2	1,707.9	1,778.3
8 State and local government series	153.5	149.5	132.6	104.5	113.4	104.5	96.5	97.8
9 Foreign issues ²	37.4	43.5	42.5	40.8	41.0	40.8	40.4	37.8
10 Government	37.4	43.5	42.5	40.8	41.0	40.8	40.4	37.8
11 Public .....	.0	.0	.0	.0	.0	.0	.0	.0
12 Savings bonds and notes	155.0	169.4	177.8	181.9	181.2	181.9	183.0	183.8
13 Government account series ³	1,043.5	1,150.0	1,259.8	1,299.6	1,324.3	1,299.6	1,357.7	1,428.5
14 Non-interest-bearing	3.1	3.4	31.0	24.3	23.3	24.3	34.8	34.3
By holder ⁴								
15 U.S. Treasury and other federal agencies and trust funds	1,047.8	1,153.5	1,257.1	1,304.5	1,320.8	1,304.5	1,353.8	1,422.4
16 Federal Reserve Banks	302.5	334.2	374.1	391.0	374.1	391.0	381.0	391.0
17 Private investors	2,839.9	3,047.4	3,168.0	3,294.9	3,279.5	3,294.9	3,382.8	3,347.3
18 Commercial banks	294.4	322.2	290.1	278.3 ^f	289.0	278.3 ^f	283.8 ^f	285.0
19 Money market funds	79.7	80.8	67.6	71.3	64.2	71.3	87.3	82.2
20 Insurance companies	197.5	234.5	240.1	250.8 ^f	249.8	250.8 ^f	256.0 ^f	258.0
21 Other companies	192.5	213.0	226.5	228.8	224.1	228.8	229.0	230.9
22 State and local treasuries ^{5,6}	563.3	605.9	483.4	352.2 ^f	389.8 ^f	352.2 ^f	336.8 ^f	340.0
Individuals								
23 Savings bonds	157.3	171.9	180.5	185.0	183.5	185.0	185.8	186.5
24 Other securities	131.9	137.9	150.7	162.7	162.4	162.7	161.4	161.1
25 Foreign and international ⁷	549.7	623.0	688.7 ^f	862.1 ^f	848.4 ^f	862.1 ^f	930.2 ^f	958.6
26 Other miscellaneous investors ⁸	673.5	658.3	840.5	903.7 ^f	868.3 ^f	903.7 ^f	912.5 ^f	845.0

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

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

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

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

5. Includes state and local pension funds.

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

7. Consists of investments of foreign balances and international accounts in the United States.

8. 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.

SOURCE: U.S. Treasury Department, data by type of security, *Monthly Statement of the Public Debt of the United States*; data by holder, *Treasury Bulletin*.

1.42 U.S. GOVERNMENT SECURITIES DEALERS' Transactions¹

Millions of dollars, daily averages

Item	1996			1996, week ending								
	May	June	July	July 4	July 10	July 17	July 24	July 31	Aug. 7	Aug. 14	Aug. 21	Aug. 28
OUTRIGHT TRANSACTIONS²												
<i>By type of security</i>												
1 U.S. Treasury bills	47,378	52,915	46,390	51,172	45,975	46,759	44,730	45,143	47,041	43,231	46,545	39,674
Coupon securities, by maturity												
2 Five years or less	94,646	99,169	93,494	99,661	89,231	102,734	101,115	76,322	104,567	83,093	77,785	97,868
3 More than five years	49,383	43,649	45,289	50,178	53,013	48,832	40,111	37,812	62,312	49,013	30,936	35,349
4 Federal agency	29,131	33,235	35,258	36,166	35,736	34,710	35,317	34,819	34,653	32,270	34,576	32,101
5 Mortgage-backed	35,929	35,542	34,569	27,774	52,724	41,762	27,177	24,319	50,491	45,748	21,839	25,725
<i>By type of counterparty</i>												
With interdealer broker												
6 U.S. Treasury	111,037	113,378	106,573	113,246	106,315	115,888	108,081	91,951	125,877	104,309	89,581	103,422
7 Federal agency	661	701	664	575	629	748	662	665	732	749	624	752
8 Mortgage backed	13,322	13,267	12,537	11,624	18,216	15,669	10,956	7,890	18,927	18,508	8,450	8,664
With other												
9 U.S. Treasury	80,265	82,355	78,600	87,765	81,904	82,436	77,896	67,427	88,043	71,027	65,685	69,470
10 Federal agency	28,470	32,521	34,593	35,591	35,108	33,962	34,654	34,154	33,971	31,521	33,951	31,349
11 Mortgage backed	22,507	22,275	22,037	16,150	34,509	26,093	17,121	16,429	31,565	27,240	13,389	17,060
FUTURES TRANSACTIONS³												
<i>By type of deliverable security</i>												
12 U.S. Treasury bills	410	539	229	250	265	316	0	100	501	185	492	489
Coupon securities, by maturity												
13 Five years or less	1,550	1,761	1,607	1,781	1,494	1,945	1,774	1,086	1,411	1,180	1,016	2,361
14 More than five years	12,854	12,742	10,873	11,299	11,484	11,291	11,071	9,513	13,547	12,263	7,848	10,634
15 Federal agency	0	0	0	0	0	0	0	0	0	0	0	0
16 Mortgage backed	0	0	0	0	0	0	0	0	0	0	0	0
OPTIONS TRANSACTIONS⁴												
<i>By type of underlying security</i>												
17 U.S. Treasury bills	0	0	0	0	0	0	0	0	0	0	0	0
Coupon securities, by maturity												
18 Five years or less	2,294	2,937	2,000	3,186	1,417	2,187	1,978	1,588	2,573	958	2,414	3,348
19 More than five years	3,057	4,494	4,018	4,119	4,806	4,064	3,654	3,644	4,514	3,633	3,922	5,323
20 Federal agency	0	0	0	0	0	0	0	0	0	0	0	0
21 Mortgage backed	1,016	786	688	740	1,089	590	633	489	1,468	679	347	784

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. Monthly averages are based on the number of trading days in the month. Transactions are assumed evenly distributed among the trading days of the report week. Immediate, forward, and futures transactions are reported at principal value, which does not include accrued interest; options transactions are reported at the face value of the underlying securities.

2. Dealers report cumulative transactions for each week ending Wednesday.

3. Outright transactions include immediate and forward transactions. Immediate delivery refers to purchases or sales of securities (other than mortgage backed federal 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 agency securities include purchases and sales for which delivery is scheduled in thirty business days or less. Stopped securities are reported at market value by maturity of coupon or coupons.

4. Forward transactions are agreements made in the over-the-counter market that specify delayed delivery. Forward contracts for U.S. Treasury securities and federal agency debt securities are included when the time to delivery is more than five business days. Forward contracts for mortgage-backed agency securities are included when the time to delivery is more than thirty business days.

5. Futures transactions are standardized agreements arranged on an exchange. All futures transactions are included regardless of time to delivery.

6. 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: "n.a." indicates that data are not published because of insufficient activity.

Major changes in the report form filed by primary dealers induced a break in the dealer data series as of the week ending July 6, 1994.

1.43 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing¹

Millions of dollars

Item	1996			1996, week ending							
	May	June	July	July 3	July 10	July 17	July 24	July 31	Aug. 7	Aug. 14	Aug. 21
Positions²											
NET OUTRIGHT POSITIONS³											
<i>By type of security</i>											
1 U.S. Treasury bills	15,447	13,791	15,044	4,854	10,113	12,921	23,286	18,225	19,424	12,998	11,995
<i>Coupon securities, by maturity</i>											
2 Five years or less	2,210	4,136	9,294	3,448	14,023	10,059	8,166	7,432	1,032	7,984	5,983
3 More than five years	23,231	20,940	19,269	19,366	17,599	19,276	20,244	19,916	16,741	14,345	13,114
4 Federal agency	23,923	22,350	22,053	17,632	18,296	22,818	24,189	24,804	23,371	26,541	21,955
5 Mortgage-backed	34,206	35,764	38,520	38,307	37,003	39,147	40,305	37,716	37,010	37,774	37,422
NET FUTURES POSITIONS⁴											
<i>By type of deliverable security</i>											
6 U.S. Treasury bills	4,625	2,006	2,592	1,681	1,571	2,778	3,226	3,183	4,692	4,535	4,764
<i>Coupon securities, by maturity</i>											
7 Five years or less	632	254	1,701	2,202	1,978	2,079	1,015	1,518	2,528	1,703	1,148
8 More than five years	3,598	7,798	13,999	14,039	11,211	12,557	15,194	17,018	23,152	23,643	20,824
9 Federal agency	0	0	0	0	0	0	0	0	0	0	0
10 Mortgage-backed	0	0	0	0	0	0	0	0	0	0	0
NET OPTIONS POSITIONS											
<i>By type of deliverable security</i>											
11 U.S. Treasury bills	0	0	0	0	0	0	0	0	0	0	0
<i>Coupon securities, by maturity</i>											
12 Five years or less	139	2,515	1,205	2,225	732	908	1,058	1,684	715	1,656	108
13 More than five years	703	670	2,650	3,123	1,884	1,162	3,229	4,124	6,180	5,375	3,682
14 Federal agency	0	0	0	0	0	0	0	n.a.	n.a.	0	0
15 Mortgage-backed	3,902	3,075	2,614	2,425	2,886	2,548	2,604	2,497	2,808	1,659	1,384
Financing⁵											
<i>Reverse repurchase agreements</i>											
16 Overnight and continuing	249,222 ^a	240,787 ^a	260,875	252,900 ^a	264,615	260,483	247,408	274,411	285,085	291,849	278,152
17 Term	450,364 ^a	460,370 ^a	477,948	448,037 ^a	472,180	484,794	504,395	463,241	507,603	517,732	444,359
<i>Securities borrowed</i>											
18 Overnight and continuing	172,896 ^a	179,225 ^a	181,614	176,983 ^a	182,069	185,275	181,803	179,293	180,119	181,528	179,466
19 Term	63,987	60,592	60,925	61,379	59,185	58,974	64,132	61,216	63,113	64,606	69,349
<i>Securities received as pledge</i>											
20 Overnight and continuing	2,488	5,063	4,636	5,605	5,503	4,516	4,060	4,018	4,097	4,219	4,188
21 Term	52	82	51	51	56	56	49	41	58	49	150
<i>Repurchase agreements</i>											
22 Overnight and continuing	550,518 ^a	532,929 ^a	551,594	523,993 ^a	555,512	559,773	552,387	563,340	584,929	591,179	579,684
23 Term	390,908 ^a	406,928 ^a	424,060	403,430 ^a	409,499	421,494	446,562	414,721	459,451	469,594	396,729
<i>Securities loaned</i>											
24 Overnight and continuing	4,803	5,341	4,471	4,670	4,697	4,915	4,384	3,801	4,115	3,871	4,512
25 Term	3,094	3,160	3,258	3,160	3,133	3,159	3,524	n.a.	n.a.	n.a.	3,565
<i>Securities pledged</i>											
26 Overnight and continuing	41,591	46,541	38,698	40,053	39,833	40,852	37,337	36,189	38,115	41,662	43,917
27 Term	6,797	6,584	6,917	7,664	7,595	6,566	6,668	6,517	6,032	6,167	5,496
<i>Collateralized loans</i>											
28 Overnight and continuing	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
29 Term	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
30 Total	12,091	12,155	16,304	15,312	17,456	16,791	15,549	15,843	18,666	18,755	23,795
MI MO: Matched book⁶											
<i>Securities in</i>											
31 Overnight and continuing	244,563 ^a	243,743 ^a	269,271	253,387 ^a	270,749	271,466	265,450	276,228	296,111	287,195	268,821
32 Term	439,694 ^a	446,306 ^a	466,817	437,325 ^a	458,142	472,511	495,021	454,233	491,491	516,880	448,112
<i>Securities out</i>											
33 Overnight and continuing	346,849 ^a	342,400 ^a	366,527	343,064 ^a	371,767	367,488	367,318	369,592	387,206	387,485	371,295
34 Term	335,381 ^a	351,950 ^a	372,816	355,092 ^a	359,348	376,809	395,394	367,309	411,653	427,653	359,536

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

2. Securities positions are reported at market value.

3. Net outright positions include immediate and forward positions. 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 that settle on the issue date of offering. Net immediate positions for mortgage-backed agency securities include securities purchased or sold that have been delivered or are scheduled to be delivered in thirty business days or less.

Forward positions reflect agreements made in the over-the-counter market that specify delayed delivery. Forward contracts for U.S. Treasury securities and federal agency debt securities are included when the time to delivery is more than five business days. Forward contracts for mortgage-backed agency securities are included when the time to delivery is more than thirty business days.

4. Futures positions reflect standardized agreements arranged on an exchange. All futures positions are included regardless of time to delivery.

5. 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. Financing data are reported in terms of actual funds paid or received, including accrued interest.

6. 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 different types of collateralization.

NOTE: "n.a." indicates that data are not published because of insufficient activity.

Major changes in the report form filed by primary dealers induced a break in the dealer data series as of the week ending July 6, 1994.

A30 Domestic Financial Statistics [November 1996

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1992	1993	1994	1995	1996				
					Feb.	Mar.	Apr.	May	June
1 Federal and federally sponsored agencies	483,970	570,711	738,928	844,611	840,384	846,807	n.a.	868,599	↑
2 Federal agencies	41,829	45,193	39,186	37,347	31,986	31,284	31,449	31,029	↑
3 Defense Department ¹	7	6	6	6	6	6	6	6	↑
4 Export-Import Bank ^{2,3}	7,208	5,315	3,455	2,050	2,050	2,015	2,015	2,015	↑
5 Federal Housing Administration ⁴	374	255	116	97	35	52	56	56	n.a.
6 Government National Mortgage Association certificates of participation ⁵	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	↓
7 Postal Service ⁶	10,660	9,732	8,073	5,765	300	300	300	n.a.	↓
8 Tennessee Valley Authority ⁶	23,580	29,885	27,536	29,429	29,595	28,911	29,072	28,952	↓
9 United States Railway Association ⁶	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	↓
10 Federally sponsored agencies ⁷	442,141	523,452	699,742	807,264	808,398	815,523	n.a.	837,570	847,807
11 Federal Home Loan Banks	114,733	139,512	205,817	243,194	233,404	239,253	242,437	243,389	249,240
12 Federal Home Loan Mortgage Corporation	29,631	49,993	93,279	119,961	123,777	124,278	136,185	141,248	143,363
13 Federal National Mortgage Association	166,300	201,112	257,230	299,174	304,159	306,815	306,361	305,050	308,385
14 Farm Credit Banks ⁸	51,910	53,123	53,175	57,379	57,536	59,428	60,815	61,197	62,182
15 Student Loan Marketing Association ⁹	39,650	39,784	50,335	47,529	49,495	45,723	47,052	46,735	44,718
16 Financing Corporation ¹⁰	8,170	8,170	8,170	8,170	8,170	8,170	8,170	8,170	8,170
17 Farm Credit Financial Assistance Corporation ¹¹	1,261	1,261	1,261	1,261	1,261	1,261	1,261	1,261	1,261
18 Resolution Funding Corporation ¹²	29,996	29,996	29,996	29,996	29,996	29,996	29,996	29,996	29,996
MIMO									
19 Federal Financing Bank debt¹³	154,994	128,187	103,817	78,681	68,037	66,725	66,079	64,931	↑
<i>Lending to federal and federally sponsored agencies</i>									
20 Export-Import Bank	7,202	5,309	3,449	2,044	2,044	2,009	2,009	2,009	↑
21 Postal Service ⁶	10,440	9,732	8,073	5,765	300	300	300	n.a.	↓
22 Student Loan Marketing Association	4,790	4,760	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	↓
23 Tennessee Valley Authority	6,975	6,325	3,200	3,200	n.a.	n.a.	n.a.	n.a.	n.a.
24 United States Railway Association ⁶	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	↓
<i>Other lending¹⁴</i>									
25 Farmers Home Administration	32,979	38,619	33,719	21,015	21,015	21,015	21,015	21,015	↓
26 Rural Electrification Administration	18,172	17,578	17,392	17,144	17,040	17,049	16,940	16,944	↓
27 Other	64,436	45,864	37,984	29,513	27,638	26,352	25,815	24,964	↓

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

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

1.45 NEW SECURITY ISSUES Tax-Exempt State and Local Governments

Millions of dollars

Type of issue or issuer, or use	1993	1994	1995 ¹	1996							
				Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
1 All issues, new and refunding¹	279,945	153,950	145,657	12,328²	12,523²	16,341²	14,591²	15,694²	18,015²	11,583²	12,687
<i>By type of issue</i>											
2 General obligation	90,599	54,104	56,980	6,074	2,063	4,846	5,083	5,476	6,493	4,078	4,173
3 Revenue	189,346	99,846	88,677	5,471	9,535	10,398	8,116	9,515	10,040	7,084	8,514
<i>By type of issuer</i>											
4 State	27,999	19,186	14,665	1,630	695	904	976	2,807	1,047	680	378
5 Special district or statutory authority ²	178,714	95,896	93,500	7,052	7,820	10,141	9,571	9,824	9,899	6,923 ²	8,591
6 Municipality, county, or township	73,232	38,868	37,492	2,864	3,083	4,199	2,702	2,460	5,587	3,559	3,718
7 Issues for new capital	91,434	105,972	102,390	6,820²	6,812²	11,140²	9,487	9,594	13,864	9,364	7,833
<i>By use of proceeds</i>											
8 Education	16,831	21,267	23,964	2,065	2,226	1,847	2,142	2,442	3,453	1,859	3,348
9 Transportation	9,167	10,836	11,890	573	359	1,417	682	778	1,490	547	620
10 Utilities and conservation	12,014	10,192	9,618	439	582	892	592	1,368	974	984	489
11 Social welfare	13,837	20,289	19,566	935	904	2,715	1,669	1,764	3,152	2,074	2,556
12 Industrial and	6,862	8,161	6,581	927	110	785	751	802	411	326	218
13 Other purposes	32,724	35,227	30,771	2,183	2,202	2,965	3,651	2,940	4,481	3,574	1,612

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

SOURCE: Securities Data Company, beginning January 1993; Investment Dealer's Digest before then.

1.46 NEW SECURITY ISSUES U.S. Corporations

Millions of dollars

Type of issue, offering, or issuer	1993	1994	1995	1995	1996						
					Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July
1 All issues¹	769,088	583,240	n.a.	40,149	49,495²	62,065²	55,666	48,818²	69,191²	65,662²	39,989
2 Bonds²	646,634	498,039	n.a.	34,619	44,739²	52,905²	48,256	36,318²	55,909²	52,921²	32,700
<i>By type of offering</i>											
3 Public, domestic	487,029	365,222	408,806	32,219	35,418 ²	45,922 ²	41,419	30,599 ²	46,840 ²	44,875 ²	27,000
4 Private placement, domestic	121,226	76,065	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
5 Sold abroad	38,379	56,755	76,910	2,399	9,321	6,984	6,837	5,759	9,069	8,046	5,000
<i>By industry group</i>											
6 Manufacturing	88,160	43,423	12,950	3,205	3,952	2,522	3,335	2,503	5,887 ²	5,367 ²	4,210
7 Commercial and miscellaneous	58,559	40,735	37,139	3,099	2,277	2,840	3,803	2,663	1,933	4,272	3,432
8 Transportation	10,816	6,867	5,727	1,240	664	584	137	170	819	850	815
9 Public utility	56,340	13,322	11,974	685	1,906	965	788	144	691	1,144	2,034
10 Communication	31,950	13,340	18,158	648	748	2,641 ²	2,253	734	1,097 ²	2,231	847
11 Real estate and financial	400,820	80,352	369,769	25,742	15,192 ²	43,354	37,941	29,864 ²	42,481 ²	39,059 ²	21,362
12 Stocks²	122,454	85,155	n.a.	5,530	4,756	9,160	7,402²	12,500	13,282	12,749²	7,289
<i>By type of offering</i>											
13 Public preferred	18,897	12,570	10,964	890	2,167	3,258	967	2,000	1,660	3,195	1,544
14 Common	82,657	47,828	57,809	4,640	2,580	5,902	6,435 ²	10,500	11,622	9,554 ²	5,645
15 Private placement ¹	20,900	24,800	↑	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<i>By industry group</i>											
16 Manufacturing	22,271	17,798	n.a.	681	295	1,543	2,036	3,968	2,777	2,526 ²	1,673
17 Commercial and miscellaneous	25,761	15,713	↓	2,632	2,521	2,659	3,585 ²	4,122	5,041	6,606 ²	2,560
18 Transportation	2,237	2,203	↓	156	38	111	232	37	322	189	143
19 Public utility	7,050	2,214	↓	322	115	809	319	149	147	569	229
20 Communication	3,439	494	↓	0	200	122	100	144	1,205	837	1,144
21 Real estate and financial	61,004	46,733	↓	1,739	1,588	3,719	1,130	1,079	3,789	2,023 ²	1,590

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.
1. Monthly data are not available.

SOURCE: Beginning July 1993, Securities Data Company and the Board of Governors of the Federal Reserve System.

A32 Domestic Financial Statistics [] November 1996

1.47 OPEN-END INVESTMENT COMPANIES Net Sales and Assets¹

Millions of dollars

Item	1994	1995	1995	1996						
			Dec	Jan	Feb.	Mar.	Apr.	May	June	July
1 Sales of own shares ²	841,286	871,415	94,719	112,332	90,370	93,856	101,310	96,501	88,115	93,053
2 Redemptions of own shares	699,823	699,491	67,945	75,354	60,398	65,748	81,005	69,419	69,072	76,485
3 Net sales ³	141,463	171,918	26,774	36,978	29,972	28,108	20,305	27,082	19,044	16,568
4 Assets ⁴	1,550,490	2,067,337	2,067,337	2,143,185	2,181,711	2,212,517	2,293,491	2,356,307	2,363,024	2,297,216
5 Cash ⁵	121,296	142,572	142,572	150,772	144,520	142,697	148,777	145,554	144,275	148,647
6 Other	1,429,195	1,924,765	1,924,765	1,992,414	2,037,191	2,069,820	2,144,713	2,201,752	2,218,749	2,147,337

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

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

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

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

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

1.48 CORPORATE PROFITS AND THEIR DISTRIBUTION

Billions of dollars; quarterly data at seasonally adjusted annual rates

Account	1993	1994	1995	1994		1995				1996	
				Q1	Q4	Q1	Q2	Q3	Q4	Q1	Q2 ^a
1 Profits with inventory valuation and capital consumption adjustment	464.4	529.5	586.6	553.1	570.9	560.0	562.3	612.5	611.8	645.1	655.8
2 Profits before taxes	464.3	531.2	598.9	550.8	572.4	594.5	589.6	607.2	604.2	642.2	644.6
3 Profits-tax liability	163.8	195.3	218.7	203.4	213.5	217.3	214.2	224.5	218.7	233.4	236.4
4 Profits after taxes	300.5	335.9	380.2	347.4	358.8	377.2	375.3	382.8	385.5	408.8	408.1
5 Dividends	197.3	211.0	227.4	212.5	218.5	221.7	224.6	228.5	234.7	239.9	243.1
6 Undistributed profits	103.2	124.8	152.8	134.9	140.3	155.5	150.8	154.3	150.8	168.9	165.1
7 Inventory valuation	6.6	13.3	28.1	16.5	22.8	51.9	42.3	9.3	8.8	17.4	11.0
8 Capital consumption adjustment	6.7	11.6	15.9	18.8	21.3	17.4	15.0	14.6	16.5	20.4	22.3

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

1.51 DOMESTIC FINANCE COMPANIES Assets and Liabilities¹

Billions of dollars, end of period; not seasonally adjusted

Account	1993	1994	1995	1994		1995				1996
				Q3	Q4	Q1	Q2	Q3	Q4	
ASSETS										
1 Accounts receivable, gross ¹	182.8	551.0	614.0	524.1	551.0	568.5	586.9	594.7	614.6	621.8
2 Consumer	116.5	134.8	152.0	130.3	134.8	135.8	141.7	146.2	152.0	151.9
3 Business	294.6	337.6	475.9	317.2	317.6	351.9	361.8	362.4	375.9	380.9
4 Real estate	71.7	78.5	86.6	76.6	78.5	80.8	83.4	86.1	86.6	89.1
5 Less: Reserves for unearned income	50.7	55.0	63.2	51.1	55.0	58.9	62.1	61.2	63.2	61.5
6 Reserves for losses	11.2	12.4	14.1	12.1	12.4	12.9	13.7	13.8	14.1	14.2
7 Accounts receivable, net	420.9	483.5	537.3	460.9	483.5	496.7	511.1	519.7	537.3	516.1
8 All other	170.9	183.4	210.7	177.2	183.4	194.6	198.1	198.1	210.7	212.8
9 Total assets	591.8	666.9	748.0	638.1	666.9	691.4	709.2	717.8	748.0	758.9
LIABILITIES AND CAPITAL										
10 Bank loans	25.3	21.2	23.1	21.6	21.2	21.0	21.5	21.8	23.1	23.5
11 Commercial paper	159.2	184.6	183.5	171.0	184.6	181.3	181.3	178.0	181.5	181.8
<i>Debt</i>										
12 Owed to parent	42.7	51.0	62.3	50.0	51.0	52.5	57.5	59.0	62.3	62.3
13 Not elsewhere classified	206.0	235.0	284.2	228.2	235.0	254.3	264.3	272.1	284.7	291.4
14 All other liabilities	87.1	99.5	106.2	95.0	99.5	102.5	102.1	103.4	106.2	105.7
15 Capital, surplus, and undivided profits	71.4	75.7	87.2	72.3	75.7	79.7	82.5	84.4	87.2	91.1
16 Total liabilities and capital	591.8	666.9	748.0	638.1	666.9	691.4	709.2	717.8	748.0	758.9

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

2. Before deduction for unearned income and losses.

1.52 DOMESTIC FINANCE COMPANIES Consumer, Real Estate, and Business Credit¹

Millions of dollars, amounts outstanding, end of period

Type of credit	1993	1994	1995	1996					
				Feb.	Mar.	Apr.	May	June	July
Seasonally adjusted									
1 Total	546,103	615,618	691,616	700,977	703,398	708,343	710,367	719,536	724,714
2 Consumer	160,227	176,085	198,861	202,548	205,280	205,181	207,027	210,341	212,814
3 Real estate	77,013	78,910	87,077	88,188	89,502	89,943	90,180	93,917	95,088
4 Business	31,833	360,623	405,678	410,241	410,616	413,216	413,160	415,278	416,815
Not seasonally adjusted									
5 Total	550,751	620,975	697,340	701,576	705,650	710,762	712,429	722,597	718,052
6 Consumer	162,770	178,999	202,101	202,108	202,337	203,532	205,678	209,851	210,777
7 Motor vehicles	56,057	61,609	70,061	73,312	72,129	73,810	74,377	74,286	75,048
8 Other consumer	60,396	73,221	81,988	81,214	79,779	79,389	80,435	80,344	81,314
9 Securitized motor vehicles	36,024	31,897	33,633	30,364	31,093	30,376	31,435	34,836	33,731
10 Securitized other consumer	10,293	12,272	16,319	17,318	19,336	19,757	19,481	20,395	20,697
11 Real estate	71,727	78,479	86,606	88,520	89,086	89,925	90,182	93,100	95,336
12 Business	316,254	363,497	408,633	410,948	414,257	417,255	416,569	419,646	419,939
13 Motor vehicles	95,173	118,197	133,277	132,153	133,098	133,500	134,196	137,177	137,543
14 Retail loans	18,091	21,514	25,304	26,591	27,140	27,954	27,151	29,032	28,373
15 Wholesale loans	31,148	35,037	36,377	33,386	33,910	32,155	31,360	32,095	26,506
16 Leases	45,934	61,646	71,546	72,176	73,048	73,391	75,685	76,350	77,664
17 Equipment	115,452	157,953	177,297	176,361	173,285	178,507	178,151	178,983	177,949
18 Loans	43,514	49,358	59,109	57,574	59,909	57,576	57,327	58,788	57,621
19 Leases	101,938	108,595	118,188	118,887	119,376	120,931	120,824	120,195	120,328
20 Other business	53,997	61,495	65,363	68,070	69,497	69,193	68,112	67,210	66,548
21 Securitized business assets	21,632	25,852	32,696	34,364	33,477	35,055	36,110	35,976	34,899
22 Retail loans	2,869	4,494	4,723	4,252	4,067	4,370	4,490	4,688	4,613
23 Wholesale loans	10,584	11,826	21,327	23,460	23,622	23,327	25,078	24,950	23,988
24 Leases	8,179	6,532	6,646	6,552	6,688	6,361	6,292	6,338	6,398

1. Includes finance company subsidiaries of bank holding companies but not of retailers and banks. Data are before deductions for unearned income and losses. Data in this table also appear in the Board's G-20 (1-23) monthly statistical release. For ordering address, see inside front cover.

2. Includes all loans secured by liens on any type of real estate, for example, first and junior mortgages and home equity loans.

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

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

5. Passenger car fleets and commercial land vehicles for which licenses are required.

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

7. Beginning with the June 1996 data, retail and wholesale business equipment loans have been combined and are no longer separately available.

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

1.53 MORTGAGE MARKETS Mortgages on New Homes

Millions of dollars except as noted

Item	1993	1994	1995	1996						
				Feb.	Mar.	Apr.	May	June	July	Aug.
Terms and yields in primary and secondary markets										
PRIMARY MARKETS										
<i>Terms¹</i>										
1 Purchase price (thousands of dollars)	163.1	170.4	175.8	181.7	184.5	175.2	179.5	180.1	194.0	184.8
2 Amount of loan (thousands of dollars)	123.0	130.8	134.5	143.2	141.5	133.2	137.6	139.4	144.2	141.1
3 Loan-to-price ratio (percent)	78.0	78.8	78.6	80.3	77.8	78.4	79.3	78.7	76.2	77.7
4 Maturity (years)	26.1	27.5	27.7	27.8	26.4	27.1	27.2	25.8	26.7	27.2
5 Fees and charges (percent of loan amount) ²	1.30	1.29	1.21	1.24	1.30	1.17	1.16	1.31	1.25	1.38
<i>Yield (percent per year)</i>										
6 Contract rate ³	7.03	7.26	7.65	7.00	7.25	7.57	7.61	7.75	7.80	7.85
7 Effective rate ⁴	7.24	7.47	7.85	7.20	7.49	7.76	7.80	8.05	8.01	8.08
8 Contract rate (HUD series) ⁵	7.37	8.58	8.05	7.56	7.97	8.22	8.34	8.37	8.28	8.45
SECONDARY MARKETS										
<i>Yield (percent per year)</i>										
9 FHA mortgages (Section 203) ⁵	7.46	8.68	8.18	7.57	8.09	8.52	8.57	8.55	8.56	8.58
10 GNMA securities ⁶	6.65	7.96	7.57	6.85	7.40	7.63	7.81	7.91	7.84	7.68
Activity in secondary markets										
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
<i>Mortgage holdings (end of period)</i>										
11 Total	190,861	222,057	253,511	257,970	262,014	263,809	267,330	270,042	272,458	275,133
12 FHA/VA insured	23,857	27,558	28,762	28,502	28,744	29,132	30,442	30,936	30,830	30,803
13 Conventional	167,004	194,499	224,749	229,468	233,270	234,677	236,888	239,106	241,628	244,330
14 Mortgage transactions purchased (during period)	92,037	62,389	56,598	5,371	7,681	5,339	6,720	5,421	5,345	5,360
<i>Mortgage commitments (during period)</i>										
15 Issued	92,537	54,038	56,092	7,013	6,293	5,599	5,228	5,280	5,036	5,673
16 To self ⁷	5,097	1,820	360	0	29	0	13	0	0	0
FEDERAL HOME LOAN MORTGAGE CORPORATION										
<i>Mortgage holdings (end of period)⁸</i>										
17 Total	55,012	72,693	107,424	114,793	117,420	119,520	121,058	123,806	125,574	127,345
18 FHA/VA insured	321	276	267	223	220	216	212	209	205	205
19 Conventional	54,691	72,416	107,157	114,570	117,200	119,304	120,846	123,597	125,369	127,140
<i>Mortgage transactions (during period)</i>										
20 Purchases	229,242	124,697	98,470	10,891	11,984	12,740	12,385	10,266	9,934	9,643
21 Sales	208,723	117,110	85,877	9,733	11,384	11,958	11,904	9,969	9,496	8,994
22 Mortgage commitments contracted (during period) ⁹	274,599	136,067	118,659	10,378	14,520	13,009	11,075	11,164	10,626	8,992

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

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

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

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

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

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

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

8. Includes participation loans as well as whole loans.

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

1.54 MORTGAGE DEBT OUTSTANDING¹

Millions of dollars, end of period

Type of holder and property	1992	1993	1994	1995			1996	
				Q2	Q3	Q4	Q1	Q2 ²
1 All holders	4,091,827³	4,266,657³	4,472,693³	4,581,594⁴	4,657,832⁴	4,706,654⁴	4,775,361	4,859,561
<i>By type of property</i>								
2 One- to four-family residences	3,036,251 ⁴	3,225,371 ⁴	3,479,616 ⁴	3,521,129 ⁴	3,587,678 ⁴	3,626,712 ⁴	3,682,277	3,749,867
3 Multifamily residences	271,234	270,796	275,301 ⁴	280,429	281,276	287,935 ⁴	291,979	296,888
4 Nonfarm, nonresidential	700,604	689,296	684,803	696,238	701,525	707,328 ⁴	715,940	726,308
5 Farm	80,738	81,194	82,971	83,808	84,452 ⁴	84,620	85,215	86,498
<i>By type of holder</i>								
6 Major financial institutions	1,769,187	1,767,835	1,815,810	1,868,175	1,895,285	1,888,977 ⁴	1,894,809	1,916,216
7 Commercial banks	894,513	940,444	1,004,280	1,053,048	1,072,780	1,080,473	1,087,216	1,099,554
8 One- to four-family	507,780	556,538	611,697	648,705	662,126	665,888	665,405	669,925
9 Multifamily	38,024	38,635	38,916	40,593	41,003	41,846	41,705	45,222
10 Nonfarm, nonresidential	128,826	124,409	131,100	131,176	133,826	133,109	135,174	139,845
11 Farm	19,882	20,862	22,567	23,575	23,824	23,829	24,931	24,561
12 Savings institutions	627,972	598,330	596,199	599,745	601,614	596,789	595,908	606,163
13 One- to four-family	489,622	469,959	477,499	482,005	489,150	482,765	483,367	492,692
14 Multifamily	69,791	67,367	64,400	64,404	63,569	61,926	60,427	60,720
15 Nonfarm, nonresidential	68,235	60,704	54,011	53,054	51,604	51,809	51,814	52,433
16 Farm	324	305	289	282	291	288	287	317
17 Life insurance companies	246,702	229,061	215,332	215,382	217,892	211,815	211,686	210,499
18 One- to four-family	11,441	9,458	7,910	7,610	7,701	7,477	7,477	7,428
19 Multifamily	27,770	25,814	24,306	24,347	24,638	23,920	23,906	23,764
20 Nonfarm, nonresidential	198,269	184,305	173,539	173,830	175,910	170,683	170,681	169,620
21 Farm	9,222	9,484	9,577	9,596	9,643	9,636	9,627	9,637
22 Federal and related agencies	286,263	327,014	319,327	313,039 ⁴	314,357 ⁴	313,760 ⁴	312,950	314,694
23 Government National Mortgage Association	30	22	6	7	2	2	2	2
24 One- to four-family	30	15	6	7	2	2	2	2
25 Multifamily	0	7	0	0	0	0	0	0
26 Farmers Home Administration	41,695	41,386	41,781	41,917	41,858	41,791	41,594	41,547
27 One- to four-family	16,912	15,403	13,826	13,217	12,914	12,643	12,377	11,982
28 Multifamily	10,575	10,940	11,319	11,512	11,557	11,617	11,636	11,645
29 Nonfarm, nonresidential	5,158	5,406	5,670	5,949	6,096	6,248	6,365	6,552
30 Farm	9,050	9,739	10,966	11,239	11,291	11,282	11,266	11,369
31 Federal Housing and Veterans' Administrations	12,581	12,215	10,964	10,098	9,535	9,809	8,439	8,052
32 One- to four-family	5,153	5,364	4,753	4,338	4,918	5,180	4,228	3,861
33 Multifamily	7,428	6,851	6,211	5,260	4,617	4,629	4,211	4,191
34 Resolution Trust Corporation	32,045	17,284	10,428	6,456	4,889	1,864	0	0
35 One- to four-family	12,960	7,203	5,200	2,870	2,299	691	0	0
36 Multifamily	9,621	5,327	2,859	1,940	1,420	647	0	0
37 Nonfarm, nonresidential	9,464	4,754	2,469	1,645	1,170	525	0	0
38 Farm	0	0	0	0	0	0	0	0
39 Federal Deposit Insurance Corporation	0	14,117	7,821	6,039	5,015	4,303	5,553	5,016
40 One- to four-family	0	2,367	1,039	731	618	492	839	810
41 Multifamily	0	1,426	1,595	1,135	722	428	1,100	955
42 Nonfarm, nonresidential	0	10,319	5,177	4,473	3,674	3,383	3,614	3,221
43 Farm	0	0	0	0	0	0	0	0
44 Federal National Mortgage Association	137,584	166,642	178,059	178,467	182,229	183,782	183,531	186,041
45 One- to four-family	124,016	151,310	162,160	162,674	166,193	168,122	167,895	170,572
46 Multifamily	13,568	15,332	15,899	15,788	15,846	15,660	15,646	15,469
47 Federal Land Banks	28,666	28,660	28,555	28,005	28,151	28,328	28,891	29,362
48 One- to four-family	1,687	1,675	1,671	1,648	1,656	1,673	1,700	1,728
49 Farm	26,977	26,785	26,885	26,357	26,495	26,755	27,191	27,634
50 Federal Home Loan Mortgage Corporation	33,665	46,892	41,712 ⁴	42,052 ⁴	42,673 ⁴	43,781 ⁴	44,939	44,674
51 One- to four-family	31,032	44,345	38,882 ⁴	38,794 ⁴	39,249 ⁴	40,929 ⁴	40,877	40,177
52 Multifamily	2,633	2,547	2,830	3,261	3,434	3,852	4,062	4,197
53 Mortgage pools or trusts	1,433,183 ⁴	1,562,925 ⁴	1,717,991 ⁴	1,759,039 ⁴	1,795,041 ⁴	1,853,632 ⁴	1,894,711	1,946,036
54 Government National Mortgage Association	419,516	414,066	450,934	457,108	463,654	472,314	475,854	485,454
55 One- to four-family	410,675	404,861	441,198	446,862	453,114	461,472	464,675	473,965
56 Multifamily	8,841	9,204	9,736	10,246	10,540	10,845	11,179	11,491
57 Federal Home Loan Mortgage Corporation	407,514	447,147	490,851	498,216	503,170	515,051	524,327	536,671
58 One- to four-family	401,525	442,612	487,725	495,182	500,417	512,238	521,722	534,238
59 Multifamily	5,989	4,535	3,126	3,034	2,953	2,813	2,605	2,434
60 Federal National Mortgage Association	444,939	495,525	530,343	543,669	559,585	582,989	599,546	621,285
61 One- to four-family	435,979	486,804	520,763	533,091	548,400	569,724	585,527	606,271
62 Multifamily	9,000	8,721	9,580	10,578	11,185	13,265	14,019	15,014
63 Farmers Home Administration	38	28	19	13	12	11	10	9
64 One- to four-family	8	5	3	2	2	2	1	1
65 Multifamily	0	0	0	0	0	0	0	0
66 Nonfarm, nonresidential	17	13	9	6	5	5	4	4
67 Farm	13	10	7	8	8	4	4	4
68 Private mortgage conduits	161,136 ⁴	206,159 ⁴	245,841 ⁴	260,833 ⁴	268,120	283,294	294,974	302,616
69 One- to four-family ⁴	139,637 ⁴	171,988 ⁴	194,145 ⁴	202,658 ⁴	207,679	214,635	219,392	221,380
70 Multifamily	6,305	65,397	14,925	14,281	10,701	21,279	24,477	26,696
71 Nonfarm, nonresidential	15,194	25,469	36,774	40,094	31,838	47,380	51,101	54,541
72 Farm	0	0	0	0	0	0	0	0
73 Individuals and others	604,194 ⁴	608,884 ⁴	619,565 ⁴	641,341 ⁴	653,153 ⁴	650,286 ⁴	672,891	682,615
74 One- to four-family	447,795 ⁴	455,569 ⁴	461,130 ⁴	480,234 ⁴	491,050 ⁴	486,140 ⁴	506,298	514,507
75 Multifamily	64,688	65,397	69,601	71,051 ⁴	71,898	74,232 ⁴	74,015	75,090
76 Nonfarm, nonresidential	75,441	73,917	76,153	77,301 ⁴	77,401 ⁴	78,084 ⁴	79,182	80,042
77 Farm	15,270	14,009	12,681	12,755	12,804	12,823 ⁴	12,896	12,975

1. Multifamily debt refers to loans on structures of five or more units.
 2. Includes loans held by nondeposit trust companies but not loans held by bank trust departments.
 3. Includes savings banks and savings and loan associations.
 4. FmHA guaranteed securities sold to the Federal Financing Bank were reallocated from FmHA mortgage pools to FmHA mortgage holdings in 1986 Q4 because of accounting changes by the Farmers Home Administration.
 5. Outstanding principal balances of mortgage-backed securities insured or guaranteed by the agency indicated.
 6. Includes securitized home equity loans.
 7. Other holders include mortgage companies, real estate investment trusts, state and local credit agencies, state and local retirement funds, noninsured pension funds, credit unions, and finance companies.
 SOURCE: Based on data from various institutional and government sources. Separation of nonfarm mortgage debt by type of property, if not reported directly, and interpolations and extrapolations, when required for some quarters, are estimated in part by the Federal Reserve. Line 69 from Inside Mortgage Securities and other sources.

1.55 CONSUMER INSTALLMENT CREDIT¹

Millions of dollars, amounts outstanding, end of period

Holder and type of credit	1993	1994	1995	1996					
				Feb	Mar	Apr	May	June ²	July
Seasonally adjusted									
1 Total	844,418	966,457	1,103,296 ³	1,124,709 ⁴	1,135,732 ⁴	1,143,347 ⁴	1,149,329 ⁴	1,156,004	1,163,713
2 Automobile	279,786	317,187	350,848 ⁴	355,136	357,752	360,460	361,627	367,193	369,122
3 Revolving	287,011	339,337	413,891	425,658	431,249 ⁴	438,436 ⁴	441,654 ⁴	446,752	453,992 ⁴
4 Other	277,621	309,939	338,557	344,915 ⁴	346,731 ⁴	344,451 ⁴	345,048 ⁴	342,060	340,599
Not seasonally adjusted									
5 Total	863,924	990,247	1,131,881 ³	1,121,802 ⁴	1,125,387 ⁴	1,132,591 ⁴	1,139,556 ⁴	1,148,831	1,153,973
<i>By major holder</i>									
6 Commercial banks	399,683	462,923	507,753 ⁴	500,333 ⁴	500,929 ⁴	506,678 ⁴	505,318 ⁴	507,809	511,582
7 Finance companies	116,453	134,830	152,624	151,365	151,749	153,299	155,893	155,864	156,349
8 Credit unions	101,634	119,593	131,939	130,839	130,837	131,844	133,367	134,582	136,874
9 Savings institutions	37,855	38,468	40,106	40,448	40,762	41,000	41,000	40,123	40,423
10 Nonfinancial business	17,229	86,621	85,061	78,138	76,681	73,765	74,680	72,063	71,232
11 Pools of securitized assets ⁵	131,070	117,811	214,398 ⁴	224,429 ⁴	224,429 ⁴	226,005 ⁴	229,298 ⁴	238,190	237,613
<i>By major type of credit²</i>									
12 Automobile	281,538	319,715	354,055 ⁴	352,907	354,061	356,014	358,948	365,705	367,958
13 Commercial banks	122,000	141,895	149,094	147,703	148,455	150,434	151,271	154,050	155,661
14 Finance companies	56,057	61,609	70,626	73,312	72,129	73,810	74,377	74,286	75,038
15 Pools of securitized assets ⁵	39,561	36,376	14,411 ⁴	41,568	42,800	40,545	41,021	44,543	42,822
16 Revolving	302,201	357,307	435,674	424,537	425,875 ⁴	431,710 ⁴	438,768 ⁴	441,858	447,583
17 Commercial banks	149,920	187,021	210,298	198,886	196,836	201,903	205,011	206,393	211,831
18 Nonfinancial business ⁴	50,125	56,790	53,525	48,613	47,416	44,526	45,182	42,574	41,715
19 Pools of securitized assets ⁵	80,243	96,130	147,934	153,390	157,901 ⁴	161,396 ⁴	163,509 ⁴	168,844	169,716
20 Other	280,185	313,225	312,152 ⁴	344,358 ⁴	345,451 ⁴	344,867 ⁴	341,840 ⁴	341,268	338,432
21 Commercial banks	127,763	139,007	138,361 ⁴	153,444 ⁴	155,638 ⁴	154,341 ⁴	149,036 ⁴	147,366	144,090
22 Finance companies	60,496	73,221	81,998	81,053	79,620	79,489	81,566	81,578	81,311
23 Nonfinancial business ⁴	27,101	29,831	31,536	29,525	29,265	29,239	29,498	29,489	29,571
24 Pools of securitized assets ⁵	11,767	15,305	22,053	22,721	23,738	24,064	23,768	24,803	25,075

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

3. Includes retailers and gasoline companies.

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

5. 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	1993	1994	1995	1996						
				Jan	Feb	Mar	Apr	May	June	July
INTEREST RATES										
<i>Commercial banks²</i>										
1 48-month new car	8.09	8.12	9.57	n.a.	9.12	n.a.	n.a.	8.93	n.a.	n.a.
2 24-month personal	13.47	13.19	13.94	n.a.	13.63	n.a.	n.a.	13.52	n.a.	n.a.
<i>Credit card plan</i>										
3 All accounts	n.a.	15.69	16.02	n.a.	15.82	n.a.	n.a.	15.44	n.a.	n.a.
4 Accounts assessed interest	n.a.	15.77	15.79	n.a.	15.41	n.a.	n.a.	15.41	n.a.	n.a.
<i>Auto finance companies</i>										
5 New car	9.48	9.79	11.19	9.74	9.86	9.77	9.64	9.37	9.53	9.81
6 Used car	12.79	13.49	14.48	13.27	13.28	13.19	13.26	13.49	13.62	13.77
OTHER TERMS³										
<i>Maturity (months)</i>										
7 New car	54.3	51.0	54.1	51.8	52.3	51.8	51.5	50.8	50.4	50.5
8 Used car	48.8	50.2	52.2	52.2	52.1	52.0	51.8	51.7	51.6	51.7
<i>Loan to value ratio</i>										
9 New car	91	92	92	92	91	91	91	91	91	91
10 Used car	98	99	99	99	98	98	99	99	100	100
<i>Amount financed (dollars)</i>										
11 New car	14,332 ⁴	15,375	16,210	16,698	16,627	16,520	16,605	16,686	16,854	16,926
12 Used car	9,875	10,709	11,590	12,059	11,990	11,934	12,024	12,243	12,249	12,242

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

3. At auto finance companies.

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS¹

Billions of dollars, quarterly data at seasonally adjusted annual rates

Transaction category or sector	1991	1992	1993	1994	1995	1994	1995				1996	
						Q4	Q1	Q2	Q3	Q4	Q1	Q2
Nonfinancial sectors												
1 Total net borrowing by domestic nonfinancial sectors	481.7	543.0	628.5	620.4	722.3	652.7	846.0	869.3	582.5	591.3	869.8	689.4
<i>By sector and instrument</i>												
2 Federal government	278.2	304.0	256.1	155.9	144.4	166.8	247.8	184.7	86.0	59.3	239.9	62.4
3 Treasury securities	292.0	303.8	248.3	155.7	142.9	172.5	249.0	183.1	85.6	54.1	242.2	60.2
4 Budget agency securities and mortgages	13.8	2	7.8	2	1.5	5.7	1.2	1.6	.4	5.1	2.3	2.2
5 Nonfederal	203.5	239.0	372.3	464.5	577.8	485.9	598.2	684.6	496.5	532.1	630.0	627.0
<i>By instrument</i>												
6 Commercial paper	18.4	8.6	10.0	21.4	18.1	30.7	12.3	39.1	13.9	7.2	42.2	15.4
7 Municipal securities	87.8	30.5	74.8	29.3	41.3	53.5	54.9	2.2	100.3	7.6	15.2	40.1
8 Corporate bonds	78.8	67.6	75.2	23.3	73.3	6.2	53.0	98.4	59.8	82.0	58.9	70.0
9 Bank loans (i.e.c.)	40.9	13.7	3.8	73.1	99.6	77.5	145.9	99.0	75.2	78.2	38.4	79.5
10 Other loans and advances	48.5	10.1	10.2	55.4	58.3	68.9	79.2	55.2	36.1	62.5	35.5	34.4
11 Mortgages	158.4	130.9	157.2	194.3	228.2	215.7	226.0	240.0	254.9	192.1	340.4	306.4
12 Home mortgages	173.6	187.6	187.9	202.4	196.7	221.9	199.2	207.7	221.4	158.7	292.9	245.9
13 Multifamily residential	5.5	10.4	6.0	1.3	19.9	4.2	2.8	14.2	13.7	12.8	14.4	17.7
14 Commercial	10.0	47.8	25.0	11.1	19.0	3.4	22.4	16.3	17.7	19.5	30.8	37.6
15 Farm	.4	1.4	5	1.8	1.6	1.3	1.6	1.7	2.2	1.1	2.4	5.1
16 Consumer credit	13.7	5.0	61.5	126.3	141.6	140.5	136.7	155.1	156.9	117.7	129.7	81.1
<i>By borrowing sector</i>												
17 Household	183.8	198.4	254.6	368.7	380.6	399.1	366.1	401.2	414.9	340.2	435.9	391.0
18 Nonfinancial business	61.9	19.5	55.5	139.3	247.9	155.0	286.3	292.3	185.1	207.9	206.6	199.1
19 Corporate	53.0	34.1	46.5	124.3	208.5	139.4	239.0	258.8	155.0	181.3	166.4	157.3
20 Nonfarm noncorporate	11.0	16.0	7.0	12.1	37.8	16.4	46.6	30.5	26.5	27.6	40.1	44.8
21 Farm	2.1	1.3	2.0	2.8	1.6	8	8	3.0	3.5	1.0	.1	7.0
22 State and local government	81.6	21.1	62.3	43.4	45.7	68.2	54.2	9.0	103.5	16.0	12.5	36.8
23 Foreign net borrowing in United States	14.8	23.7	70.4	15.3	69.5	45.5	61.8	44.1	95.5	77.1	13.8	34.9
24 Open market paper	6.4	5.2	9.0	27.3	13.6	5.9	37.9	11.1	30.9	3.4	13.8	7.4
25 Bonds	15.0	16.8	82.9	17.2	48.3	39.1	13.9	51.2	55.2	72.7	47.9	11.4
26 Bank loans (i.e.c.)	3.1	2.3	7	1.4	8.5	.5	8.1	5.6	8.2	11.9	8.7	15.2
27 Other loans and advances	9.8	.6	4.2	1.6	8	1.1	1.9	2.6	1.3	3.9	1.1	9
28 Total domestic plus foreign	496.5	566.7	698.9	605.1	791.7	698.2	907.7	912.4	678.0	668.7	913.6	724.4
Financial sectors												
29 Total net borrowing by financial sectors	155.6	240.0	291.1	467.9	447.2	534.2	267.7	439.9	507.1	574.0	319.9	686.6
<i>By instrument</i>												
30 U.S. government-related	145.7	155.8	164.2	288.6	205.1	316.1	86.7	196.5	227.7	309.6	143.8	302.0
31 Government-sponsored enterprise securities	9.2	40.3	80.6	176.9	106.9	249.0	62.9	127.2	101.5	136.1	37.4	132.9
32 Mortgage pool securities	136.6	115.6	83.6	116.5	98.2	67.1	23.8	69.3	126.2	173.5	106.5	169.1
33 Loans from U.S. government	0	0	0	4.8	0	0	0	0	0	0	0	0
34 Private	9.8	84.2	126.9	179.2	242.1	218.1	181.0	243.4	279.4	264.4	176.0	384.6
35 Open market paper	32.0	.7	6.2	41.6	42.6	86.5	37.6	33.9	43.7	55.1	17.8	105.7
36 Corporate bonds	69.9	82.7	120.1	117.5	185.2	84.9	167.6	182.3	217.7	173.4	143.3	201.0
37 Bank loans (i.e.c.)	8.8	2.2	13.0	12.3	5.5	3.7	5.0	20.7	7.9	1.8	14.9	23.6
38 Other loans and advances	37.3	.6	22.4	22.6	3.4	38.1	21.5	1.3	4.9	32.0	5.5	48.6
39 Mortgages	5	6	3.6	9.8	5.3	4.9	5.2	5.2	5.2	5.6	5.5	5.8
<i>By borrowing sector</i>												
40 Commercial banking	13.2	10.0	13.4	20.1	22.5	20.7	21.7	39.0	37.5	8.2	32.5	40.1
41 Savings institutions	44.7	7.0	11.3	12.8	2.6	36.1	18.9	7.2	5.1	31.5	10.9	40.2
42 Credit unions	0	0	2	.2	.1	.2	.3	.1	.1	.0	.1	.2
43 Life insurance companies	0	.0	2	.3	.1	1.3	.0	1	1	4	2.5	3
44 Government-sponsored enterprises	9.1	10.2	80.6	172.1	106.9	249.0	62.9	127.2	101.5	136.1	37.4	132.9
45 Federally related mortgage pools	136.6	115.6	83.6	116.5	98.2	67.1	23.8	69.3	126.2	173.5	106.5	169.1
46 Issuers of asset backed securities (ABSs)	54.0	58.5	83.3	68.5	132.8	62.8	67.6	113.2	166.4	183.9	132.4	127.2
47 Finance companies	17.7	1.6	2	50.2	51.6	53.0	80.2	52.0	19.8	54.3	47.1	54.8
48 Mortgage companies	2.4	8.0	.0	11.5	.4	1.1	7.4	14.8	4.0	10.0	10.0	16.0
49 Real estate investment trusts (REITs)	1.2	3	3.4	13.7	5.4	6.3	5.2	5.2	5.2	6.0	5.9	6.5
50 Brokers and dealers	3.7	2.7	12.0	5	5.0	19.3	29.5	4	2.1	7.7	31.8	13.1
51 Funding corporations	6.5	13.2	2.9	24.2	32.0	17.2	62.5	26.4	39.4	4	31.6	86.6

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS¹ Continued

Transaction category or sector	1991	1992	1993	1994	1995	1994	1995				1996	
						Q1	Q1	Q2	Q3	Q4	Q1	Q2
						All sectors						
52 Total net borrowing, all sectors	652.1	806.7	990.0	1,073.0	1,238.9	1,232.4	1,175.4	1,352.3	1,185.1	1,242.7	1,233.5	1,411.0
53 Open market paper	44.0	13.1	5.1	35.7	74.3	123.1	87.8	61.9	88.5	58.9	46.2	128.6
54 U.S. government securities	424.0	459.8	120.3	449.3	349.5	482.9	334.5	381.1	313.7	368.9	383.7	364.4
55 Municipal securities	87.8	30.5	74.8	29.3	41.3	53.5	54.9	2.2	100.3	7.6	-15.2	40.1
56 Corporate and foreign bonds	163.6	167.1	278.2	153.0	306.8	130.1	234.5	331.9	332.6	428.2	250.1	282.4
57 Bank loans etc.	29.1	9.3	8.5	62.2	113.5	80.7	149.0	125.3	91.3	88.3	61.9	118.3
58 Other loans and advances	95.6	8.9	8.0	71.7	60.8	108.1	56.5	53.9	42.2	90.7	31.1	83.9
59 Mortgages	158.9	131.5	160.8	204.1	233.6	220.6	231.2	245.2	260.2	197.6	345.9	412.1
60 Consumer credit	13.7	5.0	61.5	126.3	141.6	140.5	136.7	155.1	156.9	117.7	129.7	81.1
Funds raised through mutual funds and corporate equities												
61 Total net issues	209.4	296.6	445.0	156.2	162.6	-79.5	48.9	152.3	207.0	242.3	282.8	411.4
62 Corporate equities	63.2	87.5	121.2	27.3	11.3	64.3	35.2	12.8	5.0	2.3	4.9	73.1
63 Nonfinancial corporations	18.3	27.0	21.3	44.9	74.2	118.0	60.0	71.3	92.8	72.8	106.8	16.8
64 Financial corporations	15.3	28.1	36.6	24.1	12.2	16.3	8.4	17.7	9.6	13.1	12.1	21.1
65 Foreign shares purchased by U.S. residents	30.7	32.4	63.4	48.1	50.7	37.4	16.4	40.8	88.2	57.4	89.8	68.9
66 Mutual funds	147.2	209.1	323.7	138.9	173.9	15.2	84.1	165.0	202.0	244.5	287.6	338.2

¹ Data in this table also appear in the Board's Z.1 (780) quarterly statistical release, tables E.2 through E.5. For ordering address, see inside front cover.

1.58 SUMMARY OF FINANCIAL TRANSACTIONS¹

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

Transaction category or sector	1991	1992	1993	1994	1995	1994	1995				1996	
						Q1	Q1	Q2	Q3	Q4	Q1	Q2
NET LENDING IN CREDIT MARKETS²												
1 Total net lending in credit markets	652.1	806.7	990.0	1,073.0	1,238.9	1,232.4	1,175.4	1,352.3	1,185.1	1,242.7	1,233.5	1,411.0
2 Domestic nonfinancial sectors	105.2	88.7	82.5	251.4	89.1	260.5	11.9	153.0	51.3	166.9	21.8	85.1
3 Households	29.0	87.5	69.1	295.7	43.5	375.8	161.4	111.7	203.9	79.7	81.4	90.3
4 Nonfinancial corporate business	30.7	27.8	9.1	49.6	5.8	50.0	42.6	39.5	52.4	32.3	5.0	14.1
5 Nonfarm noncorporate business	5.3	.1	.6	.7	1.0	.9	.5	1.1	1.1	1.2	1.1	1.1
6 State and local governments	50.8	21.5	3.7	94.6	177.7	166.1	104.1	81.9	201.0	170.7	99.2	20.4
7 Federal government	10.5	11.9	18.4	34.2	21.3	34.3	13.1	31.2	24.0	24.0	30.0	13.8
8 Rest of the world	15.3	98.4	138.5	133.2	271.8	209.0	246.6	320.2	361.6	158.8	343.9	269.7
9 Financial sectors	523.1	631.5	797.3	712.5	1,079.5	787.2	927.0	1,209.3	898.9	1,274.9	931.3	1,070.0
10 Monetary authority	31.1	27.9	46.2	31.5	2.7	25.5	18.1	16.7	4.1	19.7	16.9	9.4
11 Commercial banking	80.8	95.4	142.2	163.4	265.9	179.8	333.0	319.1	241.8	166.2	121.7	191.7
12 U.S. chartered banks	35.7	69.5	149.6	148.1	186.5	178.4	178.7	222.4	277.0	118.1	80.5	125.5
13 Foreign banking offices in United States	48.5	16.5	9.8	11.2	78.4	4.5	153.5	86.6	25.6	46.1	44.2	58.6
14 Bank holding companies	1.5	5.6	0	9	3	2.1	1.5	5.3	9.6	4.6	5.1	5.3
15 Banks in U.S. affiliated areas	1.9	1.7	2.1	3.3	4.2	8.3	2.4	5.2	1.8	7.1	2.1	1.7
16 Savings institutions	158.9	79.0	23.4	6.8	7.5	5.6	17.6	11.4	32.0	68.4	30.1	5.0
17 Credit unions	12.8	17.7	21.7	28.1	16.2	34.9	11.6	22.8	11.0	19.5	22.3	33.4
18 Bank personal trusts and estates	10.0	8.0	9.5	7.1	18.8	1.4	10.8	20.6	23.7	20.2	18.1	12.3
19 Life insurance companies	86.5	78.5	100.9	66.3	99.2	76.7	135.2	135.5	72.9	53.3	48.7	117.2
20 Other insurance companies	30.0	6.7	27.7	34.9	21.5	30.4	20.8	20.9	21.9	22.3	23.6	33.7
21 Private pension funds	35.4	41.1	45.9	47.0	61.3	44.7	58.9	57.2	50.5	78.5	65.8	84.3
22 State and local government retirement funds	41.1	23.0	19.8	29.0	21.4	11.8	59.4	4.6	7.7	18.9	55.5	76.1
23 Money market mutual funds	32.7	4.7	20.4	30.0	86.5	52.8	56.4	134.4	30.0	125.1	125.0	18.4
24 Mutual funds	80.1	126.2	159.5	7.1	52.5	78.6	13.4	23.4	58.0	141.9	62.5	82.1
25 Closed-end funds	12.8	18.2	11.0	5.5	5.8	10.0	3.5	6.4	8.4	5.0	1.2	3.8
26 Government sponsored enterprises	15.1	68.8	90.2	119.1	38.9	121.4	21.9	93.0	50.0	190.5	39.4	134.6
27 Federally related mortgage pools	146.6	115.6	83.6	116.5	98.2	67.1	23.8	69.3	126.2	173.5	106.5	169.1
28 Asset-backed securities issuers (ABSS)	50.0	53.7	80.8	61.9	112.1	42.6	55.5	100.9	151.4	137.4	112.1	119.3
29 Finance companies	9.2	7.5	9.0	68.2	61.2	80.7	85.1	67.2	50.8	53.7	40.9	38.9
30 Mortgage companies	11.2	.1	0	22.9	3.4	2.1	14.4	29.9	7.3	36.4	51.0	16.4
31 Real estate investment trusts (REITs)	.7	1.1	6	4.7	1.8	.2	1.8	1.8	1.8	1.9	1.9	1.7
32 Brokers and dealers	17.5	1.3	14.8	44.2	90.1	8.0	40.5	146.2	1.8	185.6	109.0	75.9
33 Funding corporations	8.2	17.7	34.9	12.2	9.1	6.2	32.1	8.3	5.7	7.0	130.6	66.4
REVISION OF LIABILITIES TO FINANCIAL ASSETS												
34 Net flows through credit markets	652.1	806.7	990.0	1,073.0	1,238.9	1,232.4	1,175.4	1,352.3	1,185.1	1,242.7	1,233.5	1,411.0
<i>Other financial sources</i>												
35 Official foreign exchange	5.9	1.6	.8	5.8	8.8	8.6	17.8	10.3	9.0	1.9	2.1	.0
36 Special drawing rights certificates	.0	2.0	0	0	2.2	.0	0	0	8.6	0	0	.0
37 Treasury currency	0	.2	.4	.7	6	.7	.7	.7	8	0	0	0
38 Foreign deposits	26.5	4.5	18.5	54.0	33.5	106.3	34.6	110.8	29.5	18.2	85.0	8.7
39 Net interbank transactions	3.4	49.4	50.5	89.7	10.1	108.5	22.3	4.5	13.4	80.7	90.3	84.1
40 Checkable deposits and currency	86.3	113.5	117.3	9.7	12.8	37.3	31.3	100.2	113.1	69.3	43.3	1.6
41 Small time and savings deposits	1.5	57.2	70.3	40.0	96.5	12.7	29.8	95.6	145.6	114.9	189.0	10.2
42 Large time deposits	88.5	73.2	23.5	19.6	65.6	36.2	108.8	74.4	80.2	9	33.0	85.4
43 Money market fund shares	41.6	4.5	20.2	41.3	132.3	81.1	74.2	221.1	122.9	151.1	244.0	3.1
44 Security repurchase agreements	16.5	43.1	71.2	78.3	110.7	38.5	172.5	115.6	95.0	59.8	24.7	70.4
45 Corporate equities	62.2	87.5	121.2	27.3	11.3	61.3	35.2	12.8	5.0	2.3	4.9	73.1
46 Mutual fund shares	147.2	209.1	323.7	128.9	173.9	152	84.1	165.0	202.0	244.5	287.6	338.2
47 Trade payables	31.0	46.6	57.4	114.3	94.4	151.7	84.0	72.2	128.3	93.1	72.8	187.3
48 Security credit	51.4	1.6	61.4	.1	26.7	37.7	5.4	30.1	32.3	49.7	120.6	38.3
49 Life insurance reserves	25.7	27.3	35.2	34.0	34.7	21.6	51.6	56.3	34.0	37.0	21.1	69.8
50 Pension fund reserves	198.2	238.6	217.3	248.0	341.9	291.0	268.1	286.7	213.9	199.0	243.6	208.1
51 Taxes payable	7.4	9.7	5.2	3.2	1.3	4.1	12.0	1.0	2.1	10.2	5.5	7.1
52 Investment in bank personal trusts	16.1	7.1	1.6	18.8	47.7	11.9	44.3	45.6	64.9	37.1	47.3	20.2
53 Noncorporate proprietors' equity	.5	16.7	3.4	23.5	42.9	18.5	30.6	42.3	54.9	33.6	40.6	30.0
54 Miscellaneous	278.2	280.3	358.9	260.8	500.1	363.1	316.0	384.8	396.9	802.6	542.0	280.7
55 Total financial sources	1,474.0	1,793.0	2,353.5	2,161.9	2,763.3	2,343.3	2,384.5	3,156.5	2,497.0	3,015.3	3,004.4	2,613.0
<i>Liabilities not identified as assets ()</i>												
56 Treasury currency	6	2	.2	.2	5	.2	.2	.4	.3	1.0	1.1	.9
57 Foreign deposits	24.0	7.8	7.0	44.9	27.3	61.8	41.6	101.8	55.7	21.9	61.1	34.5
58 Net interbank liabilities	26.2	4.9	4.2	2.7	3.1	3.5	4	9	12.3	23.6	10.9	27.0
59 Security repurchase agreements	9.5	3.6	34.3	31.5	2.5	83.4	66.2	53.0	23.5	26.8	47.8	33.8
60 Taxes payable	2.2	11.9	11.4	8.6	8.7	.2	7.5	31.0	9.3	2.2	23.3	25.1
61 Miscellaneous	9.8	.2	133.8	112.1	13.2	45.7	264.2	51.6	37.9	197.6	195.6	11.6
<i>Flows not included in assets ()</i>												
62 Federal government checkable deposits	13.1	.7	1.5	4.8	6.0	17.1	4.6	18.6	3.8	13.8	7.9	11.3
63 Other checkable deposits	4.5	1.6	1.3	2.8	3.8	2.3	3.6	3.8	4.2	4.7	3.8	4.2
64 Trade credit	36.1	11.3	3.6	2.8	3.7	59.6	48.0	33.8	55.6	121.2	41.3	21.2
65 Total identified to sectors as assets	1,446.8	1,772.1	2,451.3	2,202.3	2,775.1	2,315.7	2,499.9	3,014.9	2,600.8	2,984.7	3,152.7	2,585.9

1. Data in this table also appear in the Board's Z.1 (780) quarterly statistical release, tables E.6 and E.7. For ordering address, see inside front cover.

2. Excludes corporate equities and mutual fund shares.

1.59 SUMMARY OF CREDIT MARKET DEBT OUTSTANDING¹

Billions of dollars, end of period

Transaction category or sector	1992	1993	1994	1995	1994		1995			1996	
					Q4	Q1	Q2	Q3	Q4	Q1	Q2
Nonfinancial sectors											
1 Total credit market debt owed by domestic nonfinancial sectors	11,894.5	12,537.8	13,164.4	13,886.7	13,164.4	13,339.1	13,546.6	13,701.3	13,886.7	14,077.8	14,223.8
<i>By sector and instrument</i>											
2 Federal government	3,080.3	3,436.5	3,492.3	3,636.7	3,492.3	3,557.9	3,583.5	3,603.4	3,636.7	3,717.2	3,693.8
3 Treasury securities	3,061.6	3,409.9	3,465.6	3,608.5	3,465.6	3,531.5	3,556.7	3,576.5	3,608.5	3,689.6	3,665.5
4 Budget agency securities and mortgages	18.8	26.6	26.7	28.2	26.7	26.4	26.8	26.9	28.2	27.6	28.2
5 Nontederal	8,814.2	9,201.3	9,672.1	10,249.9	9,672.1	9,781.2	9,963.1	10,097.9	10,249.9	10,360.6	10,530.0
<i>By instrument</i>											
6 Commercial paper	107.1	117.8	139.2	157.4	139.2	149.8	162.9	163.3	157.4	174.2	181.7
7 Municipal securities and loans	1,302.8	1,377.5	1,348.2	1,307.0	1,348.2	1,335.4	1,331.7	1,309.9	1,307.0	1,304.7	1,311.3
8 Corporate bonds	1,154.5	1,229.7	1,253.0	1,326.3	1,253.0	1,266.3	1,290.9	1,305.8	1,326.3	1,341.0	1,358.5
9 Bank loans n.e.c.	672.2	676.0	749.0	848.5	749.0	782.8	810.8	824.4	848.5	856.0	879.2
10 Other loans and advances	686.5	676.3	738.0	796.3	738.0	762.0	775.8	781.2	796.3	809.4	817.7
11 Mortgages	4,088.7	4,260.0	4,454.4	4,682.6	4,454.4	4,494.0	4,560.2	4,635.2	4,682.6	4,749.9	4,832.7
12 Home mortgages	3,037.4	3,227.6	3,430.0	3,626.8	3,430.0	3,462.9	3,521.1	3,587.7	3,626.8	3,682.2	3,749.9
13 Multifamily residential	272.5	267.8	269.1	280.0	269.1	276.8	269.8	280.0	280.0	281.6	288.0
14 Commercial	698.1	683.4	672.3	691.2	672.3	677.8	681.9	686.4	691.2	698.9	708.3
15 Farm	80.7	81.2	83.0	84.6	83.4	83.4	83.8	84.4	84.6	85.2	86.5
16 Consumer credit	802.4	863.9	990.2	1,131.9	990.2	990.9	1,030.8	1,078.2	1,131.9	1,125.4	1,148.8
<i>By borrowing sector</i>											
17 Households	4,021.4	4,278.4	4,646.7	5,027.3	4,646.7	4,688.0	4,795.3	4,917.2	5,027.3	5,080.1	5,186.6
18 Nonfinancial business	3,696.8	3,764.8	3,910.6	4,153.5	3,910.6	3,991.0	4,071.0	4,106.6	4,153.5	4,213.0	4,270.1
19 Corporate	2,437.6	2,496.5	2,627.4	2,836.0	2,627.4	2,698.6	2,766.9	2,793.4	2,836.0	2,888.0	2,931.2
20 Nonfarm noncorporate	1,122.9	1,129.9	1,142.0	1,174.8	1,142.0	1,153.5	1,161.3	1,167.4	1,174.8	1,184.7	1,193.6
21 Farm	136.3	138.3	141.2	142.7	141.2	138.9	142.8	144.8	142.7	140.3	145.3
22 State and local government	1,095.9	1,158.2	1,114.8	1,069.1	1,114.8	1,102.2	1,096.8	1,074.1	1,069.1	1,067.5	1,073.3
23 Foreign credit market debt held in United States	315.2	385.6	370.4	439.9	370.4	385.7	396.8	419.8	439.9	450.8	459.7
24 Commercial paper	77.7	68.7	41.4	55.0	41.4	50.9	48.1	55.8	55.0	51.5	53.4
25 Bonds	147.2	230.1	242.3	290.6	242.3	245.8	258.6	272.4	290.6	302.5	305.4
26 Bank loans n.e.c.	23.9	24.6	26.1	34.6	26.1	28.2	29.6	31.6	34.6	36.8	40.5
27 Other loans and advances	66.4	62.1	60.6	59.7	60.6	60.8	60.5	60.0	59.7	60.0	60.4
28 Total credit market debt owed by nonfinancial sectors, domestic and foreign	12,209.7	12,923.4	13,534.8	14,326.6	13,534.8	13,724.7	13,943.4	14,121.1	14,326.6	14,528.6	14,683.5
Financial sectors											
29 Total credit market debt owed by financial sectors	3,025.0	3,321.5	3,794.6	4,244.4	3,794.6	3,861.5	3,971.9	4,096.3	4,244.4	4,322.6	4,494.3
<i>By instrument</i>											
30 Federal government related	1,720.0	1,884.1	2,172.7	2,377.9	2,172.7	2,196.2	2,247.1	2,300.1	2,377.9	2,416.6	2,493.5
31 Government-sponsored enterprises securities	443.1	523.7	700.6	807.5	700.6	716.3	748.1	773.5	807.5	816.9	850.1
32 Mortgage pool securities	1,272.0	1,355.6	1,472.1	1,570.3	1,472.1	1,479.9	1,499.0	1,526.6	1,570.3	1,599.7	1,643.4
33 Loans from U.S. government	4.8	4.8	.0	.0	.0	.0	.0	.0	.0	.0	.0
34 Private	1,305.1	1,437.4	1,621.9	1,866.5	1,621.9	1,665.3	1,724.8	1,796.2	1,866.5	1,906.0	2,000.8
35 Open market paper	394.3	393.5	442.8	488.0	442.8	454.1	462.8	473.6	488.0	491.9	518.5
36 Corporate bonds	738.4	858.5	973.5	1,158.7	973.5	1,012.3	1,056.4	1,112.7	1,158.7	1,191.2	1,240.0
37 Bank loans n.e.c.	80.5	67.6	55.3	60.8	55.3	53.4	58.4	60.3	60.8	63.9	69.7
38 Other loans and advances	86.6	108.9	131.6	135.0	131.6	125.4	125.7	127.0	135.0	133.6	145.8
39 Mortgages	5.4	8.9	18.7	24.0	18.7	20.0	21.3	22.6	24.0	25.4	26.9
<i>By borrowing sector</i>											
40 Commercial banks	80.0	84.6	94.5	102.6	94.5	95.0	99.9	102.0	102.6	100.5	103.6
41 Bank holding companies	114.6	123.4	133.6	148.0	133.6	137.7	142.9	150.0	148.0	141.4	148.4
42 Savings institutions	88.4	99.6	112.4	115.0	112.4	107.7	105.9	107.2	115.0	117.8	127.8
43 Credit unions	.0	2	.5	4	.5	4	.3	4	.4	.4	.3
44 Life insurance companies	.0	2	.6	.5	.6	.6	.6	.6	.5	1.1	1.2
45 Government-sponsored enterprises	447.9	528.5	700.6	807.5	700.6	716.3	748.1	773.5	807.5	816.9	850.1
46 Federally related mortgage pools	1,272.0	1,355.6	1,472.1	1,570.3	1,472.1	1,479.9	1,499.0	1,526.6	1,570.3	1,599.7	1,643.4
47 Issuers of asset-backed securities (ABSs)	404.3	487.6	556.1	688.9	556.1	570.0	596.8	640.2	688.9	718.6	749.0
48 Brokers and dealers	21.7	33.7	34.3	29.3	34.3	26.9	26.8	27.4	29.3	21.4	24.6
49 Finance companies	390.4	390.5	440.7	492.3	440.7	456.7	467.2	471.9	492.3	499.8	511.0
50 Mortgage companies	30.2	30.2	18.7	19.1	18.7	16.9	20.6	21.6	19.1	21.6	25.6
51 Real estate investment trusts (REITs)	13.9	17.4	31.1	36.5	31.1	32.4	33.7	35.0	36.5	38.0	39.6
52 Funding corporations	161.6	169.9	199.3	233.9	199.3	221.1	230.0	239.9	233.9	245.6	269.5
All sectors											
53 Total credit market debt, domestic and foreign	15,234.7	16,244.8	17,329.4	18,570.9	17,329.4	17,586.2	17,915.3	18,217.4	18,570.9	18,851.2	19,177.8
54 Open market paper	579.0	580.0	623.5	700.4	623.5	654.7	673.8	692.7	700.4	717.6	753.6
55 U.S. government securities	4,795.5	5,215.8	5,665.0	6,014.6	5,665.0	5,754.1	5,830.6	5,903.5	6,014.6	6,133.8	6,187.2
56 Municipal securities	1,302.8	1,377.5	1,348.2	1,307.0	1,348.2	1,335.4	1,331.7	1,309.9	1,307.0	1,304.7	1,311.3
57 Corporate and foreign bonds	2,040.1	2,318.3	2,468.8	2,725.6	2,468.8	2,524.4	2,605.9	2,690.9	2,775.6	2,834.8	2,903.9
58 Bank loans n.e.c.	776.6	768.2	830.4	943.9	830.4	864.4	898.8	916.3	943.9	956.7	989.4
59 Other loans and advances	844.2	852.1	930.1	991.0	930.1	948.2	962.1	991.0	991.0	1,003.0	1,023.9
60 Mortgages	4,094.1	4,269.0	4,473.1	4,706.7	4,473.1	4,514.0	4,581.6	4,657.8	4,706.7	4,775.4	4,859.6
61 Consumer credit	802.4	863.9	990.2	1,131.9	990.2	990.9	1,030.8	1,078.2	1,131.9	1,125.4	1,148.8

1. Data in this table also appear in the Board's Z.1 (780) quarterly statistical release, tables 1.2 through 1.4. For ordering address, see inside front cover.

1.60 SUMMARY OF FINANCIAL ASSETS AND LIABILITIES¹

Billions of dollars except as noted, end of period

Transaction category or sector	1992	1993	1994	1995	1995					1996	
					Q4	Q1	Q2	Q3	Q4	Q1	Q2
CREDIT MARKET DEBT OUTSTANDING²											
1 Total credit market assets	15,234.7	16,244.8	17,329.4	18,570.9	17,329.4	17,586.2	17,915.3	18,217.4	18,570.9	18,851.2	19,177.8
2 Domestic nonfinancial sectors	2,672.4	2,747.8	3,029.6	2,905.3	3,029.6	2,995.5	2,946.8	2,953.3	2,905.3	2,874.3	2,867.1
3 Households	1,619.3	1,676.7	2,002.7	2,011.0	2,002.7	2,025.2	1,981.5	2,052.7	2,011.0	2,030.8	2,017.4
4 Nonfinancial corporate business	257.8	271.5	321.1	315.3	321.1	292.6	303.9	291.0	315.3	291.4	298.1
5 Nonfarm noncorporate business	38.1	38.8	39.5	40.4	39.5	39.6	39.9	40.2	40.4	40.7	41.0
6 State and local governments	757.2	760.8	666.3	538.5	666.3	638.1	621.6	569.4	538.5	511.4	510.6
7 Federal government	236.0	231.7	207.6	186.2	207.6	204.2	198.2	192.2	186.2	181.2	177.7
8 Rest of the world	1,023.0	1,147.0	1,254.9	1,561.1	1,254.9	1,323.3	1,400.9	1,492.4	1,561.1	1,653.6	1,718.6
9 Financial sectors	11,303.2	12,118.3	12,837.3	13,918.3	12,837.3	13,063.2	13,369.3	13,579.5	13,918.3	14,142.2	14,414.4
10 Monetary authority	300.4	336.7	368.2	380.8	368.2	367.1	375.7	370.6	380.8	379.6	386.3
11 Commercial banking	2,948.6	3,090.8	3,254.3	3,520.1	3,254.3	3,327.8	3,410.1	3,473.2	3,520.1	3,541.6	3,591.1
12 U.S. chartered banks	2,571.9	2,721.5	2,869.6	3,056.1	2,869.6	2,906.5	2,963.7	3,023.7	3,056.1	3,068.8	3,101.3
13 Foreign banking offices in United States	335.8	326.0	337.1	412.6	337.1	373.6	396.0	401.1	412.6	422.2	437.4
14 Bank holding companies	17.5	17.5	18.4	18.0	18.4	18.0	19.3	16.9	18.0	16.8	18.1
15 Banks in U.S. affiliated areas	23.4	25.8	29.2	33.4	29.2	29.8	31.1	31.5	33.4	33.9	34.3
16 Savings institutions	937.4	914.0	920.9	913.3	920.9	925.3	922.4	930.4	913.3	908.3	909.5
17 Credit unions	197.1	218.7	246.8	263.0	246.8	248.1	255.0	263.0	263.0	267.1	276.6
18 Bank personal trusts and estates	231.5	240.9	248.0	229.2	248.0	245.3	240.2	234.2	229.2	224.7	221.6
19 Life insurance companies	1,309.1	1,420.6	1,487.0	1,586.2	1,487.0	1,523.1	1,557.1	1,575.5	1,586.2	1,600.5	1,629.7
20 Other insurance companies	389.4	422.7	446.4	467.7	446.4	451.9	457.3	463.0	467.7	474.5	480.2
21 Private pension funds	571.7	617.6	664.6	725.9	664.6	679.3	693.6	706.2	725.9	742.3	763.4
22 State and local government retirement funds	417.5	437.3	466.3	487.7	466.3	480.7	482.1	481.8	487.7	501.1	520.6
23 Money market mutual funds	408.6	429.0	459.0	545.5	459.0	480.6	505.7	545.5	595.6	591.6	594.7
24 Mutual funds	566.4	725.9	718.8	771.3	718.8	719.3	724.8	739.2	771.3	792.4	812.5
25 Closed-end funds	67.7	78.6	73.1	78.9	73.1	74.0	75.6	77.7	78.9	78.6	79.6
26 Government-sponsored enterprises	457.8	548.0	667.1	756.0	667.1	671.9	695.9	708.4	756.0	765.2	799.5
27 Federally related mortgage pools	1,272.0	1,355.6	1,472.1	1,570.3	1,472.1	1,479.9	1,499.0	1,526.6	1,570.3	1,599.7	1,643.4
28 Asset-backed securities issuers (ABSs)	378.0	458.8	520.7	632.7	520.7	531.5	555.2	595.7	632.7	657.5	685.9
29 Finance companies	496.4	482.8	551.0	615.2	551.0	568.5	586.9	594.7	615.2	621.7	632.6
30 Mortgage companies	60.5	60.4	37.5	34.1	37.5	33.9	41.4	43.2	34.1	46.8	42.7
31 Real estate investment trusts (REITs)	8.1	8.6	13.3	15.1	13.3	13.8	14.2	14.7	15.1	15.6	16.1
32 Brokers and dealers	122.7	137.5	93.3	183.4	93.3	101.0	137.5	137.0	183.4	156.2	137.2
33 Funding corporations	162.5	133.6	129.2	140.9	129.2	140.3	137.4	143.1	140.9	173.4	191.2
RELATION OF LIABILITIES TO FINANCIAL ASSETS											
34 Total credit market debt	15,234.7	16,244.8	17,329.4	18,570.9	17,329.4	17,586.2	17,915.3	18,217.4	18,570.9	18,851.2	19,177.8
<i>Other liabilities</i>											
35 Official foreign exchange	51.8	53.4	53.2	63.7	53.2	64.1	67.1	65.1	63.7	62.1	61.4
36 Special drawing rights certificates	8.0	8.0	8.0	10.2	8.0	8.0	8.0	10.2	10.2	10.2	10.2
37 Treasury currency	16.5	17.0	17.6	18.2	17.6	17.8	18.0	18.2	18.2	18.2	18.2
38 Foreign deposits	267.7	271.8	324.6	361.4	324.6	333.3	361.0	353.6	361.4	382.7	384.9
39 Net interbank liabilities	138.5	189.3	280.0	290.8	280.0	272.8	265.9	267.3	290.8	266.1	241.8
40 Checkable deposits and currency	1,134.4	1,251.7	1,242.0	1,229.3	1,242.0	1,193.7	1,246.2	1,200.3	1,229.3	1,183.6	1,211.9
41 Small time and savings deposits	2,293.5	2,223.2	2,183.3	2,279.7	2,183.3	2,200.2	2,255.8	2,279.7	2,279.7	2,336.4	2,332.9
42 Large time deposits	415.2	391.7	411.2	475.9	411.2	441.2	456.3	477.5	476.9	490.6	508.6
43 Money market fund shares	539.5	559.6	602.9	746.3	602.9	634.0	678.5	702.7	745.3	816.9	809.5
44 Security repurchase agreements	399.9	471.1	549.4	660.1	549.4	603.4	629.3	655.5	660.1	665.0	679.2
45 Mutual fund shares	992.5	1,375.4	1,477.3	1,852.8	1,477.3	1,553.3	1,661.0	1,852.8	1,852.8	1,994.3	2,112.0
46 Security credit	217.7	279.0	279.0	305.6	279.0	269.5	277.9	286.2	305.6	326.9	316.0
47 Life insurance reserves	433.0	468.2	502.2	546.9	502.2	515.1	529.1	537.7	546.9	552.2	569.6
48 Pension fund reserves	4,055.1	4,471.6	4,691.4	5,426.6	4,691.4	4,885.7	5,084.4	5,298.1	5,426.6	5,559.2	5,714.6
49 Trade payables	995.1	1,053.3	1,167.6	1,262.0	1,167.6	1,160.2	1,180.5	1,213.9	1,262.0	1,252.0	1,299.8
50 Taxes payable	79.7	84.9	88.0	89.3	88.0	94.3	89.2	91.9	89.3	94.2	90.4
51 Investment in bank personal trusts	660.6	691.3	699.4	767.4	699.4	719.7	739.7	758.6	767.4	781.6	791.0
52 Miscellaneous	4,785.7	5,174.1	5,435.9	5,848.2	5,435.9	5,514.9	5,590.1	5,695.3	5,848.2	5,973.2	5,998.3
53 Total liabilities	32,719.0	35,279.4	37,342.7	40,805.2	37,342.7	38,067.5	39,020.2	39,887.2	40,805.2	41,616.7	42,327.7
<i>Financial assets not included in liabilities (+)</i>											
54 Gold and special drawing rights	19.6	20.1	21.1	22.1	21.1	22.7	22.9	22.1	22.1	22.1	22.2
55 Corporate equities	5,462.9	6,278.5	6,293.4	8,345.4	6,293.4	6,835.8	7,393.0	8,013.8	8,345.4	8,820.5	9,181.0
56 Household equity in noncorporate business	2,458.3	2,476.3	2,565.1	2,642.6	2,565.1	2,572.4	2,599.3	2,607.1	2,642.6	2,657.0	2,665.0
<i>Liabilities not identified as assets (-)</i>											
57 Treasury currency	-4.9	-5.1	-5.4	-5.8	-5.4	-5.4	-5.5	-5.6	-5.8	-6.1	-6.3
58 Foreign deposits	217.6	232.6	278.7	309.2	278.7	289.1	314.5	300.6	309.2	324.4	335.6
59 Net interbank transactions	-9.3	-4.7	-6.5	-9.0	-6.5	-2.7	-2.9	-1.0	-9.0	-2.6	-8.0
60 Security repurchase agreements	43.0	77.3	108.8	111.3	108.8	130.4	109.8	129.9	111.3	103.3	102.7
61 Taxes payable	25.2	26.8	25.0	33.7	25.0	10.0	25.6	28.7	33.7	13.4	27.8
62 Miscellaneous	-514.0	-660.9	-733.1	-783.3	-733.1	-749.7	-699.7	-660.9	-783.3	-758.2	-773.2
<i>Floats not included in assets (-)</i>											
63 Federal government checkable deposits	6.8	5.6	3.4	3.1	3.4	4.2	2.0	.6	3.1	.0	-3.4
64 Other checkable deposits	42.0	40.7	38.0	34.2	38.0	33.3	35.7	27.3	34.2	29.6	31.8
65 Trade credit	-251.1	-247.6	-251.3	-275.0	-251.3	-294.3	-304.5	-330.7	-275.0	-326.1	-347.5
66 Total identified to sectors as assets	41,104.4	44,589.6	46,764.6	52,397.0	46,764.6	48,083.5	49,560.6	51,040.2	52,397.0	53,738.6	54,836.5

1. Data in this table also appear in the Board's Z.1 (780) quarterly statistical release, tables L.6 and L.7. For ordering address, see inside front cover.

2. Excludes corporate equities and mutual fund shares.

2.10 NONFINANCIAL BUSINESS ACTIVITY Selected Measures

Monthly data seasonally adjusted, and indexes 1987 = 100, except as noted

Measure	1993	1994	1995	1995	1996							
				Dec	Jan.	Feb.	Mar.	Apr.	May ¹	June	July ¹	Aug.
1 Industrial production¹	111.5	118.1	121.9	122.8	122.5	124.2	123.6	124.5	125.4	126.2¹	126.3	126.9
<i>Market groupings</i>												
2 Products, total	110.0	115.6	118.3	119.2	118.6	120.7	120.0	120.8	121.3	122.1 ¹	122.4	122.4
3 Final, total	112.7	118.3	121.4	122.1	121.9	124.5	123.4	124.8	125.1	125.8 ¹	126.6	126.4
4 Consumer goods	109.5	113.7	115.1	115.7	114.6	116.6	115.3	115.9	116.3	116.6 ¹	117.3	116.5
5 Equipment	117.5	125.3	131.4	132.3	133.7	137.3	136.5	139.2	139.2	140.8	141.7	142.6
6 Intermediate	101.8	101.3	109.0	110.1	108.5	109.3	109.6	108.6	110.1	110.9 ¹	109.9	110.2
7 Materials	113.8	122.0	127.4	128.4	128.5	129.4	129.1	130.3	131.6	132.5	132.2	133.8
<i>Industry grouping</i>												
8 Manufacturing	112.3	119.7	123.9	124.8	124.5	126.2	125.2	126.5	127.4	128.4 ¹	128.8	129.1
9 Capacity utilization, manufacturing (percent) ²	80.6	83.3	83.0	81.9	81.4	82.3	81.3	81.9	82.1	82.5 ¹	82.4	82.3
10 Construction contracts ³	105.2 ¹	114.2	118.1 ¹	117.0	120.0	114.0 ¹	126.0	129.0 ¹	127.0	123.0 ¹	122.0	124.0
<i>Nonagricultural employment, total⁴</i>												
11 Goods-producing, total	108.6	112.0	115.0	115.9	115.8	116.3	116.5	116.7	117.0	117.3	117.5	117.7
12 Manufacturing, total	94.6	96.9	98.1	97.9	97.7	98.3	98.1	98.1	98.3	98.1	98.4	98.5
13 Manufacturing, production workers	95.1	96.4	97.2	96.7	96.4	96.5	96.2	96.7	96.3	96.3	96.2	96.3
14 Service-producing	95.3	97.5	98.7	98.1	97.7	97.8	97.4	97.5	97.5	97.5	97.4	97.5
15 Personal income, total	113.1	116.8	120.3	121.6	121.6	122.1	122.3	122.6	123.0	123.3	123.6	123.9
16 Wages and salary disbursements	141.3	148.4	157.7	161.6	161.7	162.9	163.5	164.3	165.2	166.6	166.8	n.a.
17 Manufacturing	136.0	142.6	150.9	154.6	154.4	156.0	156.7	157.5	158.3	160.3	160.1	n.a.
18 Disposable personal income	119.3	121.9	130.4	132.0	130.8	132.5	131.8	134.4	135.1	135.9 ¹	136.4	n.a.
19 Retail sales ⁵	142.4	149.3	158.2	162.3	162.2	163.2	163.7	162.9	165.2	166.5	166.7	n.a.
20 Prices ⁶	134.7	144.8	152.2	155.3	155.3	158.6	159.3	159.1	160.3	159.4 ¹	159.6	159.9
21 Consumer (1982=84=100)	144.5	148.2	152.4	153.5	154.4	154.9	155.7	156.3	156.6	156.7	157.0	157.3
22 Producer finished goods (1982=100)	124.7	125.5	127.9	129.1	129.4	129.4	130.1	130.6 ¹	131.0	131.6	131.5	131.9

1. Data in this table also appear in the Board's G-17 (419) monthly statistical release. For the ordering address, see the inside front cover. The latest historical revision of the industrial production index and the capacity utilization rates was released in November 1995. See "A Revision to Industrial Production and Capacity Utilization, 1991-95," *Federal Reserve Bulletin*, vol. 82 (January 1996), pp. 16-25. For a detailed description of the industrial production index, 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 Company, F.W. Dodge Division.

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

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

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

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

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. See also "Industrial Production Capacity and Capacity Utilization since 1987," *Federal Reserve Bulletin*, vol. 79 (June 1993), pp. 590-605.

2.11 LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

Thousands of persons, monthly data seasonally adjusted

Category	1993	1994	1995	1996								
				Jan.	Feb.	Mar.	Apr.	May	June ¹	July ¹	Aug.	
HOUSEHOLD SURVEY DATA¹												
1 Civilian labor force	129,200	131,056	132,304	132,903	133,018	133,655	133,361	133,910	133,669	134,181	133,885	
2 Nonagricultural industries ³	111,144	119,651	121,460	121,698	122,143	122,664	122,726	122,971	123,228	123,382	123,635	
3 Agriculture	3,115	3,409	3,440	3,529	3,519	3,487	3,368	3,491	3,382	3,502	3,421	
4 Unemployment	8,940	7,996	7,404	7,677	7,355	7,501	7,266	7,448	7,060	7,297	6,830	
5 Rate (percent of civilian labor force)	6.9	6.1	5.6	5.8	5.5	5.6	5.4	5.6	5.3	5.4	5.1	
ESTABLISHMENT SURVEY DATA												
6 Nonagricultural payroll employment ⁴	110,730	114,172	117,203	118,070	118,579	118,737	118,928	119,335	119,554	119,782	120,032	
7 Manufacturing	18,075	18,321	18,468	18,309	18,332	18,282	18,283	18,302	18,297	18,270	18,295	
8 Mining	610	601	580	569	574	574	573	576	575	570	568	
9 Contract construction	4,668	4,986	5,158	5,234	5,349	5,340	5,353	5,384	5,403	5,426	5,432	
10 Transportation and public utilities	5,829	5,993	6,165	6,254	6,270	6,289	6,294	6,311	6,327	6,333	6,348	
11 Trade	25,755	26,670	27,585	27,780	27,869	27,891	27,972	28,066	28,151	28,249	28,277	
12 Finance	6,757	6,896	6,830	6,894	6,919	6,932	6,942	6,964	6,967	6,987	7,007	
13 Service	30,197	31,579	33,107	33,694	33,902	34,035	34,114	34,274	34,383	34,457	34,538	
14 Government	18,841	19,128	19,310	19,336	19,365	19,394	19,397	19,458	19,451	19,490	19,567	

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

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

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

4. Includes all full- and part-time employees who worked during, or received pay for, the pay period that includes the twelfth day of the month, excludes proprietors, self-employed persons, household and unpaid family workers, and members of the armed forces. Data are adjusted to the March 1992 benchmark, and only seasonally adjusted data are available at this time.

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

2.12 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION¹

Seasonally adjusted

Series	1995		1996		1995		1996		1995		1996	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
	Output (1987 = 100)				Capacity (percent of 1987 output)				Capacity utilization rate (percent) ²			
1 Total industry	122.3	122.5	123.4	125.4	146.3	147.7	149.1	150.6	83.6	82.9	82.8	83.3
2 Manufacturing	124.1	124.6	125.3	127.4	150.2	151.9	153.5	155.1	82.6	82.0	81.6	82.2
3 Primary processing ³	117.1	117.1	116.7	118.5	135.2	136.1	136.9	137.8	86.6	86.1	85.2	86.1
4 Advanced processing ⁴	127.5	128.1	129.4	131.7	157.5	159.5	161.5	163.5	80.9	80.3	80.1	80.5
5 Durable goods	133.0	134.2	136.0	139.6	161.7	164.2	166.7	169.4	82.3	81.7	81.6	82.4
6 Lumber and products	104.6	105.8	104.6	108.9	119.8	120.9	121.7	122.4	87.3	87.5	85.9	88.9
7 Primary metals	118.2	118.8	118.9	119.7	128.8	129.5	130.3	131.4	91.8	91.8	91.2	91.2
8 Iron and steel	121.3	121.3	122.6	123.0	142.9	143.5	144.4	145.7	91.3	90.9	91.2	90.6
9 Nonferrous	113.9	115.3	113.8	115.3	123.3	124.0	124.8	125.5	92.4	93.0	91.2	91.8
10 Industrial machinery and equipment	178.9	186.8	195.3	201.8	206.1	212.0	218.1	224.5	86.8	88.1	89.5	89.9
11 Electrical machinery	178.4	182.9	186.3	189.2	206.3	213.9	221.8	229.9	86.5	85.5	84.0	82.3
12 Motor vehicles and parts	140.7	140.5	142.6	145.9	176.8	179.2	181.3	182.9	79.6	78.4	73.2	79.8
13 Aerospace and miscellaneous transportation equipment	86.9	79.0	84.0	85.8	140.1	129.3	128.6	128.1	66.8	61.1	65.3	67.0
14 Non-durable goods	114.3	113.9	113.5	114.1	137.7	138.4	139.0	139.6	83.0	82.3	81.7	81.8
15 Textile mill products	110.9	109.4	106.4	109.2	131.6	132.8	133.7	134.2	84.3	82.4	79.6	81.4
16 Paper and products	119.5	118.1	114.6	119.3	132.8	133.9	134.9	135.8	90.0	88.2	85.0	87.8
17 Chemicals and products	124.6	126.4	126.9	127.3	155.6	156.5	157.5	158.5	80.1	80.7	80.6	80.3
18 Plastics materials	118.3	123.1	126.9	132.2	145.4	137.1	138.6	139.9	87.3	89.7	91.6	94.6
19 Petroleum products	109.2	107.7	109.7	109.9	116.4	116.6	116.8	117.1	93.8	92.4	93.9	93.9
20 Mining	100.2	98.2	98.7	100.9	111.9	111.9	111.9	111.8	89.5	87.8	88.2	90.2
21 Utilities	124.7	124.1	126.7	127.0	135.2	135.6	136.0	136.5	92.3	91.5	93.2	93.0
22 Electric	125.0	123.7	126.4	127.0	132.5	133.0	133.4	133.9	94.3	93.1	94.8	94.8

Series	1993		1995		1995		1996						
	High	Low	High	Low	High	Low	Aug.	Mat.	Apr.	May ⁵	June ⁶	July	Aug. ⁶
	Capacity utilization rate (percent) ²												
1 Total industry	89.2	72.6	87.3	71.8	84.9	78.0	83.9	82.6	83.0	83.3	83.5	83.3	83.5
2 Manufacturing	88.9	70.8	87.3	70.0	85.2	76.6	82.7	81.3	81.9	82.1	82.5	82.4	82.3
3 Primary processing ³	92.2	68.9	89.7	66.8	89.0	77.9	86.2	85.3	85.5	86.1	86.6	86.4	86.5
4 Advanced processing ⁴	87.5	72.0	86.3	71.4	83.5	76.1	81.2	79.6	80.4	80.5	80.8	80.8	80.6
5 Durable goods	88.8	68.5	86.9	65.0	84.0	73.7	82.4	80.9	82.1	82.1	82.9	82.7	82.5
6 Lumber and products	90.1	62.2	87.6	60.9	93.3	76.1	86.6	88.2	88.7	88.0	90.1	88.0	86.9
7 Primary metals	100.6	66.2	102.4	46.8	92.8	74.2	89.6	90.3	91.0	90.3	92.2	91.2	90.9
8 Iron and steel	105.8	66.6	110.4	38.3	95.7	72.0	88.6	89.1	90.8	89.2	91.9	92.3	90.5
9 Nonferrous	92.9	61.3	90.5	62.2	88.7	75.2	90.8	91.8	91.1	91.6	92.7	89.7	91.3
10 Industrial machinery and equipment	96.4	74.5	92.1	64.9	84.0	71.8	87.1	89.9	89.5	89.7	90.5	89.7	90.0
11 Electrical machinery	87.8	63.8	89.3	71.1	84.9	77.0	86.7	83.7	82.5	82.1	82.3	81.4	80.6
12 Motor vehicles and parts	93.4	51.1	93.0	44.5	85.1	56.6	80.4	66.7	79.1	79.1	81.1	83.7	81.7
13 Aerospace and miscellaneous transportation equipment	77.0	66.6	81.1	66.9	88.4	78.8	67.0	66.7	67.0	66.9	67.0	68.2	69.3
14 Non-durable goods	87.9	71.8	87.0	76.9	86.7	80.3	83.0	81.6	81.5	82.0	81.8	82.0	82.0
15 Textile mill products	92.0	60.4	91.7	73.8	92.1	78.8	85.4	81.4	80.7	81.0	82.3	82.3	81.3
16 Paper and products	96.9	69.0	94.2	82.0	94.8	86.7	89.3	85.4	87.7	88.0	87.7	89.1	88.9
17 Chemicals and products	87.9	69.9	85.1	70.1	85.9	79.0	80.0	80.1	79.7	80.6	80.6	81.2	80.6
18 Plastics materials	102.0	50.6	90.9	63.4	97.0	74.8	85.4	92.6	93.4	94.5	95.8	...	...
19 Petroleum products	96.7	81.1	89.5	68.2	88.5	84.6	93.2	94.0	93.8	93.8	94.1	93.1	94.8
20 Mining	94.4	88.4	96.6	80.6	86.5	86.1	89.3	90.3	89.7	89.8	91.1	90.2	92.1
21 Utilities	95.6	82.5	88.3	76.2	92.6	83.1	95.3	94.0	92.7	94.1	92.3	90.5	91.8
22 Electric	99.0	82.7	88.3	78.7	94.8	86.7	98.1	95.2	94.0	96.1	94.5	92.4	94.0

1. Data in this table also appear in the Board's G-17 (419) monthly statistical release. For the ordering address, see the inside front cover. The latest historical revision of the industrial production index and the capacity utilization rates was released in November 1995. See "A Revision to Industrial Production and Capacity Utilization, 1991-95," *Federal Reserve Bulletin*, vol. 82 (January 1996), pp. 16-25. For a detailed description of the industrial production index, see "Industrial Production: 1989 Developments and Historical Revision," *Federal Reserve Bulletin*, vol. 76 (April 1990), pp. 187-204.

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

3. Primary processing includes textiles, lumber, paper, industrial chemicals, synthetic materials, fertilizer materials, petroleum products, rubber and plastics, stone, clay, and glass, primary metals, and fabricated metals.

4. Advanced processing includes foods, tobacco, apparel, furniture and fixtures, printing and publishing, chemical products such as drugs and toiletries, agricultural chemicals, leather and products, machinery, transportation equipment, instruments, and miscellaneous manufactures.

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

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

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value¹

Monthly data seasonally adjusted

Group	1992 pro- por- tion	1995 avg	1995					1996							
			Aug.	Sept	Oct.	Nov	Dec	Jan.	Feb	Mar.	Apr.	May ¹	June ¹	July	Aug. ¹
Index (1987 = 100)															
MAJOR MARKETS															
1 Total index	100.0	121.9	122.7	122.8	122.2	122.6	122.8	122.5	124.2	123.6	124.5	125.4	126.2	126.3	126.9
2 Products	60.6	118.3	119.2	119.4	118.3	118.8	119.2	118.6	120.7	120.0	120.8	121.3	122.1	122.4	122.4
3 Final products	46.3	121.4	122.4	122.6	121.3	121.9	122.1	121.9	124.5	123.4	124.8	125.1	125.8	126.6	126.1
4 Consumer goods, total	28.6	115.1	115.9	116.0	114.9	115.9	115.7	114.6	116.6	115.3	115.9	116.3	116.6	117.3	116.5
5 Durable consumer goods	5.6	124.2	124.0	125.8	123.4	124.9	126.3	120.3	125.1	119.3	125.5	126.2	129.9	131.1	127.4
6 Automotive products	2.5	130.7	130.7	132.9	128.5	130.5	132.8	125.9	133.4	120.3	133.5	134.1	137.4	142.5	136.6
7 Autos and trucks	1.6	131.4	132.0	133.1	128.6	129.8	132.1	124.1	133.5	111.1	135.9	135.4	138.9	149.6	141.1
8 Autos, consumer	1.9	103.1	100.6	102.6	100.2	100.2	99.5	92.8	99.7	77.0	103.3	106.2	110.4	116.1	111.1
9 Trucks, consumer	7	181.7	188.2	187.7	179.1	180.8	190.6	180.4	194.4	175.1	192.7	187.3	189.2	209.3	194.3
10 Auto parts and allied goods	9	127.8	126.6	130.8	126.7	130.2	128.1	130.7	137.2	127.2	129.9	132.9	132.9	126.7	125.9
11 Other	3.0	118.6	118.1	119.6	118.9	119.9	120.5	115.5	118.1	118.5	118.5	119.3	123.4	121.2	119.3
12 Appliances, televisions, and air conditioners	7	135.5	135.8	139.4	140.1	145.3	141.9	132.2	137.5	138.3	139.7	138.9	151.4	148.2	142.5
13 Carpeting and luminaire	8	105.8	104.4	106.9	105.6	104.1	107.4	101.1	103.4	105.7	104.4	106.0	109.4	105.4	104.9
14 Miscellaneous home goods	1.5	118.2	118.0	117.8	116.9	117.6	118.3	116.2	117.7	116.9	117.1	118.2	118.7	118.0	117.1
15 Nondurable consumer goods	23.0	112.9	113.9	113.7	112.9	113.8	113.2	114.3	114.5	114.4	113.6	114.0	113.4	113.9	113.9
16 Foods and tobacco	10.3	111.3	111.8	111.6	111.1	110.9	110.6	110.6	112.0	112.3	112.2	112.0	111.6	111.9	111.8
17 Clothing	2.4	94.8	93.9	93.4	92.9	91.5	89.7	88.2	90.3	88.9	88.8	89.2	88.3	87.9	87.6
18 Chemical products	4.5	131.3	132.6	134.0	135.7	135.0	136.5	138.1	138.1	136.7	133.8	135.2	134.4	137.4	135.9
19 Paper products	2.9	106.6	106.7	107.3	106.6	108.4	106.3	104.9	106.0	105.8	101.1	107.2	106.3	107.8	108.5
20 Energy	2.9	116.5	122.3	119.0	113.1	121.1	119.5	121.0	122.6	123.9	121.8	121.8	121.7	119.3	121.7
21 Fuels	9	108.8	108.4	111.4	107.3	108.7	108.6	108.6	111.8	112.2	111.5	111.7	111.6	110.7	112.9
22 Residential utilities	2.1	119.6	128.2	122.2	115.4	126.6	124.1	126.1	127.2	128.8	126.2	126.0	125.9	122.9	124.7
23 Equipment	17.7	131.4	132.9	133.1	131.5	131.4	132.3	133.7	137.3	136.5	139.2	149.2	140.8	141.7	142.6
24 Business equipment	13.7	155.7	157.5	158.2	156.5	156.9	158.4	160.5	164.8	162.7	166.3	166.0	168.5	170.0	170.9
25 Information processing and related	5.7	198.1	201.0	203.0	206.5	208.1	209.4	213.3	220.5	221.6	224.9	226.2	231.3	232.6	246.6
26 Computer and office equipment	1.4	373.5	379.6	390.0	402.9	417.8	431.7	442.9	463.3	476.0	491.1	505.0	519.0	537.0	553.1
27 Industrial	4.0	127.5	129.1	128.7	128.6	129.1	129.5	129.6	131.3	130.3	129.9	129.4	128.7	128.3	128.5
28 Transit	2.6	136.3	138.0	137.9	137.3	139.6	124.5	128.1	133.2	121.2	136.1	133.4	136.9	143.8	141.1
29 Autos and trucks	1.2	140.1	141.3	143.3	135.7	134.2	135.3	129.1	136.0	113.6	140.0	138.2	141.9	151.8	143.5
30 Other	1.4	123.2	122.2	123.3	120.9	121.4	121.7	122.1	123.5	122.5	122.1	121.1	123.2	122.4	121.8
31 Defense and space equipment	3.3	65.9	66.1	65.2	64.4	62.9	62.0	61.6	64.1	64.2	64.0	64.3	63.7	64.1	65.0
32 Oil and gas well drilling	6	87.1	89.5	88.3	83.5	83.4	84.8	85.1	89.7	96.3	100.6	101.3	102.3	99.1	99.9
33 Manufactured homes	2	152.7	155.9	158.0	158.9	161.8	164.4	158.1	157.8	168.2	170.7	170.4	172.4	164.8	
34 Intermediate products, total	14.3	109.0	109.4	109.5	109.2	109.3	110.1	108.5	109.3	109.6	108.6	110.1	110.9	109.9	110.2
35 Construction supplies	5.3	108.2	107.0	108.4	108.3	108.7	110.5	107.2	109.3	111.5	109.2	111.0	113.8	112.2	111.9
36 Business supplies	9.0	109.6	111.0	110.3	109.9	109.9	110.0	109.6	109.5	108.6	108.4	109.6	109.2	108.6	109.3
37 Materials	39.4	127.4	128.1	128.1	128.1	128.4	128.4	129.4	129.4	129.1	130.3	131.6	132.5	132.2	133.8
38 Durable goods materials	20.8	141.5	142.3	144.1	143.9	145.3	144.8	145.8	147.3	145.5	147.3	148.8	150.7	150.7	152.3
39 Durable consumer parts	4.0	138.5	138.4	139.8	138.6	140.1	139.3	140.6	141.1	132.5	142.1	143.5	148.1	147.5	151.5
40 Equipment parts	7.5	163.0	167.1	169.1	169.4	171.0	170.8	171.7	176.3	176.8	177.2	179.0	181.3	182.1	184.2
41 Other	9.2	126.2	124.9	126.8	126.5	127.9	127.2	128.2	127.8	127.4	126.8	128.1	128.5	128.2	128.3
42 Basic metal materials	3.1	125.7	123.1	127.0	124.3	128.1	126.6	125.7	124.7	124.4	123.7	123.9	125.7	124.6	124.2
43 Nondurable goods materials	8.9	119.8	118.8	117.8	118.7	116.6	117.3	115.7	116.1	116.3	118.8	120.0	120.0	120.5	121.0
44 Textile materials	1.1	109.2	109.2	106.2	107.3	104.8	103.3	100.3	101.8	103.0	104.9	106.2	106.1	106.2	105.6
45 Paper materials	1.8	120.5	120.4	117.0	121.4	114.3	115.2	113.4	113.4	113.7	118.9	118.7	115.2	120.9	120.4
46 Chemical materials	3.9	124.4	123.1	123.3	122.9	122.7	121.9	121.8	121.3	121.6	123.6	125.8	126.8	125.7	126.3
47 Other	2.1	116.5	114.6	115.1	114.6	114.1	118.9	115.2	117.1	116.4	117.8	118.2	119.6	118.5	120.3
48 Energy materials	9.7	106.6	108.5	105.8	105.5	105.7	106.0	105.9	106.1	108.2	107.0	108.1	107.6	106.2	108.9
49 Primary energy	6.3	101.9	101.4	101.2	101.7	100.8	101.0	100.6	101.3	103.9	103.1	102.7	102.7	101.5	104.5
50 Converted fuel materials	3.3	116.0	122.8	115.0	113.1	115.4	116.2	116.6	115.5	116.7	114.9	118.9	117.6	115.6	117.4
SPECIAL AGGREGATES															
51 Total excluding autos and trucks	97.2	121.5	122.3	122.4	121.9	122.3	122.5	122.4	123.8	123.9	124.1	125.0	125.8	125.5	126.4
52 Total excluding motor vehicles and parts	95.2	120.9	121.7	121.8	121.3	121.7	121.9	121.9	123.3	123.7	123.5	124.4	125.1	124.9	125.7
53 Total excluding computer and office equipment	98.2	118.2	118.9	118.9	118.1	118.4	118.5	118.0	119.5	118.7	119.5	120.2	120.9	120.8	121.2
54 Consumer goods excluding autos and trucks	27.0	114.0	114.8	114.9	114.0	115.0	114.7	114.0	115.5	115.6	114.6	115.1	115.2	115.1	114.9
55 Consumer goods excluding energy	25.7	114.9	115.1	115.7	115.1	115.3	115.3	114.9	115.9	114.3	115.2	115.7	116.1	117.0	116.0
56 Business equipment excluding autos and trucks	12.5	157.0	158.9	159.5	158.4	159.0	160.5	163.5	167.5	167.5	168.7	168.6	171.1	171.6	173.5
57 Business equipment excluding computer and office equipment	12.2	133.0	134.4	134.3	131.6	130.8	131.3	132.6	135.5	132.3	134.8	133.5	135.0	135.1	134.9
58 Materials excluding energy	29.7	131.9	135.1	136.1	136.2	136.6	136.4	136.6	137.8	136.6	138.6	140.0	141.3	141.5	142.7

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value¹ - Continued

Group	SIC code	1992 pro- por- tion	1995 avg	1995					1996							
				Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May ²	June ²	July	Aug ²
Index (1987 = 100)																
MAJOR INDUSTRIES																
50 Total index		100.0	121.9	122.7	122.8	122.2	122.6	122.8	122.5	124.2	123.6	124.5	125.4	126.2	126.3	126.9
60 Manufacturing		85.1	123.9	121.2	124.9	134.4	124.5	124.8	124.5	126.2	125.2	126.5	127.4	128.4	128.8	129.1
61 Primary processing		26.6	117.6	116.6	117.8	117.0	117.1	117.3	116.7	116.3	117.1	117.5	118.5	119.6	119.8	119.8
62 Advanced processing		58.9	126.8	127.8	128.2	127.9	128.0	128.4	128.2	131.0	129.0	130.8	131.5	132.6	133.2	133.5
63 Durable goods		45.0	132.5	133.2	134.4	133.5	134.3	134.8	134.9	137.5	135.6	138.3	139.1	141.2	141.6	142.0
64 Lumber and products	24	2.0	104.5	103.7	106.2	105.7	104.8	106.9	103.1	103.3	107.5	108.4	107.7	110.5	108.1	107.0
65 Furniture and fixtures	25	1.4	111.6	110.9	112.0	110.9	109.8	109.3	109.3	110.5	107.7	108.9	112.1	111.9	109.6	110.0
66 Stone, clay, and glass products	32	2.1	104.1	103.0	103.8	104.5	104.9	104.3	105.5	104.1	102.9	103.6	105.0	105.7	107.0	106.6
67 Primary metals	33	3.1	119.2	115.4	121.0	115.7	120.8	120.0	121.5	117.1	118.0	119.2	118.6	121.5	120.5	120.3
68 Iron and steel	331,2	1.7	122.4	117.7	127.0	115.1	126.1	122.7	128.1	119.5	120.2	122.9	121.0	125.1	126.1	124.0
69 Raw steel	331PT	1.3	114.7	114.2	118.6	111.3	116.4	118.0	113.9	112.5	114.9	112.9	113.2	115.7	112.9	112.6
70 Nonferrous	333, 6,9	1.3	114.8	111.9	113.2	115.8	113.8	116.2	115.0	113.6	114.8	114.2	115.1	116.6	113.4	115.3
71 Fabricated metal products	34	5.0	113.9	114.3	115.1	114.0	114.5	115.0	115.6	117.0	116.1	115.5	116.7	117.2	117.0	117.7
72 Industrial machinery and equipment	35	8.0	127.8	129.5	131.3	133.8	136.5	140.1	141.9	146.1	147.8	149.0	150.2	151.1	152.4	153.1
73 Computer and office equipment	357	1.8	373.5	379.6	390.0	402.9	417.8	431.7	442.9	463.3	476.0	491.1	505.0	519.0	533.0	553.1
74 Electrical machinery	36	7.2	124.9	128.7	130.8	132.4	133.6	134.8	135.2	138.7	137.0	138.3	138.8	141.5	141.7	142.1
75 Transportation equipment	37	9.5	113.3	113.1	114.1	109.3	108.6	109.7	108.3	112.1	103.1	114.6	114.6	116.6	120.0	119.0
76 Motor vehicles and parts	371	4.8	141.9	142.1	143.3	139.7	140.7	141.2	135.5	141.1	141.3	144.3	144.7	148.7	154.1	150.8
77 Autos and light trucks	371PT	2.5	131.3	131.6	132.8	128.4	129.6	131.5	123.5	132.8	109.9	135.5	135.3	138.9	149.4	141.1
78 Aerospace and miscellaneous transportation equipment	372, 6,9	4.7	85.8	87.2	85.9	80.0	77.7	79.4	82.2	84.2	85.7	86.0	85.7	85.8	87.2	88.4
79 Instruments	38	5.4	110.7	111.4	111.3	111.4	111.5	109.7	111.0	113.4	112.9	112.8	112.4	113.7	112.0	113.4
80 Miscellaneous	39	1.3	122.7	122.4	122.9	122.2	123.3	123.5	122.1	124.0	124.0	122.6	123.0	124.4	124.0	124.3
81 Nondurable goods		40.5	114.3	114.3	114.4	114.3	113.7	113.8	113.1	113.8	113.6	113.5	114.4	114.4	114.8	114.9
82 Foods	20	9.4	115.3	115.5	115.5	115.4	114.8	114.8	114.8	116.0	115.6	115.1	115.6	115.0	115.8	115.7
83 Tobacco products	21	1.6	90.2	91.3	90.2	88.2	88.9	88.4	87.1	90.9	92.6	94.6	91.9	93.0	90.8	92.4
84 Textile mill products	22	1.8	112.6	112.4	110.5	111.1	108.9	108.3	104.1	106.2	109.0	108.2	108.8	110.7	110.7	109.5
85 Apparel products	23	3.2	95.7	94.5	94.5	93.3	92.4	91.5	89.2	90.9	89.7	90.4	90.8	90.9	89.6	89.1
86 Paper and products	26	3.6	119.8	118.6	118.5	119.7	116.2	118.2	114.9	113.5	115.5	118.9	119.5	119.4	121.6	121.5
87 Printing and publishing	27	6.8	99.4	100.5	99.8	98.9	98.3	98.8	97.9	98.7	96.7	96.3	97.7	96.7	96.4	97.2
88 Chemicals and products	28	9.9	125.0	124.4	125.3	126.7	126.0	126.5	127.1	127.1	126.5	126.0	127.7	128.1	129.2	128.6
89 Petroleum products	29	1.4	108.3	108.5	110.0	106.9	107.4	108.9	108.9	110.2	109.9	109.7	109.8	110.3	109.2	111.2
90 Rubber and plastic products	30	3.5	139.4	138.7	139.8	139.7	140.3	139.3	139.0	139.7	140.5	137.6	140.7	141.0	141.2	143.2
91 Leather and products	31	3	81.3	80.8	80.5	79.7	78.2	76.8	75.6	77.1	76.7	76.2	75.6	76.2	75.1	75.5
92 Mining		6.9	99.9	100.0	100.0	98.2	98.3	98.1	97.1	98.0	101.1	100.4	100.5	101.9	100.9	103.1
93 Metal	10	5	169.3	172.1	170.8	178.3	175.9	172.8	159.5	157.1	166.1	158.5	161.6	162.2	167.5	164.9
94 Coal	12	1.0	112.9	109.7	116.2	112.3	109.5	108.5	103.3	108.0	114.8	109.5	111.9	113.2	108.5	124.4
95 Oil and gas extraction	13	4.8	91.9	92.4	91.2	89.2	90.1	90.1	90.8	90.2	92.6	93.3	93.2	94.2	93.9	94.5
96 Stone and earth minerals	14	6	112.3	111.6	113.1	112.4	110.9	112.4	108.9	117.2	117.4	115.6	112.7	117.9	113.8	115.7
97 Utilities		7.1	122.0	128.8	122.7	121.6	125.4	125.1	125.6	126.6	128.0	126.4	128.4	126.2	123.9	125.8
98 Electric	491,491PT	6.1	122.1	130.0	122.7	123.7	123.6	123.9	125.5	126.6	127.1	125.7	128.7	126.7	124.1	126.4
99 Gas	492,492PT	1.6	121.7	124.3	122.4	113.6	132.5	129.9	125.6	126.3	131.5	128.9	127.5	123.8	123.1	123.1
SPECIAL AGGREGATES																
100 Manufacturing excluding motor vehicles and parts		80.6	122.8	123.1	123.8	123.4	123.6	123.9	123.9	125.4	125.4	125.5	126.3	127.2	127.3	127.8
101 Manufacturing excluding office and computing machines		83.7	119.5	119.8	120.3	119.6	119.6	119.7	119.3	120.7	119.5	120.7	121.3	122.2	122.3	122.5
Gross value (billions of 1992 dollars, annual rates)																
MAJOR MARKETS																
102 Products, total		2,002.9	2,245.6	2,257.8	2,268.1	2,240.3	2,255.8	2,265.7	2,248.9	2,294.1	2,269.5	2,300.3	2,307.8	2,324.1	2,332.9	2,329.9
103 Final		1,552.2	1,708.7	1,760.5	1,768.2	1,741.9	1,756.8	1,761.9	1,753.0	1,794.2	1,766.8	1,801.5	1,804.4	1,815.5	1,829.5	1,825.1
104 Consumer goods		1,033.1	1,130.5	1,135.7	1,141.1	1,125.1	1,139.3	1,139.0	1,124.7	1,148.4	1,129.5	1,144.9	1,147.2	1,150.3	1,156.5	1,149.7
105 Equipment		518.8	618.3	624.8	627.1	616.7	617.5	622.9	628.4	645.8	637.3	656.6	657.1	665.2	673.0	675.4
106 Intermediate		150.7	496.9	497.1	499.9	498.4	499.0	503.8	495.9	498.8	502.7	498.8	503.4	508.6	503.4	504.9

1. Data in this table also appear in the Board's G-17 (419) monthly statistical release. For the ordering address, see the inside front cover. The latest historical revision of the industrial production index and the capacity utilization rates was released in November 1995. See "A Revision to Industrial Production and Capacity Utilization, 1991-95," *Federal Reserve*

Bulletin, vol. 82 (January 1996), pp. 16-25. For a detailed description of the industrial production index, see "Industrial Production 1989 Developments and Historical Revision," *Federal Reserve Bulletin*, vol. 76 (April 1990), pp. 187-203.

2. Standard industrial classification.

2.14 HOUSING AND CONSTRUCTION

Monthly figures at seasonally adjusted annual rates except as noted

Item	1993	1994	1995	1995			1996						
				Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July
Private residential real estate activity (thousands of units except as noted)													
NEW UNITS													
1 Permits authorized	1,199	1,472	1,432	1,393	1,450	1,487	1,378	1,417	1,423	1,459	1,452	1,415	1,457
2 One-family	987	1,068	997	1,050	1,073	1,124	1,056	1,087	1,097	1,115	1,098	1,085	1,073
3 Two-family or more	213	403	435	443	477	364	322	330	326	344	354	330	384
4 Started	1,288	1,457	1,454	1,451	1,458	1,425	1,453	1,514	1,449	1,511	1,478	1,490	1,460
5 One-family	1,126	1,198	1,076	1,109	1,129	1,150	1,146	1,183	1,163	1,209	1,144	1,209	1,143
6 Two-family or more	162	259	278	242	329	275	307	331	276	302	334	281	317
7 Under construction at end of period	680	762	776	781	790	800	803	800	816	826	826	832	829
8 One-family	543	538	547	560	562	569	569	565	581	591	590	598	598
9 Two-family or more	137	204	229	221	228	231	234	235	235	235	236	234	231
10 Completed	1,193	1,347	1,313	1,320	1,360	1,225	1,403	1,428	1,491	1,350	1,408	1,413	1,429
11 One-family	1,040	1,160	1,066	1,049	1,081	1,003	1,113	1,052	1,112	1,073	1,120	1,122	1,117
12 Two-family or more	153	187	247	281	279	222	290	276	279	277	288	291	312
13 Mobile homes shipped	254	404	310	354	355	352	352	341	364	378	369	372	372
Merchant builder activity in one-family units													
14 Number sold	666	670	665	673	679	683	733	784	713	740	739	726	783
15 Number for sale at end of period ¹	293	337	372	360	368	372	370	355	368	369	365	363	365
Price of units sold (thousands of dollars)													
16 Median	126.1	130.4	133.4	135.2	137.0	138.6	131.9	139.4	131.0	140.0	136.0	140.0	143.0
17 Average	147.6	153.7	157.6	156.2	160.7	165.6	155.3	163.7	162.1	170.0	162.1	165.3	169.8
EXISTING UNITS (one family)													
18 Number sold	3,800	3,946	3,801	4,070	4,000	3,870	3,720	3,940	4,200	4,200	4,280	4,160	4,150
Price of units sold (thousands of dollars)													
19 Median	106.5	109.6	112.2	113.2	114.3	113.9	114.8	114.0	115.7	116.5	117.6	122.9	121.5
20 Average	133.1	136.4	138.4	138.7	139.5	138.7	141.2	138.7	140.1	141.9	144.3	150.2	149.6
Value of new construction (millions of dollars) ⁴													
CONSTRUCTION													
21 Total put in place	482,737	527,063	547,079	549,952	549,745	555,701	558,952	544,577	556,983	564,985	558,712	562,556	554,722
22 Private	362,587	400,007	410,197	410,550	411,015	417,191	418,896	411,248	419,726	423,568	417,396	421,955	415,413
23 Residential	210,455	238,873	236,598	237,952	239,938	243,101	242,474	238,558	245,881	247,469	247,290	246,735	243,992
24 Nonresidential	152,132	161,134	173,599	172,598	171,077	174,087	176,422	172,690	173,845	176,099	170,106	175,220	171,421
25 Industrial buildings	26,482	28,947	32,301	31,422	32,032	31,996	32,495	30,792	30,593	30,316	27,283	28,671	27,819
26 Commercial buildings	53,375	59,728	67,528	67,259	65,555	66,447	66,475	66,461	65,503	67,485	65,472	69,008	66,013
27 Other buildings	26,219	26,961	26,923	27,899	27,418	28,197	28,103	27,470	27,884	27,426	27,652	28,444	27,968
28 Public utilities and other	46,056	45,498	46,847	46,018	46,072	47,347	49,349	47,967	49,865	50,872	49,699	49,097	49,621
29 Public	120,151	127,056	136,884	139,402	138,729	138,510	140,056	133,329	137,257	141,417	141,317	140,600	139,309
30 Military	2,454	2,319	3,005	2,295	3,217	3,211	3,554	3,982	3,126	3,192	3,026	3,155	3,056
31 Highway	34,342	37,673	38,161	40,125	38,344	40,402	39,444	40,956	39,527	39,763	38,071	38,871	39,055
32 Conservation and development	5,908	6,370	6,489	5,222	5,888	6,014	5,352	5,455	5,811	5,884	5,681	5,893	5,530
33 Other	77,447	80,694	89,329	91,760	91,280	88,883	91,706	87,936	88,793	92,578	94,539	92,711	91,668

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

SOURCE: Bureau of the Census estimates for all series except (1) mobile homes, which are private, domestic shipments as reported by the Manufactured Housing Institute; and seasonally adjusted by the Census Bureau, and (2) sales and prices of existing units, which are published by the National Association of Realtors. All back and current figures are available from the originating agency. Permit authorizations are those reported to the Census Bureau from 19,000 jurisdictions beginning in 1994.

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, Aug. 1996 ¹
	1995 Aug.	1996 Aug.	1995		1996		1996					
			Sept.	Dec.	Mar.	June	Apr. ¹	May ¹	June	July	Aug.	
CONSUMER PRICES² (1982=84=100)												
1 All items	2.6	2.9	1.6	2.4	4.0	3.1	.4	.3	.1	.3	.1	157.3
2 Food	2.5	3.6	3.7	1.9	3.2	4.6	.3	.1	.7	.5	.4	153.7
3 Energy items	1.0	3.9	10.5	1.9	15.8	8.4	3.2	1.1	2.7	.4	.6	111.6
4 All items less food and energy	2.9	2.6	2.8	2.2	3.5	2.2	.1	.2	.7	.3	.1	165.8
5 Commodities	1.5	1.0	2.0	1.7	2.6	.3	.1	.0	.0	.0	.1	140.3
6 Services	3.6	3.3	3.0	2.5	3.4	3.9	.3	.3	.3	.3	.2	180.4
PRODUCER PRICES (1982=100)												
7 Finished goods	1.3	3.0	1.6	4.4	2.5	1.9	.2	.1	.2	.0	.3	131.9
8 Consumer foods	1.7	5.1	8.8	4.4	.6	4.9	.5	.1	1.6	.2	1.0	135.4
9 Consumer energy	2.5	6.4	10.2	10.8	17.8	.0	2.7	.5	2.1	.9	.7	84.5
10 Other consumer goods	2.1	1.6	2.3	3.4	.3	2.5	.0	.3	.3	.1	.0	144.1
11 Capital equipment	1.7	1.0	1.8	2.9	.0	.3	.0	.1	.1	.3	.1	138.0
<i>Intermediate materials</i>												
12 Excluding foods and feeds	5.7	.7	.6	.6	1.0	.0	.2	.3	.6	.4	.2	125.7
13 Excluding energy	6.9	1.8	1.5	2.9	3.5	.0	.1	.2	.1	.3	.1	133.6
<i>Crude materials</i>												
14 Foods	2.9	23.5	34.8	20.8	4.1	58.1	4.3	6.0	1.4	2.7	.3	129.4
15 Energy	13.2	23.5	21.0	33.9	52.8	15.0	8.3	3.9	7.7	3.9 ²	.7	81.0
16 Other	10.2	12.4	17.6	18.4	10.6	7.9	1.1	.5	1.4	1.6	.1	152.5

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

1. Not seasonally adjusted.
2. Figures for consumer prices are for all urban consumers and reflect a rental-equivalence measure of homeownership.

2.16 GROSS DOMESTIC PRODUCT AND INCOME

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

Account	1993	1994	1995	1995			1996	
				Q2	Q3	Q4	Q1	Q2 ¹
GROSS DOMESTIC PRODUCT								
1 Total	6,553.0	6,935.7	7,253.8	7,204.9	7,309.8	7,350.6	7,426.8	7,547.6
<i>By source</i>								
2 Personal consumption expenditures	4,454.1	4,700.9	4,924.9	4,910.5	4,957.9	4,990.5	5,060.5	5,140.0
3 Durable goods	530.7	580.9	606.4	604.0	615.8	612.8	625.2	638.1
4 Nondurable goods	1,368.9	1,429.7	1,485.9	1,486.7	1,491.2	1,494.2	1,522.1	1,545.9
5 Services	2,554.6	2,690.3	2,832.6	2,819.8	2,850.9	2,883.5	2,913.2	2,956.0
6 Gross private domestic investment	871.1	1,014.4	1,065.3	1,050.3	1,074.8	1,064.0	1,068.9	1,097.0
7 Fixed investment	850.5	954.9	1,028.2	1,016.3	1,036.6	1,046.2	1,070.7	1,088.5
8 Nonresidential	598.8	667.2	738.5	734.4	746.3	749.7	769.0	774.5
9 Structures	171.8	180.2	199.7	197.6	202.5	204.0	208.4	208.8
10 Producers' durable equipment	427.0	487.0	538.8	536.8	543.8	545.7	560.6	565.7
11 Residential structures	251.7	287.7	289.8	287.9	290.3	296.5	301.7	314.0
12 Change in business inventories	20.6	59.5	37.0	34.0	38.2	17.8	1.7	8.5
13 Nonfarm	26.8	48.0	39.6	36.1	41.5	19.9	2.7	11.9
14 Net exports of goods and services	-62.7	94.4	94.7	115.3	87.6	67.2	86.3	99.7
15 Exports	657.8	719.1	807.4	797.3	819.0	837.0	839.5	848.8
16 Imports	720.5	813.5	902.0	912.6	906.6	904.2	925.8	948.6
17 Government consumption expenditures and gross investment	1,290.4	1,314.7	1,358.3	1,359.4	1,364.6	1,363.4	1,383.7	1,410.3
18 Federal	522.6	516.4	516.6	522.0	516.8	507.7	518.6	530.8
19 State and local	767.8	798.4	841.7	837.3	847.7	855.7	865.1	879.5
<i>By major type of product</i>								
20 Final sales, total	6,532.4	6,876.2	7,216.7	7,170.9	7,271.5	7,332.8	7,428.6	7,539.1
21 Goods	2,401.4	2,534.4	2,662.2	2,646.2	2,688.8	2,698.0	2,749.3	2,784.2
22 Durable	1,014.3	1,086.2	1,147.3	1,138.6	1,167.2	1,166.4	1,192.1	1,219.3
23 Nondurable	1,387.2	1,448.3	1,515.0	1,507.7	1,521.6	1,531.7	1,557.1	1,564.9
24 Services	3,584.0	3,746.5	3,926.9	3,908.9	3,950.2	3,992.4	4,027.9	4,085.6
25 Structures	547.0	595.3	627.6	615.7	632.6	642.3	651.4	669.4
26 Change in business inventories	20.6	59.5	37.0	34.0	38.2	17.8	1.7	8.5
27 Durable goods	15.7	31.9	34.9	28.5	29.2	27.3	12.3	10.8
28 Nondurable goods	4.9	27.7	2.2	5.4	9.1	9.4	14.0	2.2
MEMO								
29 Total GDP in chained 1992 dollars	6,386.4	6,608.7	6,742.9	6,713.5	6,776.4	6,780.7	6,814.3	6,894.5
NATIONAL INCOME								
30 Total	5,195.3	5,501.6	5,813.5	5,755.4	5,861.4	5,927.4	6,015.3	6,116.4
31 Compensation of employees	3,809.5	4,009.8	4,222.7	4,191.6	4,247.7	4,301.1	4,344.3	4,421.0
32 Wages and salaries	3,095.3	3,257.3	3,433.2	3,406.0	3,454.0	3,501.1	3,540.2	3,606.6
33 Government and government enterprises	584.2	602.5	621.7	619.6	624.1	626.9	634.0	639.0
34 Other	2,511.1	2,654.8	2,811.5	2,786.4	2,829.9	2,874.2	2,906.1	2,967.6
35 Supplement to wages and salaries	714.2	752.4	789.5	785.6	793.7	800.1	804.1	814.4
36 Employer contributions for social insurance	333.3	350.2	365.5	363.6	367.8	369.8	375.0	380.4
37 Other labor income	380.9	402.2	424.0	422.0	425.9	430.2	429.1	434.0
38 Proprietors' income ¹	420.0	450.9	478.3	474.7	479.6	486.7	499.5	516.1
39 Business and professional ¹	388.1	415.9	449.3	447.1	451.5	454.9	461.1	470.0
40 Farm ¹	32.0	35.0	29.0	27.6	28.1	31.8	38.4	46.1
41 Rental income of persons ²	102.5	116.6	122.2	121.6	120.9	125.8	126.9	123.1
42 Corporate profits ³	464.4	529.5	586.6	562.3	612.5	611.8	645.1	653.8
43 Profits before tax	464.3	531.2	598.9	589.6	607.2	604.2	642.2	644.0
44 Inventory valuation adjustment	6.6	13.3	28.1	42.3	9.3	8.8	17.4	13.0
45 Capital consumption adjustment	6.7	11.6	15.9	15.0	14.6	16.5	20.4	22.7
46 Net interest	398.9	394.9	403.6	405.2	400.7	401.9	399.5	402.5

1. With inventory valuation and capital consumption adjustments.
2. With capital consumption adjustment.

3. For after-tax profits, dividends, and the like, see table 1.48.
SOURCE: U.S. Department of Commerce, *Survey of Current Business*

2.17 PERSONAL INCOME AND SAVING

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

Account	1993	1994	1995	1995			1996	
				Q2	Q3	Q4	Q1	Q2 ¹
PERSONAL INCOME AND SAVING								
1 Total personal income	5,480.1	5,753.1	6,115.1	6,074.4	6,146.9	6,234.5	6,308.5	6,412.1
2 Wage and salary disbursements	3,090.7	3,241.8	3,430.6	3,403.1	3,451.2	3,500.2	3,538.2	3,606.6
3 Commodity-producing industries	781.3	824.9	863.5	858.7	866.7	873.9	878.7	900.5
4 Manufacturing	593.1	621.1	648.4	645.3	650.1	654.7	654.8	672.0
5 Distributive industries	698.4	739.2	783.7	777.3	789.3	800.7	810.5	822.2
6 Service industries	1,026.7	1,075.2	1,161.6	1,147.5	1,171.1	1,198.6	1,215.1	1,244.9
7 Government and government enterprises	584.2	602.5	621.7	619.6	624.1	626.9	634.0	639.0
8 Other labor income	380.9	402.2	424.0	422.0	425.9	430.2	429.1	434.0
9 Proprietors' income ¹	420.0	450.9	478.3	474.7	479.6	486.7	499.5	516.1
10 Business and professional ¹	388.1	415.9	449.3	447.1	451.5	454.9	461.1	470.0
11 Farm ¹	32.0	35.0	29.0	27.6	28.1	31.8	38.4	46.1
12 Rental income of persons ²	102.5	116.6	122.2	121.6	120.9	125.8	126.9	123.1
13 Dividends	186.8	199.6	214.8	212.2	215.8	221.7	226.6	229.3
14 Personal interest income	648.1	663.7	717.1	716.6	719.9	727.2	726.1	732.9
15 Transfer payments	910.7	956.3	1,022.6	1,016.8	1,029.9	1,041.4	1,063.0	1,075.8
16 Old-age survivors, disability, and health insurance benefits	444.4	472.9	507.4	505.1	510.7	516.1	529.9	536.3
17 LESS: Personal contributions for social insurance	259.6	278.1	294.5	292.7	296.2	298.8	301.0	305.8
18 EQUALS: Personal income	5,480.1	5,753.1	6,115.1	6,074.4	6,146.9	6,234.5	6,308.5	6,412.1
19 LESS: Personal tax and nontax payments	689.9	731.4	794.3	801.5	798.4	807.2	824.9	867.3
20 EQUALS: Disposable personal income	4,790.2	5,021.7	5,320.8	5,272.9	5,348.5	5,427.3	5,483.5	5,544.7
21 LESS: Personal outlays	4,575.8	4,832.3	5,071.5	5,054.4	5,106.6	5,144.7	5,218.1	5,300.9
22 EQUALS: Personal saving	214.4	189.4	249.3	218.5	241.9	282.6	265.4	243.9
MEMO								
<i>Per capita (chained 1992 dollars)</i>								
23 Gross domestic product	24,734.3	25,349.8	25,628.8 ¹	25,555.9	25,726.7	25,684.5	25,753.3	25,997.3
24 Personal consumption expenditures	16,806.7	17,158.2 ²	17,399.6 ¹	17,395.8	17,453.8	17,459.9	17,570.2	17,677.5
25 Disposable personal income	18,078.0	18,330.0	18,799.0	18,676.0	18,829.0	18,986.0	19,041.0	19,073.0
26 Saving rate (percent)	4.5	3.8	4.7	4.1	4.5	5.2	4.8	4.4
GROSS SAVING								
27 Gross saving	935.5	1,056.3	1,151.8	1,102.9	1,168.6	1,220.6	1,217.9	1,239.4
28 Gross private saving	962.4	1,006.7	1,071.8	1,018.5	1,085.9	1,138.9	1,133.8	1,120.9
29 Personal saving	214.4	189.4	249.3	218.5	241.9	282.6	265.4	243.9
30 Undistributed corporate profits ¹	103.3	123.2	140.6	123.5	159.6	158.4	171.8	174.0
31 Corporate inventory valuation adjustment	-6.6	-13.3	-28.1	-42.3	-9.3	-8.8	-17.4	-13.0
<i>Capital consumption allowances</i>								
32 Corporate	417.0	441.0	454.0	451.3	456.9	463.6	465.6	470.6
33 Noncorporate	223.1	237.7	225.2	222.4	224.7	233.4	229.1	232.4
34 Gross government saving	-26.9	49.6	80.0	84.4	82.7	81.7	84.1	118.5
35 Federal	-187.4	-119.6	-87.9	-86.9	-84.6	-80.7	-82.0	-58.4
36 Consumption of fixed capital	68.2	70.6	73.8	74.2	73.8	73.8	73.2	72.6
37 Current surplus or deficit (-), national accounts	-255.6	-190.2	-161.7	-161.1	-158.5	-154.5	-155.2	-131.0
38 State and local	160.5	169.2	167.9	171.3	167.3	162.4	166.1	176.9
39 Consumption of fixed capital	65.6	69.4	72.9	72.3	73.4	74.3	75.1	76.0
40 Current surplus or deficit (-), national accounts	94.9	99.7	95.0	99.0	93.9	88.1	91.0	101.0
41 Gross investment	993.5	1,090.4	1,150.9	1,123.2	1,161.5	1,173.9	1,167.9	1,188.4
42 Gross private domestic investment	871.1	1,014.4	1,065.3	1,050.3	1,074.8	1,064.0	1,068.9	1,097.0
43 Gross government investment	210.6	212.3	221.9	223.7	224.7	220.1	228.8	235.4
44 Net foreign investment	-88.2	-136.4	-136.3	-150.8	-138.1	-110.2	-129.9	-144.0
45 Statistical discrepancy	58.0	34.1	-9	20.3	-7.1	-46.7	-50.0	-51.0

1. With inventory valuation and capital consumption adjustments.

2. With capital consumption adjustment.

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

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars; quarterly data seasonally adjusted except as noted¹

Item credits or debits	1993	1994	1995	1995			1996	
				Q2	Q3	Q4	Q1	Q2 ²
1 Balance on current account	99,936	148,405	148,154	40,976	37,688	30,435	34,869	38,779
2 Merchandise trade balance	132,609	166,121	173,424	47,927	42,548	38,026	42,730	46,830
3 Merchandise exports	456,832	502,463	575,940	142,983	144,984	149,422	150,028	153,316
4 Merchandise imports	589,441	668,584	749,364	190,910	187,532	187,448	192,758	200,146
5 Military transactions, net	881	1,963	3,585	859	1,120	978	489	835
6 Other service transactions, net	59,690	59,779	64,775	15,244	17,093	17,657	18,014	18,120
7 Investment income, net	9,742	4,159	8,016	862	4,361	1,890	262	1,601
8 U.S. government grants	16,823	15,816	10,950	2,381	2,933	2,799	4,259	2,274
9 U.S. government pensions and other transfers	4,081	4,543	3,420	967	964	731	960	1,025
10 Private remittances and other transfers	16,736	19,506	20,696	4,942	5,095	5,624	5,685	6,001
11 Change in U.S. government assets other than official reserve assets, net (increase, -)	342	341	280	179	252	199	152	429
12 Change in U.S. official reserve assets (increase, -)	1,379	5,346	9,742	2,722	1,893	191	17	523
13 Gold	0	0	0	0	0	0	0	0
14 Special drawing rights (SDRs)	537	441	808	156	362	147	199	133
15 Reserve position in International Monetary Fund	44	493	2,466	786	991	163	849	220
16 Foreign currencies	797	5,293	6,468	1,780	1,264	501	1,065	170
17 Change in U.S. private assets abroad (increase, -)	192,889	155,700	297,834	105,398	37,954	98,206	68,615	48,213
18 Bank-reported claims	29,947	8,161	69,146	41,236	8,476	7,272	1,714	5,149
19 Nonbank reported claims	1,581	32,804	34,219	22,904	7,500	14,278	12,707	...
20 U.S. purchases of foreign securities, net	146,253	60,270	98,960	23,011	-35,839	32,539	34,420	20,081
21 U.S. direct investments abroad, net	78,164	54,666	95,509	18,247	18,091	44,117	23,202	22,983
22 Change in foreign official assets in United States (increase, -)	72,153	40,253	109,757	37,380	49,186	11,369	52,021	13,197
23 U.S. Treasury securities	48,952	30,745	68,813	25,208	20,489	12,984	55,600	3,384
24 Other U.S. government obligations	4,062	6,077	3,734	1,376	518	764	52	1,258
25 Other U.S. government liabilities	1,713	2,344	1,082	215	71	1,249	156	197
26 Other U.S. liabilities reported by U.S. banks	14,841	3,560	32,862	7,662	18,478	3,908	3,264	13,841
27 Other foreign official assets	7,585	2,473	3,266	2,949	728	280	211	1,285
28 Change in foreign private assets in United States (increase, -)	178,843	245,123	314,705	78,041	79,630	87,860	47,450	67,118
29 U.S. bank reported liabilities	20,859	111,842	25,283	10,200	21,542	32,765	35,571	3,862
30 U.S. nonbank-reported liabilities	10,489	7,710	34,578	7,285	6,945	11,272	6,506	...
31 Foreign private purchases of U.S. Treasury securities, net	24,381	34,225	99,340	30,368	37,269	1,734	11,832	31,680
32 Foreign purchases of other U.S. securities, net	80,092	57,006	95,268	20,496	31,971	27,321	35,993	28,567
33 Foreign direct investments in United States, net	-43,022	49,760	60,236	9,692	24,987	14,768	28,690	10,733
34 Allocation of special drawing rights	0	0	0	0	0	0	0	0
35 Discrepancy	-43,550	13,724	31,548	33,854	41,533	29,420	4,148	7,629
36 Due to seasonal adjustment	...	...	...	266	7,407	1,153	6,279	743
37 Before seasonal adjustment	-43,550	13,724	31,548	34,120	34,126	28,267	2,131	8,372
MEMO								
<i>Changes in official assets</i>								
38 U.S. official reserve assets (increase, -)	1,379	5,346	9,742	2,722	1,893	191	17	523
39 Foreign official assets in United States, excluding line 25 (increase, -)	70,440	37,909	108,675	37,145	49,257	10,120	52,177	13,000
40 Change in Organization of Petroleum Exporting Countries official assets in United States (part of line 22)	3,717	1,529	3,959	341	6,147	1,435	992	5,126

1. Seasonal factors are not calculated for lines 12, 16, 18, 20, 22, 34, and 38-40.

2. Data are on an international accounts 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 5.

3. Reporting banks include all types of depository institutions 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: U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*

3.11 U.S. FOREIGN TRADE¹

Millions of dollars; monthly data seasonally adjusted

Item	1993	1994	1995	1996						
				Jan. ¹	Feb. ¹	Mar. ¹	Apr. ¹	May ¹	June	July ²
1 Goods and services, balance	72,037	104,481	105,064	9,568	6,783	7,873	9,496	10,455	8,190	11,682
2 Merchandise	142,607	166,124	173,424	15,497	12,784	14,448	15,584	16,791	14,620	17,523
3 Services	60,570	61,742	68,360	5,929	6,001	6,575	6,188	6,136	6,430	5,841
4 Goods and services, exports	642,953	698,401	786,529	66,594	69,226	69,332	69,200	70,170	69,730	67,191
5 Merchandise	456,834	502,462	575,939	48,653	50,883	50,492	50,741	51,384	50,972	48,621
6 Services	186,119	195,839	210,590	17,941	18,343	18,840	18,459	18,786	18,758	18,570
7 Goods and services, imports	714,990	802,682	891,593	76,162	76,009	77,205	78,596	80,625	77,920	78,873
8 Merchandise	589,441	668,585	749,363	64,150	63,667	64,940	66,325	68,175	65,592	66,144
9 Services	125,549	134,097	142,230	12,012	12,342	12,265	12,271	12,450	12,328	12,729

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

SOURCE: F-1900, U.S. Department of Commerce, Bureau of the Census and Bureau of Economic Analysis.

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Asset	1993	1994	1995	1996							
				Jan.	Feb.	Mar.	Apr.	May	June	July	Aug. ²
1 Total	73,442	74,335	85,832	82,717	84,270	84,212	83,710	83,468	83,455	85,099	76,781
2 Gold stock, including Exchange Stabilization Fund ¹	11,053	11,051	11,050	11,052	11,053	11,053	11,052	11,051	11,050	11,050	11,050
3 Special drawing rights ³	9,039	10,039	11,037	10,778	11,106	11,049	10,963	11,037	11,046	11,216	10,307
4 Reserve position in International Monetary Fund ⁴	11,818	12,030	14,649	14,312	14,813	15,249	15,117	15,227	15,282	15,665	15,597
5 Foreign currencies	41,512	41,215	49,096	46,575	47,298	46,861	46,578	46,153	46,077	47,168	49,827

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

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

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

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

4. Valued at current market exchange rates.

3.13 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS¹

Millions of dollars, end of period

Asset	1993	1994	1995	1996							
				Jan.	Feb.	Mar.	Apr.	May	June	July	Aug. ²
1 Deposits	386	250	386	165	209	191	166	160	182	166	171
Held in custody											
2 U.S. Treasury securities ³	379,394	441,866	522,170	532,776	559,741	573,435	573,924	578,608	572,839	580,277	590,467
3 Earmarked gold ¹	12,327	12,033	11,702	11,702	11,689	11,590	11,445	11,339	11,296	11,273	11,217

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

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

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

3.15 SELECTED U.S. LIABILITIES TO FOREIGN OFFICIAL INSTITUTIONS

Millions of dollars, end of period

Item	1993 ^a	1995	1996						
			Jan	Feb.	Mar.	Apr.	May	June	July ^b
1 Total ¹	520,934	630,775	644,570	670,229	682,952	687,217	689,726 ²	696,309	699,389
<i>By type</i>									
2 Liabilities reported by banks in the United States ²	73,386	107,258	103,919	103,242	103,994	111,017	104,941 ³	118,190	113,316
3 U.S. Treasury bills and certificates ³	139,571	168,534	173,949	191,188	198,382	186,638	188,321	187,171	186,061
4 U.S. Treasury bonds and notes									
4 Marketable	254,059	293,681	306,299	314,980	319,728	327,981	334,463	327,815	337,444
5 Nonmarketable	6,109	6,491	6,120	6,159	6,199	6,238	5,903	5,941	5,980
6 U.S. securities other than U.S. Treasury securities	47,809	54,808	54,283	54,660	54,649	55,313	56,098	57,192	56,588
<i>By area</i>									
7 Europe ⁴	215,374	222,314	223,569	231,389	242,589	241,161	241,294	245,385	245,378
8 Canada	17,235	19,473	19,078	18,850	20,846	20,878	21,670	21,250	20,153
9 Latin America and Caribbean	41,492	66,720	70,281	70,497	73,039	71,287	67,964 ⁵	70,063	67,911
10 Asia	246,824	310,966	320,512	338,999	335,006	341,148	343,206	346,102	350,747
11 Africa	4,180	6,296	6,924	6,574	6,584	7,388	7,173	6,996	6,910
12 Other countries	5,827	5,004	4,204	3,918	4,886	5,353	5,417	6,511	8,288

1. Includes the Bank for International Settlements.
 2. Principally demand deposits, time deposits, bankers acceptances, commercial paper, negotiable time certificates of deposit, and borrowings under repurchase agreements.

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

4. Excludes notes issued to foreign official nonreserve agencies. Includes current value of zero-coupon Treasury bond issues to foreign governments as follows: Mexico, beginning March 1988, 20 year maturity issue and beginning March 1990, 30 year maturity issue,

Venezuela, beginning December 1990, 30-year maturity issue; Argentina, beginning April 1993, 30 year maturity issue.

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

SOURCE: Based on U.S. Department of the Treasury data and on data reported to the department by banks (including Federal Reserve Banks) and securities dealers in the United States; and on the 1989 benchmark survey of foreign portfolio investment in the United States.

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

Millions of dollars, end of period

Item	1992	1993	1994	1995		1996	
				Sept.	Dec.	Mar.	June
1 Banks' liabilities	72,796	78,259	89,284	102,147	112,556	109,635	111,967
2 Banks' claims	62,799	62,017	60,689	69,481	74,830	69,522	65,859
3 Deposits	24,240	20,993	19,661	25,712	22,688	22,720	20,871
4 Other claims	38,559	41,024	41,028	43,769	52,142	47,302	44,988
5 Claims of banks' domestic customers ²	4,132	12,854	10,878	6,624	6,145	6,064	7,377

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

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

3.17 LIABILITIES TO FOREIGNERS Reported by Banks in the United States¹
Payable in U.S. dollars
Millions of dollars, end of period

Item	1993	1994	1995	1996						
				Jan.	Feb.	Mar.	Apr.	May	June	July ^p
BY HOLDER AND TYPE OF LIABILITY										
1 Total, all foreigners	926,672	1,014,808	1,099,665	1,098,640	1,101,912	1,100,426	1,100,602	1,096,061¹	1,098,072	1,083,833
2 Banks' own liabilities	626,919	718,440	753,545	747,461	732,922	729,805	745,762	723,564 ⁴	731,451	715,233
3 Demand deposits	21,569	24,386	24,460	22,182	23,507	23,371	23,958	23,340 ⁴	27,489	24,961
4 Time deposits	175,106	186,512	192,700	198,434	192,116	193,549	192,011	181,026 ⁴	189,737	193,412
5 Other ¹	111,971	132,984	139,780	141,963	149,009	138,311	146,589	144,051	149,285	144,110
6 Own foreign offices ¹	318,273	495,558	496,605	484,882	368,290	374,574	373,204	375,147	364,940	352,750
7 Banks' custodial liabilities ⁵	299,753	296,368	346,120	351,179	368,990	370,621	364,840	372,497	366,621	368,600
8 U.S. Treasury bills and certificates ⁶	176,739	162,908	197,341	203,478	223,395	228,705	217,106	220,823	218,604	217,548
9 Other negotiable and readily transferable instruments ⁷	36,289	42,532	52,246	46,973	4,404	40,481	44,821	49,655	51,365	56,345
10 Other	86,725	90,928	96,533	100,128	102,191	101,433	102,911	102,019	96,552	94,707
11 Nonmonetary international and regional organizations ⁸	10,936	8,606	11,039	10,622	11,109	9,476	11,266	11,969 ⁹	12,108	11,512
12 Banks' own liabilities	5,639	8,176	10,347	9,678	10,514	8,558	10,440	11,182 ⁴	10,864	10,315
13 Demand deposits	15	29	21	30	43	16	28	34	13	22
14 Time deposits	2,780	1,298	4,656	4,385	3,479	3,527	3,979	3,417 ¹	4,002	4,667
15 Other ¹	2,844	4,849	5,670	5,213	6,792	5,015	6,433	1,731	6,739	6,626
16 Banks' custodial liabilities ⁵	5,297	430	692	904	795	918	826	787	1,244	1,197
17 U.S. Treasury bills and certificates ⁶	4,275	281	350	764	555	564	426	476	874	865
18 Other negotiable and readily transferable instruments ⁷	1,022	149	341	230	230	298	400	390	370	330
19 Other	0	0	1	0	10	56	0	21	0	2
20 Official institutions ⁹	220,821	212,957	275,792	277,868	294,430	302,376	297,655	293,262 ¹	305,361	299,377
21 Banks' own liabilities	64,144	59,935	83,311	85,040	84,077	88,537	91,602	81,909 ¹	91,857	83,683
22 Demand deposits	1,600	1,564	2,098	1,522	1,655	1,423	1,679	1,504	2,209	2,211
23 Time deposits	21,653	23,511	30,716	28,069	29,904	32,404	36,647	32,671 ¹	38,929	36,741
24 Other ¹	40,891	34,860	50,497	55,449	52,518	54,710	53,286	47,734	50,719	44,731
25 Banks' custodial liabilities ⁵	156,677	153,022	192,481	192,878	210,353	213,839	206,053	211,353	213,503	215,694
26 U.S. Treasury bills and certificates ⁶	151,100	139,571	168,534	173,949	191,188	198,382	186,638	188,321	187,171	186,061
27 Other negotiable and readily transferable instruments ⁷	5,482	13,245	23,603	18,532	18,138	14,970	19,065	22,661	25,835	29,262
28 Other	95	206	344	467	1,027	487	450	371	498	371
29 Banks ¹⁰	592,171	678,367	691,555	687,180	670,727	666,739	665,490	662,336 ¹	654,266	640,811
30 Banks' own liabilities	478,755	563,466	567,980	558,951	541,421	539,657	537,427	533,019 ¹	530,472	519,638
31 Unaffiliated foreign banks	160,482	167,908	171,375	174,069	173,131	165,083	164,223	157,872 ¹	165,532	166,898
32 Demand deposits	9,718	10,633	11,756	10,247	10,948	10,971	11,453	10,664 ¹	12,388	11,779
33 Time deposits	105,262	111,171	103,554	110,436	104,230	101,013	96,222	89,075	90,634	95,575
34 Other ¹	45,502	46,104	56,065	53,386	57,953	53,099	56,548	58,134	62,510	59,544
35 Own foreign offices ¹	318,273	495,558	396,605	384,882	368,290	374,574	373,204	375,147	364,940	352,750
36 Banks' custodial liabilities ⁵	113,416	114,901	123,535	128,229	129,306	127,082	128,063	129,317	123,794	121,163
37 U.S. Treasury bills and certificates ⁶	10,712	11,251	15,869	15,992	17,947	15,967	16,801	17,584	18,241	18,091
38 Other negotiable and readily transferable instruments ⁷	17,020	14,505	13,035	13,590	12,094	11,864	10,814	11,775	11,621	10,359
39 Other	85,684	89,145	94,671	98,647	99,265	99,251	100,448	99,958	94,532	92,713
40 Other foreigners	102,744	114,878	121,279	122,970	125,646	121,835	126,191	128,494 ⁴	126,331	132,133
41 Banks' own liabilities	78,381	86,863	91,907	93,842	92,110	93,053	96,293	97,454 ⁴	98,258	101,587
42 Demand deposits	10,246	11,160	10,585	10,383	10,861	10,961	10,798	11,139	12,769	10,949
43 Time deposits	45,411	48,532	53,774	55,544	54,503	56,605	55,173	55,863 ¹	56,172	57,429
44 Other ¹	22,734	27,171	27,548	27,915	41,746	25,487	30,322	30,452	29,317	33,209
45 Banks' custodial liabilities ⁵	24,363	28,015	29,372	29,128	28,536	28,782	29,898	31,040	28,079	30,546
46 U.S. Treasury bills and certificates ⁶	10,652	11,805	12,588	12,773	13,705	13,792	13,241	14,542	12,318	12,531
47 Other negotiable and readily transferable instruments ⁷	12,765	14,633	15,267	14,621	12,942	13,351	14,544	14,829	14,239	16,394
48 Other	946	1,577	1,517	1,734	1,889	1,639	2,113	1,669	1,522	1,621
MEMO										
49 Negotiable time certificates of deposit in custody for foreigners	17,567	17,895	9,099	10,479	10,544	10,005	8,306	9,284	9,580	7,877

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

2. Excludes negotiable time certificates 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 owed to own foreign branches and foreign subsidiaries consolidated in quarterly Consolidated Reports of Condition filed with bank regulatory agencies. For agencies, branches, and majority-owned subsidiaries of foreign banks, consists principally of amounts owed to the head office or parent foreign bank, and to foreign branches, agencies, or wholly owned subsidiaries of the head office or parent foreign bank.

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

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

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

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

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

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

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

Item	1993	1994	1995	1996						
				Jan.	Feb.	Mar.	Apr.	May	June	July ^b
AREA										
50 Total, all foreigners	926,672	1,014,808	1,099,665	1,098,640	1,101,912	1,100,426	1,100,602	1,096,061 ^c	1,098,072 ^c	1,083,833
51 Foreign countries	915,736	1,006,202	1,088,626	1,088,018	1,090,803	1,090,950	1,089,336	1,084,092 ^c	1,085,964 ^c	1,072,321
52 Europe	377,911	390,710	362,786	368,325	371,048	370,581	375,525	367,756 ^c	363,805 ^c	357,798
53 Austria	1,917	3,588	3,537	3,437	2,996	2,848	3,177	3,624	3,209 ^c	3,002
54 Belgium and Luxembourg	28,670	21,877	24,812	24,881	27,182	25,584	27,572	25,955	20,856 ^c	22,093
55 Denmark	4,517	2,883	2,921	2,979	3,861	2,876	2,787	2,645	2,796	2,871
56 Finland	1,872	1,436	2,831	2,421	2,409	1,768	2,203	2,188	1,589	1,200
57 France	10,316	44,361	39,203	39,697	41,099	41,332	41,303	39,640	40,590 ^c	36,344
58 Germany	26,685	27,109	24,035	25,988	24,695	25,229	24,854	23,950	25,853 ^c	24,448
59 Greece	1,519	1,393	2,011	1,998	2,063	1,966	1,714	1,665	1,690	1,811
60 Italy	11,759	10,885	10,875	9,616	12,468	11,475	10,178	11,045	12,109	12,804
61 Netherlands	16,096	16,033	14,724	11,350	12,173	12,839	12,397	12,578	12,162 ^c	11,863
62 Norway	2,966	2,338	1,393	1,067	1,246	1,034	915	828	1,388	1,435
63 Portugal	3,366	2,816	2,761	3,055	2,931	2,843	2,529	1,858	1,401	1,735
64 Russia	2,811	2,726	2,950	7,858	9,180	9,321	8,798	7,260	6,925	6,047
65 Spain	30,396	11,675	10,012	11,838	11,589	18,976	19,548	19,005 ^c	20,315 ^c	19,364
66 Sweden	2,738	3,094	3,245	2,555	3,813	2,256	3,943	2,410	2,693	2,740
67 Switzerland	11,560	40,515	43,627	40,806	42,010	39,083	36,805	37,099	39,008	39,623
68 Turkey	3,227	3,311	4,124	4,350	4,559	4,103	4,353	4,669	4,926	5,619
69 United Kingdom	133,693	163,795	139,127	152,654	146,985	144,136	146,612	146,335	143,800 ^c	139,712
70 Yugoslavia ^d	172	215	177	163	163	143	145	146	217	208
71 Other Europe and other former U.S.S.R. ^e	33,131	27,769	26,389	21,612	23,626	22,769	25,291	24,856	22,278 ^c	24,931
72 Canada	20,235	23,768	30,470	33,012	32,031	31,503	31,285	33,178	33,389	28,807
73 Latin America and Caribbean	86,238	423,830	440,216	435,624	421,950	433,599	440,933	433,060 ^c	432,729 ^c	430,026
74 Argentina	14,177	17,203	12,236	13,524	11,764	11,985	14,117	11,650	13,580	12,501
75 Bahamas	73,820	104,002	94,991	96,771	91,124	87,987	85,769	86,303	85,257	85,973
76 Bermuda	8,117	8,424	4,897	4,633	4,702	5,035	4,262	4,998	4,312 ^c	4,205
77 Brazil	5,301	9,145	23,797	22,715	21,761	21,483	20,222	20,105	25,902 ^c	23,183
78 British West Indies	193,699	229,599	239,083	233,383	227,348	240,611	249,129	243,235 ^c	234,327 ^c	232,816
79 Chile	3,383	3,127	2,825	2,978	2,772	2,815	2,882	2,867	2,937	2,841
80 Colombia	3,171	4,615	3,666	3,505	3,683	3,637	3,790	3,400 ^c	3,650 ^c	3,429
81 Cuba	33	13	8	7	7	7	13	8	10	10
82 Ecuador	880	875	1,315	1,236	1,201	1,274	1,265	1,284	1,302	1,405
83 Guatemala	1,207	1,123	1,275	1,058	1,075	1,060	1,073	1,073	1,073	1,092
84 Jamaica	110	529	481	500	495	503	516	550	534	562
85 Mexico	28,019	12,272	24,555	23,643	23,899	24,577	23,330	23,214	24,777	26,314
86 Netherlands Antilles	4,686	5,217	4,672	4,448	4,461	4,407	5,272	4,722	5,162	5,530
87 Panama	3,582	4,551	4,265	4,030	4,166	4,026	3,887	3,846	3,878	3,852
88 Peru	929	900	974	1,025	1,092	967	1,081	1,064	1,013 ^c	1,029
89 Uruguay	1,611	1,597	1,835	1,799	1,726	1,908	1,748	1,757	1,769	1,836
90 Venezuela	12,786	13,985	11,810	12,662	12,611	13,255	12,241	14,672	14,926 ^c	15,261
91 Other	6,327	6,700	7,531	7,707	7,974	8,072	8,241	8,312 ^c	8,320 ^c	8,287
92 Asia	144,527	154,334	240,740	238,175	249,417	241,958	237,705	245,909 ^c	239,278 ^c	238,540
93 China										
93 People's Republic of China	4,011	10,066	33,750	35,733	32,200	24,430	25,861	24,857	25,387 ^c	28,587
94 Republic of China (Taiwan)	10,627	9,844	11,714	12,311	12,955	15,513	14,953	14,598	16,621 ^c	16,079
95 Hong Kong	17,132	17,104	20,303	20,307	22,286	20,187	18,379	18,606 ^c	18,244 ^c	19,666
96 India	1,114	2,338	3,173	3,263	3,527	3,990	3,752	3,938	4,012	3,954
97 Indonesia	1,986	1,587	2,708	2,011	2,349	2,169	2,627	2,374	2,315 ^c	2,561
98 Israel	4,135	5,157	1,073	1,348	5,780	5,344	5,350	5,123	5,199	4,444
99 Japan	61,466	62,981	109,193	106,228	113,361	117,325	111,635	111,500 ^c	113,802	112,686
100 Korea (South)	1,913	5,124	5,749	5,092	5,607	5,875	5,860	5,664	6,674 ^c	5,661
101 Philippines	2,035	2,714	3,089	2,394	2,366	2,336	2,467	2,897	2,970	3,041
102 Thailand	6,137	6,466	12,279	13,121	13,389	12,158	12,905	13,387	12,253 ^c	11,714
103 Middle Eastern oil exporting countries ^f	15,822	15,482	15,582	14,417	13,491	13,741	14,895	14,234	13,379	12,942
104 Other	14,849	15,471	18,927	18,450	22,136	18,890	18,921	18,731	18,326 ^c	17,206
105 Africa	6,633	6,524	7,641	7,679	7,818	7,089	7,832	7,404	7,507	7,558
106 Egypt	2,208	1,879	2,136	1,848	2,375	2,057	2,002	1,873	1,811	2,114
107 Morocco	99	97	104	99	52	65	114	113	115	133
108 South Africa	451	433	739	1,217	665	413	1,003	745	666	648
109 Zaire	12	9	10	11	8	9	8	16	6	13
110 Oil exporting countries ^g	1,303	1,343	1,797	1,774	1,968	1,706	1,901	1,887	2,013	1,928
111 Other	2,560	2,763	2,855	2,740	3,750	2,839	2,803	2,770	2,876	2,722
112 Other	1,192	6,036	6,773	5,203	5,509	6,223	6,056	6,785	9,256 ^c	9,592
113 Australia	3,308	5,142	5,613	4,326	4,503	5,239	4,896	5,757	7,981	8,385
114 Other	884	894	1,139	877	1,006	984	1,160	1,028	1,275 ^c	1,207
115 Nonmonetary international and regional organizations	10,936	8,606	11,039	10,622	11,109	9,376	11,266	11,969 ^c	12,108 ^c	11,512
116 International ^h	6,851	7,537	9,300	9,639	9,982	7,938	10,572 ^c	10,799 ^c	10,572 ^c	10,074
117 Latin American regional ⁱ	3,218	613	893	349	292	758	472	624 ^c	502 ^c	831
118 Other regional ^j	867	456	846	634	717	780	862	773	807	608

11. Since December 1992, has excluded Bosnia, Croatia, and Slovenia.
 12. Includes the Bank for International Settlements. Since December 1992, has included all parts of the former U.S.S.R. (except Russia), and Bosnia, Croatia, and Slovenia.
 13. Comprises Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates (United States).
 14. Comprises Algeria, Gabon, Libya, and Nigeria.
 15. Principally the International Bank for Reconstruction and Development. Excludes "holdings of dollars" of the International Monetary Fund.
 16. Principally the Inter American Development Bank.
 17. Asian, African, Middle Eastern, and European regional organizations, except the Bank for International Settlements, which is included in "Other Europe."

3.18 BANKS' OWN CLAIMS ON FOREIGNERS Reported by Banks in the United States¹
Payable in U.S. Dollars
Millions of dollars, end of period

Area or country	1993	1991	1995	1996						
				Jan	Feb.	Mar.	Apr	May	June	July ²
1 Total, all foreigners	488,497	483,242	529,948	527,317	520,790	531,340	527,363	519,917 ³	536,231	557,294
2 Foreign countries	486,092	478,651	528,017	525,015	518,011	527,526	524,647	516,423 ³	533,202	555,180
3 Europe	123,711	123,380	130,315	133,923	138,574	138,820	135,605	134,159 ³	146,205	143,139
4 Austria	412	692	565	683	773	892	1,213	1,712	1,088	1,128
5 Belgium and Luxembourg	6,532	6,738	7,599	8,365	8,519	6,004	8,688	8,711	6,921	6,686
6 Denmark	382	1,129	403	541	599	698	543	482	432	319
7 Finland	594	512	1,055	1,497	1,313	1,782	1,305	1,282	1,013	1,629
8 France	11,822	12,146	14,798	12,253	13,161	13,740	11,604	11,954	11,768	10,571
9 Germany	7,724	7,608	8,864	8,072	8,774	9,260	8,647	8,099	11,831	9,738
10 Greece	691	604	449	555	603	507	622	554	563	577
11 Italy	8,834	6,013	5,364	5,010	4,838	5,865	5,696	6,172 ³	5,721	6,026
12 Netherlands	3,063	2,959	5,051	4,305	4,722	5,585	6,346	5,618	6,546	6,357
13 Norway	396	504	665	1,098	1,408	1,016	793	933	1,243	1,397
14 Portugal	834	938	888	853	743	773	889	813	704	667
15 Russia	2,310	973	660	678	775	868	741	482	440	517
16 Spain	3,717	3,530	2,166	3,811	4,011	5,120	5,092	3,158	2,519	3,161
17 Sweden	4,254	1,098	2,060	2,315	2,151	2,206	3,534	2,526	2,989	2,780
18 Switzerland	6,605	5,746	7,074	4,613	4,016	4,841	6,370	8,713	12,145	9,524
19 Turkey	1,301	878	732	707	707	810	973	874 ³	933	912
20 United Kingdom	62,013	66,846	67,388	75,147	78,040	73,711	69,171	69,555 ³	75,839	78,393
21 Yugoslavia	473	265	147	118	118	170	208	204	161	159
22 Other Europe and other former U.S.S.R. ⁴	1,784	1,171	4,334	3,014	3,273	4,693	3,224	3,116	3,536	2,623
23 Canada	18,617	18,490	20,192	20,068	18,421	18,040	22,061	20,885	22,255	23,576
24 Latin America and Caribbean	225,238	223,523	256,955	257,146	248,483	253,727	245,845	238,291 ⁵	239,866	265,306
25 Argentina	4,474	5,844	6,139	6,185	6,057	6,716	6,187	6,037	6,448	6,598
26 Bahamas	63,353	66,410	58,815	60,284	63,240	65,628	54,911	56,384 ⁵	60,593	71,994
27 Bermuda	8,901	8,481	5,717	5,011	4,742	4,829	5,031	2,993	3,620	3,163
28 Brazil	11,848	9,583	13,297	13,252	13,915	13,813	11,125	14,194 ⁵	15,076	15,200
29 British West Indies	99,349	95,741	123,914	122,759	108,833	113,239	118,599	110,760 ⁵	102,649	109,602
30 Chile	3,643	3,820	5,024	4,996	4,593	4,559	4,605	4,363	4,402	4,333
31 Colombia	3,181	1,001	4,550	4,622	4,492	4,547	4,517	4,523	4,538	4,511
32 Cuba	0	0	0	0	0	0	0	0	0	0
33 Ecuador	681	682	825	841	952	977	959	944	962	979
34 Guatemala	288	366	457	439	461	465	473	461	452	463
35 Jamaica	195	258	323	399	362	332	335	345	359	346
36 Mexico	15,879	17,749	18,028	17,114	17,167	16,953	17,071	16,877 ⁵	16,870	16,925
37 Netherlands Antilles	2,683	1,396	9,229	11,043	12,973	10,902	8,228	8,673	12,888	99,224
38 Panama	2,894	2,198	3,018	2,845	2,820	2,612	2,503	2,607 ⁵	2,567	2,184
39 Peru	657	997	1,829	1,767	1,928	1,936	2,012	2,140 ⁵	2,395	2,568
40 Uruguay	969	503	466	422	463	623	528	602	623	589
41 Venezuela	2,910	1,831	1,661	1,575	1,572	1,559	1,377	1,279	1,390	1,504
42 Other	3,363	3,660	3,363	3,697	4,073	3,537	3,754	3,109	4,084	3,956
43 Asia	111,775	107,079	115,361	108,989	107,056	111,390	115,030	116,562 ⁵	118,293	117,308
44 China										
45 People's Republic of China	2,271	836	1,023	1,014	1,351	2,139	3,405	2,857	2,441	1,311
46 Republic of China (Taiwan)	2,625	1,148	1,713	1,407	1,403	1,729	1,626	1,514	1,490	1,301
47 Hong Kong	10,828	9,161	12,895	13,254	13,867	15,545	15,329	14,745 ⁵	15,997	15,749
48 India	589	994	1,846	1,864	1,859	1,869	1,787	1,786	1,791	1,785
49 Indonesia	1,527	1,470	1,678	1,458	1,478	1,601	1,526	1,564 ⁵	1,539	1,744
50 Israel	826	688	739	668	665	665	642	615	620	682
51 Japan	60,032	59,151	61,308	55,897	55,077	52,776	54,657	54,685	54,189	53,805
52 Korea (South)	7,539	10,286	14,089	14,501	15,523	17,362	17,250	18,224 ⁵	19,261	18,528
53 Philippines	1,410	662	1,350	811	779	1,202	729	848 ⁵	1,298	1,241
54 Thailand	2,170	2,902	2,599	2,397	3,256	3,060	2,970	3,015	3,194	2,824
55 Middle Eastern oil exporting countries ⁶	15,115	13,748	9,639	8,053	6,410	7,145	7,252	8,976	8,348	9,510
55 Other	6,843	5,733	6,382	7,662	8,369	5,994	4,807	7,514 ⁵	8,127	8,712
56 Africa	3,861	3,050	2,727	2,798	2,879	2,884	2,743	2,712 ⁵	2,766	2,761
57 Egypt	196	225	210	208	237	237	225	217	198	216
58 Morocco	481	429	514	514	561	593	628	639	607	602
59 South Africa	633	671	465	483	520	567	493	468	515	441
60 Zaire	3	2	1	1	1	1	1	1	1	1
61 Oil-exporting countries ⁶	1,129	856	552	589	526	516	501	478	474	470
62 Other	1,418	867	985	1,003	1,034	968	929	923 ⁵	939	1,031
63 Other	2,860	3,129	2,467	2,091	2,598	3,665	3,363	3,511	3,877	3,990
64 Australia	2,037	2,186	1,622	1,822	2,243	2,615	2,620	2,333	2,513	3,172
65 Other	823	943	845	269	355	1,020	743	1,178	1,301	818
66 Nonmonetary international and regional organizations ⁶	2,405	4,591	1,931	2,302	2,779	3,811	2,716	3,494	3,029	2,114

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

2 Since December 1992, has excluded Bosnia, Croatia, and Slovenia.

3 Includes the Bank for International Settlements. Since December 1992, has included all parts of the former U.S.S.R. (except Russia), and Bosnia, Croatia, and Slovenia.

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

5 Comprises Algeria, Gabon, Libya, and Nigeria.

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

3.19 BANKS' OWN AND DOMESTIC CUSTOMERS' CLAIMS ON FOREIGNERS Reported by Banks in the United States¹
Payable in U.S. Dollars
Millions of dollars, end of period

Type of claim	1993	1994	1995	1996						
				Jan	Feb	Mar.	Apr	May ⁵	June	July ⁶
1 Total	575,818	599,521	652,715	...	...	657,231	...	...	661,113	...
2 Banks' claims	488,497	483,242	529,948	527,317	520,790	531,340	527,363	519,917	536,231	557,294
3 Foreign public borrowers	29,228	23,416	22,522	23,148	24,383	27,759	26,263	22,215	22,949	19,355
4 Own foreign offices ²	285,510	283,183	307,509	305,118	295,217	297,601	298,972	301,889	307,494	313,222
5 Unaffiliated foreign banks	100,865	109,228	98,702	97,240	98,139	103,509	101,182	98,388	105,353	107,873
6 Deposits	49,892	59,250	37,343	35,520	37,565	41,914	37,393	35,437	33,835	35,962
7 Other	50,973	49,978	61,359	61,720	60,574	61,595	63,789	62,951	71,518	71,911
8 All other foreigners	72,894	67,415	101,215	101,811	103,051	102,471	100,946	97,425	100,435	116,844
9 Claims of banks' domestic customers ³	87,321	116,279	122,767	...	...	125,891	...	...	124,882	...
10 Deposits	41,734	64,829	58,519	...	...	68,800	...	...	71,441	...
11 Negotiable and readily transferable instruments ⁴	31,186	46,008	44,161	...	...	39,274	...	...	37,331	...
12 Outstanding collections and other claims	14,401	15,442	20,087	...	...	17,817	...	...	16,110	...
MLMO										
13 Customer liability on acceptances	7,920	8,427	8,410	...	...	9,026	...	...	9,335	...
14 Dollar deposits in banks abroad, reported by nonbanking business enterprises in the United States ⁵	29,150	32,796	30,717	27,830	32,777	32,913 ⁶	32,384	34,258	31,136	32,270

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

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

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

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

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

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

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

3.20 BANKS' OWN CLAIMS ON UNAFFILIATED FOREIGNERS Reported by Banks in the United States¹
Payable in U.S. Dollars
Millions of dollars, end of period

Maturity, by borrower and area ²	1992	1993	1994	1995		1996	
				Sept.	Dec.	Mar.	June ³
1 Total	195,119	202,566	200,042	216,986	222,338	233,591	228,629
<i>By borrower</i>							
2 Maturity of one year or less	163,325	172,662	168,331	178,686	176,172	193,803	186,099
3 Foreign public borrowers	17,813	17,828	15,435	14,192	15,015	19,569	14,862
4 All other foreigners	145,512	154,834	152,896	164,494	161,157	174,234	171,237
5 Maturity of more than one year	31,794	29,904	31,711	38,300	46,166	39,788	42,530
6 Foreign public borrowers	13,266	10,874	7,838	8,220	7,506	8,110	8,114
7 All other foreigners	18,528	19,030	23,873	30,080	38,660	31,678	34,416
<i>By area</i>							
8 Maturity of one year or less							
9 Europe	53,300	57,413	55,742	52,045	53,897	58,001	57,182
10 Canada	6,091	7,727	6,690	7,135	6,089	5,473	6,819
11 Latin America and Caribbean	50,376	60,490	58,877	71,319	72,393	84,297	78,359
12 Asia	45,709	41,418	39,851	42,556	40,133	40,332	38,479
13 Africa	1,784	1,820	1,376	1,271	1,271	1,302	1,279
14 All other	6,065	3,794	5,795	4,370	2,389	4,398	3,981
Maturity of more than one year							
15 Europe	5,367	5,310	4,203	4,594	4,885	6,827	8,191
16 Canada	3,287	2,581	3,505	3,571	2,731	2,563	3,689
17 Latin America and Caribbean	15,312	14,025	15,717	20,224	27,811	19,532	19,511
18 Asia	5,038	5,606	5,318	7,373	8,023	8,461	9,108
19 Africa	2,380	1,935	1,583	1,389	1,430	1,474	1,435
20 All other	410	447	1,385	1,149	1,286	931	596

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

2. Maturity is time remaining until maturity.

3. Includes nonmonetary international and regional organizations.

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

Billions of dollars, end of period

Area or country	1992	1993	1994			1995				1996	
			June	Sept.	Dec.	Mar.	June	Sept.	Dec.	Mar.	June
1 Total	344.7	407.7	486.1	486.4	496.6	541.8	526.3	527.0	549.0	571.6	605.0
2 G-10 countries and Switzerland	131.3	161.8	173.3	182.6	190.6	210.6	202.6	196.8	203.4	202.3	222.1 ¹
3 Belgium and Luxembourg	.0	7.4	8.6	9.6	7.0	10.2	9.4	10.7	13.5	10.7	8.0
4 France	15.3	12.0	18.6	20.7	19.1	19.8	19.3	17.5	19.2	17.9	17.7
5 Germany	9.1	12.6	24.7	24.0	24.7	31.2	29.9	27.2	26.9	31.5	31.4
6 Italy	6.5	7.7	14.0	11.6	11.8	10.6	10.7	12.6	11.5	13.2	14.9
7 Netherlands	.0	4.7	3.4	3.4	3.6	3.5	4.3	4.1	3.4	3.0	4.7
8 Sweden	2.3	2.7	3.0	2.6	2.7	3.1	3.0	2.7	2.7	3.3	2.7
9 Switzerland	4.8	5.9	5.4	5.5	5.1	5.7	6.2	6.3	6.3	5.2	6.3
10 United Kingdom	59.7	84.3	64.9	78.4	85.7	89.9	86.7	80.0	82.0	84.8	101.4
11 Canada	6.3	6.9	9.9	10.2	10.0	10.5	11.1	11.9	9.4	9.7	11.1
12 Japan	18.8	17.6	20.7	16.5	20.7	25.9	22.1	24.0	28.5	22.9	23.9
13 Other industrialized countries	24.0	25.6	42.6	42.6	45.2	44.1	43.3	50.1	50.2	61.3	55.5
14 Austria	1.2	.4	1.0	1.0	1.1	.9	.7	1.2	.9	1.3	1.2
15 Denmark	.9	1.0	1.1	1.0	1.3	1.7	1.1	1.8	2.6	3.4	3.3
16 Finland	.7	.4	.8	.8	.9	1.1	.5	.7	.8	.7	.6
17 Greece	3.0	3.2	4.6	4.3	4.5	4.9	5.0	5.1	5.7	5.6	5.6
18 Norway	1.2	1.7	1.6	1.6	2.0	2.4	1.8	2.3	3.2	2.1	2.3
19 Portugal	.4	.8	1.1	1.0	1.2	1.0	1.2	1.9	1.3	1.6	1.6
20 Spain	8.9	9.9	12.6	14.0	13.6	14.1	13.3	13.3	11.6	17.5	13.6
21 Turkey	1.3	2.1	2.1	1.8	1.6	1.4	1.4	2.0	1.9	2.0	2.2
22 Other Western Europe	1.7	2.6	2.8	1.0	2.7	2.5	2.6	3.0	4.7	3.8	3.4
23 South Africa	1.7	1.1	1.2	1.2	1.0	1.5	1.4	1.3	1.2	1.7	2.0
24 Australia	2.9	2.3	13.7	15.0	15.4	12.6	14.3	17.4	16.4	21.7	19.7
25 OPEC ²	15.8	17.4	21.6	21.7	23.9	19.5	20.3	22.4	22.1	21.2	20.1
26 Ecuador	.6	.5	.5	.4	.5	.5	.7	.7	.7	.8	.9
27 Venezuela	5.2	5.1	4.4	3.9	3.7	3.5	3.5	3.0	2.7	2.9	2.3
28 Indonesia	2.7	3.3	3.2	3.3	3.8	4.0	4.1	4.4	4.8	4.7	4.9
29 Middle East countries	6.2	7.4	12.4	13.0	15.0	10.7	11.4	13.6	13.3	12.3	11.5
30 African countries	1.1	1.2	1.1	1.1	.9	.7	.6	.6	.6	.6	.5
31 Non-OPEC developing countries	72.6	83.1	94.8	93.2	96.0	98.5	103.6	104.0	112.6	116.8	125.9
<i>Latin America</i>											
32 Argentina	6.6	7.7	9.8	10.5	11.2	11.4	12.3	10.9	12.9	12.7	14.1
33 Brazil	10.8	12.0	12.0	9.3	8.4	9.2	10.0	13.6	13.7	17.8	22.2
34 Chile	4.4	4.7	5.1	5.5	6.1	6.4	7.1	6.4	6.8	6.4	6.7
35 Colombia	1.8	2.1	2.4	2.4	2.6	2.6	2.6	2.9	2.9	2.9	2.8
36 Mexico	16.0	17.8	18.6	19.8	18.4	17.8	17.6	16.3	17.3	16.1	15.4 ¹
37 Peru	.5	.4	.6	.6	.5	.6	.8	.7	.8	.9	1.2
38 Other	2.6	3.1	2.7	2.8	2.7	2.4	2.6	2.6	2.8	3.1	3.1
<i>Asia</i>											
39 China											
40 People's Republic of China	.7	2.0	.8	1.0	1.1	1.1	1.4	1.7	1.8	3.3	2.9
41 Republic of China (Taiwan)	5.2	7.3	7.1	6.9	9.2	8.5	9.0	9.0	9.4	9.7	9.8
42 India	3.2	3.2	3.7	3.9	4.2	3.8	4.0	4.4	4.4	4.7	4.2
43 Israel	.4	.5	.4	.4	.4	.6	.7	.5	.5	.5	.6 ¹
44 Korea (South)	6.6	6.7	14.3	14.4	16.2	16.9	18.7	18.0	19.1	19.4	21.8
45 Malaysia	3.1	4.4	5.2	3.9	3.1	3.9	4.1	4.3	4.4	4.7	5.0
46 Philippines	3.6	3.1	3.2	2.9	3.3	3.0	3.6	3.3	4.1	3.9	4.7
47 Thailand	2.2	3.1	3.3	3.5	2.1	3.3	3.8	3.9	4.9	5.2	5.4
48 Other Asia	3.1	3.1	3.2	3.4	4.7	4.9	3.5	3.7	4.5	4.3	4.7
<i>Africa</i>											
49 Egypt	.2	.4	.5	.3	.3	.4	.4	.4	.4	.2	.2
50 Morocco	.6	.7	.7	.6	.6	.6	.9	.9	.7	.7	.8
51 Zaire	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
52 Other Africa ³	1.0	.8	1.0	.9	.8	.7	.6	.7	.9	.7	.8
53 Eastern Europe	3.1	3.2	3.2	3.0	2.7	2.3	1.8	3.4	4.2	6.2	5.0
54 Russia ⁴	1.9	1.6	1.3	1.1	.8	.7	.4	.6	1.0	1.4	1.0
55 Yugoslavia ⁵	.6	.6	.5	.5	.5	.4	.3	.4	.3	.3	.3
56 Other	.6	.9	1.4	1.5	1.4	1.2	1.0	2.3	2.8	4.5	3.7
57 Offshore banking centers	58.1	73.0	80.6	77.2	71.4	84.4	82.1	86.0	99.0	100.7	103.8 ⁶
58 Bahamas	6.9	10.9	13.3	13.8	10.3	12.5	8.4	12.6	11.0	13.4	17.3
59 Bermuda	6.2	8.9	6.5	6.0	8.4	8.6	8.3	6.1	6.3	5.3	4.1 ¹
60 Cayman Islands and other British West Indies	21.5	18.0	23.8	21.5	19.9	19.4	23.7	23.4	32.1	28.5	23.7 ¹
61 Netherlands Antilles	1.1	2.6	2.5	1.7	1.3	.9	2.4	5.5	9.9	10.7	13.0
62 Panama ⁶	1.9	2.4	2.0	1.9	1.3	1.1	1.3	1.3	1.4	1.6	1.7
63 Lebanon	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1	.1
64 Hong Kong	13.9	18.7	21.8	20.3	19.9	22.5	23.1	23.7	25.1	25.7	27.8
65 Singapore	6.5	11.2	10.6	11.8	10.1	19.2	14.8	13.3	13.1	15.4	15.9
66 Other ⁷	.0	.1	.0	.0	.1	.0	.0	.1	.1	.1	.1
67 Miscellaneous and unallocated ⁸	39.7	43.4	69.7	65.8	66.7	82.2	72.3	64.0	57.3	62.5	72.2 ¹

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

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

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

3. Excludes Liberia. Beginning March 1994 includes Namibia.

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

5. As of December 1992, excludes Croatia, Bosnia and Herzegovina, and Slovenia.

6. Includes Canal Zone.

7. Foreign branch claims only.

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

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

Millions of dollars, end of period

Type of liability, and area or country	1992	1993	1994	1991	1995				1996
				Dec	Mar.	June	Sept.	Dec.	Mar.
1 Total	45,511	50,597	54,309	54,309	50,187	49,973	47,673	46,448	49,907
2 Payable in dollars	17,456	38,728	38,298	38,298	35,903	34,281	33,908	33,903	36,273
3 Payable in foreign currencies	8,055	11,869	16,011	16,011	14,284	15,692	13,765	12,545	13,634
<i>By type</i>									
4 Financial liabilities	23,841	29,226	32,954	32,954	29,775	29,282	26,237	24,241	26,570
5 Payable in dollars	16,960	18,545	18,818	18,818	16,704	15,028	13,872	12,903	13,841
6 Payable in foreign currencies	6,881	10,681	14,136	14,136	13,071	14,254	12,365	11,338	12,739
7 Commercial liabilities	21,670	21,371	21,355	21,355	20,412	20,691	21,436	22,207	23,337
8 Trade payables	9,566	8,802	10,005	10,005	9,844	10,527	10,061	11,013	10,815
9 Advance receipts and other liabilities	12,104	12,569	11,350	11,350	10,568	10,164	11,375	11,194	12,522
10 Payable in dollars	20,496	20,183	19,480	19,480	19,199	19,253	20,036	21,000	22,442
11 Payable in foreign currencies	1,174	1,188	1,875	1,875	1,213	1,438	1,400	1,207	895
<i>By area or country</i>									
<i>Financial liabilities</i>									
12 Europe	13,387	18,810	21,703	21,703	17,541	18,223	16,401	15,622	16,950
13 Belgium and Luxembourg	414	175	495	495	612	778	347	369	483
14 France	1,623	2,539	1,727	1,727	2,046	1,101	1,365	999	1,679
15 Germany	889	975	1,961	1,961	1,755	1,589	1,670	1,974	2,161
16 Netherlands	606	534	552	552	633	530	474	466	479
17 Switzerland	569	634	688	688	883	1,056	948	895	1,260
18 United Kingdom	8,610	13,332	15,543	15,543	10,764	12,138	10,518	10,138	10,246
19 Canada	544	859	629	629	1,817	893	797	632	1,166
20 Latin America and Caribbean	4,053	3,359	2,034	2,034	2,065	1,950	1,904	1,783	1,876
21 Bahamas	379	1,148	101	101	135	81	79	59	78
22 Bermuda	114	0	80	80	149	138	144	147	126
23 Brazil	19	18	207	207	58	58	111	57	57
24 British West Indies	2,850	1,533	998	998	1,068	1,030	930	866	946
25 Mexico	12	17	0	0	10	3	3	12	16
26 Venezuela	6	5	5	5	5	4	3	2	2
27 Asia	5,818	5,956	8,403	8,403	8,156	8,023	6,947	5,988	6,390
28 Japan	4,750	4,887	7,314	7,314	7,182	7,141	6,308	5,436	5,980
29 Middle Eastern oil-exporting countries ¹	19	23	35	35	27	25	25	27	26
30 Africa	6	133	135	135	156	151	149	150	141
31 Oil-exporting countries ²	0	123	123	123	122	122	122	122	127
32 All other ³	33	109	50	50	40	42	39	66	57
<i>Commercial liabilities</i>									
33 Europe	7,398	6,827	6,773	6,773	6,642	6,776	7,263	7,700	8,425
34 Belgium and Luxembourg	298	239	241	241	271	311	349	341	370
35 France	700	655	728	728	642	504	528	481	648
36 Germany	729	684	604	604	482	556	660	767	867
37 Netherlands	535	688	722	722	536	448	566	500	659
38 Switzerland	350	375	327	327	327	432	255	413	428
39 United Kingdom	2,505	2,049	2,444	2,444	2,848	2,902	3,351	3,568	3,525
40 Canada	1,002	879	1,037	1,037	1,235	1,146	1,219	1,040	959
41 Latin America and Caribbean	1,533	1,658	1,857	1,857	1,368	1,836	1,607	1,740	2,110
42 Bahamas	3	21	19	19	8	3	1	1	28
43 Bermuda	307	350	445	445	260	397	219	205	570
44 Brazil	209	214	161	161	96	107	143	98	128
45 British West Indies	33	27	23	23	29	12	5	56	10
46 Mexico	457	481	574	574	356	420	352	416	468
47 Venezuela	142	123	276	276	273	203	175	221	243
48 Asia	10,594	10,980	10,741	10,741	10,151	9,978	10,275	10,421	10,474
49 Japan	8,612	4,314	4,555	4,555	4,110	3,531	3,475	3,315	3,725
50 Middle Eastern oil-exporting countries ¹	1,889	1,534	1,576	1,576	1,787	1,790	1,647	1,912	1,747
51 Africa	568	451	428	428	463	481	589	619	708
52 Oil-exporting countries ²	309	167	256	256	248	252	241	254	254
53 Other ³	575	574	519	519	553	474	483	687	661

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

2. Comprises Algeria, Gabon, Libya, and Nigeria

3. Includes nonmonetary international and regional organizations

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

Millions of dollars, end of period

Type of claim, and area or country	1992	1993	1994	1994	1995				1996
				Dec.	Mar.	June	Sept.	Dec.	Mar.
1 Total	45,073	49,159	57,888	57,888	52,218	58,051	53,424	52,509	55,394
2 Payable in dollars	42,281	45,161	53,805	53,805	48,425	54,138	49,696	48,711	50,995
3 Payable in foreign currencies	2,792	3,998	4,083	4,083	3,793	3,913	3,728	3,798	4,399
<i>By type</i>									
4 Financial claims	26,509	27,771	33,897	33,897	29,606	34,574	29,891	27,398	30,760
5 Deposits	17,695	15,717	18,507	18,507	17,115	22,046	17,974	15,133	17,595
6 Payable in dollars	16,872	15,182	18,026	18,026	16,458	21,351	17,393	14,654	17,044
7 Payable in foreign currencies	823	535	481	481	657	695	581	479	551
8 Other financial claims	8,814	12,054	15,390	15,390	12,491	12,528	11,917	12,265	13,165
9 Payable in dollars	7,890	10,862	14,306	14,306	11,275	11,370	10,689	10,976	11,278
10 Payable in foreign currencies	924	1,192	1,084	1,084	1,216	1,158	1,228	1,289	1,887
11 Commercial claims	18,564	21,388	23,991	23,991	22,612	23,477	23,533	25,111	24,634
12 Trade receivables	16,007	18,425	21,158	21,158	20,415	21,326	21,409	22,998	22,123
13 Advance payments and other claims	2,557	2,963	2,833	2,833	2,197	2,151	2,124	2,113	2,511
14 Payable in dollars	17,519	19,117	21,473	21,473	20,697	21,417	21,614	23,081	22,673
15 Payable in foreign currencies	1,045	2,271	2,518	2,518	1,920	2,060	1,919	2,030	1,961
<i>By area or country</i>									
<i>Financial claims</i>									
16 Europe	9,331	7,299	7,936	7,936	7,630	7,927	7,840	7,609	8,929
17 Belgium and Luxembourg	8	134	86	86	146	155	160	193	159
18 France	764	826	800	800	808	730	753	803	1,015
19 Germany	326	526	540	540	527	356	301	436	320
20 Netherlands	515	502	429	429	606	601	522	517	486
21 Switzerland	490	530	523	523	490	514	530	498	470
22 United Kingdom	6,252	3,585	4,649	4,649	4,040	4,790	4,924	4,303	5,568
23 Canada	1,833	2,032	3,581	3,581	3,848	3,705	3,526	2,851	5,269
24 Latin America and Caribbean	14,891	16,224	19,536	19,536	16,109	21,159	15,345	14,500	13,815
25 Bahamas	778	1,336	2,424	2,424	940	2,355	1,552	1,965	1,538
26 Bermuda	40	125	27	27	37	85	35	81	77
27 Brazil	686	654	520	520	528	502	851	830	1,019
28 British West Indies	11,747	12,699	15,228	15,228	13,531	17,013	11,816	10,393	10,088
29 Mexico	445	872	723	723	583	635	487	554	461
30 Venezuela	29	161	35	35	27	27	50	32	40
31 Asia	864	1,657	1,871	1,871	1,504	1,235	2,160	1,579	1,890
32 Japan	668	892	953	953	621	471	1,404	871	1,171
33 Middle Eastern oil-exporting countries ¹	3	3	141	141	4	3	4	3	13
34 Africa	83	99	373	373	141	138	188	276	277
35 Oil-exporting countries ²	9	1	0	0	9	9	6	5	5
36 All other ³	505	460	600	600	374	410	832	583	580
<i>Commercial claims</i>									
37 Europe	8,451	9,105	9,540	9,540	8,947	9,200	8,862	9,824	9,776
38 Belgium and Luxembourg	189	184	213	213	199	218	224	231	247
39 France	1,537	1,947	1,881	1,881	1,790	1,669	1,706	1,830	1,803
40 Germany	933	1,018	1,027	1,027	977	1,023	997	1,070	1,410
41 Netherlands	552	423	311	311	324	341	338	352	442
42 Switzerland	362	432	557	557	556	612	438	520	579
43 United Kingdom	2,094	2,377	2,556	2,556	2,388	2,469	2,479	2,656	2,607
44 Canada	1,286	1,781	1,988	1,988	2,010	2,003	1,971	1,951	2,045
45 Latin America and Caribbean	3,043	3,274	4,117	4,117	4,140	4,370	4,359	4,364	4,151
46 Bahamas	28	11	9	9	17	21	26	30	30
47 Bermuda	255	182	234	234	208	210	245	272	273
48 Brazil	357	460	612	612	695	777	745	898	809
49 British West Indies	40	71	83	83	55	83	66	79	106
50 Mexico	924	990	1,243	1,243	1,106	1,109	1,026	993	870
51 Venezuela	345	293	348	348	295	319	325	285	308
52 Asia	4,866	6,014	6,982	6,982	6,200	6,516	6,826	7,312	7,100
53 Japan	1,903	2,275	2,655	2,655	1,911	2,011	1,998	1,870	2,010
54 Middle Eastern oil-exporting countries ¹	693	704	708	708	689	707	775	974	1,024
55 Africa	554	493	454	454	468	478	544	654	667
56 Oil-exporting countries ²	78	72	67	67	71	60	74	87	107
57 Other ³	364	721	910	910	847	910	971	1,006	895

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

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

3. Includes nonmonetary international and regional organizations.

3.24 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transaction, and area or country	1994	1995	1996		1996					
			Jan July	Jan	Feb	Mar	Apr	May	June	July ^P
U.S. corporate securities										
STOCKS										
1 Foreign purchases	350,593	462,950	354,576	43,574	52,260	55,281	53,047	57,552 ¹	43,374	49,488
2 Foreign sales	348,716	451,710	346,826	41,948	51,083	54,450	48,774	56,068 ¹	42,361	52,142
3 Net purchases, or sales (-)	1,877	11,240	7,750	1,626	1,177	831	4,273	1,484 ¹	1,013	-2,654
4 Foreign countries	1,867	11,445	7,774	1,623	1,306	877	4,129	1,479 ¹	1,013	-2,653
5 Europe	6,714	4,912	2,548	1,954	1,072	1,377	1,429	446 ¹	908	386
6 France	201	1,099	505	161	161	661	336	306	339	188
7 Germany	2,110	1,837	1,013	239	37	86	174	40	218	363
8 Netherlands	2,251	3,507	1,312	660	20	208	237	66 ¹	129	124
9 Switzerland	40	2,283	1,935	639	441	566	618	140	78	615
10 United Kingdom	840	8,066	1,961	165	223	244	345	229 ¹	416	1,490
11 Canada	1,160	1,517	843	645	518	90	52	394 ¹	81	31
12 Latin America and Caribbean	2,111	5,814	2,960	487	2,694	318	808	1,298 ¹	42	1,077
13 Middle East ¹	1,142	337	1,221	507	285	33	6	261	114	15
14 Other Asia	1,234	2,503	2,577	40	336	291	1,852	1,380	1,359	1,347
15 Japan	1,162	2,725	924	94	131	749	1,446	73	802	611
16 Africa	29	2	34	6	62	44	31	6	4	33
17 Other countries	171	68	101	52	151	276	37	104	43	108
18 Nonmonetary international and regional organizations	10	-205	-24	3	-129	-46	144	5	0	-1
BONDS ²										
19 Foreign purchases	289,586	294,533	219,789	26,598	32,759	39,808	24,116	34,816 ¹	34,351	27,281
20 Foreign sales	229,665	206,951	152,360	17,726	23,608	25,113	18,693	24,144 ¹	25,743	17,333
21 Net purchases, or sales (-)	59,921	86,582	67,429	8,872	9,151	14,695	5,423	10,732 ¹	8,608	9,948
22 Foreign countries	59,036	87,036	67,210	8,830	9,230	14,607	5,392	10,727 ¹	8,593	9,831
23 Europe	47,065	70,318	42,104	5,631	8,968	6,476	3,947	7,064 ¹	4,072	5,946
24 France	242	1,143	3,381	839	314	670	785	113	326	334
25 Germany	657	5,938	4,168	26	1,859	467	721	891	1	255
26 Netherlands	3,32	1,463	1,276	163	365	66	52	371	53	442
27 Switzerland	1,055	494	457	56	86	38	144	178	233	258
28 United Kingdom	31,652	57,591	28,457	3,854	6,280	4,745	2,264	1,167 ¹	2,902	4,245
29 Canada	2,958	2,569	2,627	104	235	149	359	952	314	514
30 Latin America and Caribbean	5,462	6,141	12,482	2,096	713	7,140	33	1,253	862	1,811
31 Middle East ¹	771	1,869	235	194	334	13	122	205 ¹	218	205
32 Other Asia	12,153	5,659	9,963	1,272	1,161	831	1,094	1,279	3,140	1,186
33 Japan	5,486	2,250	4,408	338	336	245	135	537	1,912	905
34 Africa	7	234	218	16	40	37	49	107	50	31
35 Other countries	654	246	419	63	47	39	212	133	63	138
36 Nonmonetary international and regional organizations	885	-454	219	42	-79	88	31	5	15	117
Foreign securities										
37 Stocks, net purchases, or sales (-)	-48,071	50,291	-43,669	6,434	5,704	10,345	6,706	3,314 ¹	7,527	3,639
38 Foreign purchases	386,106	945,540	262,710	33,481	37,464	36,115	37,764	43,515	36,728	37,643
39 Foreign sales	334,177	895,831	306,379	39,915	43,168	46,460	44,470	46,829 ¹	44,255	41,282
40 Bonds, net purchases, or sales (-)	-9,234	48,545	17,999	4,584	1,404	6,038	153	527	1,887	3,406
41 Foreign purchases	818,368	889,471	600,503	84,638	95,201	93,345	81,256	82,453 ¹	82,907	80,703
42 Foreign sales	857,592	948,016	618,502	89,222	96,605	99,383	81,409	82,980 ¹	84,794	84,109
43 Net purchases, or sales (-), of stocks and bonds	-57,295	-98,836	-61,668	-11,018	-7,108	-16,383	-6,859	-3,841 ¹	-9,414	-7,045
44 Foreign countries	-57,815	-98,031	-61,422	-11,049	-6,983	-16,387	-6,802	-3,732 ¹	-9,361	-7,108
45 Europe	3,516	18,125	24,677	4,068	2,552	4,508	1,949	1,216 ¹	8,356	4,460
46 Canada	7,475	7,952	3,851	2,668	58	1,865	614	231	472	829
47 Latin America and Caribbean	18,334	7,634	8,158	3	1,031	2,582	1,190	2,136	975	2,191
48 Asia	24,275	34,056	21,927	4,685	2,557	5,756	3,094	2,260	1,401	1,174
49 Japan	17,427	25,072	11,112	3,427	1,592	3,224	950	921	1,229	231
50 Africa	467	327	908	96	161	436	14	32	116	53
51 Other countries	3,748	63	1,901	471	624	1,240	169	289	9	59
52 Nonmonetary international and regional organizations	520	-805	-246	31	-125	4	-57	-109	-53	63

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

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

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

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

Area or country	1994	1995	1996		1996					
			Jan July	Jan July	Jan.	Feb.	Mar.	Apr.	May	June	July^{2}
1 Total estimated	78,801	133,991	122,614	14,018	15,451	7,025	15,751	13,896¹	8,648	47,825
2 Foreign countries	78,647	133,552	124,823	13,713	16,192	6,414	17,126	13,658 ¹	9,459	48,261
3 Europe	48,542	50,000	59,700	7,291	8,462	4,083	8,712	7,291 ²	5,734	18,137
4 Belgium and Luxembourg	1,098	591	538	149	120	81	399	157 ¹	221	39
5 Germany	5,709	6,136	10,108	1,385	1,829	958	1,833	1,674	1,196	1,233
6 Netherlands	1,254	1,891	1,569	807	354	1,597	2,137	757	1,067	694
7 Sweden	794	358	2,051	45	803	372	286	342	29	327
8 Switzerland	481	472	1,662	76	84	65	1,329	555 ¹	842	395
9 United Kingdom	23,365	34,778	30,249	1,177	1,644	2,270	6,070	2,987 ²	5,190	10,911
10 Other Europe and former U.S.S.R.	5,841	6,718	16,670	1,742	3,868	1,934	932	2,642 ²	1,069	4,621
11 Canada	3,491	252	6,437	1,867	1,863	35	1,766	669	139	1,714
12 Latin America and Caribbean	10,383	48,609	15,777	2,648	2,931	4,985	1,993	1,167	1,524	23,991
13 Venezuela	319	2	285	142	93	44	4	39	13	16
14 Other Latin America and Caribbean	20,493	25,152	2,552	8,922	1,896	2,696	3,865	2,195	4,434	986
15 Netherlands Antilles	10,429	23,459	13,510	11,428	942	2,245	1,876	1,067	5,945	2,989
16 Asia	47,317	32,319	42,773	6,920	8,616	6,941	4,478	8,216 ²	2,919	4,183
17 Japan	29,793	16,863	18,182	2,619	3,069	2,443	2,382	4,565	879	2,225
18 Africa	240	1,464	919	515	100	311	250	48	22	31
19 Other	570	908	292	232	282	29	73	36	601	767
20 Nonmonetary international and regional organizations	164	439	2,709	305	741	611	1,375	238	811	436
21 International	526	9	1,016	210	308	647	414	9	747	395
22 Latin American regional	154	261	1,282	45	254	12	1,008	9	7	3
MLMO										
23 Foreign countries	78,647	133,552	124,823	13,713	16,192	6,414	17,126	13,658 ¹	9,459	48,261
24 Official institutions	41,822	39,625	43,760	12,615	8,681	4,748	8,253	6,482	6,648	9,629
25 Other foreign	36,815	93,927	81,063	1,098	7,511	1,666	8,873	7,176 ²	16,107	38,632
<i>Oil-exporting countries</i>										
26 Middle East	38	3,075	4,200	658	122	1,127	863	2,172 ²	793	219
27 Africa	0	2	1	0	1	0	0	1	1	0

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

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

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

3.26 DISCOUNT RATES OF FOREIGN CENTRAL BANKS¹

Percent per year, averages of daily figures

Country	Rate on Sept. 30, 1996		Country	Rate on Sept. 30, 1996	
	Percent	Month effective		Percent	Month effective
Austria	2.5	Apr. 1996	Germany	2.5	Apr. 1996
Belgium	2.5	Apr. 1995	Italy	8.25	July 1995
Canada	4.25	Sept. 1996	Japan	5	Sept. 1995
Denmark	3.75	Apr. 1996	Netherlands	2.5	Apr. 1996
France ²	3.55	July 1996	Switzerland	1.5	Dec. 1995

1. 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 that the central bank transacts the largest proportion of its credit operations.

2. Since February 1981, the rate has been that at which the Bank of France discounts Treasury bills for seven to ten days.

3.27 FOREIGN SHORT-TERM INTEREST RATES¹

Percent per year, averages of daily figures

Type or country	1993	1994	1995	1996						
				Mar.	Apr.	May	June	July	Aug.	Sept.
1 Eurodollars	3.18	4.64	5.93	5.28	5.36	5.36	5.46	5.49	5.41	5.49
2 United Kingdom	5.88	5.45	6.63	6.02	5.97	6.03	5.80	5.69	5.72	5.75
3 Canada	5.14	5.57	7.14	5.23	5.03	4.82	4.87	4.76	4.40	4.10
4 Germany	7.17	5.25	4.33	3.25	3.22	3.19	3.29	3.29	3.20	3.02
5 Switzerland	3.79	4.03	2.94	1.68	1.68	1.99	1.99	2.53	2.51	1.82
6 Netherlands	6.73	5.09	4.30	3.09	2.83	2.61	2.81	2.99	2.91 ¹	2.70
7 France	8.36	5.77	6.44	3.14	2.87	3.78	3.85	3.74	3.84	3.63
8 Italy	10.09	8.45	10.43	9.82	9.60	8.88	8.73	8.72	8.77	8.42
9 Belgium	8.10	5.65	4.74	3.25	3.23	3.19	3.23	3.29	3.21	3.04
10 Japan	7.96	2.24	1.20	60	61	62	57	61	62	54

1. 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 except as noted

Country/currency unit	1993	1994	1995	1996					
				Apr	May	June	July	Aug.	Sept.
1 Australia/dollar ²	67.993	71.161	74.073	78.566	79.700	79.122	78.914	78.305	79.279
2 Austria/schilling	11.639	11.409	10.076	10.580	10.782	10.755	10.576	10.435	10.610
3 Belgium/franc	34.581	33.426	29.472	30.902	31.502	31.433	30.947	30.553	31.056
4 Canada/dollar	1.2902	1.3664	1.3725	1.3592	1.3693	1.3658	1.3697	1.3722	1.3694
5 China, P.R./yuan	5.7795	8.6404	8.3700	8.3583	8.3479	8.3424	8.3409	8.3379	8.3441
6 Denmark/krone	6.4863	6.3561	5.5999	5.8050	5.9160	5.8941	5.8014	5.7327	5.8057
7 Finland/markka	5.7251	5.2340	4.3763	4.7288	4.7541	4.6710	4.5812	4.4793	4.5421
8 France/franc	5.6669	5.5459	4.9864	5.1049	5.1855	5.1787	5.0881	5.0636	5.1307
9 Germany/deutsche mark	1.6545	1.6216	1.4321	1.5048	1.5324	1.5282	1.5025	1.4826	1.5080
10 Greece/drachma	229.64	242.50	231.68	242.00	243.27	241.75	237.65	237.00	239.67
11 Hong Kong/dollar	7.7357	7.7290	7.7357	7.7345	7.7363	7.7404	7.7379	7.7345	7.7328
12 India/rupee	31.291	31.394	32.418	34.320	35.025	35.100	35.667	35.800	35.870
13 Ireland/pound	146.47	149.69	160.35	156.51	156.29	158.31	160.31	161.08	160.96
14 Italy/lira	1,573.41	1,611.49	1,629.45	1,565.00	1,556.71	1,542.30	1,526.82	1,516.62	1,520.48
15 Japan/yen	111.08	102.18	93.96	107.20	106.34	108.96	109.19	107.87	109.93
16 Malaysia/tinggit	2.5738	2.6237	2.5073	2.5113	2.4936	2.4967	2.4915	2.4931	2.5009
17 Netherlands/guilder	1.8585	1.8190	1.6094	1.6805	1.7135	1.7120	1.6862	1.6633	1.6905
18 New Zealand/dollar	54.127	59.358	65.625	68.242	68.571	67.650	69.001	68.860	69.640
19 Norway/krone	7.1009	7.0553	6.3355	6.4901	6.5748	6.5376	6.4465	6.4153	6.4613
20 Portugal/escudo	161.08	165.93	149.88	154.51	157.54	157.40	154.56	152.27	153.99
21 Singapore/dollar	1.6158	1.5275	1.4171	1.4082	1.4074	1.4090	1.4160	1.4124	1.4086
22 South Africa/rand	3.2729	3.5526	3.6284	4.2130	4.3679	4.3519	4.3963	4.5289	4.5489
23 South Korea/won	805.75	806.93	772.69	780.42	780.86	798.45	813.03	817.52	822.40
24 Spain/peseta	127.48	133.88	124.64	125.49	127.97	128.87	126.96	125.72	127.11
25 Sri Lanka/rupee	48.211	49.170	51.047	54.163	54.868	55.529	55.293	55.603	56.050
26 Sweden/krona	7.7956	7.7161	7.1406	6.7141	6.7984	6.6807	6.6394	6.6211	6.6427
27 Switzerland/franc	1.4781	1.3667	1.1812	1.2180	1.2539	1.2579	1.2320	1.2029	1.2343
28 Taiwan/dollar	26.416	26.465	26.495	27.188	27.352	27.674	27.573	27.496	27.500
29 Thailand/baht	25.333	25.161	24.921	25.290	25.289	25.354	25.355	25.289	25.407
30 United Kingdom/pound	150.16	153.19	157.85	151.60	151.52	154.16	155.30	154.99	155.93
MEMO									
31 United States/dollar ¹	93.18	91.32	84.25	87.46	88.28	88.16	87.25	86.54	87.46

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
Consolidated Report of Condition, March 31, 1994

Millions of dollars except as noted

Item	Total	Banks with foreign offices ¹			Banks with domestic offices only ²	
		Total	Foreign	Domestic	Over 100	Under 100
1 Total assets³	3,822,186	2,182,581	570,831	1,704,396	1,304,300	335,305
2 Cash and balances due from depository institutions	268,415	182,753	75,953	106,800	67,645	18,018
3 Cash items in process of collection, unposted debits, and currency and coin	↑ 75,522	2,460	73,062	36,295	36,295	↑
4 Cash items in process of collection and unposted debits	n.a.	n.a.	56,404	23,735	23,735	↑
5 Currency and coin	n.a.	n.a.	16,657	12,559	12,559	↑
6 Balances due from depository institutions in the United States	n.a.	25,122	17,099	8,023	15,928	n.a.
7 Balances due from banks in foreign countries and foreign central banks	n.a.	60,463	56,285	4,178	3,421	↓
8 Balances due from Federal Reserve Banks	n.a.	21,646	110	21,536	12,001	↓
9 Non interest-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.	5,502	12,820	7,222
10 Total securities, held-to-maturity (amortized cost) and available-for-sale (fair value)	847,057	358,509	35,591	322,918	373,399	115,149
11 U.S. Treasury securities	276,374	109,696	2,016	107,681	127,868	38,810
12 U.S. government agency and corporation obligations (excludes mortgage-backed securities)	88,832	13,826	3,571	10,255	47,012	27,995
13 Issued by U.S. government agencies	7,182	4,338	n.a.	n.a.	1,979	866
14 Issued by U.S. government-sponsored agencies	81,650	9,488	n.a.	n.a.	45,033	27,129
15 Securities issued by states and political subdivisions in the United States	78,443	20,991	536	20,455	40,061	17,392
16 General obligations	57,145	14,168	n.a.	n.a.	30,363	12,614
17 Revenue obligations	20,370	6,428	n.a.	n.a.	9,313	4,629
18 Industrial development and similar obligations	928	394	n.a.	n.a.	385	149
19 Mortgage backed securities (MBS)	330,382	164,602	216	164,387	139,535	26,245
20 Pass-through securities	180,231	87,720	206	87,514	76,748	15,763
21 Guaranteed by GNMA	61,876	37,654	n.a.	n.a.	19,782	4,441
22 Issued by FNMA and FHLMC	114,275	47,496	n.a.	n.a.	55,519	11,259
23 Privately issued	4,080	2,570	0	2,570	1,447	63
24 CMOs and REMICs	150,151	76,882	9	76,873	62,787	10,482
25 Issued by FNMA and FHLMC	129,076	64,318	0	64,318	55,134	9,623
26 Privately issued and collateralized by MBS issued or guaranteed by FNMA, FHLMC, or GNMA	5,273	2,031	n.a.	n.a.	2,659	584
27 All other privately issued	15,803	10,533	n.a.	n.a.	4,994	275
28 Other debt securities	58,032	41,885	27,982	13,903	12,974	3,173
29 Other domestic debt securities	n.a.	12,587	374	12,213	12,535	n.a.
30 Foreign debt securities	n.a.	29,297	27,608	1,689	439	n.a.
31 Equity securities	14,993	7,510	1,271	6,239	5,949	1,534
32 Investments in mutual funds	3,009	699	23	676	1,476	834
33 Other equity securities with readily determinable fair value	3,372	2,133	648	1,486	1,124	115
34 All other equity securities	8,612	4,678	601	4,077	3,349	585
35 Federal funds sold and securities purchased under agreements to resell	149,292	93,406	361	93,045	40,772	15,114
36 Federal funds sold	119,816	66,785	n.a.	n.a.	38,041	14,989
37 Securities purchased under agreements to resell	29,476	26,620	n.a.	n.a.	2,731	125
38 Total loans- and lease-financing receivables, gross	2,158,397	1,199,498	223,423	976,075	780,331	178,567
39 LESS: Unearned income on loans	5,959	2,344	880	1,464	2,608	1,007
40 Total loans and leases (net of unearned income)	2,152,437	1,197,154	222,543	974,611	777,723	177,560
41 L/S: Allowance for loan and lease losses	52,529	33,112	n.a.	n.a.	16,380	3,037
42 L/S: Allocated transfer risk reserves	153	n.a.	n.a.	n.a.	0	0
43 EQUALS: Total loans and leases, net	2,099,755	1,163,888	n.a.	n.a.	761,343	174,524
<i>Total loans, gross, by category</i>						
44 Loans secured by real estate	917,668	412,269	23,190	389,079	405,826	99,573
45 Construction and land development	↑	↑	↑	29,633	27,814	6,190
46 Farmland	n.a.	n.a.	n.a.	2,054	8,380	10,825
47 One- to four-family residential properties	n.a.	n.a.	n.a.	234,050	224,032	53,149
48 Revolving, open-end loans, extended under lines of credit	n.a.	n.a.	n.a.	38,958	30,295	2,601
49 All other loans	↓	↓	↓	195,092	193,738	50,548
50 Multifamily (five or more) residential properties	↓	↓	↓	12,506	14,883	2,284
51 Nonfarm nonresidential properties	↓	↓	↓	110,836	140,716	27,125
52 Loans to depository institutions	49,477	41,771	23,843	17,928	7,478	228
53 Commercial banks in the United States	n.a.	15,421	1,066	14,355	6,890	n.a.
54 Other depository institutions in the United States	n.a.	489	41	447	244	n.a.
55 Banks in foreign countries	n.a.	25,861	22,735	3,126	345	n.a.
56 Loans to finance agricultural production and other loans to farmers	35,862	5,400	283	5,083	12,096	18,366
57 Commercial and industrial loans	546,589	386,493	98,543	287,950	130,914	29,182
58 U.S. addressees (domicile)	n.a.	306,466	21,246	285,220	130,424	n.a.
59 Non-U.S. addressees (domicile)	n.a.	80,028	77,297	2,730	489	n.a.
60 Acceptances of other banks	1,879	1,512	171	341	239	128
61 U.S. banks	n.a.	175	24	152	n.a.	n.a.
62 Foreign banks	n.a.	1,337	1,148	189	n.a.	n.a.
63 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	420,095	193,750	22,302	171,448	197,913	28,432
64 Credit cards and related plans	150,989	78,620	n.a.	n.a.	70,803	1,566
65 Other (includes single payment and installment)	269,106	115,131	n.a.	n.a.	127,110	26,866
66 Obligations (other than securities) of states and political subdivisions in the United States (includes nonrated industrial development obligations)	20,700	10,432	283	10,148	9,252	1,017
67 All other loans	178,444	117,917	50,495	67,423	9,456	1,070
68 Loans to foreign governments and official institutions	n.a.	16,016	14,833	1,183	28	n.a.
69 Other loans	n.a.	101,901	35,661	66,240	9,428	n.a.
70 Loans for purchasing and carrying securities	n.a.	n.a.	n.a.	22,855	2,080	n.a.
71 All other loans (excludes consumer loans)	n.a.	n.a.	n.a.	43,386	7,349	n.a.
72 Lease-financing receivables	37,682	29,953	3,279	26,675	7,158	572
73 Assets held in trading accounts	221,540	219,505	↑	↑	1,954	1
74 Premises and fixed assets (including capitalized leases)	55,668	29,867	↑	↑	20,220	5,581
75 Other real estate owned	15,542	9,751	n.a.	n.a.	4,766	1,024
76 Investments in nonconsolidated subsidiaries and associated companies	3,614	3,274	n.a.	n.a.	315	25
77 Customers' liability on acceptances outstanding	13,679	13,221	↓	↓	442	16
78 Net due from own foreign offices, Edge Act and agreement subsidiaries, and IBFs	n.a.	n.a.	↓	43,608	n.a.	n.a.
79 Intangible assets	18,292	10,889	n.a.	n.a.	7,018	385
80 Other assets	129,333	97,519	↓	n.a.	26,425	5,389

4.20 DOMESTIC AND FOREIGN OFFICES Insured Commercial Bank Assets and Liabilities - Continued
Consolidated Report of Condition, March 31, 1994

Millions of dollars except as noted

Item	Total	Banks with foreign offices ¹			Banks with domestic offices only ²	
		Total	Foreign	Domestic	Over 100	Under 100
81 Total liabilities, limited-life preferred stock, and equity capital	3,822,186	2,182,581	n.a.	n.a.	1,304,300	335,305
82 Total liabilities	3,523,050	2,028,356	570,821	1,550,181	1,192,392	302,302
84 Total deposits	2,740,266	1,402,668	355,791	1,046,878	1,043,264	294,333
84 Individuals, partnerships, and corporations	2,437,562	1,194,851	218,058	976,793	973,195	269,517
85 U.S. government	n.a.	n.a.	n.a.	2,932	1,972	379
86 States and political subdivisions in the United States	n.a.	n.a.	n.a.	30,346	47,636	20,184
87 Commercial banks in the United States	48,597	39,393	22,882	16,512	8,184	1,020
88 Other depository institutions in the United States	n.a.	n.a.	n.a.	3,110	4,490	1,306
89 Banks in foreign countries	n.a.	88,161	82,275	5,886	702	n.a.
90 Foreign governments and official institutions	n.a.	30,403	29,259	1,144	47	n.a.
91 Certified and official checks	19,828	10,896	743	10,154	7,039	1,892
92 Residual ³	234,278	38,963	2,575	n.a.	n.a.	37
93 Total transaction accounts				402,000	321,123	89,858
94 Individuals, partnerships, and corporations				350,823	292,730	79,352
95 U.S. government				2,719	1,562	774
96 States and political subdivisions in the United States				14,210	18,205	7,116
97 Commercial banks in the United States				15,385	5,793	442
98 Other depository institutions in the United States				2,362	1,206	148
99 Banks in foreign countries				5,601	577	n.a.
100 Foreign governments and official institutions				747	9	n.a.
101 Certified and official checks				10,154	7,039	1,892
102 Residual ⁴				n.a.	n.a.	34
103 Demand deposits (included in total transaction accounts)				290,965	182,310	42,183
104 Individuals, partnerships, and corporations				245,582	159,291	37,628
105 U.S. government				2,464	1,526	257
106 States and political subdivisions in the United States				8,677	6,914	1,395
107 Commercial banks in the United States				15,384	5,763	338
108 Other depository institutions in the United States	n.a.	n.a.	n.a.	2,361	1,189	145
109 Banks in foreign countries				5,597	577	n.a.
110 Foreign governments and official institutions				746	9	n.a.
111 Certified and official checks				10,154	7,039	1,892
112 Residual ⁵				n.a.	n.a.	28
113 Total nontransaction accounts				644,877	716,141	204,175
114 Individuals, partnerships, and corporations				625,970	680,464	190,164
115 U.S. government				213	409	101
116 States and political subdivisions in the United States				16,136	29,430	12,468
117 Commercial banks in the United States				1,126	2,391	578
118 U.S. branches and agencies of foreign banks				69	411	n.a.
119 Other commercial banks in the United States				1,058	1,981	n.a.
120 Other depository institutions in the United States				748	3,283	1,159
121 Banks in foreign countries				285	124	n.a.
122 Foreign branches of other U.S. banks				4	4	n.a.
123 Other banks in foreign countries				287	127	n.a.
124 Foreign governments and official institutions				398	48	n.a.
125 Residual ⁶				n.a.	n.a.	2
126 Federal funds purchased and securities sold under agreements to repurchase	287,892	204,633	650	203,983	80,026	3,232
127 Federal funds purchased	177,353	129,601	n.a.	n.a.	46,418	1,334
128 Securities sold under agreements to repurchase	110,539	75,032	n.a.	n.a.	33,608	1,898
129 Demand notes issued to the U.S. Treasury	35,225	28,922	0	28,922	6,043	259
130 Trading liabilities	124,076	123,931	n.a.	n.a.	145	1
131 Other borrowed money	179,456	135,169	48,520	86,648	42,416	1,872
132 Banks' liability on acceptances executed and outstanding	14,728	13,269	3,072	10,198	442	16
133 Notes and debentures subordinated to deposits	37,043	34,496	n.a.	n.a.	2,512	36
134 Net due to own foreign offices, Edge Act and agreement subsidiaries, and IBIs	n.a.	n.a.	n.a.	19,038	n.a.	n.a.
135 All other liabilities	105,364	85,268	n.a.	n.a.	17,544	2,553
136 Total equity capital	299,134	154,225	n.a.	n.a.	111,907	33,002
MEMO						
137 Holdings of commercial paper included in total loans, gross		466	148	318	792	n.a.
138 Total individual retirement (IRA) and Keogh plan accounts				60,487	67,486	16,202
139 Total brokered deposits				21,256	18,000	706
140 Fully insured brokered deposits				15,432	15,576	652
141 Issued in denominations of less than \$100,000				1,152	3,671	590
142 Issued in denominations of \$100,000, or in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less	n.a.	n.a.	n.a.	14,280	11,905	62
143 Money market deposit accounts (MMDAs)				242,559	183,103	36,237
144 Other savings deposits (excludes MMDAs)				137,024	144,546	39,411
145 Total time deposits of less than \$100,000				182,190	296,974	102,280
146 Time certificates of deposit of \$100,000 or more				70,946	88,736	34,886
147 Open account time deposits of \$100,000 or more				12,158	2,781	877
148 All negotiable order of withdrawal (NOW) accounts				110,169	142,296	46,411
149 Number of banks	10,825	203		n.a.	2,933	1,689

Footnotes appear at the end of table 4.22

4.22 DOMESTIC OFFICES Insured Commercial Bank Assets and Liabilities
Consolidated Report of Condition, March 31, 1994

Millions of dollars except as noted

Item	Total	Members			Non members
		Total	National	State	
1 Total assets	3,344,001	2,490,413	1,906,968	583,445	853,588
2 Cash and balances due from depository institutions	192,462	152,011	119,955	32,056	40,451
3 Total securities, held-to-maturity (amortized cost) and available-for-sale (fair value)	488,548	266,801	209,320	57,482	221,746
4 U.S. Treasury securities	166,678	93,451	71,666	21,784	13,228
5 U.S. government agency and corporation obligations (excludes mortgage-backed securities)	75,006	35,939	28,287	7,653	39,067
6 Securities issued by states and political subdivisions in the United States	57,453	28,485	21,720	6,765	28,968
7 Mortgage-backed securities (MBS)	165,780	97,105	78,934	18,171	68,675
8 Pass through securities	92,511	55,768	44,668	11,100	36,743
9 Issued or guaranteed by FNMA, FHLMC, or GNMA	91,001	54,730	43,700	11,029	36,271
10 Privately issued	1,510	1,038	968	71	472
11 CMOs and REMICs	73,269	41,337	34,266	1,071	31,932
12 Issued by FNMA and FHLMC	64,757	36,505	30,290	6,215	28,252
13 Privately issued	8,512	4,832	3,976	856	3,680
14 Other debt securities	16,147	7,996	5,801	2,195	8,151
15 Equity securities	4,483	4,825	2,913	913	4,658
16 Investments in mutual funds	2,310	882	740	142	1,428
17 Other equity securities with readily determinable fair values	1,249	361	175	186	878
18 All other equity securities	5,944	2,582	1,998	584	1,352
19 Federal funds sold and securities purchased under agreements to resell	148,931	119,400	91,093	28,207	29,631
20 Total loans and lease financing receivables, gross	1,934,974	1,424,149	1,131,662	292,487	510,824
21 LESS: Unearned income on loans	5,079	3,107	2,347	761	1,971
22 Total loans and leases (net of unearned income)	1,929,894	1,421,042	1,129,315	291,727	508,852
<i>Total loans, gross, by category</i>					
23 Loans secured by real estate	894,478	627,943	503,237	124,706	266,534
24 Construction and land development	44,554	35,554	35,259	9,295	19,084
25 Farmland	21,258	9,553	7,780	1,773	11,706
26 One- to four-family residential properties	511,241	371,483	298,510	72,974	139,748
27 Revolving, open-end loans, extended under lines of credit	71,854	54,939	43,705	11,235	16,914
28 All other loans	439,378	316,544	254,805	61,739	122,834
29 Multifamily (five or more) residential properties	29,674	20,041	16,340	3,802	9,632
30 Nonfarm nonresidential properties	268,677	182,312	145,449	36,863	86,365
31 Loans to depository institutions	25,634	21,957	17,343	4,613	3,678
32 Loans to finance agricultural production and other loans to farmers	35,545	17,923	14,895	3,028	17,622
33 Commercial and industrial loans	448,046	354,584	282,693	71,891	93,661
34 Acceptances of other banks	708	415	336	79	93
35 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	397,793	284,965	230,999	53,966	112,828
36 Obligations (other than securities) of states and political subdivisions in the United States	20,417	16,095	12,017	4,022	4,322
37 All other loans	77,949	71,567	47,046	24,521	6,382
38 Lease-financing receivables	34,404	28,701	23,011	5,659	5,703
39 Net due from own foreign offices, Edge Act and agreement subsidiaries, and IBFs	43,608	39,979	17,689	22,290	4,629
40 Remaining assets	540,557	491,280	339,597	151,683	49,278
41 Total liabilities	3,044,875	2,270,551	1,740,287	530,264	774,324
42 Total deposits	2,384,475	1,712,556	1,339,697	372,860	671,918
43 Individuals, partnerships, and corporations	2,219,504	1,596,542	1,251,548	344,994	622,963
44 U.S. government	5,282	4,304	3,592	712	979
45 States and political subdivisions in the United States	98,166	63,192	48,754	14,439	34,973
46 Commercial banks in the United States	25,715	22,140	17,085	5,055	3,576
47 Other depository institutions in the United States	8,906	5,072	3,860	1,212	3,834
48 Certified and official checks	19,085	14,542	10,608	3,934	4,542
49 Banks in foreign countries, foreign governments, and foreign official institutions	7,816	6,764	4,750	2,014	1,051
50 Total transaction accounts	818,982	614,933	476,417	138,516	204,049
51 Individuals, partnerships, and corporations	722,906	539,763	419,194	120,569	183,143
52 U.S. government	4,556	3,728	3,094	634	828
53 States and political subdivisions in the United States	40,131	27,395	21,400	5,995	12,735
54 Commercial banks in the United States	21,620	20,363	16,091	4,272	1,257
55 Other depository institutions in the United States	3,716	2,962	2,170	793	754
56 Certified and official checks	19,085	14,542	10,608	3,934	4,542
57 Banks in foreign countries, foreign governments, and foreign official institutions	6,968	6,179	3,861	2,318	789
58 Demand deposits (included in total transaction accounts)	515,458	403,089	306,765	96,324	112,368
59 Individuals, partnerships, and corporations	442,501	342,116	260,930	81,186	100,385
60 U.S. government	4,248	3,446	2,876	620	802
61 States and political subdivisions in the United States	17,386	13,501	10,293	3,208	3,885
62 Commercial banks in the United States	21,585	20,358	16,086	4,272	1,227
63 Other depository institutions in the United States	3,695	2,952	2,161	792	742
64 Certified and official checks	19,085	14,542	10,608	3,934	4,542
65 Banks in foreign countries, foreign governments, and foreign official institutions	6,958	6,173	3,861	2,312	785
66 Total nontransaction accounts	1,565,493	1,097,623	863,280	234,344	467,870
67 Individuals, partnerships, and corporations	1,496,599	1,056,779	832,354	224,425	439,820
68 U.S. government	727	576	498	78	150
69 States and political subdivisions in the United States	58,035	35,797	27,354	8,443	22,238
70 Commercial banks in the United States	4,095	1,776	994	782	2,319
71 Other depository institutions in the United States	5,190	2,110	1,690	419	3,080
72 Banks in foreign countries, foreign governments, and foreign official institutions	847	585	390	196	262

4.22 DOMESTIC OFFICES Insured Commercial Bank Assets and Liabilities¹ Continued
Consolidated Report of Condition, March 31, 1994

Millions of dollars except as noted

Item	Total	Members			Non-members
		Total	National	State	
73 Federal funds purchased and securities sold under agreements to repurchase	287,242	243,651	176,748	66,904	43,590
74 Demand notes issued to the U.S. Treasury	35,225	32,414	21,670	10,744	2,811
75 Other borrowed money	130,936	100,423	74,765	25,657	30,514
76 Banks liability on acceptances executed and outstanding	10,656	10,119	7,431	2,689	537
77 Net due to own foreign offices, Edge Act and agreement subsidiaries, and IBFs	49,038	37,897	31,900	5,997	11,142
78 Remaining liabilities	147,304	133,491	88,077	45,414	13,817
MEMO					
79 Trading assets at large banks ²	76,958	75,792	48,641	27,145	1,166
80 U.S. Treasury securities (domestic offices)	19,311	19,083	12,543	6,540	228
81 U.S. government agency corporation obligations	2,608	2,539	2,369	170	69
82 Securities issued by states and political subdivisions in the United States	885	840	384	456	45
83 Mortgage-backed securities	5,673	5,419	2,982	2,438	254
84 Other debt securities	549	515	261	254	33
85 Certificates of deposit	1,721	1,691	1,343	348	30
86 Commercial paper	249	124	124	0	125
87 Bankers acceptances	1,841	1,718	1,260	459	122
88 Other trading assets	7,297	7,267	5,047	2,220	30
89 Revaluation gains on interest rate, foreign exchange rate, and other commodity and equity contracts	36,825	36,595	22,334	14,261	230
90 Total individual retirement (IRA) and Keogh plan accounts	144,176	104,486	84,092	20,394	39,690
91 Total brokered deposits	39,962	27,210	21,668	5,542	12,752
92 Fully insured brokered deposits	31,660	21,311	17,753	3,558	10,349
93 Issued in denominations of less than \$100,000	5,413	3,599	3,238	361	1,814
94 Issued in denominations of \$100,000, or in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less	26,247	17,712	14,515	3,196	8,535
95 Money market deposit accounts (MMDAs)	461,899	352,047	278,170	73,877	109,852
96 Other savings deposits	321,314	227,159	167,570	59,589	94,155
97 Total time deposits of less than \$100,000	581,945	386,682	313,262	73,420	195,263
98 Time certificates of deposit of \$100,000 or more	184,569	119,264	97,715	21,549	65,304
99 Open-account time deposits of \$100,000 or more	15,766	12,472	6,563	5,909	3,294
100 All negotiable order of withdrawal (NOW) accounts	298,899	209,598	167,810	41,788	89,301
101 Number of banks	10,825	4,219	3,251	968	6,606

NOTE: The notation "n.a." indicates the lesser detail available from banks that don't have foreign offices, the inapplicability of certain items to banks that have only domestic offices or the absence of detail on a fully consolidated basis for banks that have foreign offices.

1. All transactions between domestic and foreign offices of a bank are reported in "net due from" and "net due to" lines. All other lines represent transactions with parties other than the domestic and foreign offices of each bank. Because these intra-office 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.

Foreign offices include branches in foreign countries, Puerto Rico, and U.S. territories and possessions; subsidiaries in foreign countries; all offices of Edge Act and agreement corporations wherever located; and IBFs.

2. "Over 100" refers to banks whose assets, on June 30 of the preceding calendar year, were \$100 million or more. (These banks file the FFIEC 032 or FFIEC 033 Call Report.) "Under 100" refers to banks whose assets, on June 30 of the preceding calendar year, were less than \$100 million. (These banks file the FFIEC 034 Call Report.)

3. Because the domestic portion of allowances for loan and lease losses and allocated transfer risk reserves are not reported for banks with foreign offices, the components of total assets (domestic) do not sum to the actual total (domestic).

4. "Residual" equals the sum of the "n.a." categories listed above it.

5. Components of "Trading assets at large banks" are reported only by banks with either total assets of \$1 billion or more or with \$2 billion or more in the par/notional amount of their off-balance-sheet derivative contracts.

4.20 DOMESTIC AND FOREIGN OFFICES Insured Commercial Bank Assets and Liabilities
Consolidated Report of Condition, June 30, 1994

Millions of dollars except as noted

Item	Total	Banks with foreign offices ¹			Banks with domestic offices only ²	
		Total	Foreign	Domestic	Over 100	Under 100
1 Total assets ³	3,870,788	2,235,116	590,215	1,742,636	1,301,394	334,279
2 Cash and balances due from depository institutions	273,079	191,811	80,292	111,518	61,101	17,167
3 Cash items in process of collection, imposed debits, and currency and com.		79,980	2,812	77,117	37,082	
4 Cash items in process of collection and imposed debits		n.a.	n.a.	58,326	23,491	
5 Currency and com.		n.a.	n.a.	18,791	13,591	
6 Balances due from depository institutions in the United States	n.a.	25,970	16,980	8,990	15,042	n.a.
7 Balances due from banks in foreign countries and foreign central banks		64,504	60,393	4,111	1,481	
8 Balances due from Federal Reserve Banks		21,408	107	21,300	10,496	
9 Non-interest-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.	6,529	12,398	6,705
10 Total securities, held-to-maturity (amortized cost) and available-for-sale (fair value)	840,438	359,378	35,778	323,600	367,579	113,482
11 U.S. Treasury securities	266,728	106,362	1,841	104,522	122,078	38,288
12 U.S. government agency and corporation obligations (excludes mortgage-backed securities)	88,632	13,496	55	13,441	47,017	28,119
13 Issued by U.S. government agencies	3,945	1,154	n.a.	n.a.	1,897	894
14 Issued by U.S. government-sponsored agencies	84,686	12,342	n.a.	n.a.	45,121	27,224
15 Securities issued by states and political subdivisions in the United States	77,873	20,952	532	20,420	39,582	17,339
16 General obligations	56,268	13,583	n.a.	n.a.	30,093	12,592
17 Revenue obligations	20,662	6,939	n.a.	n.a.	9,119	4,604
18 Industrial development and similar obligations	943	40	n.a.	n.a.	470	143
19 Mortgage backed securities (MBS)	333,032	167,392	2,982	164,410	140,384	25,255
20 Pass-through securities	187,061	92,338	2,936	89,402	79,514	15,210
21 Guaranteed by GNMA	69,470	44,525	n.a.	n.a.	20,627	4,418
22 Issued by FNMA and FHLMC	114,651	45,195	n.a.	n.a.	57,607	10,849
23 Privately issued	3,940	2,618	0	2,618	1,279	43
24 CMOs and RMBS	145,971	75,054	46	75,008	60,871	10,046
25 Issued by FNMA and FHLMC	124,984	62,267	37	62,229	53,388	9,330
26 Privately issued and collateralized by MBS issued or guaranteed by FNMA, FHLMC, or GNMA	4,788	1,936	n.a.	n.a.	2,356	497
27 All other privately issued	16,198	10,852	n.a.	n.a.	5,127	219
28 Other debt securities	59,441	43,541	29,109	14,432	12,803	3,097
29 Other domestic debt securities	n.a.	13,236	345	12,891	12,339	n.a.
30 Foreign debt securities	n.a.	30,305	28,764	1,541	464	n.a.
31 Equity securities	14,733	7,634	1,259	6,375	5,714	1,384
32 Investments in mutual funds	2,337	586	22	565	1,111	640
33 Other equity securities with readily determinable fair value	3,224	2,117	696	1,422	996	110
34 All other equity securities	9,173	4,940	541	4,399	3,607	635
35 Federal funds sold and securities purchased under agreements to resell	139,416	95,773	342	95,432	32,883	10,760
36 Federal funds sold	117,748	77,006	n.a.	n.a.	30,093	10,650
37 Securities purchased under agreements to resell	21,668	18,768	n.a.	n.a.	2,790	110
38 Total loans and lease-financing receivables, gross	2,215,476	1,237,639	229,008	1,008,630	793,506	184,331
39 LSS: Unearned income on loans	5,896	2,439	926	1,513	2,450	1,006
40 Total loans and leases (net of unearned income)	2,209,581	1,235,199	228,083	1,007,117	791,056	183,325
41 LSS: Allowance for loan and lease losses	52,105	33,038	n.a.	n.a.	16,024	3,044
42 LSS: Allocated transfer risk reserves	152	152	n.a.	n.a.	0	0
43 LQUAS: Total loans and leases, net	2,157,323	1,202,010	n.a.	n.a.	775,032	180,281
<i>Total loans, gross, by category</i>						
44 Loans secured by real estate	938,377	425,258	23,989	401,269	411,278	101,841
45 Construction and land development				28,262	27,371	6,541
46 Farmland				2,145	8,599	11,178
47 One- to four family residential properties				244,510	228,178	54,043
48 Revolving, open end loans, extended under lines of credit	n.a.	n.a.	n.a.	40,288	30,487	2,687
49 All other loans				204,222	197,690	51,356
50 Multifamily (five or more) residential properties				12,981	15,168	2,350
51 Nonfarm nonresidential properties				113,470	131,956	27,729
52 Loans to depository institutions	54,594	47,074	25,180	21,894	7,272	248
53 Commercial banks in the United States	n.a.	19,025	1,135	17,890	6,689	n.a.
54 Other depository institutions in the United States	n.a.	515	34	482	215	n.a.
55 Banks in foreign countries	n.a.	27,534	24,012	3,522	368	n.a.
56 Loans to finance agricultural production and other loans to farmers	39,594	6,038	229	5,809	13,295	20,281
57 Commercial and industrial loans	562,226	401,099	103,316	297,783	131,308	29,819
58 U.S. addressees (domestic)	n.a.	317,058	22,071	294,987	130,843	n.a.
59 Non-U.S. addressees (domestic)	n.a.	84,041	81,245	2,796	465	n.a.
60 Acceptances of other banks	2,222	1,892	1,475	417	223	107
61 U.S. banks	n.a.	173	3	170	n.a.	n.a.
62 Foreign banks	n.a.	1,718	1,472	247	n.a.	n.a.
63 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	436,701	202,693	23,274	179,420	204,711	29,297
64 Credit cards and related plans	159,038	82,579	n.a.	n.a.	74,747	1,712
65 Other (includes single payment and installment)	277,663	120,114	n.a.	n.a.	129,964	27,585
66 Obligations (other than securities) of states and political subdivisions in the United States (includes nonrated industrial development obligations)	20,582	10,604	229	10,375	8,936	1,043
67 All other loans	121,837	111,795	47,623	64,172	8,957	1,085
68 Loans to foreign governments and official institutions	n.a.	15,673	14,750	923	25	n.a.
69 Other loans	n.a.	96,122	32,873	63,249	8,932	n.a.
70 Loans for purchasing and carrying securities	n.a.	n.a.	n.a.	20,613	1,926	n.a.
71 All other loans (excludes consumer loans)	n.a.	n.a.	n.a.	42,636	7,005	n.a.
72 Lease financing receivables	39,342	31,206	3,509	27,697	7,526	611
73 Assets held in trading accounts	228,039	226,532			1,440	1
74 Premises and fixed assets (including capitalized leases)	56,515	30,638			20,227	5,650
75 Other real estate owned	13,808	8,769			4,101	938
76 Investments in unconsolidated subsidiaries and associated companies	3,592	3,274			292	26
77 Customers' liability on acceptances outstanding	13,476	13,072	n.a.		384	20
78 Net due from own foreign offices, Edge Act and agreement subsidiaries, and IBFS	n.a.	n.a.			38,439	n.a.
79 Intangible assets	20,140	11,977			7,750	413
80 Other assets	124,961	91,882			27,605	5,475

4.20 DOMESTIC AND FOREIGN OFFICES Insured Commercial Bank Assets and Liabilities - Continued
 Consolidated Report of Condition, June 30, 1994
 Millions of dollars except as noted

Item	Total	Banks with foreign offices ¹			Banks with domestic offices only	
		Total	Foreign	Domestic	Over 100	Under 100
81 Total liabilities, limited-life preferred stock, and equity capital	3,870,788	2,235,116	n.a.	n.a.	1,301,394	334,279
82 Total liabilities	3,567,466	2,076,846	590,196	1,584,385	1,189,321	301,299
83 Total deposits	2,748,816	1,330,153	377,305	1,052,847	1,027,049	291,614
84 Individuals, partnerships, and corporations	2,441,208	1,213,516	231,104	982,412	960,439	267,253
85 U.S. government	n.a.	n.a.	n.a.	2,970	1,724	90
86 States and political subdivisions in the United States	n.a.	n.a.	n.a.	30,459	46,206	19,779
87 Commercial banks in the United States	52,858	44,607	28,061	16,546	7,330	921
88 Other depository institutions in the United States	n.a.	n.a.	n.a.	2,583	4,040	1,110
89 Banks in foreign countries	n.a.	88,287	82,111	6,176	213	n.a.
90 Foreign governments and official institutions	n.a.	32,343	31,203	1,140	56	n.a.
91 Certified and official checks	20,838	11,883	1,322	10,561	7,041	1,914
92 Residual ²	233,911	39,517	3,505	n.a.	n.a.	48
93 Total transaction accounts	↑	↑	↑	404,228	320,683	88,613
94 Individuals, partnerships, and corporations	↑	↑	↑	352,153	287,397	78,075
95 U.S. government	↑	↑	↑	2,729	1,377	288
96 States and political subdivisions in the United States	↑	↑	↑	14,998	18,454	7,754
97 Commercial banks in the United States	↑	↑	↑	15,266	5,147	397
98 Other depository institutions in the United States	↑	↑	↑	1,862	1,077	139
99 Banks in foreign countries	↑	↑	↑	5,932	179	n.a.
100 Foreign governments and official institutions	↑	↑	↑	728	11	n.a.
101 Certified and official checks	↑	↑	↑	10,561	7,011	1,914
102 Residual ³	↑	↑	↑	n.a.	n.a.	46
103 Demand deposits (included in total transaction accounts)	↑	↑	↑	293,417	180,423	42,388
104 Individuals, partnerships, and corporations	↑	↑	↑	247,700	158,808	37,837
105 U.S. government	↑	↑	↑	2,432	1,333	270
106 States and political subdivisions in the United States	↑	↑	↑	8,941	6,867	1,293
107 Commercial banks in the United States	↑	↑	↑	15,265	5,119	397
108 Other depository institutions in the United States	↑	↑	↑	1,859	1,066	135
109 Banks in foreign countries	↑	↑	↑	5,929	179	n.a.
110 Foreign governments and official institutions	↑	↑	↑	724	11	n.a.
111 Certified and official checks	↑	↑	↑	10,561	7,041	1,914
112 Residual ⁴	↑	↑	↑	n.a.	n.a.	42
113 Total nontransaction accounts	↓	↓	↓	648,619	706,366	203,001
114 Individuals, partnerships, and corporations	↓	↓	↓	630,259	673,042	189,178
115 U.S. government	↓	↓	↓	241	347	101
116 States and political subdivisions in the United States	↓	↓	↓	15,461	27,751	12,025
117 Commercial banks in the United States	↓	↓	↓	1,280	2,184	523
118 U.S. branches and agencies of foreign banks	↓	↓	↓	108	373	n.a.
119 Other commercial banks in the United States	↓	↓	↓	1,172	1,809	n.a.
120 Other depository institutions in the United States	↓	↓	↓	721	2,963	1,171
121 Banks in foreign countries	↓	↓	↓	244	34	n.a.
122 Foreign branches of other U.S. banks	↓	↓	↓	4	0	n.a.
123 Other banks in foreign countries	↓	↓	↓	240	34	n.a.
124 Foreign governments and official institutions	↓	↓	↓	412	45	n.a.
125 Residual ⁵	↓	↓	↓	n.a.	n.a.	1
126 Federal funds purchased and securities sold under agreements to repurchase	292,508	200,696	513	200,183	87,292	3,519
127 Federal funds purchased	198,739	141,966	n.a.	n.a.	54,247	2,525
128 Securities sold under agreements to repurchase	93,769	58,730	n.a.	n.a.	33,045	1,994
129 Demand notes issued to the U.S. Treasury	38,494	31,959	0	31,959	6,283	251
130 Trading liabilities	151,767	151,596	n.a.	n.a.	171	0
131 Other borrowed money	190,117	148,244	36,468	101,777	49,353	2,515
132 Banks' liability on acceptances executed and outstanding	13,524	13,120	3,121	9,999	384	20
133 Notes and debentures subordinated to deposits	37,246	34,745	n.a.	n.a.	2,465	36
134 Net due to own foreign offices, Edge Act and agreement subsidiaries, and IBFs	n.a.	n.a.	n.a.	59,297	n.a.	n.a.
135 All other liabilities	94,999	76,333	n.a.	n.a.	16,322	2,344
136 Total equity capital	303,320	158,269	n.a.	n.a.	112,072	32,979
MIMOs						
137 Holdings of commercial paper included in total loans, gross	↑	436	155	282	494	n.a.
138 Total individual retirement (IRA) and Keogh plan accounts	↑	↑	↑	60,579	66,502	16,185
139 Total brokered deposits	↑	↑	↑	21,942	17,136	813
140 Fully insured brokered deposits	↑	↑	↑	15,678	14,955	764
141 Issued in denominations of less than \$100,000	↑	↑	↑	1,214	3,665	680
142 Issued in denominations of \$100,000, or in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less	↑	↑	↑	14,464	11,290	84
143 Money market deposit accounts (MMDAs)	↑	↑	↑	246,683	176,528	35,167
144 Other savings deposits (excludes MMDAs)	↑	↑	↑	138,446	142,649	39,342
145 Total time deposits of less than \$100,000	↑	↑	↑	189,271	297,384	102,534
146 Time certificates of deposit of \$100,000 or more	↑	↑	↑	72,043	87,582	25,035
147 Open account time deposits of \$100,000 or more	↑	↑	↑	12,176	2,224	923
148 All negotiable order of withdrawal (NOW) accounts	↑	↑	↑	109,450	138,259	45,057
149 Number of banks	10,703	203	↓	n.a.	2,896	1,604

Footnotes appear at the end of table 4.22

4.22 DOMESTIC OFFICES Insured Commercial Bank Assets and Liabilities
Consolidated Report of Condition, June 30, 1994

Millions of dollars except as noted

Item	Total	Members			Non members
		Total	National	State	
1 Total assets	3,378,308	2,512,895	1,910,938	601,958	865,413
2 Cash and balances due from depository institutions	192,786	153,113	113,891	39,222	39,674
3 Total securities, held-to-maturity (amortized cost) and available-for-sale (fair value)	481,060	260,481	204,109	56,373	220,579
4 U.S. Treasury securities	160,366	88,088	67,035	21,054	72,278
5 U.S. government agency and corporation obligations (excludes mortgage-backed securities)	75,136	35,695	28,103	7,592	39,441
6 Securities issued by states and political subdivisions in the United States	56,921	28,266	21,583	6,682	28,655
7 Mortgage-backed securities (MBS)	165,640	96,635	78,639	17,996	69,005
8 Pass-through securities	94,723	56,369	45,107	11,262	38,355
9 Issued or guaranteed by FNMA, FHLMC, or GNMA	93,401	55,347	44,174	11,173	38,054
10 Privately issued	1,322	1,021	933	89	301
11 CMOs and REMICs	70,916	40,266	33,532	6,734	30,650
12 Issued by FNMA and FHLMC	62,718	35,605	29,621	5,984	27,112
13 Privately issued	8,199	4,661	3,911	750	3,538
14 Other debt securities	15,899	7,948	5,791	2,158	7,951
15 Equity securities	7,099	3,849	2,958	891	3,250
16 Investments in mutual funds	1,750	718	594	124	1,032
17 Other equity securities with readily determinable fair values	1,106	316	159	157	791
18 All other equity securities	4,342	2,815	2,205	610	1,427
19 Federal funds sold and securities purchased under agreements to resell	139,074	115,503	84,790	30,713	23,571
20 Total loans and lease-financing receivables, gross	1,986,468	1,459,025	1,152,374	306,552	527,443
21 Less: Unearned income on loans	4,970	2,997	2,322	674	1,973
22 Total loans and leases (net of unearned income)	1,981,498	1,456,028	1,150,151	305,877	525,470
<i>Total loans, gross, by category</i>					
23 Loans secured by real estate	914,387	640,378	513,824	126,555	274,009
24 Construction and land development	62,180	42,834	33,071	9,463	19,646
25 Landlord	21,922	9,815	7,993	1,822	12,107
26 One- to four-family residential properties	526,731	382,526	308,108	74,419	144,205
27 Revolving, open end loans, extended under lines of credit	73,463	56,168	44,743	11,426	17,295
28 All other loans	453,268	326,358	263,363	62,993	126,910
29 Multifamily (five or more) residential properties	30,500	20,804	16,972	3,832	9,696
30 Nonfarm nonresidential properties	273,055	184,700	147,618	37,019	88,355
31 Loans to depository institutions	29,415	25,581	20,464	5,117	3,834
32 Loans to finance agricultural production and other loans to farmers	39,139	19,335	16,009	3,336	19,835
33 Commercial and industrial loans	458,910	363,482	281,991	81,491	95,428
34 Acceptances of other banks	748	427	327	100	320
35 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	413,428	296,340	240,788	55,352	117,287
36 Obligations (other than securities) of states and political subdivisions in the United States	20,353	15,970	12,083	3,887	4,484
37 All other loans	74,214	67,811	42,914	24,897	6,403
38 Lease-financing receivables	35,834	29,891	24,074	5,817	5,943
39 Net due from own foreign offices, Edge Act and agreement subsidiaries, and IBFS	38,439	35,224	18,390	16,734	3,215
40 Remaining assets	545,451	492,546	339,506	153,039	52,905
41 Total liabilities	3,075,005	2,289,755	1,742,980	546,775	785,250
42 Total deposits	2,371,511	1,699,552	1,323,350	376,202	671,959
43 Individuals, partnerships, and corporations	2,210,105	1,585,453	1,237,307	348,146	624,652
44 U.S. government	5,084	4,114	3,414	700	970
45 States and political subdivisions in the United States	96,444	62,432	48,159	14,273	34,012
46 Commercial banks in the United States	24,798	21,310	16,085	5,225	3,487
47 Other depository institutions in the United States	7,933	4,320	3,305	915	3,613
48 Certified and official checks	19,516	14,933	10,918	4,015	4,583
49 Banks in foreign countries, foreign governments, and foreign official institutions	7,632	6,990	4,062	2,928	642
50 Total transaction accounts	813,525	610,033	468,194	141,839	204,492
51 Individuals, partnerships, and corporations	717,626	534,820	411,642	123,177	182,806
52 U.S. government	4,394	3,568	2,941	627	827
53 States and political subdivisions in the United States	41,206	28,270	22,053	6,217	12,936
54 Commercial banks in the United States	20,810	19,541	15,072	4,469	1,269
55 Other depository institutions in the United States	3,077	2,490	1,808	581	687
56 Certified and official checks	19,516	14,933	10,918	4,015	4,583
57 Banks in foreign countries, foreign governments, and foreign official institutions	6,895	6,512	3,759	2,753	383
58 Demand deposits (included in total transaction accounts)	516,223	402,648	301,849	100,800	113,575
59 Individuals, partnerships, and corporations	444,345	342,364	257,267	85,097	101,981
60 U.S. government	4,035	3,244	2,623	621	791
61 States and political subdivisions in the United States	17,601	13,680	10,411	3,268	3,922
62 Commercial banks in the United States	20,780	19,540	15,071	4,469	1,241
63 Other depository institutions in the United States	3,060	2,383	1,802	581	677
64 Certified and official checks	19,516	14,933	10,918	4,015	4,583
65 Banks in foreign countries, foreign governments, and foreign official institutions	6,885	6,505	3,756	2,750	380
66 Total nontransaction accounts	1,557,986	1,089,519	855,156	244,363	468,467
67 Individuals, partnerships, and corporations	1,492,479	1,050,633	825,665	224,968	441,846
68 U.S. government	689	546	473	73	143
69 States and political subdivisions in the United States	55,238	34,162	26,106	8,056	21,076
70 Commercial banks in the United States	3,988	1,769	1,013	757	2,218
71 Other depository institutions in the United States	4,856	1,930	1,597	333	2,926
72 Banks in foreign countries, foreign governments, and foreign official institutions	737	478	303	175	259

4.22 DOMESTIC OFFICES Insured Commercial Bank Assets and Liabilities - Continued
Consolidated Report of Condition, June 30, 1994

Millions of dollars except as noted

Item	Total	Members			Non members
		Total	National	State	
73 Federal funds purchased and securities sold under agreements to repurchase	291,995	241,507	173,628	67,880	50,387
74 Demand notes issued to the U.S. Treasury	38,494	35,347	22,725	12,622	3,147
75 Other borrowed money	153,645	120,337	87,264	33,073	33,308
76 Banks liability on acceptances executed and outstanding	10,403	9,866	6,891	2,975	537
77 Net due to own foreign offices, Edge Act and agreement subsidiaries, and IBFs	59,297	47,167	38,164	8,998	12,134
78 Remaining liabilities	149,661	135,983	90,957	45,025	13,679
MIMO					
79 Trading assets at large banks	81,892	80,917	49,222	31,696	975
80 U.S. Treasury securities (domestic offices)	15,425	15,213	8,450	6,763	712
81 U.S. government agency corporation obligations	1,272	1,229	1,127	102	44
82 Securities issued by states and political subdivisions in the United States	1,081	1,047	664	383	38
83 Mortgage-backed securities	6,178	5,932	3,266	2,666	247
84 Other debt securities	569	518	271	247	51
85 Certificates of deposit	1,005	976	885	91	30
86 Commercial paper	342	119	119	0	123
87 Bankers acceptances	1,707	1,633	1,113	520	73
88 Other trading assets	7,054	7,030	4,713	2,317	24
89 Revaluation gains on interest rate, foreign exchange rate, and other commodity and equity contracts	47,357	47,222	28,664	18,558	136
90 Total individual retirement (IRA) and Keogh plan accounts	143,266	103,376	83,270	20,106	39,890
91 Total brokered deposits	39,890	26,840	17,563	9,276	13,051
92 Fully insured brokered deposits	31,396	20,970	14,028	6,942	10,476
93 Issued in denominations of less than \$100,000	5,559	3,635	3,311	323	1,924
94 Issued in denominations of \$100,000, or in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less	25,837	17,335	10,717	6,619	8,202
95 Money market deposit accounts (MMDAs)	418,377	341,113	269,568	71,545	107,264
96 Other savings deposits	320,437	226,507	168,171	58,336	93,930
97 Total time deposits of less than \$100,000	589,189	391,112	318,072	13,040	198,077
98 Time certificates of deposit of \$100,000 or more	184,660	118,584	92,915	25,669	66,076
99 Open-account time deposits of \$100,000 or more	15,323	12,204	6,430	5,772	3,120
100 All negotiable order of withdrawal (NOW) accounts	292,766	205,180	164,441	40,736	87,585
101 Number of banks	10,703	4,155	3,188	967	6,548

NOTE: The notation "n.a." indicates the lesser detail available from banks that don't have foreign offices; the applicability of certain items to banks that have only domestic offices or the absence of detail on a fully consolidated basis for banks that have foreign offices.

1. All transactions between domestic and foreign offices of a bank are reported in "net due from" and "net due to" lines. All other lines represent transactions with parties other than the domestic and foreign offices of each bank. Because 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.

Foreign offices include branches in foreign countries, Puerto Rico, and U.S. territories and possessions, subsidiaries in foreign countries, all offices of Edge Act and agreement corporations wherever located, and IBFs.

2. "Over 100" refers to banks whose assets, on June 30 of the preceding calendar year, were \$100 million or more. (These banks file the FFIEC 032 or FFIEC 033 Call Report.) "Under 100" refers to banks whose assets, on June 30 of the preceding calendar year, were less than \$100 million. (These banks file the FFIEC 034 Call Report.)

3. Because the domestic portion of allowances for loan and lease losses and allocated transfer risk reserves are not reported for banks with foreign offices, the components of total assets (domestic) do not sum to the actual total (domestic).

4. "Residual" equals the sum of the "n.a." categories listed above.

5. Components of "Trading assets at large banks" are reported only by banks with either total assets of \$1 billion or more or with \$2 billion or more in the par/notional amount of their off-balance sheet derivative contracts.

4.20 DOMESTIC AND FOREIGN OFFICES Insured Commercial Bank Assets and Liabilities
Consolidated Report of Condition, September 30, 1994

Millions of dollars except as noted

Item	Total	Banks with foreign offices ¹			Banks with domestic offices only ²	
		Total	Foreign	Domestic	Over 100	Under 100
1 Total assets³	3,901,222	2,264,616	595,961	1,778,080	1,302,480	334,125
2 Cash and balances due from depository institutions	276,406	194,015	82,289	111,726	65,514	16,877
3 Cash items in process of collection, unposted debits, and currency and coin	↑	83,298	1,914	81,384	37,400	↑
4 Cash items in process of collection and unposted credits	n.a.	n.a.	n.a.	63,856	25,905	n.a.
5 Currency and coin	n.a.	n.a.	n.a.	17,528	11,495	n.a.
6 Balances due from depository institutions in the United States	n.a.	24,787	16,855	7,932	15,120	n.a.
7 Balances due from banks in foreign countries and foreign central banks	↓	67,829	63,420	4,409	1,957	↓
8 Balances due from Federal Reserve Banks	↓	18,101	101	18,000	11,036	↓
MIMO						
9 Non-interest-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.	6,103	12,783	6,939
10 Total securities, held-to-maturity (amortized cost) and available-for-sale (fair value)	828,772	364,103	36,973	327,130	354,357	110,312
11 U.S. Treasury securities	253,705	103,263	2,344	100,918	113,632	36,810
12 U.S. government agency and corporation obligations (excludes mortgage-backed securities)	92,222	16,081	120	15,961	48,209	27,932
13 Issued by U.S. government agencies	4,254	1,276	n.a.	n.a.	2,052	926
14 Issued by U.S. government-sponsored agencies	87,969	14,805	n.a.	n.a.	46,157	27,007
15 Securities issued by states and political subdivisions in the United States	77,528	21,853	516	21,337	38,636	17,039
16 General obligations	56,579	14,723	n.a.	n.a.	29,437	12,419
17 Revenue obligations	20,061	6,753	n.a.	n.a.	8,830	4,478
18 Industrial development and similar obligations	889	377	n.a.	n.a.	369	143
19 Mortgage-backed securities (MBS)	328,970	169,032	2,703	166,328	135,724	24,214
20 Pass-through securities	185,657	93,983	2,665	91,318	77,075	14,599
21 Guaranteed by GNMA	70,846	46,063	n.a.	n.a.	20,509	4,274
22 Issued by FNMA and FHLMC	111,767	45,677	n.a.	n.a.	55,820	10,270
23 Privately issued	3,045	2,243	0	2,243	747	55
24 CMOs and REMICs	143,113	75,049	38	75,011	58,649	9,615
25 Issued by FNMA and FHLMC	121,648	60,852	12	60,839	51,775	9,021
26 Privately issued and collateralized by MBS issued or guaranteed by FNMA, FHLMC, or GNMA	3,815	1,292	n.a.	n.a.	2,107	417
27 All other privately issued	17,850	12,905	n.a.	n.a.	4,767	177
28 Other debt securities	61,391	45,905	29,953	15,952	12,558	2,927
29 Other domestic debt securities	n.a.	14,846	328	14,517	12,079	n.a.
30 Foreign debt securities	n.a.	31,059	29,625	1,435	479	n.a.
31 Equity securities	14,955	7,970	1,335	6,634	5,597	1,389
32 Investments in mutual funds	2,045	515	28	487	936	593
33 Other equity securities with readily determinable fair value	3,509	2,362	768	1,593	1,032	116
34 All other equity securities	9,402	5,093	539	4,554	3,630	679
35 Federal funds sold and securities purchased under agreements to resell	137,898	92,333	486	91,846	35,643	9,923
36 Federal funds sold	117,361	74,295	n.a.	n.a.	33,278	9,788
37 Securities purchased under agreements to resell	20,538	18,038	n.a.	n.a.	2,365	135
38 Total loans- and lease-financing receivables, gross	2,275,179	1,284,771	230,902	1,053,869	802,541	187,867
39 LFS: Unearned income on loans	5,924	2,486	935	1,551	2,424	1,013
40 Total loans and leases (net of unearned income)	2,269,256	1,282,285	229,967	1,052,318	800,117	186,853
41 LFS: Allowance for loan and lease losses	52,107	33,385	n.a.	n.a.	15,682	3,040
42 LFS: Allocated transfer risk reserves	150	149	n.a.	n.a.	0	0
43 EQUALS: Total loans and leases, net	2,216,999	1,248,751	n.a.	n.a.	784,435	183,813
<i>Total loans, gross, by category</i>						
44 Loans secured by real estate	965,188	444,542	25,152	419,389	416,852	103,793
45 Construction and land development	↑	↑	↑	28,055	28,557	7,067
46 Farmland	n.a.	n.a.	n.a.	2,309	8,762	11,339
47 One- to four-family residential properties	n.a.	n.a.	n.a.	259,046	232,780	54,922
48 Revolving, open-end loans, extended under lines of credit	n.a.	n.a.	n.a.	42,227	29,967	2,699
49 All other loans	↓	↓	↓	216,819	202,813	52,223
50 Multifamily (five or more) residential properties	↓	↓	↓	13,312	14,893	2,411
51 Nonfarm nonresidential properties	↓	↓	↓	116,668	131,860	28,055
52 Loans to depository institutions	58,667	51,149	25,626	25,523	7,269	248
53 Commercial banks in the United States	n.a.	23,051	969	22,081	6,773	n.a.
54 Other depository institutions in the United States	n.a.	326	28	298	186	n.a.
55 Banks in foreign countries	n.a.	27,772	24,629	3,143	310	n.a.
56 Loans to finance agricultural production and other loans to farmers	40,967	5,993	229	5,614	13,883	21,091
57 Commercial and industrial loans	572,826	416,622	104,171	312,451	126,432	29,772
58 U.S. addressees (domicile)	n.a.	331,416	21,908	309,508	126,008	n.a.
59 Non-U.S. addressees (domicile)	n.a.	85,206	82,262	2,943	424	n.a.
60 Acceptances of other banks	1,901	1,599	1,120	479	201	101
61 U.S. banks	n.a.	256	12	244	n.a.	n.a.
62 Foreign banks	n.a.	1,343	1,108	235	n.a.	n.a.
63 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	458,949	216,000	24,539	191,462	212,882	40,067
64 Credit cards and related plans	170,437	88,366	n.a.	n.a.	80,065	2,006
65 Other (includes single payment and installment)	288,512	127,634	n.a.	n.a.	132,817	28,061
66 Obligations (other than securities) of states and political subdivisions in the United States (includes nonrated industrial development obligations)	20,367	10,745	229	10,516	8,538	1,084
67 All other loans	114,563	104,563	45,993	58,570	8,931	1,070
68 Loans to foreign governments and official institutions	n.a.	14,465	13,378	1,087	32	n.a.
69 Other loans	n.a.	90,098	32,615	57,483	8,899	n.a.
70 Loans for purchasing and carrying securities	n.a.	n.a.	n.a.	17,273	1,928	n.a.
71 All other loans (excludes consumer loans)	n.a.	n.a.	n.a.	40,210	6,971	n.a.
72 Lease-financing receivables	41,754	33,559	3,694	29,865	7,553	642
73 Assets held in trading accounts	207,248	205,964	↑	n.a.	1,229	1
74 Premises and fixed assets (including capitalized leases)	57,494	31,615	↑	n.a.	20,196	5,683
75 Other real estate owned	12,495	7,917	↑	n.a.	3,716	862
76 Investments in unconsolidated subsidiaries and associated companies	3,729	3,448	↑	n.a.	259	22
77 Customers' liability on acceptances outstanding	13,723	13,346	n.a.	n.a.	353	25
78 Net due from own foreign offices, Edge Act and agreement subsidiaries, and IBFs	n.a.	n.a.	n.a.	33,232	n.a.	n.a.
79 Intangible assets	22,394	13,597	↓	n.a.	8,367	430
80 Other assets	124,064	89,528	↓	n.a.	28,413	6,123

4.20 DOMESTIC AND FOREIGN OFFICES Insured Commercial Bank Assets and Liabilities - Continued
Consolidated Report of Condition, September 30, 1994

Millions of dollars except as noted

Item	Total	Banks with foreign offices ¹			Banks with domestic offices only	
		Total	Foreign	Domestic	Over 100	Under 100
81 Total liabilities, limited-life preferred stock, and equity capital	3,901,222	2,264,616	n.a.	n.a.	1,302,480	334,125
82 Total liabilities	3,591,175	2,100,146	595,950	1,613,620	1,189,990	301,039
83 Total deposits	2,776,158	1,469,567	103,152	1,066,314	1,016,594	289,997
84 Individuals, partnerships, and corporations	2,156,308	1,238,240	213,298	992,942	952,139	265,929
85 U.S. government	n.a.	n.a.	n.a.	3,743	2,064	397
86 States and political subdivisions in the United States	n.a.	n.a.	n.a.	31,248	41,394	19,595
87 Commercial banks in the United States	56,352	48,511	32,057	16,360	6,985	849
88 Other depository institutions in the United States	n.a.	n.a.	n.a.	2,769	3,750	1,227
89 Banks in foreign countries	n.a.	94,162	87,728	6,434	199	n.a.
90 Foreign governments and official institutions	n.a.	36,561	35,106	1,455	49	n.a.
91 Certified and official checks	19,226	10,248	1,075	9,473	7,013	1,965
92 Residual ²	243,912	41,538	3,888	n.a.	n.a.	46
93 Total transaction accounts				306,482	314,057	87,984
94 Individuals, partnerships, and corporations				354,684	281,976	11,735
95 U.S. government				3,505	1,675	296
96 States and political subdivisions in the United States				11,159	16,937	7,178
97 Commercial banks in the United States				15,288	5,277	341
98 Other depository institutions in the United States				2,142	1,033	135
99 Banks in foreign countries				6,178	171	n.a.
100 Foreign governments and official institutions				753	5	n.a.
101 Certified and official checks				9,473	7,013	1,965
102 Residual ²				n.a.	n.a.	35
103 Demand deposits (included in total transaction accounts)				292,391	177,749	12,968
104 Individuals, partnerships, and corporations				247,165	156,497	38,428
105 U.S. government				3,182	1,634	283
106 States and political subdivisions in the United States				8,147	6,209	1,889
107 Commercial banks in the United States				15,287	5,207	340
108 Other depository institutions in the United States	n.a.	n.a.	n.a.	2,141	1,025	133
109 Banks in foreign countries				6,176	171	n.a.
110 Foreign governments and official institutions				749	5	n.a.
111 Certified and official checks				9,473	7,013	1,965
112 Residual ²				n.a.	n.a.	29
113 Total nontransaction accounts				659,932	202,537	202,013
114 Individuals, partnerships, and corporations				640,258	670,163	188,194
115 U.S. government				248	389	101
116 States and political subdivisions in the United States				16,979	27,457	12,117
117 Commercial banks in the United States				1,177	1,739	508
118 U.S. branches and agencies of foreign banks				69	208	n.a.
119 Other commercial banks in the United States				1,101	1,531	n.a.
120 Other depository institutions in the United States				626	2,717	1,492
121 Banks in foreign countries				256	29	n.a.
122 Foreign branches of other U.S. banks				4	0	n.a.
123 Other banks in foreign countries				252	29	n.a.
124 Foreign governments and official institutions				402	14	n.a.
125 Residual ²				n.a.	n.a.	29
126 Federal funds purchased and securities sold under agreements to repurchase	303,239	209,311	667	208,644	88,808	5,121
127 Federal funds purchased	214,816	156,791	n.a.	n.a.	55,075	3,000
128 Securities sold under agreements to repurchase	88,423	52,520	n.a.	n.a.	33,733	2,121
129 Demand notes issued to the U.S. Treasury	24,904	20,728	0	20,728	3,971	203
130 Trading liabilities	133,070	132,897	n.a.	n.a.	171	2
131 Other borrowed money	20,971	144,742	46,200	98,542	60,122	3,107
132 Banks' liability on acceptances executed and outstanding	13,765	13,387	2,965	10,422	153	25
133 Notes and debentures subordinated to deposits	38,429	36,069	n.a.	n.a.	2,325	35
134 Net due to own foreign offices, Edge Act and agreement subsidiaries, and IBFs	n.a.	n.a.	n.a.	76,192	n.a.	n.a.
135 All other liabilities	93,639	73,146	n.a.	n.a.	17,614	2,548
136 Total equity capital	410,035	164,470	n.a.	n.a.	112,489	33,086
MIMO						
137 Holdings of commercial paper included in total loans, gross		391	145	345	465	n.a.
138 Total individual retirement (IRA) and Keogh plan accounts				62,135	65,968	16,030
139 Total brokered deposits				22,224	19,063	928
140 Fully insured brokered deposits				16,820	17,228	890
141 Issued in denominations of less than \$100,000				1,310	5,502	384
142 Issued in denominations of \$100,000, or in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less	n.a.	n.a.	n.a.	15,509	11,226	107
143 Money market deposit accounts (MMDAs)				235,431	170,514	33,200
144 Other savings deposits (excludes MMDAs)				149,519	137,520	38,016
145 Total time deposits of less than \$100,000				197,774	202,076	103,040
146 Time certificates of deposit of \$100,000 or more				76,076	90,268	25,769
147 Open account time deposits of \$100,000 or more				11,120	2,210	989
148 All negotiable order of withdrawal (NOW) accounts				112,889	134,010	13,889
149 Number of banks	10,577	205		n.a.	2,871	7,501

Footnotes appear at the end of table 1.22

4.22 DOMESTIC OFFICES Insured Commercial Bank Assets and Liabilities
Consolidated Report of Condition, September 30, 1994

Millions of dollars except as noted

Item	Total	Members			Non-members
		Total	National	State	
1 Total assets	3,414,686	2,542,737	1,928,319	614,418	871,948
2 Cash and balances due from depository institutions	194,117	153,949	117,764	36,185	40,168
3 Total securities, held-to-maturity (amortized cost) and available-for-sale (fair value)	464,669	246,318	195,558	50,760	218,351
4 U.S. Treasury securities	150,442	81,214	63,215	17,999	69,228
5 U.S. government agency and corporation obligations (excludes mortgage-backed securities)	76,141	35,969	27,826	8,143	40,173
6 Securities issued by states and political subdivisions in the United States	55,675	27,252	21,243	6,009	28,423
7 Mortgage-backed securities (MBS)	159,938	90,412	74,574	15,839	69,526
8 Pass-through securities	91,674	52,446	42,957	9,490	39,228
9 Issued or guaranteed by FNMA, FHLMC, or GNMA	90,872	52,039	42,609	9,431	38,833
10 Privately issued	802	407	348	59	395
11 CMOs and REMICs	68,264	37,966	31,617	6,349	30,298
12 Issued by FNMA and FHLMC	60,796	33,878	28,035	5,843	26,918
13 Privately issued	7,468	4,088	3,582	506	3,380
14 Other debt securities	15,485	7,506	5,629	1,877	7,979
15 Equity securities	6,986	3,964	3,071	893	3,022
16 Investments in mutual funds	1,529	671	569	103	858
17 Other equity securities with readily determinable fair values	1,147	320	164	157	827
18 All other equity securities	4,309	2,972	2,348	633	1,337
19 Federal funds sold and securities purchased under agreements to resell	137,412	115,855	82,098	33,757	21,557
20 Total loans- and lease financing receivables, gross	2,044,277	1,506,149	1,183,487	320,667	538,128
21 Less: Unearned income on loans	4,989	3,006	2,261	744	1,983
22 Total loans and leases (net of unearned income)	2,039,288	1,503,143	1,183,220	319,923	536,145
<i>Total loans, gross, by category</i>					
23 Loans secured by real estate	940,035	659,278	524,759	134,519	280,757
24 Construction and land development	63,680	43,226	33,501	9,725	20,454
25 Farmland	22,409	10,106	8,241	1,864	12,304
26 One- to four-family residential properties	546,748	397,924	317,527	80,397	148,824
27 Revolving, open-end loans, extended under lines of credit	74,893	57,433	45,223	12,210	17,460
28 All other loans	471,855	340,491	272,304	68,187	131,164
29 Multifamily (five or more) residential properties	30,615	21,039	16,827	4,211	9,577
30 Nonfarm nonresidential properties	276,583	186,983	148,663	38,321	89,599
31 Loans to depository institutions	33,040	29,741	25,307	4,434	3,300
32 Loans to finance agricultural production and other loans to farmers	40,588	19,932	16,402	3,531	20,655
33 Commercial and industrial loans	468,655	374,333	287,766	86,566	94,323
34 Acceptances of other banks	780	413	327	86	367
35 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	434,410	312,235	252,663	59,573	122,175
36 Obligations (other than securities) of states and political subdivisions in the United States	20,138	15,862	11,951	3,911	4,276
37 All other loans	68,570	62,373	40,661	21,712	6,197
38 Lease financing receivables	38,060	31,981	25,646	6,336	6,079
39 Net due from own foreign offices, Edge Act and agreement subsidiaries, and BHS	33,232	30,812	19,084	11,728	2,420
40 Remaining assets	545,967	492,659	330,595	162,064	53,308
41 Total liabilities	3,104,649	2,313,758	1,756,548	557,209	790,891
42 Total deposits	2,373,006	1,701,185	1,317,716	383,468	671,821
43 Individuals, partnerships, and corporations	2,213,011	1,588,183	1,234,486	353,697	624,828
44 U.S. government	6,204	5,116	4,166	951	1,088
45 States and political subdivisions in the United States	95,427	61,292	46,177	15,115	34,135
46 Commercial banks in the United States	24,294	21,072	15,603	5,468	3,223
47 Other depository institutions in the United States	7,746	4,432	3,387	1,045	3,313
48 Certified and official checks	18,451	13,831	10,041	3,791	4,620
49 Banks in foreign countries, foreign governments, and foreign official institutions	7,873	7,258	3,856	3,402	614
50 Total transaction accounts	808,524	605,990	463,761	142,229	202,534
51 Individuals, partnerships, and corporations	714,396	532,368	409,744	122,624	182,027
52 U.S. government	5,475	4,526	3,651	876	949
53 States and political subdivisions in the United States	38,874	26,291	20,080	6,212	12,583
54 Commercial banks in the United States	20,875	19,575	14,756	4,819	1,301
55 Other depository institutions in the United States	3,311	2,635	1,933	701	676
56 Certified and official checks	18,451	13,831	10,041	3,791	4,620
57 Banks in foreign countries, foreign governments, and foreign official institutions	7,141	6,762	3,557	3,206	378
58 Demand deposits (included in total transaction accounts)	513,038	399,326	299,212	100,114	113,712
59 Individuals, partnerships, and corporations	442,090	340,026	256,273	83,753	102,065
60 U.S. government	5,088	4,178	3,314	863	911
61 States and political subdivisions in the United States	16,145	12,338	9,351	2,987	3,807
62 Commercial banks in the United States	20,845	19,571	14,752	4,819	1,264
63 Other depository institutions in the United States	3,299	2,629	1,928	701	669
64 Certified and official checks	18,451	13,831	10,041	3,791	4,620
65 Banks in foreign countries, foreign governments, and foreign official institutions	7,129	6,753	3,553	3,200	376
66 Total nontransaction accounts	1,564,482	1,095,195	853,955	241,240	469,287
67 Individuals, partnerships, and corporations	1,498,615	1,055,814	824,741	231,073	442,801
68 U.S. government	728	590	515	75	139
69 States and political subdivisions in the United States	56,553	35,001	26,097	8,903	21,552
70 Commercial banks in the United States	3,419	1,497	848	649	1,922
71 Other depository institutions in the United States	4,435	1,798	1,454	344	2,637
72 Banks in foreign countries, foreign governments, and foreign official institutions	732	496	300	196	236

4.22 DOMESTIC OFFICES Insured Commercial Bank Assets and Liabilities -Continued
Consolidated Report of Condition, September 30, 1994

Millions of dollars except as noted

Item	Total	Members			Non members
		Total	National	State	
73 Federal funds purchased and securities sold under agreements to repurchase	302,577	251,236	183,245	67,991	51,336
74 Demand notes issued to the US Treasury	24,904	22,644	13,440	9,205	2,260
75 Other borrowed money	161,771	123,303	98,097	25,206	38,469
76 Banks liability on acceptances executed and outstanding	10,800	10,279	7,330	2,850	521
77 Net due to own foreign offices, Edge Act and agreement subsidiaries, and IBFs	76,192	63,755	49,434	14,321	12,438
78 Remaining liabilities	155,403	141,356	87,187	54,169	14,047
MEMO					
79 Trading assets at large banks ²	69,028	68,229	40,687	27,542	799
80 US Treasury securities (domestic offices)	14,536	14,371	8,585	5,787	165
81 US government agency corporation obligations	1,567	1,532	1,117	115	35
82 Securities issued by states and political subdivisions in the United States	941	901	542	359	43
83 Mortgage backed securities	5,505	5,436	2,556	2,880	70
84 Other debt securities	250	195	59	136	55
85 Certificates of deposit	917	892	855	37	25
86 Commercial paper	432	405	305	0	128
87 Bankers acceptances	1,385	1,318	906	412	67
88 Other trading assets	6,635	6,606	4,585	2,021	29
89 Revaluation gains on interest rate, foreign exchange rate, and other commodity and equity contracts	36,857	36,673	20,879	15,794	184
90 Total individual retirement (IRA) and Keogh plan accounts	144,133	101,176	83,254	20,922	39,957
91 Total brokered deposits	42,214	28,694	19,946	8,758	13,520
92 Fully insured brokered deposits	34,938	23,796	16,747	7,059	11,442
93 Issued in denominations of less than \$100,000	7,596	5,625	5,356	269	1,912
94 Issued in denominations of \$100,000, or in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less	27,342	18,171	11,381	6,790	9,171
95 Money market deposit accounts (MMDAs)	440,158	335,731	263,694	72,040	104,424
96 Other savings deposits	315,054	223,078	165,082	57,995	91,976
97 Total time deposits of less than \$100,000	602,839	401,749	323,891	77,858	201,090
98 Time certificates of deposit of \$100,000 or more	192,412	123,513	95,649	27,865	68,599
99 Open account time deposits of \$100,000 or more	14,319	11,121	5,639	5,481	3,198
100 All negotiable order of withdrawal (NOW) accounts	290,818	204,370	162,559	41,811	86,448
101 Number of banks	10,577	4,109	3,143	966	6,468

NOTE: The notation "n.a." indicates the lesser detail available from banks that don't have foreign offices, the inapplicability of certain items to banks that have only domestic offices or the absence of detail on a fully consolidated basis for banks that have foreign offices.

1. All transactions between domestic and foreign offices of a bank are reported in "net due from" and "net due to" lines. All other lines represent transactions with parties other than the domestic and foreign offices of each bank. Because 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.

Foreign offices include branches in foreign countries, Puerto Rico, and US territories and possessions, subsidiaries in foreign countries; all offices of Edge Act and agreement corporations wherever located; and IBFs.

2. "Over 100" refers to banks whose assets, on June 30 of the preceding calendar year, were \$100 million or more. (These banks file the FDIC 032 or FDIC 033 Call Report.) "Under 100" refers to banks whose assets, on June 30 of the preceding calendar year, were less than \$100 million. (These banks file the FDIC 034 Call Report.)

3. Because the domestic portion of allowances for loan and lease losses and allocated transfer risk reserves are not reported for banks with foreign offices, the components of total assets (domestic) do not sum to the actual total (domestic).

4. "Residual" equals the sum of the "n.a." categories listed above it.

5. Components of "Trading assets at large banks" are reported only by banks with either total assets of \$1 billion or more or with \$2 billion or more in the par/shortfall amount of their off balance sheet derivative contracts.

4.20 DOMESTIC AND FOREIGN OFFICES Insured Commercial Bank Assets and Liabilities
Consolidated Report of Condition, December 31, 1994

Millions of dollars except as noted

Item	Total	Banks with foreign offices ¹			Banks with domestic offices only ²	
		Total	Foreign	Domestic	Over 100	Under 100
1 Total assets	3,984,644	2,309,656	616,180	1,809,439	1,438,783	336,204
2 Cash and balances due from depository institutions	302,312	210,664	87,838	122,826	73,859	17,789
3 Cash items in process of collection, unposted debits, and currency and coin	↑	93,177	2,080	91,096	42,497	↑
4 Cash items in process of collection and unposted debits	n.a.	n.a.	n.a.	69,225	28,526	n.a.
5 Currency and coin	n.a.	n.a.	n.a.	21,872	13,971	n.a.
6 Balances due from depository institutions in the United States	n.a.	28,958	19,682	9,277	17,213	n.a.
7 Balances due from banks in foreign countries and foreign central banks	n.a.	70,791	65,967	4,825	2,216	↓
8 Balances due from Federal Reserve Banks	n.a.	17,738	110	17,628	11,933	n.a.
9 Non-interest-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.	6,644	14,595	7,492
10 Total securities, held-to-maturity (amortized cost) and available-for-sale (fair value)	813,778	359,585	36,106	323,480	345,429	108,764
11 U.S. Treasury securities	238,701	97,043	1,602	95,441	105,749	35,909
12 U.S. government agency and corporation obligations (excludes mortgage-backed securities)	97,253	18,536	55	18,480	49,856	28,861
13 Issued by U.S. government agencies	4,689	1,461	n.a.	n.a.	2,254	975
14 Issued by U.S. government-sponsored agencies	92,564	17,075	n.a.	n.a.	47,602	27,887
15 Securities issued by states and political subdivisions in the United States	76,720	21,837	549	21,287	38,136	16,747
16 General obligations	55,878	14,398	n.a.	n.a.	29,219	12,261
17 Revenue obligations	19,829	6,895	n.a.	n.a.	8,579	4,356
18 Industrial development and similar obligations	1,013	544	n.a.	n.a.	338	130
19 Mortgage-backed securities (MBS)	324,350	167,702	2,533	165,169	133,477	23,171
20 Pass-through securities	185,865	95,419	2,517	92,902	76,441	4,015
21 Guaranteed by GNMA	69,942	44,349	n.a.	n.a.	21,449	4,144
22 Issued by FNMA and FHLMC	112,987	48,853	n.a.	n.a.	54,308	9,827
23 Privately issued	2,936	2,217	0	2,217	671	44
24 CMOs and REMICs	138,485	72,284	17	72,267	57,046	9,156
25 Issued by FNMA and FHLMC	116,722	58,128	9	58,119	49,972	8,622
26 Privately issued and collateralized by MBS issued or guaranteed by FNMA, FHLMC, or GNMA	3,067	1,093	n.a.	n.a.	1,606	369
27 All other privately issued	18,696	13,062	n.a.	n.a.	5,368	165
28 Other debt securities	61,278	46,210	29,228	16,282	12,313	2,755
29 Other domestic debt securities	n.a.	15,209	313	14,895	11,821	n.a.
30 Foreign debt securities	n.a.	31,001	29,615	1,386	492	n.a.
31 Equity securities	15,476	8,258	1,437	6,821	5,898	1,321
32 Investments in mutual funds	2,026	563	38	525	973	490
33 Other equity securities with readily determinable fair value	3,617	2,559	851	1,708	955	104
34 All other equity securities	9,833	5,135	548	4,587	3,970	727
35 Federal funds sold and securities purchased under agreements to resell	148,562	101,394	420	100,973	36,005	11,163
36 Federal funds sold	128,970	83,930	n.a.	n.a.	33,998	11,043
37 Securities purchased under agreements to resell	19,592	17,464	n.a.	n.a.	2,008	121
38 Total loans and lease-financing receivables, gross	2,350,166	1,323,019	233,801	1,089,217	838,090	189,057
39 LFS: Unearned income on loans	5,878	2,498	941	1,557	2,476	1,004
40 Total loans and leases (net of unearned income)	2,344,288	1,320,521	232,861	1,087,660	835,714	188,053
41 LFS: Allowance for loan and lease losses	51,740	33,010	n.a.	n.a.	15,697	3,013
42 LFS: Allocated transfer risk reserves	150	150	n.a.	n.a.	0	0
43 EQUAIS: Total loans and leases, net	2,292,398	1,287,341	n.a.	n.a.	820,017	185,040
<i>total loans, gross, by category</i>						
44 Loans secured by real estate	990,456	458,757	26,441	432,317	426,421	105,278
45 Construction and land development	↑	↑	↑	27,309	29,523	7,191
46 Farmland	n.a.	n.a.	n.a.	2,307	8,957	11,303
47 One- to four-family residential properties	n.a.	n.a.	n.a.	269,842	249,144	55,747
48 Revolving, open-end loans, extended under lines of credit	n.a.	n.a.	n.a.	43,054	30,025	2,726
49 All other loans	↓	↓	↓	2,26,789	209,119	53,021
50 Multifamily (five or more) residential properties	n.a.	n.a.	n.a.	13,994	15,427	2,468
51 Nonfarm nonresidential properties	n.a.	n.a.	n.a.	118,864	133,170	28,569
52 Loans to depository institutions	68,147	60,832	25,580	35,252	6,979	336
53 Commercial banks in the United States	n.a.	31,173	996	30,177	6,316	n.a.
54 Other depository institutions in the United States	n.a.	1,576	7	1,568	197	n.a.
55 Banks in foreign countries	n.a.	28,083	24,576	3,507	466	n.a.
56 Loans to finance agricultural production and other loans to farmers	39,014	6,096	245	5,756	13,349	19,569
57 Commercial and industrial loans	586,125	424,544	105,293	319,252	131,250	30,331
58 U.S. addressees (domicile)	n.a.	337,344	21,148	316,196	130,809	n.a.
59 Non-U.S. addressees (domicile)	n.a.	87,200	84,145	3,055	441	n.a.
60 Acceptances of other banks	1,735	1,373	911	463	235	126
61 U.S. banks	n.a.	370	15	356	n.a.	n.a.
62 Foreign banks	n.a.	1,003	896	107	n.a.	n.a.
63 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	484,162	219,344	25,447	193,897	234,247	30,582
64 Credit cards and related plans	187,749	87,559	n.a.	n.a.	97,802	2,388
65 Other (includes single payment and installment)	296,413	131,784	n.a.	n.a.	136,435	28,194
66 Obligations (other than securities) of states and political subdivisions in the United States (includes nonrated industrial development obligations)	19,625	10,430	245	10,185	8,142	1,052
67 All other loans	116,055	105,626	45,761	59,865	9,321	1,108
68 Loans to foreign governments and official institutions	n.a.	13,224	12,565	659	37	n.a.
69 Other loans	n.a.	92,402	33,196	59,206	9,284	n.a.
70 Loans for purchasing and carrying securities	n.a.	n.a.	n.a.	17,016	2,003	n.a.
71 All other loans (excludes consumer loans)	n.a.	n.a.	n.a.	42,190	7,281	n.a.
72 Lease-financing receivables	44,847	36,016	3,785	32,231	8,156	675
73 Assets held in trading accounts	193,885	192,523	↑	↑	1,306	1
74 Premises and fixed assets (including capitalized leases)	58,397	32,065	↑	↑	20,581	5,752
75 Other real estate owned	10,121	6,178	n.a.	n.a.	3,150	792
76 Investments in unconsolidated subsidiaries and associated companies	3,712	3,357	n.a.	n.a.	333	23
77 Customers' liability on acceptances outstanding	13,433	13,021	↓	↓	388	24
78 Net due from own foreign offices, Edge Act and agreement subsidiaries, and IBFs	n.a.	n.a.	↓	↓	26,889	n.a.
79 Intangible assets	23,873	14,881	↓	↓	n.a.	8,526
80 Other assets	124,174	88,648	↓	↓	29,189	6,337

4.20 DOMESTIC AND FOREIGN OFFICES Insured Commercial Bank Assets and Liabilities - Continued
Consolidated Report of Condition, December 31, 1994

Millions of dollars except as noted

Item	Total	Banks with foreign offices ¹			Banks with domestic offices only ²	
		Total	Foreign	Domestic	Over 100	Under 100
81 Total liabilities, limited-life preferred stock, and equity capital	3,984,644	2,309,656	n.a.	n.a.	1,338,783	336,204
82 Total liabilities	3,674,458	2,143,730	616,137	1,643,555	1,227,119	303,609
83 Total deposits	2,854,205	1,510,834	431,818	1,099,016	1,030,881	292,490
84 Individuals, partnerships, and corporations	2,513,334	1,282,258	260,235	1,022,024	963,739	261,338
85 U.S. government	n.a.	n.a.	n.a.	5,222	2,935	592
86 States and political subdivisions in the United States	n.a.	n.a.	n.a.	34,315	45,244	20,340
87 Commercial banks in the United States	67,272	59,379	41,990	17,389	7,062	831
88 Other depository institutions in the United States	n.a.	n.a.	n.a.	2,678	3,436	1,159
89 Banks in foreign countries	n.a.	96,019	89,741	6,278	718	n.a.
90 Foreign governments and official institutions	n.a.	36,817	35,572	1,245	51	n.a.
91 Certified and official checks	20,823	10,457	593	9,864	8,198	2,169
92 Residual ³	252,775	45,904	3,688	n.a.	n.a.	61
93 Total transaction accounts				428,621	327,709	91,374
94 Individuals, partnerships, and corporations				372,341	292,874	80,272
95 U.S. government				4,987	2,605	469
96 States and political subdivisions in the United States				16,386	17,714	7,989
97 Commercial banks in the United States				16,164	5,073	337
98 Other depository institutions in the United States				2,069	1,040	134
99 Banks in foreign countries				6,020	196	n.a.
100 Foreign governments and official institutions				791	7	n.a.
101 Certified and official checks				9,864	8,198	2,169
102 Residual ⁴				n.a.	n.a.	55
103 Demand deposits (included in total transaction accounts)				309,251	187,515	45,534
104 Individuals, partnerships, and corporations				260,537	163,989	40,544
105 U.S. government				4,669	2,562	452
106 States and political subdivisions in the United States				9,143	6,459	1,850
107 Commercial banks in the United States				16,163	5,073	337
108 Other depository institutions in the United States	n.a.	n.a.	n.a.	2,069	1,031	132
109 Banks in foreign countries				6,019	196	n.a.
110 Foreign governments and official institutions				787	7	n.a.
111 Certified and official checks				9,864	8,198	2,169
112 Residual ⁵				n.a.	n.a.	50
113 Total nontransaction accounts				670,395	703,172	201,115
114 Individuals, partnerships, and corporations				649,683	670,864	187,116
115 U.S. government				235	329	123
116 States and political subdivisions in the United States				17,929	27,529	12,351
117 Commercial banks in the United States				1,225	1,989	494
118 U.S. branches and agencies of foreign banks				72	407	n.a.
119 Other commercial banks in the United States				1,153	1,581	n.a.
120 Other depository institutions in the United States				609	2,395	1,025
121 Banks in foreign countries				259	21	n.a.
122 Foreign branches of other U.S. banks				4	0	n.a.
123 Other banks in foreign countries				255	21	n.a.
124 Foreign governments and official institutions				455	44	n.a.
125 Residual ⁶				n.a.	n.a.	6
126 Federal funds purchased and securities sold under agreements to repurchase	309,393	209,290	578	208,712	95,196	4,906
127 Federal funds purchased	221,386	155,971	n.a.	n.a.	62,805	2,609
128 Securities sold under agreements to repurchase	88,007	53,319	n.a.	n.a.	32,391	2,297
129 Demand notes issued to the U.S. Treasury	15,681	12,696	0	12,696	2,791	194
130 Trading liabilities	118,764	118,688	n.a.	n.a.	76	0
131 Other borrowed money	232,431	151,563	42,820	108,743	77,625	3,244
132 Banks' liability on acceptances executed and outstanding	13,494	13,082	3,537	9,546	388	24
133 Notes and debentures subordinated to deposits	40,580	37,538	n.a.	n.a.	3,006	36
134 Net due to own foreign offices, Edge Act and agreement subsidiaries, and DBPs	n.a.	n.a.	n.a.	89,073	n.a.	n.a.
135 All other liabilities	89,911	70,040	n.a.	n.a.	17,156	2,716
136 Total equity capital	310,184	165,926	n.a.	n.a.	111,663	32,594
MEMO						
137 Holdings of commercial paper included in total loans, plus		491	139	352	428	n.a.
138 Total individual retirement (IRA) and Keogh plan accounts				62,395	65,797	15,958
139 Total brokered deposits				25,853	20,741	977
140 Fully insured brokered deposits				20,926	19,154	943
141 Issued in denominations of less than \$100,000				2,293	5,243	807
142 Issued in denominations of \$100,000, or in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less	n.a.	n.a.	n.a.	18,633	13,909	136
143 Money market deposit accounts (MMDAs)				241,067	164,337	33,180
144 Other savings deposits (excludes MMDAs)				131,092	132,810	36,453
145 Total time deposits of less than \$100,000				208,149	310,010	103,922
146 Time certificates of deposit of \$100,000 or more				81,771	93,886	26,576
147 Open account time deposits of \$100,000 or more				12,116	2,130	984
148 All negotiable order of withdrawal (NOW) accounts				117,329	138,149	44,644
149 Number of banks	10,433	205		n.a.	2,827	7,401

Footnotes appear at the end of table 4.22

4.22 DOMESTIC OFFICES Insured Commercial Bank Assets and Liabilities
Consolidated Report of Condition, December 31, 1994

Millions of dollars except as noted

Item	Total	Members			Non-members
		Total	National	State	
1 Total assets	3,484,426	2,603,596	1,983,843	619,754	880,830
2 Cash and balances due from depository institutions	214,474	171,459	131,759	39,700	43,015
3 Total securities, held-to-maturity (amortized cost) and available-for-sale (fair value)	454,193	240,708	189,143	51,565	213,485
4 U.S. Treasury securities	141,658	74,824	57,013	17,811	66,834
5 U.S. government agency and corporation obligations (excludes mortgage backed securities)	78,717	37,097	28,718	8,379	41,620
6 Securities issued by states and political subdivisions in the United States	54,883	26,900	20,721	6,179	27,983
7 Mortgage-backed securities (MBS)	156,648	90,559	74,270	16,289	66,089
8 Pass-through securities	90,447	53,320	43,484	9,835	37,127
9 Issued or guaranteed by FNMA, FHLMC, or GNMA	89,728	52,933	43,150	9,783	36,795
10 Privately issued	719	387	335	52	332
11 CMOs and REMICs	66,201	37,239	30,785	6,454	28,962
12 Issued by FNMA and FHLMC	58,594	32,986	27,121	5,864	25,608
13 Privately issued	7,608	4,253	3,663	589	3,354
14 Other debt securities	15,068	7,285	5,130	1,955	7,784
15 Equity securities	7,218	4,043	3,090	953	3,175
16 Investments in mutual funds	1,463	581	493	88	881
17 Other equity securities with readily determinable fair values	1,058	322	167	156	736
18 All other equity securities	4,697	3,140	2,431	709	1,558
19 Federal funds sold and securities purchased under agreements to resell	148,141	124,058	88,702	35,356	24,084
20 Total loans- and lease financing receivables, gross	2,116,365	1,569,531	1,233,852	335,679	546,833
21 Less: Unearned income on loans	4,937	2,941	2,249	692	1,996
22 Total loans and leases (net of unearned income)	2,111,427	1,566,590	1,231,603	334,987	544,837
<i>total loans, gross, by category</i>					
23 Loans secured by real estate	964,016	678,591	538,520	140,071	285,425
24 Construction and land development	64,023	43,203	33,571	9,632	20,820
25 Farmland	22,567	10,231	8,310	1,921	12,336
26 One- to four-family residential properties	564,734	413,027	328,044	84,983	151,707
27 Revolving, open-end loans, extended under lines of credit	75,805	58,538	46,044	12,494	17,267
28 All other loans	488,929	354,489	282,000	72,489	134,440
29 Multifamily (five or more) residential properties	31,889	21,660	17,081	4,579	10,229
30 Nonfarm nonresidential properties	280,803	190,470	151,513	38,957	90,333
31 Loans to depository institutions	42,567	39,301	34,665	4,636	3,266
32 Loans to finance agricultural production and other loans to farmers	38,674	19,488	16,030	3,458	19,186
33 Commercial and industrial loans	480,833	384,780	294,815	89,966	96,053
34 Acceptances of other banks	874	431	343	88	793
35 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	458,716	332,302	268,814	63,488	126,414
36 Obligations (other than securities) of states and political subdivisions in the United States	19,380	15,355	11,526	3,829	4,025
37 All other loans	70,294	64,232	41,483	22,749	6,061
38 Lease financing receivables	41,062	35,050	27,656	7,394	6,012
39 Net due from own foreign offices, Edge Act and agreement subsidiaries, and IBFs	26,889	24,467	17,240	7,227	2,423
40 Remaining assets	529,302	476,316	325,397	150,919	52,986
41 Total liabilities	3,174,283	2,373,587	1,811,081	562,506	800,696
42 Total deposits	2,422,387	1,746,857	1,350,659	396,198	675,530
43 Individuals, partnerships, and corporations	2,253,100	1,626,377	1,260,515	365,862	626,723
44 U.S. government	8,749	7,132	5,731	1,401	1,617
45 States and political subdivisions in the United States	99,899	65,183	49,361	15,822	34,716
46 Commercial banks in the United States	25,282	21,700	16,640	5,060	3,583
47 Other depository institutions in the United States	7,273	4,150	3,172	978	3,123
48 Certified and official checks	20,230	15,130	11,019	4,111	5,100
49 Banks in foreign countries, foreign governments, and foreign official institutions	7,853	7,185	4,220	2,965	668
50 Total transaction accounts	847,704	638,567	491,148	147,419	209,137
51 Individuals, partnerships, and corporations	745,437	558,571	430,807	127,764	186,866
52 U.S. government	8,062	6,603	5,265	1,338	1,459
53 States and political subdivisions in the United States	42,089	28,904	22,545	6,358	13,185
54 Commercial banks in the United States	21,574	20,218	15,773	4,446	1,356
55 Other depository institutions in the United States	3,244	2,512	1,874	639	731
56 Certified and official checks	20,230	15,130	11,019	4,111	5,100
57 Banks in foreign countries, foreign governments, and foreign official institutions	7,069	6,628	3,866	2,762	441
58 Demand deposits (included in total transaction accounts)	542,300	423,252	319,372	103,880	119,048
59 Individuals, partnerships, and corporations	465,070	359,034	271,581	87,453	106,036
60 U.S. government	7,684	6,260	4,937	1,323	1,423
61 States and political subdivisions in the United States	17,453	13,485	10,334	3,151	3,968
62 Commercial banks in the United States	21,572	20,217	15,771	4,446	1,355
63 Other depository institutions in the United States	3,232	2,507	1,868	639	725
64 Certified and official checks	20,230	15,130	11,019	4,111	5,100
65 Banks in foreign countries, foreign governments, and foreign official institutions	7,059	6,619	3,862	2,757	440
66 Total nontransaction accounts	1,574,683	1,108,289	859,510	248,779	466,393
67 Individuals, partnerships, and corporations	1,507,663	1,067,806	829,708	238,098	439,857
68 U.S. government	687	529	467	62	158
69 States and political subdivisions in the United States	57,810	36,279	26,815	9,464	21,531
70 Commercial banks in the United States	3,709	1,481	868	614	2,227
71 Other depository institutions in the United States	4,029	1,637	1,298	339	2,392
72 Banks in foreign countries, foreign governments, and foreign official institutions	785	557	354	202	228

4.22 DOMESTIC OFFICES Insured Commercial Bank Assets and Liabilities - Continued
Consolidated Report of Condition, December 31, 1994

Millions of dollars except as noted

Item	Total	Members			Non-members
		Total	National	State	
73 Federal funds purchased and securities sold under agreements to repurchase	308,814	253,695	183,928	69,767	55,119
74 Demand notes issued to the U.S. Treasury	15,681	14,055	9,434	4,620	1,626
75 Other borrowed money	189,611	147,432	111,421	36,011	12,179
76 Banks liability on acceptances executed and outstanding	9,957	9,377	6,944	2,433	581
77 Net due to own foreign offices, Edge Act and agreement subsidiaries, and IBFs	89,073	77,139	61,958	15,181	11,934
78 Remaining liabilities	138,760	125,033	86,737	38,296	13,227
MEMO					
79 Trading assets at large banks ²	66,894	66,014	38,912	27,042	880
80 U.S. Treasury securities (domestic offices)	10,675	10,539	6,376	4,163	136
81 U.S. government agency corporation obligations	1,914	1,848	1,334	414	66
82 Securities issued by states and political subdivisions in the United States	1,285	1,235	855	380	50
83 Mortgage-backed securities	4,847	4,800	2,819	1,982	47
84 Other debt securities	336	279	185	94	57
85 Certificates of deposit	1,472	1,447	698	750	25
86 Commercial paper	361	177	177	0	184
87 Bankers acceptances	1,628	1,559	1,137	423	69
88 Other trading assets	7,732	7,681	4,757	2,924	51
89 Revaluation gains on interest rate, foreign exchange rate, and other commodity and equity contracts	36,643	36,447	20,535	15,912	196
90 Total individual retirement (IRA) and Keogh plan accounts	144,150	104,407	83,052	21,355	39,743
91 Total brokered deposits	47,570	32,653	22,076	10,577	14,917
92 Fully insured brokered deposits	41,023	28,287	18,954	9,333	12,736
93 Issued in denominations of less than \$100,000	8,345	6,265	4,990	1,275	2,080
94 Issued in denominations of \$100,000, or in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less	32,678	22,022	13,964	8,058	10,656
95 Money market deposit accounts (MMDAs)	428,584	329,168	257,652	71,516	99,417
96 Other savings deposits	306,355	218,186	161,319	56,867	88,169
97 Total time deposits of less than \$100,000	622,080	417,774	334,201	83,573	204,307
98 Time certificates of deposit of \$100,000 or more	202,233	130,900	99,847	31,052	71,333
99 Open-account time deposits of \$100,000 or more	15,430	12,262	6,491	5,771	3,168
100 All negotiable order of withdrawal (NOW) accounts	300,122	212,779	169,845	42,434	87,843
101 Number of banks	10,433	4,052	3,078	974	6,381

NOTE: The notation "n.a." indicates the lesser detail available from banks that don't have foreign offices, the inapplicability of certain items to banks that have only domestic offices or the absence of detail on a fully consolidated basis for banks that have foreign offices.

1. All transactions between domestic and foreign offices of a bank are reported in "net due from" and "net due to" lines. All other lines represent transactions with parties other than the domestic and foreign offices of each bank. Because these intra-office 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.

Foreign offices include branches in foreign countries, Puerto Rico, and U.S. territories and possessions; subsidiaries in foreign countries; all offices of Edge Act and agreement corporations wherever located; and IBFs.

2. "Over 100" refers to banks whose assets, on June 30 of the preceding calendar year, were \$100 million or more. (These banks file the FFIEC 032 or FFIEC 033 Call Report.) "Under 100" refers to banks whose assets, on June 30 of the preceding calendar year, were less than \$100 million. (These banks file the FFIEC 034 Call Report.)

3. Because the domestic portion of allowances for loan and lease losses and allocated transfer risk reserves are not reported for banks with foreign offices, the components of total assets (domestic) do not sum to the actual total (domestic).

4. "Residual" equals the sum of the "b a" categories listed above it.

5. Components of "Trading assets at large banks" are reported only by banks with either total assets of \$1 billion or more or with \$2 billion or more in the par/notional amount of their off-balance sheet derivative contracts.

4.20 DOMESTIC AND FOREIGN OFFICES Insured Commercial Bank Assets and Liabilities
Consolidated Report of Condition, March 31, 1995

Millions of dollars except as noted

Item	Total	Banks with foreign offices ¹			Banks with domestic offices only ²	
		Total	Foreign	Domestic	Over 100	Under 100
1 Total assets ³	4,090,254	2,416,209	693,018	1,824,958	1,361,569	312,476
2 Cash and balances due from depository institutions	273,823	193,013	81,806	111,207	65,965	14,846
3 Cash items in process of collection, unposted debits, and currency and com	↑	82,946	2,614	80,332	37,857	↑
4 Cash items in process of collection and unposted debits	↑	n.a.	n.a.	62,910	25,842	↑
5 Currency and com.	↑	n.a.	n.a.	17,422	12,015	↑
6 Balances due from depository institutions in the United States	n.a.	23,879	16,007	7,872	14,821	n.a.
7 Balances due from banks in foreign countries and foreign central banks	↓	67,924	63,086	4,838	2,249	↓
8 Balances due from Federal Reserve Banks	↓	18,264	99	18,165	11,038	↓
9 Non-interest-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.	5,547	12,312	6,076
10 Total securities, held-to-maturity (amortized cost) and available-for-sale (fair value)	803,826	357,900	36,383	321,517	344,967	100,959
11 U.S. Treasury securities	233,159	99,020	2,282	96,738	101,604	32,535
12 U.S. government agency and corporation obligations (excludes mortgage backed securities)	102,269	21,413	71	21,342	52,598	28,258
13 Issued by U.S. government agencies	4,442	1,497	n.a.	n.a.	2,103	842
14 Issued by U.S. government sponsored agencies	97,827	19,916	n.a.	n.a.	50,495	27,416
15 Securities issued by states and political subdivisions in the United States	75,295	21,340	507	20,833	38,496	15,459
16 General obligations	55,305	14,385	n.a.	n.a.	29,623	11,297
17 Revenue obligations	19,100	6,539	n.a.	n.a.	8,511	4,050
18 Industrial development and similar obligations	890	417	n.a.	n.a.	361	112
19 Mortgage-backed securities (MBS)	317,466	162,618	2,519	160,100	133,765	21,083
20 Pass-through securities	181,970	92,970	2,504	90,467	76,463	12,537
21 Guaranteed by GNMA	68,205	42,295	n.a.	n.a.	22,009	3,900
22 Issued by FNMA and FHLMC	110,764	48,406	n.a.	n.a.	53,767	8,592
23 Privately issued	3,001	2,270	0	2,270	686	45
24 Other mortgage-backed securities (includes CMOs, REMICs, and stripped MBS)	135,496	69,648	15	69,633	57,302	8,546
25 Issued or guaranteed by FNMA, FHLMC or GNMA	113,979	55,619	7	55,612	50,317	8,042
26 Collateralized by MBS issued or guaranteed by FNMA, FHLMC, or GNMA	2,980	1,109	n.a.	n.a.	1,543	328
27 All other mortgage-backed securities	18,537	12,919	n.a.	n.a.	5,442	176
28 Other debt securities	59,621	45,000	29,614	15,386	12,240	2,380
29 Other domestic debt securities	n.a.	14,310	327	13,983	11,858	n.a.
30 Foreign debt securities	n.a.	30,691	29,288	1,403	383	n.a.
31 Equity securities	16,016	8,509	1,391	7,118	6,263	1,245
32 Investments in mutual funds	2,155	615	40	575	1,101	440
33 Other equity securities with readily determinable fair value	3,504	2,481	680	1,801	928	96
34 All other equity securities	10,358	5,414	672	4,742	4,234	709
35 Federal funds sold and securities purchased under agreements to resell	152,103	99,888	316	99,572	40,033	12,183
36 Federal funds sold	129,950	80,600	n.a.	n.a.	37,275	12,075
37 Securities purchased under agreements to resell	22,153	19,288	n.a.	n.a.	2,758	107
38 Total loans and lease financing receivables, gross	2,415,339	1,374,629	253,618	1,121,011	864,777	175,933
39 LESS: Unearned income on loans	5,674	2,427	1,017	1,410	2,318	929
40 Total loans and leases (net of unearned income)	2,409,665	1,372,202	252,601	1,119,601	862,459	175,004
41 LESS: Allowance for loan and lease losses	52,411	33,393	n.a.	n.a.	16,183	2,835
42 LESS: Allocated transfer risk reserves	147	146	n.a.	n.a.	0	0
43 EQUALS Total loans and leases, net	2,357,108	1,338,662	n.a.	n.a.	846,276	172,169
<i>Total loans, gross, by category</i>						
44 Loans secured by real estate	1,012,628	471,265	26,617	444,648	442,364	99,000
45 Construction and land development	↑	↑	↑	27,615	30,928	6,659
46 Farmland	↑	↑	↑	2,315	9,611	11,020
47 One- to four-family residential properties	↑	↑	↑	278,134	248,480	52,245
48 Revolving, open-end loans, extended under lines of credit	n.a.	n.a.	n.a.	43,624	29,862	2,454
49 All other loans	↓	↓	↓	234,509	218,618	49,791
50 Multifamily (five or more) residential properties	↓	↓	↓	14,294	16,093	2,289
51 Nonfarm nonresidential properties	↓	↓	↓	122,291	137,251	26,787
52 Loans to depository institutions	74,491	69,014	29,942	39,072	5,282	195
53 Commercial banks in the United States	n.a.	34,810	924	33,885	4,590	n.a.
54 Other depository institutions in the United States	n.a.	2,087	34	2,053	114	n.a.
55 Banks in foreign countries	n.a.	32,117	28,984	3,133	578	n.a.
56 Loans to finance agricultural production and other loans to farmers	37,164	5,429	251	5,198	13,677	18,058
57 Commercial and industrial loans	618,835	452,055	113,552	338,503	138,405	28,374
58 U.S. addressees (domicile)	n.a.	358,445	22,840	335,604	137,663	n.a.
59 Non U.S. addressees (domicile)	n.a.	93,611	90,712	2,899	742	n.a.
60 Acceptances of other banks	1,649	1,352	999	352	183	114
61 U.S. banks	n.a.	255	1	254	n.a.	n.a.
62 Foreign banks	n.a.	1,096	998	98	n.a.	n.a.
63 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	487,008	220,549	27,323	193,226	238,735	27,724
64 Credit cards and related plans	186,188	87,356	n.a.	n.a.	97,186	1,646
65 Other (includes single payment and installment)	300,821	133,193	n.a.	n.a.	141,549	26,078
66 Obligations (other than securities) of states and political subdivisions in the United States (includes nonrated industrial development obligations)	19,489	10,415	251	10,163	8,113	961
67 All other loans	118,129	108,104	50,988	57,116	9,096	928
68 Loans to foreign governments and official institutions	n.a.	12,723	11,687	1,036	29	n.a.
69 Other loans	n.a.	95,381	39,301	56,080	9,068	n.a.
70 Loans for purchasing and carrying securities	n.a.	n.a.	n.a.	14,947	1,977	n.a.
71 All other loans (excludes consumer loans)	n.a.	n.a.	n.a.	41,133	7,090	n.a.
72 Lease-financing receivables	45,947	36,447	3,714	32,733	8,922	578
73 Assets held in trading accounts	255,816	254,507	↑	↑	1,270	1
74 Premises and fixed assets (including capitalized leases)	59,165	32,547	↑	↑	21,209	5,409
75 Other real estate owned	8,462	4,980	↑	↑	2,746	746
76 Investments in unconsolidated subsidiaries and associated companies	3,922	3,520	↑	↑	176	26
77 Customers' liability on acceptances outstanding	15,730	15,129	n.a.	↑	578	23
78 Net due from own foreign offices, Edge Act and agreement subsidiaries, and IBFs	n.a.	n.a.	↓	17,848	n.a.	n.a.
79 Intangible assets	26,136	16,641	↓	n.a.	9,005	490
80 Other assets	134,163	99,422	↓	n.a.	29,144	5,596

4.20 DOMESTIC AND FOREIGN OFFICES Insured Commercial Bank Assets and Liabilities - Continued
Consolidated Report of Condition, March 31, 1995

Millions of dollars except as noted

Item	Total	Banks with foreign offices ¹			Banks with domestic offices only	
		Total	Foreign	Domestic	Over 100	Under 100
81 Total liabilities, limited-life preferred stock, and equity capital	4,090,254	2,416,209	n.a.	n.a.	1,361,569	312,476
82 Total liabilities	3,768,054	2,245,307	692,973	1,654,101	1,241,861	280,886
83 Total deposits	2,842,294	1,518,810	432,207	1,076,602	1,051,181	272,303
84 Individuals, partnerships, and corporations	2,507,019	1,275,183	269,558	1,005,624	983,197	248,639
85 U.S. government	n.a.	n.a.	n.a.	3,370	2,009	361
86 States and political subdivisions in the United States	n.a.	n.a.	n.a.	33,706	48,602	19,759
87 Commercial banks in the United States	57,207	49,490	34,171	15,319	6,946	771
88 Other depository institutions in the United States	n.a.	n.a.	n.a.	2,626	3,289	1,048
89 Banks in foreign countries	n.a.	102,711	96,834	5,937	306	n.a.
90 Foreign governments and official institutions	n.a.	37,462	36,371	1,090	13	n.a.
91 Certified and official checks	18,124	9,617	687	8,940	6,818	1,689
92 Residual ²	259,945	-4,787	-4,585	n.a.	n.a.	37
93 Total transaction accounts				395,030	316,693	80,979
94 Individuals, partnerships, and corporations				345,880	284,922	71,289
95 U.S. government				2,811	1,556	248
96 States and political subdivisions in the United States				14,840	17,125	7315
97 Commercial banks in the United States				14,132	4,993	298
98 Other depository institutions in the United States				2,041	995	108
99 Banks in foreign countries				5,711	280	n.a.
100 Foreign governments and official institutions				685	3	n.a.
101 Certified and official checks				8,940	6,818	1,689
102 Residual ³				n.a.	n.a.	32
103 Demand deposits (included in total transaction accounts)				279,910	179,313	39,355
104 Individuals, partnerships, and corporations				248,021	158,987	35,361
105 U.S. government				2,448	1,507	248
106 States and political subdivisions in the United States				7,948	5,740	1,637
107 Commercial banks in the United States				14,132	4,990	298
108 Other depository institutions in the United States	n.a.	n.a.	n.a.	2,011	989	105
109 Banks in foreign countries				5,710	280	n.a.
110 Foreign governments and official institutions				679	3	n.a.
111 Certified and official checks				8,940	6,818	1,689
112 Residual ⁴				n.a.	n.a.	27
113 Total nontransaction accounts				681,572	734,189	191,325
114 Individuals, partnerships, and corporations				659,714	698,275	172,350
115 U.S. government				558	354	113
116 States and political subdivisions in the United States				18,866	31,476	12,443
117 Commercial banks in the United States				1,187	1,953	473
118 U.S. branches and agencies of foreign banks				51	371	n.a.
119 Other commercial banks in the United States				1,136	1,532	n.a.
120 Other depository institutions in the United States				585	2,294	940
121 Banks in foreign countries				276	26	n.a.
122 Foreign branches of other U.S. banks				0	0	n.a.
123 Other banks in foreign countries				276	26	n.a.
124 Foreign governments and official institutions				406	10	n.a.
125 Residual ⁵				n.a.	n.a.	5
126 Federal funds purchased and securities sold under agreements to repurchase	317,877	228,364	454	227,910	85,966	3,546
127 Federal funds purchased	220,728	166,088	n.a.	n.a.	52,963	1,677
128 Securities sold under agreements to repurchase	97,149	62,276	n.a.	n.a.	33,001	1,869
129 Demand notes issued to the U.S. Treasury	11,048	9,155	0	9,155	4,778	85
130 Trading liabilities	185,981	185,847	n.a.	n.a.	133	0
131 Other borrowed money	247,831	165,761	-46,983	118,778	79,773	2,296
132 Banks' liability on acceptances executed and outstanding	15,751	15,153	4,398	10,855	578	24
133 Notes and debentures subordinated to deposits	40,654	37,504	n.a.	n.a.	3,116	35
134 Net due to own foreign offices, Edge Act and agreement subsidiaries, and IBIs	n.a.	n.a.	n.a.	83,920	n.a.	n.a.
135 All other liabilities	106,644	84,712	n.a.	n.a.	19,333	2,598
136 Total equity capital	322,196	170,902	n.a.	n.a.	119,407	31,587
M-M-O						
137 Holdings of commercial paper included in total loans, gross		538	116	422	470	n.a.
138 Total individual retirement (IRA) and Keogh plan accounts				63,772	67,223	15,161
139 Total brokered deposits				26,614	21,406	967
140 Fully insured brokered deposits				22,511	18,830	928
141 Issued in denominations of less than \$100,000				2,283	4,613	800
142 Issued in denominations of \$100,000, or in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less				20,227	14,217	128
143 Money market deposit accounts (MMDAs)	n.a.	n.a.	n.a.	231,272	161,346	29,048
144 Other savings deposits (excluding MMDAs)				132,676	133,184	32,617
145 Total time deposits of less than \$100,000				222,550	333,434	101,910
146 Time certificates of deposit of \$100,000 or more				89,895	101,258	26,854
147 Open-account time deposits of \$100,000 or more				12,129	2,267	895
148 All negotiable order of withdrawal (NOW) accounts				114,303	135,522	40,594
149 Number of banks	10,222	198		n.a.	2,913	7,110

Footnotes appear at the end of table 4.22.

4.22 DOMESTIC OFFICES Insured Commercial Bank Assets and Liabilities
Consolidated Report of Condition, March 31, 1995

Millions of dollars except as noted

Item	Total	Members			Non members
		Total	National	State	
1 Total assets	3,499,003	2,622,452	1,979,071	643,381	876,551
2 Cash and balances due from depository institutions	192,017	153,309	113,362	38,947	38,708
3 Total securities, held-to-maturity (amortized cost) and available-for-sale (fair value)	445,926	236,781	185,947	50,834	209,145
4 U.S. Treasury securities	134,139	70,688	53,428	17,260	63,451
5 U.S. government agency and corporation obligations (excludes mortgage backed securities)	80,856	37,958	29,289	8,668	42,898
6 Securities issued by states and political subdivisions in the United States	53,955	26,675	20,471	6,203	27,280
7 Mortgage-backed securities (MBS)	154,848	90,217	73,480	15,737	64,631
8 Pass-through securities	89,000	52,957	43,379	9,678	36,043
9 Issued or guaranteed by FNMA, FHLMC, or GNMA	88,268	52,560	42,925	9,645	35,708
10 Other pass through securities	732	397	354	43	335
11 Other mortgage backed securities (includes CMOs, REMICs, and stripped MBS)	65,848	37,260	31,201	6,059	28,588
12 Issued or guaranteed by FNMA, FHLMC, or GNMA	58,360	33,078	27,615	5,462	25,282
13 All other mortgage-backed securities	7,488	4,183	3,586	597	3,306
14 Other debt securities	14,630	6,940	4,914	1,996	7,681
15 Equity securities	7,508	1,303	3,334	969	3,205
16 Investments in mutual funds	1,510	655	557	97	886
17 Other equity securities with readily determinable fair values	1,023	339	173	166	685
18 All other equity securities	-494	410	2,601	706	1,634
19 Federal funds sold and securities purchased under agreements to resell	151,787	135,581	88,071	37,511	26,206
20 Total loans and lease-financing receivables, gross	2,161,721	1,611,870	1,250,131	461,739	549,851
21 Less: Unearned income on loans	-4,657	-2,692	-2,108	-584	-1,965
22 Total loans and leases (net of unearned income)	2,157,064	1,609,178	1,248,023	361,155	547,886
<i>Total loans gross, by category</i>					
23 Loans secured by real estate	986,011	697,987	549,701	148,286	288,024
24 Construction and land development	65,202	44,018	33,685	10,333	21,183
25 Farmland	22,936	10,436	8,307	2,028	12,510
26 One- to four family residential properties	578,859	426,072	336,421	89,651	152,787
27 Revolving, open-end loans, extended under lines of credit	75,930	58,420	45,203	12,717	17,520
28 All other loans	502,918	367,652	290,717	76,934	135,267
29 Multifamily (five or more) residential properties	32,677	22,138	17,330	4,798	10,539
30 Nonfarm nonresidential properties	286,329	195,324	153,758	41,566	91,005
31 Loans to depository institutions	44,539	41,653	36,879	4,774	2,896
32 Loans to finance agricultural production and other loans to farmers	36,933	18,639	15,210	3,429	18,293
33 Commercial and industrial loans	505,283	406,761	304,276	102,485	98,522
34 Acceptances of other banks	650	448	254	93	302
35 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	459,685	333,737	266,145	67,592	125,948
36 Obligations (other than securities) of states and political subdivisions in the United States	19,237	15,262	11,700	3,562	3,975
37 All other loans	67,131	61,322	37,363	23,859	5,819
38 Lease-financing receivables	42,232	36,161	28,504	7,658	6,071
39 Net due from own foreign offices, Edge Act and agreement subsidiaries, and IBFs	17,848	15,649	11,570	4,079	2,199
40 Remaining assets	534,361	481,954	331,098	150,856	52,407
41 Total liabilities	3,176,848	2,383,351	1,801,215	582,136	793,497
42 Total deposits	2,400,087	1,730,576	1,323,839	406,737	669,511
43 Individuals, partnerships, and corporations	2,237,460	1,617,015	1,241,100	375,915	620,446
44 U.S. government	5,740	4,625	3,812	813	1,115
45 States and political subdivisions in the United States	102,066	65,824	47,947	17,876	36,243
46 Commercial banks in the United States	23,036	19,504	14,365	5,140	3,532
47 Other depository institutions in the United States	6,964	3,878	2,942	936	3,085
48 Certified and official checks	17,437	13,065	9,663	3,402	4,371
49 Banks in foreign countries, foreign governments, and foreign official institutions	7,384	6,665	4,010	2,655	719
50 Total transaction accounts	792,702	596,786	454,874	131,911	195,916
51 Individuals, partnerships, and corporations	702,091	526,623	403,168	123,454	175,468
52 U.S. government	4,615	3,788	3,036	752	827
53 States and political subdivisions in the United States	39,280	26,572	20,019	6,552	12,709
54 Commercial banks in the United States	19,424	18,123	13,518	4,604	1,301
55 Other depository institutions in the United States	3,134	2,364	1,733	640	781
56 Certified and official checks	17,437	13,065	9,663	3,402	4,371
57 Banks in foreign countries, foreign governments, and foreign official institutions	6,711	6,252	3,736	2,516	460
58 Demand deposits (included in total transaction accounts)	498,578	388,463	290,033	98,430	110,115
59 Individuals, partnerships, and corporations	432,369	333,560	249,964	83,597	98,808
60 U.S. government	4,194	3,398	2,662	736	795
61 States and political subdivisions in the United States	15,325	11,720	8,768	2,951	3,606
62 Commercial banks in the United States	19,420	18,120	13,515	4,604	1,301
63 Other depository institutions in the United States	3,135	2,359	1,729	630	776
64 Certified and official checks	17,437	13,065	9,663	3,402	4,371
65 Banks in foreign countries, foreign governments, and foreign official institutions	6,699	6,241	3,731	2,510	458
66 Total nontransaction accounts	1,607,385	1,133,790	868,965	264,825	473,595
67 Individuals, partnerships, and corporations	1,535,370	1,090,392	837,931	252,460	444,978
68 U.S. government	1,125	838	777	61	288
69 States and political subdivisions in the United States	62,786	39,252	27,928	11,324	23,534
70 Commercial banks in the United States	3,612	1,381	816	535	2,231
71 Other depository institutions in the United States	3,819	1,515	1,209	306	2,305
72 Banks in foreign countries, foreign governments, and foreign official institutions	672	413	274	139	259

4.22 DOMESTIC OFFICES Insured Commercial Bank Assets and Liabilities - Continued
Consolidated Report of Condition, March 31, 1995

Millions of dollars except as noted

Item	Total	Members			Non members
		Total	National	State	
73 Federal funds purchased and securities sold under agreements to repurchase	317,423	265,273	190,942	74,331	52,150
74 Demand notes issued to the U.S. Treasury	11,018	9,978	6,328	3,650	1,010
75 Other borrowed money	200,848	158,206	112,842	45,363	42,643
76 Banks liability on acceptances executed and outstanding ¹	11,456	10,868	8,184	2,684	588
77 Net due to own foreign offices, Edge Act and agreement subsidiaries, and IBFs	83,920	71,050	53,473	17,577	12,869
78 Remaining liabilities	152,097	137,400	105,606	31,794	14,697
MEMO					
79 Trading assets at large banks ²	83,685	82,785	48,928	33,858	900
80 U.S. Treasury securities (domestic offices)	14,430	14,370	10,797	3,573	110
81 U.S. government agency corporation obligations	1,880	1,826	1,396	430	54
82 Securities issued by states and political subdivisions in the United States	683	634	407	227	49
83 Mortgage-backed securities	4,151	4,100	2,419	1,681	51
84 Other debt securities	350	285	195	90	65
85 Certificates of deposit	1,028	1,028	847	181	0
86 Commercial paper	359	269	269	0	91
87 Bankers acceptances	1,419	1,446	1,021	325	73
88 Other trading assets	6,394	6,331	3,558	2,773	63
89 Revaluation gains on interest rate, foreign exchange rate, and other commodity and equity contracts	52,989	52,646	28,018	24,628	343
90 Total individual retirement (IRA) and Keogh plan accounts	146,157	106,202	83,461	22,742	39,955
91 Total brokered deposits	49,286	33,933	23,971	9,961	15,353
92 Fully insured brokered deposits	42,269	29,671	21,712	7,958	12,599
93 Issued in denominations of less than \$100,000	7,697	5,547	5,166	382	2,150
94 Issued in denominations of \$100,000, or in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less	31,572	28,386	16,544	7,577	10,449
95 Money market deposit accounts (MMDAs)	111,756	319,173	247,667	71,506	95,583
96 Other savings deposits	298,477	215,295	156,998	58,297	83,182
97 Total time deposits of less than \$100,000	657,804	442,900	349,463	93,437	214,904
98 Time certificates of deposit of \$100,000 or more	221,037	144,184	109,175	35,008	76,834
99 Open account time deposits of \$100,000 or more	15,341	12,239	5,662	6,578	3,102
100 All negotiable order of withdrawal (NOW) accounts	290,418	206,305	163,114	43,191	84,114
101 Number of banks	10,222	3,959	2,982	977	6,263

NOTE: The notation "n.a." indicates the lesser detail available from banks that don't have foreign offices, the inapplicability of certain items to banks that have only domestic offices or the absence of detail on a fully consolidated basis for banks that have foreign offices.

1. All transactions between domestic and foreign offices of a bank are reported in "net due from" and "net due to" lines. All other lines represent transactions with parties other than the domestic and foreign offices of each bank. Because these intra-office 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.

Foreign offices include branches in foreign countries, Puerto Rico, and U.S. territories and possessions, subsidiaries in foreign countries; all offices of Edge Act and agreement corporations wherever located; and IBFs.

2. "Over 100" refers to banks whose assets, on June 30 of the preceding calendar year, were \$100 million or more. (These banks file the FFIEC 032 or FFIEC 033 Call Report.) "Under 100" refers to banks whose assets, on June 30 of the preceding calendar year, were less than \$100 million. (These banks file the FFIEC 034 Call Report.)

3. Because the domestic portion of allowances for loan and lease losses and allocated transfer risk reserves are not reported for banks with foreign offices, the components of total assets (domestic) do not sum to the actual total (domestic).

4. "Residual" equals the sum of the "n.a." categories listed above it.

5. Components of "Trading assets at large banks" are reported only by banks with either total assets of \$1 billion or more or with \$2 billion or more in the proportional amount of their off-balance sheet derivative contracts.

4.20 DOMESTIC AND FOREIGN OFFICES Insured Commercial Bank Assets and Liabilities
Consolidated Report of Condition, June 30, 1995

Millions of dollars except as noted

Item	Total	Banks with foreign offices ¹			Banks with domestic offices only ²	
		Total	Foreign	Domestic	Over 100	Under 100
1 Total assets ³	4,143,443	2,433,201	681,929	1,846,349	1,392,340	317,902
2 Cash and balances due from depository institutions	280,877	195,292	82,106	113,186	69,757	15,827
3 Cash items in process of collection, unposted debits, and currency and coin	↑	88,364	2,497	85,868	41,830	↑
4 Cash items in process of collection and unposted debits	n.a.	n.a.	n.a.	66,883	29,168	n.a.
5 Currency and coin	n.a.	n.a.	n.a.	18,985	12,662	n.a.
6 Balances due from depository institutions in the United States	n.a.	24,445	15,638	8,808	16,676	n.a.
7 Balances due from banks in foreign countries and foreign central banks	↓	68,771	63,863	4,908	1,173	↓
8 Balances due from Federal Reserve Banks	n.a.	13,712	108	13,603	10,078	n.a.
9 Non-interest-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.	6,836	1,385	6,360
10 Total securities, held-to-maturity (amortized cost) and available-for-sale (fair value)	795,906	358,322	35,507	322,815	338,864	98,723
11 U.S. Treasury securities	214,171	89,745	844	88,901	94,195	30,231
12 U.S. government agency and corporation obligations (excludes mortgage backed securities)	113,126	28,599	72	28,528	55,844	28,686
13 Issued by U.S. government agencies	5,337	1,850	n.a.	n.a.	2,559	929
14 Issued by U.S. government-sponsored agencies	107,788	26,749	n.a.	n.a.	53,282	27,757
15 Securities issued by states and political subdivisions in the United States	14,092	20,448	496	19,953	38,159	15,484
16 General obligations	54,491	13,798	n.a.	n.a.	29,468	11,325
17 Revenue obligations	18,779	6,280	n.a.	n.a.	8,443	4,056
18 Industrial development and similar obligations	823	371	n.a.	n.a.	148	104
19 Mortgage-backed securities (MBS)	317,405	164,310	2,635	161,675	132,314	20,782
20 Pass-through securities	182,593	94,635	2,592	92,043	75,696	12,262
21 Guaranteed by GNMA	69,013	43,580	n.a.	n.a.	21,646	3,786
22 Issued by FNMA and FHLMC	110,352	48,738	n.a.	n.a.	53,184	8,429
23 Privately issued	3,229	2,317	0	2,317	865	46
24 Other mortgage-backed securities (includes CMOs, REMICs, and stripped MBS)	134,812	69,675	43	69,632	56,618	8,519
25 Issued or guaranteed by FNMA, FHLMC or GNMA	112,166	54,732	7	54,724	49,386	8,048
26 Collateralized by MBS issued or guaranteed by FNMA, FHLMC, or GNMA	3,132	1,274	n.a.	n.a.	1,549	309
27 All other mortgage backed securities	19,514	13,669	n.a.	n.a.	5,083	162
28 Other debt securities	60,002	46,107	30,126	15,981	11,659	2,237
29 Other domestic debt securities	n.a.	13,990	301	13,689	11,291	n.a.
30 Foreign debt securities	n.a.	32,117	29,825	2,292	768	n.a.
31 Equity securities	17,109	9,112	1,335	1,777	6,694	1,303
32 Investments in mutual funds	2,488	787	26	762	1,256	445
33 Other equity securities with readily determinable fair value	3,862	2,781	757	2,024	987	95
34 All other equity securities	10,759	5,544	553	4,991	4,452	764
35 Federal funds sold and securities purchased under agreements to resell	162,702	103,113	370	102,742	46,428	13,161
36 Federal funds sold	137,979	82,308	n.a.	n.a.	42,620	13,052
37 Securities purchased under agreements to resell	24,723	20,805	n.a.	n.a.	3,808	109
38 Total loans- and lease-financing receivables, gross	2,489,356	1,417,062	255,034	1,162,027	890,690	181,605
39 LESS: Unearned income on loans	5,716	2,444	1,040	1,305	2,315	957
40 Total loans and leases (net of unearned income)	2,483,640	1,414,617	253,994	1,160,623	888,375	180,648
41 LESS: Allowance for loan and lease losses	52,589	33,495	n.a.	n.a.	16,251	2,844
42 LESS: Allocated transfer risk reserves	109	108	n.a.	n.a.	0	0
43 EQUALS: Total loans and leases, net	2,430,943	1,381,014	n.a.	n.a.	872,124	177,804
Total loans, gross, by category						
44 Loans secured by real estate	1,042,351	486,201	26,970	459,231	454,827	101,323
45 Construction and land development	↑	↑	↑	27,119	31,779	6,926
46 Farmland	↑	↑	↑	2,392	9,897	11,290
47 One- to four family residential properties	↑	↑	↑	291,920	257,392	53,461
48 Revolving, open-end loans, extended under lines of credit	n.a.	n.a.	n.a.	45,624	30,707	2,568
49 All other loans	↓	↓	↓	246,296	226,685	50,894
50 Multifamily (five or more) residential properties	↓	↓	↓	14,525	16,607	2,299
51 Nonfarm nonresidential properties	↓	↓	↓	123,276	119,153	27,346
52 Loans to depository institutions	76,552	71,110	27,528	43,581	5,251	191
53 Commercial banks in the United States	n.a.	38,843	1,211	37,631	4,602	n.a.
54 Other depository institutions in the United States	n.a.	2,837	76	2,761	104	n.a.
55 Banks in foreign countries	n.a.	29,430	26,241	3,189	545	n.a.
56 Loans to finance agricultural production and other loans to farmers	401,179	5,749	206	5,543	14,803	19,627
57 Commercial and industrial loans	636,937	463,814	116,966	346,848	143,681	29,442
58 U.S. addressees (domestic)	n.a.	367,675	23,933	343,742	143,010	n.a.
59 Non-U.S. addressees (domestic)	n.a.	96,140	93,033	3,107	671	n.a.
60 Acceptances of other banks	1,685	1,162	1,142	320	129	93
61 U.S. banks	n.a.	233	1	232	n.a.	n.a.
62 Foreign banks	n.a.	1,229	1,141	88	n.a.	n.a.
63 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	499,825	226,730	28,241	198,489	244,705	28,390
64 Credit cards and related plans	193,604	90,582	n.a.	n.a.	101,363	1,659
65 Other (includes single payment and installment)	306,222	136,148	n.a.	n.a.	143,342	26,731
66 Obligations (other than securities) of states and political subdivisions in the United States (includes nonrated industrial development obligations)	19,058	10,176	206	9,969	7,917	965
67 All other loans	123,980	113,281	49,945	63,336	9,729	971
68 Loans to foreign governments and official institutions	n.a.	12,275	833	21	n.a.	n.a.
69 Other loans	n.a.	101,006	38,503	62,503	9,708	n.a.
70 Loans for purchasing and carrying securities	n.a.	n.a.	n.a.	18,356	2,004	n.a.
71 All other loans (excludes consumer loans)	n.a.	n.a.	n.a.	44,147	7,704	n.a.
72 Lease-financing receivables	48,788	38,539	3,801	34,737	9,647	602
73 Assets held in trading accounts	220,403	218,681	↑	↑	1,676	1
74 Premises and fixed assets (including capitalized leases)	59,854	32,870	↑	↑	21,494	5,491
75 Other real estate owned	7,878	4,604	n.a.	n.a.	2,582	692
76 Investments in unconsolidated subsidiaries and associated companies	3,890	3,488	n.a.	n.a.	378	24
77 Customers' liability on acceptances outstanding	15,589	14,984	↓	↓	584	21
78 Net due from own foreign offices, Edge Act and agreement subsidiaries, and IBFs	n.a.	n.a.	↓	17,216	n.a.	n.a.
79 Intangible assets	26,738	16,846	n.a.	n.a.	9,722	521
80 Other assets	138,663	103,988	↓	n.a.	29,084	5,590

4.20 DOMESTIC AND FOREIGN OFFICES Insured Commercial Bank Assets and Liabilities--Continued
 Consolidated Report of Condition, June 30, 1995
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Item	Total	Banks with foreign offices ¹			Banks with domestic offices only ²	
		Total	Foreign	Domestic	Over 100	Under 100
81 Total liabilities, limited-life preferred stock, and equity capital	4,143,443	2,433,201	n.a.	n.a.	1,392,340	317,902
82 Total liabilities	3,810,646	2,257,078	681,881	1,670,273	1,268,329	285,239
83 Total deposits	2,886,299	1,542,597	439,450	1,103,146	1,067,630	276,072
84 Individuals, partnerships, and corporations	2,552,912	1,303,315	273,246	1,030,069	997,679	251,918
85 U.S. government	n.a.	n.a.	n.a.	3,564	2,174	423
86 States and political subdivisions in the United States	n.a.	n.a.	n.a.	33,555	49,096	19,896
87 Commercial banks in the United States	62,951	54,574	37,835	16,738	7,567	810
88 Other depository institutions in the United States	n.a.	n.a.	n.a.	2,678	3,258	1,163
89 Banks in foreign countries	n.a.	96,447	90,269	6,178	402	n.a.
90 Foreign governments and official institutions	n.a.	34,639	33,611	1,027	17	n.a.
91 Certified and official checks	19,594	10,325	989	9,335	7,437	1,832
92 Residual ³	250,842	43,298	4,500	n.a.	n.a.	29
93 Total transaction accounts	↑	↑	↑	403,091	319,166	80,996
94 Individuals, partnerships, and corporations	↑	↑	↑	350,556	284,367	70,914
95 U.S. government	↑	↑	↑	3,073	1,768	307
96 States and political subdivisions in the United States	↑	↑	↑	15,858	18,558	7,514
97 Commercial banks in the United States	↑	↑	↑	15,637	5,579	293
98 Other depository institutions in the United States	↑	↑	↑	2,074	1,064	111
99 Banks in foreign countries	↑	↑	↑	5,917	386	n.a.
100 Foreign governments and official institutions	↑	↑	↑	641	7	n.a.
101 Certified and official checks	↑	↑	↑	9,335	7,437	1,832
102 Residual ⁴	↑	↑	↑	n.a.	n.a.	26
103 Demand deposits (included in total transaction accounts)	↑	↑	↑	298,908	187,610	40,351
104 Individuals, partnerships, and corporations	↑	↑	↑	253,768	165,131	36,155
105 U.S. government	↑	↑	↑	2,624	1,699	294
106 States and political subdivisions in the United States	↑	↑	↑	8,919	6,315	1,646
107 Commercial banks in the United States	↑	↑	↑	15,637	5,575	292
108 Other depository institutions in the United States	↑	↑	↑	2,074	1,059	110
109 Banks in foreign countries	↑	↑	↑	5,916	386	n.a.
110 Foreign governments and official institutions	↑	↑	↑	635	7	n.a.
111 Certified and official checks	↑	↑	↑	9,335	7,437	1,832
112 Residual ⁵	↑	↑	↑	n.a.	n.a.	22
113 Total nontransaction accounts	↓	↓	↓	700,055	748,464	195,076
114 Individuals, partnerships, and corporations	↓	↓	↓	679,513	713,312	181,004
115 U.S. government	↓	↓	↓	491	406	117
116 States and political subdivisions in the United States	↓	↓	↓	17,697	30,538	12,383
117 Commercial banks in the United States	↓	↓	↓	1,102	1,988	517
118 U.S. branches and agencies of foreign banks	↓	↓	↓	51	444	n.a.
119 Other commercial banks in the United States	↓	↓	↓	1,050	1,545	n.a.
120 Other depository institutions in the United States	↓	↓	↓	605	2,194	1,051
121 Banks in foreign countries	↓	↓	↓	261	15	n.a.
122 Foreign branches of other U.S. banks	↓	↓	↓	0	2	n.a.
123 Other banks in foreign countries	↓	↓	↓	261	13	n.a.
124 Foreign governments and official institutions	↓	↓	↓	387	10	n.a.
125 Residual ⁶	↓	↓	↓	n.a.	n.a.	3
126 Federal funds purchased and securities sold under agreements to repurchase						
127 Federal funds purchased	317,337	228,225	173	227,852	85,535	3,577
128 Securities sold under agreements to repurchase	220,802	164,735	n.a.	n.a.	54,396	1,671
129 Demand notes issued to the U.S. Treasury	96,534	63,491	n.a.	n.a.	31,138	1,905
130 Trading liabilities	34,531	29,238	0	29,238	5,082	230
131 Other borrowed money	149,402	149,224	n.a.	n.a.	177	1
132 Banks' liability on acceptances executed and outstanding	260,475	171,246	48,265	122,981	86,666	2,563
133 Notes and debentures subordinated to deposits	15,624	15,019	3,970	11,049	584	21
134 Net due to own foreign offices, Edge Act and agreement subsidiaries, and IBFs	42,026	38,715	n.a.	n.a.	3,280	30
135 All other liabilities	n.a.	n.a.	n.a.	77,861	n.a.	n.a.
136 Total equity capital	104,934	82,814	n.a.	n.a.	19,374	2,745
	332,792	176,123	n.a.	n.a.	124,009	32,660
M-MO						
137 Holdings of commercial paper included in total loans, gross						
138 Total individual retirement (IRA) and Keogh plan accounts	↑	529	120	409	436	n.a.
139 Total brokered deposits	↑	↑	↑	64,926	68,771	15,684
140 Fully insured brokered deposits	↑	↑	↑	24,017	21,279	1,027
141 Issued in denominations of less than \$100,000	↑	↑	↑	20,293	18,743	970
142 Issued in denominations of \$100,000, or in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less	↑	↑	↑	2,303	3,346	797
143 Money market deposit accounts (MMDAs)	n.a.	n.a.	n.a.	17,992	15,397	173
144 Other savings deposits (excluding MMDAs)	n.a.	n.a.	n.a.	235,323	161,930	28,149
145 Total time deposits of less than \$100,000	n.a.	n.a.	n.a.	131,557	131,521	31,778
146 Time certificates of deposit of \$100,000 or more	n.a.	n.a.	n.a.	230,721	345,282	106,132
147 Open-account time deposits of \$100,000 or more	n.a.	n.a.	n.a.	89,359	107,349	28,159
148 All negotiable order of withdrawal (NOW) accounts	n.a.	n.a.	n.a.	13,096	2,383	857
	n.a.	n.a.	n.a.	103,105	129,815	49,652
149 Number of banks	10,150	198	↓	n.a.	2,893	7,059

Footnotes appear at the end of table 4.22

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4.22 DOMESTIC OFFICES Insured Commercial Bank Assets and Liabilities
Consolidated Report of Condition, June 30, 1995

Millions of dollars except as noted

Item	Total	Members			Non-members
		Total	National	State	
1 Total assets	3,556,591	2,658,423	1,993,133	665,290	898,168
2 Cash and balances due from depository institutions	198,771	157,524	117,854	39,670	41,247
3 Total securities, held-to-maturity (amortized cost) and available-for-sale (fair value)	437,584	232,207	177,244	54,963	205,377
4 U.S. Treasury securities	124,426	64,390	46,498	17,892	60,036
5 U.S. government agency and corporation obligations (excludes mortgage backed securities)	84,527	40,460	29,900	10,559	44,067
6 Securities issued by states and political subdivisions in the United States	53,644	26,883	20,147	6,737	26,760
7 Mortgage backed securities (MBS)	153,095	89,135	72,504	16,640	63,961
8 Pass-through securities	87,958	52,125	42,368	9,758	35,833
9 Issued or guaranteed by FNMA, FHLMC, or GNMA	87,046	51,531	41,963	9,568	35,515
10 Other pass-through securities	911	594	404	190	318
11 Other mortgage backed securities (include CMOs, RLMICs, and stripped MBS)	65,137	37,009	30,137	6,873	28,128
12 Issued or guaranteed by FNMA, FHLMC, or GNMA	57,435	32,791	26,704	6,088	24,643
13 All other mortgage-backed securities	7,703	4,218	3,433	785	3,485
14 Other debt securities	13,895	6,746	4,689	2,057	7,149
15 Equity securities	7,997	4,594	3,506	1,087	3,404
16 Investments in mutual funds	1,701	701	554	147	999
17 Other equity securities with readily determinable fair values	1,081	423	251	172	658
18 All other equity securities	5,216	3,469	2,701	768	1,746
19 Federal funds sold and securities purchased under agreements to resell	162,331	132,702	91,649	41,053	29,630
20 Total loans and lease financing receivables, gross	2,234,322	1,668,583	1,280,742	387,841	565,739
21 LESS: Unearned income on loans	4,676	2,624	2,036	588	2,052
22 Total loans and leases (net of unearned income)	2,229,646	1,665,960	1,278,706	387,253	563,686
<i>Total loans, gross, by category</i>					
23 Loans secured by real estate	1,015,381	719,651	560,307	159,344	295,731
24 Construction and land development	65,824	43,932	33,164	10,768	21,892
25 Farmland	23,579	10,767	8,551	2,216	12,812
26 One- to four family residential properties	602,773	445,089	348,227	96,861	157,685
27 Revolving, open-end loans, extended under lines of credit	78,899	60,684	47,125	13,560	18,215
28 All other loans	523,875	384,404	301,103	83,301	119,470
29 Multifamily (five or more) residential properties	33,441	22,474	17,463	5,012	10,957
30 Nonfarm nonresidential properties	289,774	197,389	152,902	44,487	92,485
31 Loans to depository institutions	49,023	45,829	40,925	4,905	3,194
32 Loans to finance agricultural production and other loans to farmers	39,945	19,826	16,016	3,810	20,119
33 Commercial and industrial loans	519,971	418,908	310,744	108,164	101,063
34 Acceptances of other banks	543	511	214	97	231
35 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	471,584	342,757	270,604	72,152	128,827
36 Obligations (other than securities) of states and political subdivisions in the United States	18,852	15,029	11,327	3,701	3,824
37 All other loans	74,036	67,863	40,633	27,231	6,172
38 Lease financing receivables	44,987	38,410	29,922	8,438	6,577
39 Net due from own foreign offices, Edge Act and agreement subsidiaries, and IBFs	17,216	14,251	10,129	4,122	2,964
40 Remaining assets	511,043	455,780	317,551	148,229	55,263
41 Total liabilities	3,223,842	2,411,400	1,811,553	599,847	812,442
42 Total deposits	2,446,848	1,763,111	1,332,798	430,313	683,737
43 Individuals, partnerships, and corporations	2,279,666	1,645,942	1,247,949	397,992	633,724
44 U.S. government	6,161	4,948	4,048	899	1,213
45 States and political subdivisions in the United States	102,547	66,023	48,099	17,924	36,524
46 Commercial banks in the United States	25,116	21,452	15,521	5,931	3,664
47 Other depository institutions in the United States	7,099	4,029	3,028	1,000	3,071
48 Certified and official checks	18,605	13,835	10,066	3,769	4,769
49 Banks in foreign countries, foreign governments, and foreign official institutions	7,654	6,883	4,086	2,797	771
50 Total transaction accounts	803,253	603,520	448,833	154,687	199,733
51 Individuals, partnerships, and corporations	705,837	527,954	394,151	133,804	177,882
52 U.S. government	5,147	4,183	3,338	845	964
53 States and political subdivisions in the United States	41,929	28,687	21,195	7,492	13,243
54 Commercial banks in the United States	21,508	19,929	14,555	5,374	1,580
55 Other depository institutions in the United States	3,250	2,474	1,752	722	776
56 Certified and official checks	18,605	13,835	10,066	3,769	4,769
57 Banks in foreign countries, foreign governments, and foreign official institutions	6,977	6,458	3,776	2,681	519
58 Demand deposits (included in total transaction accounts)	526,870	411,459	301,482	109,977	115,411
59 Individuals, partnerships, and corporations	455,054	352,114	259,121	92,993	102,940
60 U.S. government	4,618	3,686	2,855	831	931
61 States and political subdivisions in the United States	16,880	12,979	9,368	3,611	3,901
62 Commercial banks in the United States	21,504	19,925	14,551	5,374	1,579
63 Other depository institutions in the United States	3,242	2,471	1,750	721	771
64 Certified and official checks	18,605	13,835	10,066	3,769	4,769
65 Banks in foreign countries, foreign governments, and foreign official institutions	6,966	6,448	3,771	2,677	518
66 Total nontransaction accounts	1,643,596	1,159,592	883,965	275,627	484,004
67 Individuals, partnerships, and corporations	1,573,830	1,117,987	853,799	264,189	455,842
68 U.S. government	1,014	765	711	54	249
69 States and political subdivisions in the United States	60,618	37,336	26,904	10,432	23,281
70 Commercial banks in the United States	3,607	1,524	966	557	2,084
71 Other depository institutions in the United States	3,850	1,555	1,276	278	2,295
72 Banks in foreign countries, foreign governments, and foreign official institutions	677	425	309	116	252

4.22 DOMESTIC OFFICES Insured Commercial Bank Assets and Liabilities—Continued
Consolidated Report of Condition, June 30, 1995

Millions of dollars except as noted

Item	Total	Members			Non-members
		Total	National	State	
73 Federal funds purchased and securities sold under agreements to repurchase	316,964	263,616	185,727	77,890	53,347
74 Demand notes issued to the U.S. Treasury	34,551	31,459	17,446	14,013	3,092
75 Other borrowed money	212,210	168,136	122,767	45,369	44,073
76 Banks liability on acceptances executed and outstanding	11,655	11,075	8,046	3,029	580
77 Net due to own foreign offices, Edge Act and agreement subsidiaries, and IBFs	77,861	64,714	51,099	13,615	13,148
78 Remaining liabilities	123,753	109,289	93,670	15,619	14,465
MEMO					
79 Trading assets at large banks ⁵	69,803	68,884	39,350	29,533	920
80 U.S. Treasury securities (domestic offices)	13,307	13,202	7,529	5,673	105
81 U.S. government agency corporation obligations	2,062	1,995	1,684	311	67
82 Securities issued by states and political subdivisions in the United States	1,338	1,285	894	391	53
83 Mortgage-backed securities	2,612	2,590	1,018	1,571	22
84 Other debt securities	929	873	700	173	56
85 Certificates of deposit	885	885	521	364	0
86 Commercial paper	282	157	157	0	125
87 Bankers acceptances	2,204	1,973	1,221	752	231
88 Other trading assets	5,382	5,310	3,202	2,108	71
89 Revaluation gains on interest rate, foreign exchange rate, and other commodity and equity contracts	40,802	40,613	22,424	18,190	189
90 Total individual retirement (IRA) and Keogh plan accounts	149,381	108,069	83,908	24,162	41,312
91 Total brokered deposits	46,323	31,665	23,566	8,099	14,658
92 Fully insured brokered deposits	40,008	27,578	21,454	6,124	12,430
93 Issued in denominations of less than \$100,000	6,446	4,410	4,104	305	2,036
94 Issued in denominations of \$100,000, or in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less	33,562	23,169	17,349	5,819	10,394
95 Money market deposit accounts (MMDAs)	425,402	331,127	257,445	73,682	94,274
96 Other savings deposits	294,856	213,474	153,723	59,751	81,383
97 Total time deposits of less than \$100,000	682,135	456,944	356,034	100,910	225,191
98 Time certificates of deposit of \$100,000 or more	224,867	144,890	110,677	34,214	79,977
99 Open-account time deposits of \$100,000 or more	16,336	13,156	6,086	7,070	3,179
100 All negotiable order of withdrawal (NOW) accounts	272,572	189,962	145,528	44,434	82,610
101 Number of banks	10,150	3,937	2,944	993	6,213

NOTE: The notation "n.a." indicates the lesser detail available from banks that don't have foreign offices, the inapplicability of certain items to banks that have only domestic offices or the absence of detail on a fully consolidated basis for banks that have foreign offices.

1. All transactions between domestic and foreign offices of a bank are reported in "net due from" and "net due to" lines. All other lines represent transactions with parties other than the domestic and foreign offices of each bank. Because 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.

Foreign offices include branches in foreign countries, Puerto Rico, and U.S. territories and possessions; subsidiaries in foreign countries; all offices of Edge Act and agreement corporations wherever located; and IBFs.

2. "Over 100" refers to banks whose assets, on June 30 of the preceding calendar year, were \$100 million or more. (These banks file the FFIEC 032 or FFIEC 033 Call Report.) "Under 100" refers to banks whose assets, on June 30 of the preceding calendar year, were less than \$100 million. (These banks file the FFIEC 034 Call Report.)

3. Because the domestic portion of allowances for loan and lease losses and allocated transfer risk reserves are not reported for banks with foreign offices, the components of total assets (domestic) do not sum to the actual total (domestic).

4. "Residual" equals the sum of the "n.a." categories listed above it.

5. Components of "Trading assets at large banks" are reported only by banks with either total assets of \$1 billion or more or with \$2 billion or more in the par/notional amount of their off-balance-sheet derivative contracts.

4.20 DOMESTIC AND FOREIGN OFFICES Insured Commercial Bank Assets and Liabilities
Consolidated Report of Condition, September 30, 1995

Millions of dollars except as noted

Item	Total	Banks with foreign offices ¹			Banks with domestic offices only ²	
		Total	Foreign	Domestic	Over 100	Under 100
1 Total assets³	4,201,899	2,471,741	696,178	1,878,415	1,408,789	321,368
2 Cash and balances due from depository institutions	274,090	190,850	76,997	113,853	67,868	15,372
3 Cash items in process of collection, unposted debits, and currency and com	↑	88,605	2,178	86,427	39,827	↑
4 Cash items in process of collection and unposted debits	n.a.	n.a.	n.a.	67,732	27,341	↑
5 Currency and com	n.a.	n.a.	n.a.	18,695	12,487	↑
6 Balances due from depository institutions in the United States	n.a.	22,775	13,793	8,982	16,309	n.a.
7 Balances due from banks in foreign countries and foreign central banks	n.a.	66,619	60,924	5,695	1,974	↓
8 Balances due from Federal Reserve Banks	n.a.	12,851	102	12,749	9,758	↓
MEMO						
9 Non-interest-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.	6,805	13,336	6,161
10 Total securities, held-to-maturity (amortized cost) and available-for-sale (fair value)	808,855	368,277	39,349	328,938	342,272	98,306
11 U.S. Treasury securities	208,005	85,185	1,639	83,546	93,573	29,247
12 U.S. government agency and corporation obligations (excludes mortgage-backed securities)	118,664	29,936	98	29,838	58,957	29,771
13 Issued by U.S. government agencies	5,681	1,983	n.a.	n.a.	2,680	1,018
14 Issued by U.S. government-sponsored agencies	112,983	27,952	n.a.	n.a.	56,277	28,753
15 Securities issued by states and political subdivisions in the United States	74,632	20,880	630	20,250	37,371	15,381
16 General obligations	54,654	14,674	n.a.	n.a.	28,715	11,265
17 Revenue obligations	18,217	5,877	n.a.	n.a.	8,423	4,017
18 Industrial development and similar obligations	761	329	n.a.	n.a.	333	99
19 Mortgage-backed securities (MBS)	326,639	173,067	2,610	170,458	133,167	20,405
20 Pass-through securities	194,943	104,795	2,565	102,231	78,087	12,060
21 Guaranteed by GNMA	73,797	47,991	n.a.	n.a.	22,149	3,667
22 Issued by FNMA and FHLMC	118,149	54,802	n.a.	n.a.	55,007	8,340
23 Privately issued	2,997	2,003	0	2,003	942	53
24 Other mortgage-backed securities (includes CMOs, REMICs, and stripped MBS)	131,696	68,272	45	68,227	55,079	8,345
25 Issued or guaranteed by FNMA, FHLMC or GNMA	108,042	52,865	2	52,863	47,266	7,911
26 Collateralized by MBS issued or guaranteed by FNMA, FHLMC, or GNMA	3,051	1,305	n.a.	n.a.	1,462	284
27 All other mortgage-backed securities	20,603	14,102	n.a.	n.a.	6,352	150
28 Other debt securities	64,020	49,824	32,973	16,851	12,026	2,171
29 Other domestic debt securities	n.a.	15,005	293	14,712	11,634	n.a.
30 Foreign debt securities	n.a.	34,819	32,680	2,139	391	n.a.
31 Equity securities	17,895	9,385	1,390	7,995	7,178	1,332
32 Investments in mutual funds	2,570	691	28	663	1,447	432
33 Other equity securities with readily determinable fair value	13,931	2,877	700	2,176	958	96
34 All other equity securities	11,394	5,817	662	5,155	4,773	804
35 Federal funds sold and securities purchased under agreements to resell	155,148	97,347	580	96,767	43,933	13,868
36 Federal funds sold	134,385	79,610	n.a.	n.a.	41,052	13,723
37 Securities purchased under agreements to resell	20,762	17,736	n.a.	n.a.	2,881	145
38 Total loans- and lease financing receivables, gross	2,546,168	1,454,013	262,471	1,191,542	907,594	184,561
39 L-I-SS: Unearned income on loans	5,590	2,387	1,018	1,369	2,268	934
40 Total loans and leases (net of unearned income)	2,540,578	1,451,626	261,453	1,190,173	905,325	183,626
41 L-I-SS: Allowance for loan and lease losses	52,527	32,901	n.a.	n.a.	16,779	2,847
42 L-I-SS: Allocated transfer risk reserves	109	108	n.a.	n.a.	0	0
43 EQUALS: Total loans and leases, net	2,487,943	1,418,616	n.a.	n.a.	888,547	180,780
Total loans, gross, by category						
44 Loans secured by real estate	1,063,189	503,276	27,238	476,038	457,247	102,666
45 Construction and land development	↑	↑	↑	27,287	32,862	7,276
46 Farmland	n.a.	n.a.	n.a.	2,441	9,998	11,485
47 One- to two-family residential properties	n.a.	n.a.	n.a.	305,328	258,018	53,954
48 Revolving, open-end loans, extended under lines of credit	n.a.	n.a.	n.a.	45,820	30,484	2,584
49 All other loans	n.a.	n.a.	n.a.	259,508	227,534	51,370
50 Multifamily (five or more) residential properties	n.a.	n.a.	n.a.	15,918	16,992	2,312
51 Nonfarm nonresidential properties	n.a.	n.a.	n.a.	125,065	139,378	27,739
52 Loans to depository institutions	83,893	78,667	30,970	47,697	5,037	189
53 Commercial banks in the United States	n.a.	40,552	1,200	39,352	4,371	n.a.
54 Other depository institutions in the United States	n.a.	4,310	43	4,267	107	n.a.
55 Banks in foreign countries	n.a.	33,805	29,727	4,078	559	n.a.
56 Loans to finance agricultural production and other loans to farmers	41,745	5,905	121	5,673	15,449	20,391
57 Commercial and industrial loans	644,095	470,060	119,380	350,680	144,298	29,736
58 U.S. addressees (domestic)	n.a.	372,230	24,563	347,667	143,642	n.a.
59 Non-U.S. addressees (domestic)	n.a.	97,830	94,816	5,014	656	n.a.
60 Acceptances of other banks	1,646	1,419	1,074	345	154	74
61 U.S. banks	n.a.	191	1	191	n.a.	n.a.
62 Foreign banks	n.a.	1,228	1,073	155	n.a.	n.a.
63 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	515,306	228,202	29,386	198,816	258,195	28,909
64 Credit cards and related plans	201,683	85,961	n.a.	n.a.	113,976	1,746
65 Other (includes single payment and installment)	313,623	142,241	n.a.	n.a.	144,219	27,163
66 Obligations (other than securities) of states and political subdivisions in the United States (includes nonated industrial development obligations)	18,937	9,898	121	9,777	8,048	992
67 All other loans	125,325	114,668	50,309	64,359	9,664	993
68 Loans to foreign governments and official institutions	n.a.	12,314	11,354	960	23	n.a.
69 Other loans	n.a.	102,354	38,955	63,399	9,641	n.a.
70 Loans for purchasing and carrying securities	n.a.	n.a.	n.a.	17,759	1,976	n.a.
71 All other loans (excludes consumer loans)	n.a.	n.a.	n.a.	45,639	7,665	n.a.
72 Lease-financing receivables	52,031	41,919	3,762	38,156	9,502	611
73 Assets held in trading accounts	224,763	222,152	↑	↑	1,570	1
74 Premises and fixed assets (including capitalized leases)	60,453	33,220	↑	↑	21,661	5,572
75 Other real estate owned	7,585	4,446	↑	↑	2,473	666
76 Investments in unconsolidated subsidiaries and associated companies	4,057	3,668	↑	↑	363	26
77 Customers' liability on acceptances outstanding	16,702	16,130	n.a.	↓	552	20
78 Net due from own foreign offices, Edge Act and agreement subsidiaries, and IBFs	n.a.	n.a.	↓	20,707	n.a.	n.a.
79 Intangible assets	28,384	17,598	↓	↓	10,257	529
80 Other assets	134,920	99,477	↓	↓	29,295	6,188

4.20 DOMESTIC AND FOREIGN OFFICES Insured Commercial Bank Assets and Liabilities— Continued
Consolidated Report of Condition, September 30, 1995

Millions of dollars except as noted

Item	Total	Banks with foreign offices ¹			Banks with domestic offices only ²	
		Total	Foreign	Domestic	Over 100	Under 100
81 Total liabilities, limited-life preferred stock, and equity capital	4,201,899	2,471,741	n.a.	n.a.	1,408,789	321,368
82 Total liabilities	3,859,858	2,289,919	696,179	1,696,591	1,281,824	288,115
83 Total deposits	2,910,248	1,563,234	449,533	1,113,701	1,068,611	278,403
84 Individuals, partnerships, and corporations	2,571,376	1,316,441	278,785	1,037,656	1,000,382	254,551
85 U.S. government	n.a.	n.a.	n.a.	3,257	2,101	392
86 States and political subdivisions in the United States	n.a.	n.a.	n.a.	35,868	47,935	19,695
87 Commercial banks in the United States	59,966	51,457	34,678	16,779	7,682	827
88 Other depository institutions in the United States	n.a.	n.a.	n.a.	2,909	2,959	1,168
89 Banks in foreign countries	n.a.	100,486	93,510	6,976	350	n.a.
90 Foreign governments and official institutions	n.a.	36,731	35,688	1,043	23	n.a.
91 Certified and official checks	18,992	10,084	875	9,210	7,175	1,733
92 Residual ³	259,914	48,032	9,997	n.a.	n.a.	48
93 Total transaction accounts	↑	↑	↑	388,230	305,268	80,370
94 Individuals, partnerships, and corporations	↑	↑	↑	344,929	272,067	70,549
95 U.S. government	↑	↑	↑	2,772	1,653	274
96 States and political subdivisions in the United States	↑	↑	↑	16,088	17,345	7,374
97 Commercial banks in the United States	↑	↑	↑	15,763	5,773	294
98 Other depository institutions in the United States	↑	↑	↑	2,266	931	110
99 Banks in foreign countries	↑	↑	↑	6,573	333	n.a.
100 Foreign governments and official institutions	↑	↑	↑	630	2	n.a.
101 Certified and official checks	↑	↑	↑	9,210	7,175	1,733
102 Residual ³	↑	↑	↑	n.a.	n.a.	36
103 Demand deposits (included in total transaction accounts)	↑	↑	↑	295,229	185,173	40,401
104 Individuals, partnerships, and corporations	↑	↑	↑	248,353	163,453	36,323
105 U.S. government	↑	↑	↑	2,734	1,591	264
106 States and political subdivisions in the United States	↑	↑	↑	9,720	5,927	1,651
107 Commercial banks in the United States	↑	↑	↑	15,751	5,767	293
108 Other depository institutions in the United States	↑	↑	↑	2,264	923	108
109 Banks in foreign countries	↑	↑	↑	6,571	333	n.a.
110 Foreign governments and official institutions	↑	↑	↑	626	2	n.a.
111 Certified and official checks	↑	↑	↑	9,210	7,175	1,733
112 Residual ³	↑	↑	↑	n.a.	n.a.	29
113 Total nontransaction accounts	↑	↑	↑	725,471	763,342	198,033
114 Individuals, partnerships, and corporations	↑	↑	↑	702,730	728,315	184,002
115 U.S. government	↑	↑	↑	486	450	117
116 States and political subdivisions in the United States	↑	↑	↑	19,780	30,600	12,321
117 Commercial banks in the United States	↑	↑	↑	1,016	1,909	533
118 U.S. branches and agencies of foreign banks	↑	↑	↑	60	179	n.a.
119 Other commercial banks in the United States	↑	↑	↑	956	1,531	n.a.
120 Other depository institutions in the United States	↑	↑	↑	643	2,029	1,057
121 Banks in foreign countries	↑	↑	↑	404	18	n.a.
122 Foreign branches of other U.S. banks	↑	↑	↑	3	0	n.a.
123 Other banks in foreign countries	↑	↑	↑	401	18	n.a.
124 Foreign governments and official institutions	↑	↑	↑	413	21	n.a.
125 Residual ³	↑	↑	↑	n.a.	n.a.	2
126 Federal funds purchased and securities sold under agreements to repurchase	327,086	234,449	755	233,694	89,200	3,338
127 Federal funds purchased	233,776	174,095	n.a.	n.a.	58,014	1,667
128 Securities sold under agreements to repurchase	93,310	60,354	n.a.	n.a.	31,186	1,771
129 Demand notes issued to the U.S. Treasury	25,607	21,578	0	21,578	3,767	262
130 Trading liabilities	147,990	147,877	n.a.	n.a.	113	0
131 Other borrowed money	280,695	181,912	51,133	130,778	96,080	2,703
132 Banks' liability on acceptances executed and outstanding	16,734	16,162	4,240	11,922	552	20
133 Notes and debentures subordinated to deposits	43,549	39,816	n.a.	n.a.	3,702	31
134 Net due to own foreign offices, Edge Act and agreement subsidiaries, and IBES	n.a.	n.a.	n.a.	82,144	n.a.	n.a.
135 All other liabilities	107,949	84,892	n.a.	n.a.	19,799	3,258
136 Total equity capital	342,037	181,822	n.a.	n.a.	126,964	33,250
MEMO						
137 Holdings of commercial paper included in total loans, gross	↑	404	94	311	721	n.a.
138 Total individual retirement (IRA) and Keogh plan accounts	↑	↑	↑	65,821	69,023	15,865
139 Total brokered deposits	↑	↑	↑	23,311	21,393	1,013
140 Fully insured brokered deposits	↑	↑	↑	19,782	18,103	969
141 Issued in denominations of less than \$100,000	↑	↑	↑	2,682	3,211	763
142 Issued in denominations of \$100,000, or in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less	↑	↑	↑	17,100	14,892	207
143 Money market deposit accounts (MMDAs)	↑	↑	↑	247,705	174,145	28,608
144 Other savings deposits (excluding MMDAs)	↑	↑	↑	134,170	129,086	31,230
145 Total time deposits of less than \$100,000	↑	↑	↑	236,265	347,104	108,086
146 Time certificates of deposit of \$100,000 or more	↑	↑	↑	94,873	110,740	29,229
147 Open account time deposits of \$100,000 or more	↑	↑	↑	12,458	2,268	891
148 All negotiable order of withdrawal (NOW) accounts	↑	↑	↑	92,066	118,343	38,895
149 Number of banks	10,033	198	↓	n.a.	2,361	6,974

Footnotes appear at the end of table 4.22

4.22 DOMESTIC OFFICES Insured Commercial Bank Assets and Liabilities
Consolidated Report of Condition, September 30, 1995

Millions of dollars except as noted

Item	Total	Members			Non-members
		Total	National	State	
1 Total assets	3,608,572	2,704,751	2,015,780	688,972	903,821
2 Cash and balances due from depository institutions	197,093	155,765	117,459	38,305	41,328
3 Total securities, held-to-maturity (amortized cost) and available-for-sale (fair value)	440,578	238,783	179,895	58,888	201,795
4 U.S. Treasury securities	122,820	64,292	45,797	18,496	58,527
5 U.S. government agency and corporation obligations (excludes mortgage backed securities)	88,728	42,613	31,594	11,018	46,115
6 Securities issued by states and political subdivisions in the United States	52,752	27,038	19,895	7,143	25,714
7 Mortgage backed securities (MBS)	153,572	92,663	73,856	18,807	60,909
8 Pass-through securities	90,147	55,848	44,094	11,754	34,299
9 Issued or guaranteed by FNMA, FHLMC, or GNMA	89,153	55,172	43,661	11,511	33,981
10 Other pass through securities	995	676	433	243	118
11 Other mortgage backed securities (include CMOs, REMICs, and stripped MBS)	63,424	36,815	29,762	7,053	26,609
12 Issued or guaranteed by FNMA, FHLMC, or GNMA	55,177	31,957	25,716	6,242	23,220
13 All other mortgage backed securities	8,247	4,858	4,046	811	3,390
14 Other debt securities	14,196	7,291	5,079	2,212	6,905
15 Equity securities	8,510	4,886	3,674	1,212	3,624
16 Investments in mutual funds	1,879	756	596	160	1,124
17 Other equity securities with readily determinable fair values	1,054	362	191	171	692
18 All other equity securities	5,577	3,768	2,887	881	1,808
19 Federal funds sold and securities purchased under agreements to resell	154,568	125,211	88,722	36,489	29,356
20 Total loans and lease-financing receivables, gross	2,283,697	1,713,311	1,305,290	408,022	570,385
21 Less: Unearned income on loans	4,572	2,578	2,003	576	1,993
22 Total loans and leases (net of unearned income)	2,279,125	1,710,733	1,303,287	407,446	568,392
<i>Total loans, gross, by category</i>					
23 Loans secured by real estate	1,035,951	741,534	571,693	169,841	294,417
24 Construction and land development	67,424	45,078	33,643	11,436	22,346
25 Farmland	23,824	10,992	8,623	2,469	12,833
26 One- to four-family residential properties	617,299	461,007	358,233	102,773	156,293
27 Revolving, open end loans, extended under lines of credit	78,888	61,055	47,409	13,646	17,833
28 All other loans	538,412	399,952	310,824	89,128	138,459
29 Multifamily (five or more) residential properties	35,221	24,194	17,684	6,510	11,027
30 Nonfarm nonresidential properties	292,182	200,263	153,510	46,753	91,919
31 Loans to depository institutions	52,923	49,405	41,314	6,091	3,518
32 Loans to finance agricultural production and other loans to farmers	41,514	20,640	16,556	4,084	20,873
33 Commercial and industrial loans	524,715	422,989	310,897	112,092	101,726
34 Acceptances of other banks	573	348	193	155	225
35 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	485,920	353,479	278,353	75,125	132,441
36 Obligations (other than securities) of states and political subdivisions in the United States	18,816	14,926	11,145	3,781	3,890
37 All other loans	75,016	69,081	41,211	27,870	5,935
38 Lease-financing receivables	48,269	40,910	31,928	8,982	7,359
39 Net due from own foreign offices, Edge Act and agreement subsidiaries, and IBFs	20,707	17,696	11,682	6,015	3,011
40 Remaining assets	516,501	456,563	314,731	141,829	59,938
41 Total liabilities	3,266,530	2,449,912	1,829,651	620,261	816,619
42 Total deposits	2,460,715	1,777,918	1,338,819	439,099	682,797
43 Individuals, partnerships, and corporations	2,292,592	1,659,319	1,253,779	405,540	633,272
44 U.S. government	5,753	4,592	3,701	890	1,162
45 States and political subdivisions in the United States	103,498	67,163	47,675	19,488	36,335
46 Commercial banks in the United States	25,288	21,603	16,214	5,389	3,685
47 Other depository institutions in the United States	7,036	4,174	3,170	1,004	2,862
48 Certified and official checks	18,117	13,513	9,833	3,679	4,604
49 Banks in foreign countries, foreign governments, and foreign official institutions	8,431	7,555	4,448	3,107	876
50 Total transaction accounts	773,868	577,105	429,640	147,465	196,763
51 Individuals, partnerships, and corporations	677,545	502,193	375,743	126,449	175,353
52 U.S. government	4,700	3,838	3,006	832	862
53 States and political subdivisions in the United States	40,797	27,744	19,890	7,853	13,053
54 Commercial banks in the United States	21,830	20,051	15,154	4,897	1,778
55 Other depository institutions in the United States	3,307	2,621	1,886	734	686
56 Certified and official checks	18,117	13,513	9,833	3,679	4,604
57 Banks in foreign countries, foreign governments, and foreign official institutions	7,573	7,146	4,127	3,020	426
58 Demand deposits (included in total transaction accounts)	520,803	406,215	299,691	106,524	114,588
59 Individuals, partnerships, and corporations	448,129	346,211	256,695	89,516	101,919
60 U.S. government	4,592	3,766	2,946	819	826
61 States and political subdivisions in the United States	17,298	12,934	9,074	3,860	4,364
62 Commercial banks in the United States	21,811	20,035	15,137	4,897	1,777
63 Other depository institutions in the United States	3,296	2,616	1,882	734	680
64 Certified and official checks	18,117	13,513	9,833	3,679	4,604
65 Banks in foreign countries, foreign governments, and foreign official institutions	7,560	7,141	4,123	3,018	419
66 Total nontransaction accounts	1,686,846	1,200,813	909,179	291,634	486,033
67 Individuals, partnerships, and corporations	1,615,046	1,157,127	878,036	279,091	457,920
68 U.S. government	1,054	754	695	59	300
69 States and political subdivisions in the United States	62,701	39,420	27,784	11,635	23,282
70 Commercial banks in the United States	3,458	1,551	1,060	492	1,907
71 Other depository institutions in the United States	3,729	1,553	1,283	270	2,176
72 Banks in foreign countries, foreign governments, and foreign official institutions	858	409	321	88	449

4.22 DOMESTIC OFFICES Insured Commercial Bank Assets and Liabilities—Continued
Consolidated Report of Condition, September 30, 1995

Millions of dollars except as noted

Item	Total	Members			Non-members
		Total	National	State	
73 Federal funds purchased and securities sold under agreements to repurchase	326,331	271,342	188,586	82,755	54,990
74 Demand notes issued to the U.S. Treasury	25,607	23,228	12,792	10,436	2,378
75 Other borrowed money	229,562	182,130	133,921	48,209	47,432
76 Banks liability on acceptances executed and outstanding	12,494	11,898	8,645	3,252	596
77 Net due to own foreign offices, Edge Act and agreement subsidiaries, and IBFs	82,144	69,292	53,492	15,800	12,852
78 Remaining liabilities	129,678	114,104	93,396	20,708	15,574
MEMO					
79 Trading assets at large banks ⁵	67,783	66,740	40,533	26,207	1,043
80 U.S. Treasury securities (domestic offices)	14,864	14,769	9,285	5,484	95
81 U.S. government agency corporation obligations	2,475	2,395	2,027	368	79
82 Securities issued by states and political subdivisions in the United States	786	709	402	306	78
83 Mortgage-backed securities	2,665	2,626	742	1,884	38
84 Other debt securities	1,150	1,119	370	749	31
85 Certificates of deposit	1,867	1,867	824	1,043	0
86 Commercial paper	288	135	135	0	153
87 Bankers acceptances	2,026	1,839	1,295	544	187
88 Other trading assets	5,228	5,140	2,726	2,414	88
89 Revaluation gains on interest rate, foreign exchange rate, and other commodity and equity contracts	36,433	36,140	22,725	13,415	293
90 Total individual retirement (IRA) and Keogh plan accounts	150,709	109,410	84,190	25,220	41,299
91 Total brokered deposits	45,717	31,333	23,363	7,969	14,385
92 Fully insured brokered deposits	38,854	26,755	20,896	5,859	12,099
93 Issued in denominations of less than \$100,000	6,655	4,495	4,116	379	2,160
94 Issued in denominations of \$100,000, or in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less	32,199	22,260	16,780	5,480	9,939
95 Money market deposit accounts (MMDAs)	450,458	354,999	275,136	79,862	95,459
96 Other savings deposits	294,475	214,779	153,881	60,898	79,696
97 Total time deposits of less than \$100,000	691,455	466,402	357,932	108,470	225,053
98 Time certificates of deposit of \$100,000 or more	234,841	151,989	115,840	36,149	82,852
99 Open-account time deposits of \$100,000 or more	15,618	12,645	6,390	6,255	2,973
100 All negotiable order of withdrawal (NOW) accounts	249,304	168,886	128,239	40,647	80,417
101 Number of banks	10,033	3,927	2,895	1,032	6,106

NOTE: The notation "n.a." indicates the lesser detail available from banks that don't have foreign offices, the inapplicability of certain items to banks that have only domestic offices or the absence of detail on a fully consolidated basis for banks that have foreign offices.

1. All transactions between domestic and foreign offices of a bank are reported in "net due from" and "net due to" lines. All other lines represent transactions with parties other than the domestic and foreign offices of each bank. Because 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.

Foreign offices include branches in foreign countries, Puerto Rico, and U.S. territories and possessions; subsidiaries in foreign countries; all offices of Edge Act and agreement corporations wherever located; and IBFs.

2. "Over 100" refers to banks whose assets, on June 30 of the preceding calendar year, were \$100 million or more. (These banks file the FFIEC 032 or FFIEC 033 Call Report.) "Under 100" refers to banks whose assets, on June 30 of the preceding calendar year, were less than \$100 million. (These banks file the FFIEC 034 Call Report.)

3. Because the domestic portion of allowances for loan and lease losses and allocated transfer risk reserves are not reported for banks with foreign offices, the components of total assets (domestic) do not sum to the actual total (domestic).

4. "Residual" equals the sum of the "n.a." categories listed above it.

5. Components of "Trading assets at large banks" are reported only by banks with either total assets of \$1 billion or more or with \$2 billion or more in the par/notional amount of their off-balance-sheet derivative contracts.

4.20 DOMESTIC AND FOREIGN OFFICES Insured Commercial Bank Assets and Liabilities
Consolidated Report of Condition, December 31, 1995

Millions of dollars except as noted

Item	Total	Banks with foreign offices ¹			Banks with domestic offices only ²	
		Total	Foreign	Domestic	Over 100	Under 100
1 Total assets ³	4,285,339	2,530,056	666,264	1,962,816	1,426,903	328,381
2 Cash and balances due from depository institutions	305,242	209,523	75,854	133,670	78,515	17,204
3 Cash items in process of collection, imposed debits, and currency and com	104,439	104,439	2,434	102,004	45,623	
4 Cash items in process of collection and imposed debits	n.a.	n.a.	n.a.	77,950	31,255	
5 Currency and com.	n.a.	n.a.	n.a.	24,054	14,368	
6 Balances due from depository institutions in the United States	n.a.	22,619	12,241	10,378	20,262	n.a.
7 Balances due from banks in foreign countries and foreign central banks	n.a.	64,062	61,048	3,014	1,609	
8 Balances due from Federal Reserve Banks	n.a.	18,404	131	18,274	11,021	
MIMO						
9 Non interest-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.	8,583	17,008	6,998
10 Total securities, held-to-maturity (amortized cost) and available-for-sale (fair value)	801,119	364,589	40,321	324,268	337,580	98,950
11 U.S. Treasury securities	192,848	79,586	890	78,696	85,367	27,895
12 US government agency and corporation obligations (excludes mortgage backed securities)	123,729	30,396	92	30,304	61,980	31,353
13 Issued by U.S. government agencies	6,223	2,098	n.a.	n.a.	2,948	1,177
14 Issued by U.S. government-sponsored agencies	117,506	28,298	n.a.	n.a.	59,032	30,177
15 Securities issued by states and political subdivisions in the United States	73,610	20,465	329	20,136	37,560	15,585
16 General obligations	55,279	14,825	n.a.	n.a.	29,015	11,149
17 Revenue obligations	17,627	5,377	n.a.	n.a.	8,204	4,045
18 Industrial development and similar obligations	704	263	n.a.	n.a.	341	100
19 Mortgage backed securities (MBS)	326,615	172,003	3,700	168,303	133,940	20,612
20 Pass through securities	201,351	108,932	3,653	105,280	80,039	12,379
21 Guaranteed by GNMA	75,153	49,772	n.a.	n.a.	21,698	3,683
22 Issued by FNMA and FHLMC	123,205	57,255	n.a.	n.a.	57,326	8,624
23 Privately issued	2,992	1,906	0	1,906	1,014	72
24 Other mortgage-backed securities (includes CMOs, REMICs, and stripped MBS)	125,265	63,071	47	63,024	53,900	8,293
25 Issued or guaranteed by FNMA, FHLMC or GNMA	100,302	46,592	11	46,581	45,873	7,837
26 Collateralized by MBS issued or guaranteed by FNMA, FHLMC, or GNMA	3,255	1,616	n.a.	n.a.	1,341	298
27 All other mortgage-backed securities	21,707	14,863	n.a.	n.a.	6,687	158
28 Other debt securities	65,926	52,036	33,996	18,040	11,812	2,079
29 Other domestic debt securities	n.a.	14,867	861	14,506	11,332	n.a.
30 Foreign debt securities	n.a.	37,169	33,636	3,533	379	n.a.
31 Equity securities	18,391	10,103	1,315	8,788	6,922	1,366
32 Investments in mutual funds	2,336	770	44	727	1,138	427
33 Other equity securities with readily determinable fair value	4,107	3,023	601	2,422	984	100
34 All other equity securities	11,949	6,310	670	5,640	4,801	838
35 Federal funds sold and securities purchased under agreements to resell	180,510	113,451	360	113,091	39,796	17,263
36 Federal funds sold	152,062	89,835	n.a.	n.a.	45,140	17,088
37 Securities purchased under agreements to resell	28,448	23,616	n.a.	n.a.	4,656	176
38 Total loans and lease financing receivables, gross	2,593,437	1,494,331	265,792	1,228,539	913,264	185,842
39 LESS: Unearned income on loans	5,194	2,292	1,032	1,260	2,187	916
40 Total loans and leases (net of unearned income)	2,588,013	1,492,040	264,761	1,227,279	911,077	184,926
41 LESS: Allowance for loan and lease losses	52,516	32,824	n.a.	n.a.	16,859	2,833
42 LESS: Allocated transfer risk reserves	110	109	n.a.	n.a.	0	0
43 EQUALS: Total loans and leases, net	2,535,318	1,459,106	n.a.	n.a.	894,218	182,093
Total loans, gross, by category						
44 Loans secured by real estate	1,072,433	513,261	27,182	486,082	455,078	104,090
45 Construction and land development	n.a.	n.a.	n.a.	27,481	33,189	7,540
46 Farmland	n.a.	n.a.	n.a.	2,466	10,116	11,248
47 One- to four family residential properties	n.a.	n.a.	n.a.	311,311	255,316	54,539
48 Revolving, open-end loans, extended under lines of credit	n.a.	n.a.	n.a.	46,759	29,764	2,649
49 All other loans	n.a.	n.a.	n.a.	264,552	225,552	51,890
50 Multifamily (five or more) residential properties	n.a.	n.a.	n.a.	16,409	16,959	2,354
51 Nonfarm nonresidential properties	n.a.	n.a.	n.a.	128,416	139,498	28,409
52 Loans to depository institutions	86,850	81,509	28,445	53,064	51,341	207
53 Commercial banks in the United States	n.a.	44,838	908	43,930	4,756	n.a.
54 Other depository institutions in the United States	n.a.	5,202	78	5,123	124	n.a.
55 Banks in foreign countries	n.a.	31,469	27,459	4,010	254	n.a.
56 Loans to finance agricultural production and other loans to farmers	40,025	6,252	130	5,960	14,838	18,935
57 Commercial and industrial loans	657,940	482,289	125,492	356,796	145,182	30,469
58 U.S. addressees (domestic)	n.a.	377,938	24,736	353,202	144,647	n.a.
59 Non U.S. addressees (domestic)	n.a.	104,351	100,756	3,594	535	n.a.
60 Acceptances of other banks	1,877	1,515	1,092	423	262	100
61 U.S. banks	n.a.	210	1	209	n.a.	n.a.
62 Foreign banks	n.a.	1,305	1,092	213	n.a.	n.a.
63 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	532,470	237,572	30,609	206,963	265,443	29,455
64 Credit cards and related plans	217,591	90,296	n.a.	n.a.	125,187	2,108
65 Other (includes single payment and installment)	314,879	147,276	n.a.	n.a.	140,256	27,347
66 Obligations (other than securities) of states and political subdivisions in the United States (includes nonrated industrial development obligations)	18,519	9,817	130	9,686	7,730	972
67 All other loans	126,324	115,717	48,664	67,053	9,616	991
68 Loans to foreign governments and official institutions	n.a.	10,979	9,984	996	20	n.a.
69 Other loans	n.a.	104,738	38,680	66,057	9,596	n.a.
70 Loans for purchasing and carrying securities	n.a.	n.a.	n.a.	16,778	1,932	n.a.
71 All other loans (excludes consumer loans)	n.a.	n.a.	n.a.	49,280	7,654	n.a.
72 Lease financing receivables	56,999	46,393	3,885	42,512	9,981	621
73 Assets held in trading accounts	217,068	215,571	n.a.	n.a.	1,499	1
74 Premises and fixed assets (including capitalized leases)	609,929	33,714	n.a.	n.a.	21,547	5,668
75 Other real estate owned	6,610	3,740	n.a.	n.a.	2,250	620
76 Investments in unconsolidated subsidiaries and associated companies	4,519	4,083	n.a.	n.a.	409	27
77 Customers' liability on acceptances outstanding	16,171	15,808	n.a.	n.a.	338	25
78 Net due from own foreign offices, Edgc Act and agreement subsidiaries, and IBIs	n.a.	n.a.	n.a.	18,008	n.a.	n.a.
79 Intangible assets	30,029	19,126	n.a.	n.a.	10,250	654
80 Other assets	127,723	91,345	n.a.	n.a.	30,560	5,818

4.20 DOMESTIC AND FOREIGN OFFICES Insured Commercial Bank Assets and Liabilities - Continued
Consolidated Report of Condition, December 31, 1995

Millions of dollars except as noted

Item	Total	Banks with foreign offices ¹			Banks with domestic offices only ²	
		Total	Foreign	Domestic	Over 100	Under 100
81 Total liabilities, limited-life preferred stock, and equity capital	4,285,339	2,530,056	n.a.	n.a.	1,426,903	328,381
82 Total liabilities	3,937,817	2,343,109	666,265	1,775,869	1,300,053	294,654
83 Total deposits	3,005,998	1,642,442	453,975	1,188,467	1,078,137	285,418
84 Individuals, partnerships, and corporations	2,647,884	1,381,996	278,284	1,103,712	1,005,844	260,044
85 U.S. government	n.a.	n.a.	n.a.	4,468	3,055	550
86 States and political subdivisions in the United States	n.a.	n.a.	n.a.	38,687	50,105	30,537
87 Commercial banks in the United States	59,862	50,501	30,612	19,889	8,415	886
88 Other depository institutions in the United States	n.a.	n.a.	n.a.	3,516	3,054	1,310
89 Banks in foreign countries	n.a.	104,910	98,130	6,780	263	n.a.
90 Foreign governments and official institutions	n.a.	40,248	38,809	1,439	28	n.a.
91 Certified and official checks	20,361	10,875	900	9,974	7,372	2,057
92 Residual ³	278,007	53,912	7,241	n.a.	n.a.	34
93 Total transaction accounts	↑	↑	↑	420,132	316,320	84,933
94 Individuals, partnerships, and corporations	↑	↑	↑	360,599	279,792	74,227
95 U.S. government	↑	↑	↑	4,045	2,658	430
96 States and political subdivisions in the United States	↑	↑	↑	16,625	18,532	7,742
97 Commercial banks in the United States	↑	↑	↑	18,355	6,802	337
98 Other depository institutions in the United States	↑	↑	↑	2,881	945	110
99 Banks in foreign countries	↑	↑	↑	6,662	208	n.a.
100 Foreign governments and official institutions	↑	↑	↑	990	10	n.a.
101 Certified and official checks	↑	↑	↑	9,974	7,372	2,057
102 Residual ⁴	↑	↑	↑	n.a.	n.a.	31
103 Demand deposits (included in total transaction accounts)	↑	↑	↑	333,239	196,417	43,407
104 Individuals, partnerships, and corporations	↑	↑	↑	280,386	172,261	38,744
105 U.S. government	↑	↑	↑	4,021	2,599	418
106 States and political subdivisions in the United States	↑	↑	↑	9,974	6,228	1,716
107 Commercial banks in the United States	↑	↑	↑	18,355	6,800	334
108 Other depository institutions in the United States	n.a.	n.a.	n.a.	2,881	939	108
109 Banks in foreign countries	↑	↑	↑	6,661	208	n.a.
110 Foreign governments and official institutions	↑	↑	↑	987	10	n.a.
111 Certified and official checks	↑	↑	↑	9,974	7,372	2,057
112 Residual ⁴	↑	↑	↑	n.a.	n.a.	30
113 Total nontransaction accounts	↓	↓	↓	768,335	761,811	200,485
114 Individuals, partnerships, and corporations	↓	↓	↓	743,113	726,051	185,817
115 U.S. government	↓	↓	↓	423	397	120
116 States and political subdivisions in the United States	↓	↓	↓	22,062	31,573	12,795
117 Commercial banks in the United States	↓	↓	↓	1,534	1,613	549
118 U.S. branches and agencies of foreign banks	↓	↓	↓	60	211	n.a.
119 Other commercial banks in the United States	↓	↓	↓	1,474	1,396	n.a.
120 Other depository institutions in the United States	↓	↓	↓	635	2,109	1,200
121 Banks in foreign countries	↓	↓	↓	119	55	n.a.
122 Foreign branches of other U.S. banks	↓	↓	↓	1	0	n.a.
123 Other banks in foreign countries	↓	↓	↓	118	55	n.a.
124 Foreign governments and official institutions	↓	↓	↓	449	18	n.a.
125 Residual ⁴	↓	↓	↓	n.a.	n.a.	3
126 Federal funds purchased and securities sold under agreements to repurchase	322,957	229,703	643	229,060	90,173	3,082
127 Federal funds purchased	244,600	181,615	n.a.	n.a.	61,676	1,310
128 Securities sold under agreements to repurchase	78,357	48,088	n.a.	n.a.	28,497	1,772
129 Demand notes issued to the U.S. Treasury	11,868	9,746	0	9,746	2,018	104
130 Trading liabilities	143,138	142,947	n.a.	n.a.	189	2
131 Other borrowed money	287,724	181,462	53,007	130,454	103,524	2,738
132 Banks' liability on acceptances executed and outstanding	16,225	15,860	3,941	11,919	330	25
133 Notes and debentures subordinated to deposits	43,261	39,068	n.a.	n.a.	4,163	30
134 Net due to own foreign offices, Edge Act and agreement subsidiaries, and IBFs	n.a.	n.a.	n.a.	81,017	n.a.	n.a.
135 All other liabilities	106,646	81,883	n.a.	n.a.	21,509	3,254
136 Total equity capital	347,518	186,946	n.a.	n.a.	126,848	33,724
M-M-O						
137 Holdings of commercial paper included in total loans, gross	↑	↑	↑	289	921	n.a.
138 Total individual retirement (IRA) and Keogh plan accounts	↑	↑	↑	66,385	68,175	15,986
139 Total brokered deposits	↑	↑	↑	23,599	21,107	1,011
140 Fully insured brokered deposits	↑	↑	↑	18,733	18,109	973
141 Issued in denominations of less than \$100,000	↑	↑	↑	2,770	2,887	745
142 Issued in denominations of \$100,000, or in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less	n.a.	n.a.	n.a.	16,963	15,222	228
143 Money market deposit accounts (MMDAs)	↑	↑	↑	270,567	176,087	29,208
144 Other savings deposits (excluding MMDAs)	↑	↑	↑	140,922	126,684	30,941
145 Total time deposits of less than \$100,000	↑	↑	↑	242,460	343,395	109,060
146 Time certificates of deposit of \$100,000 or more	↑	↑	↑	100,565	112,274	30,371
147 Open-account time deposits of \$100,000 or more	↑	↑	↑	13,821	2,378	899
148 All negotiable order of withdrawal (NOW) accounts	↑	↑	↑	86,168	118,053	40,456
149 Number of banks	9,923	197	↓	n.a.	2,832	6,894

Footnotes appear at the end of table 4.22

4.22 DOMESTIC OFFICES Insured Commercial Bank Assets and Liabilities
Consolidated Report of Condition, December 31, 1995

Millions of dollars except as noted

Item	Total	Members			Non members
		Total	National	State	
1 Total assets	3,718,100	2,816,474	2,091,951	724,523	901,626
2 Cash and balances due from depository institutions	229,389	184,775	137,350	47,425	44,613
3 Total securities, held-to-maturity (amortized cost) and available-for-sale (fair value)	436,530	238,825	178,360	60,465	197,705
4 U.S. Treasury securities	113,262	59,164	41,435	17,729	54,098
5 U.S. government agency and corporation obligations (excludes mortgage-backed securities)	93,333	45,270	33,702	11,568	48,063
6 Securities issued by states and political subdivisions in the United States	53,145	27,385	20,116	7,269	25,759
7 Mortgage backed securities (MBS)	154,612	94,586	74,183	20,403	60,026
8 Pass through securities	92,418	57,826	44,949	12,877	34,592
9 Issued or guaranteed by FNMA, FHLMC, or GNMA	91,332	57,036	44,491	12,545	34,295
10 Other pass-through securities	1,087	790	458	332	297
11 Other mortgage backed securities (include CMOs, REMICs, and stripped MBS)	62,194	36,760	29,234	7,526	25,434
12 Issued or guaranteed by FNMA, FHLMC, or GNMA	53,710	31,734	25,103	6,631	21,976
13 All other mortgage-backed securities	8,484	5,026	4,131	895	3,458
14 Other debt securities	13,890	7,347	5,110	2,237	6,543
15 Equity securities	8,288	5,071	3,814	1,258	3,217
16 Investments in mutual funds	1,565	762	590	172	804
17 Other equity securities with readily determinable fair values	1,084	375	196	179	709
18 All other equity securities	5,639	3,934	3,028	907	1,704
19 Federal funds sold and securities purchased under agreements to resell	180,150	145,299	100,572	44,727	34,851
20 Total loans and lease-financing receivables, gross	2,327,645	1,762,976	1,350,937	412,039	564,669
21 Less: Unearned income on loans	4,362	2,382	1,840	541	1,981
22 Total loans and leases (net of unearned income)	2,323,283	1,760,594	1,349,097	411,497	562,688
<i>Total loans, gross, by category</i>					
23 Loans secured by real estate	1,045,251	757,366	585,525	171,841	287,884
24 Construction and land development	68,210	46,112	34,738	11,374	22,098
25 Farmland	3,829	11,140	8,734	2,407	12,689
26 One- to four-family residential properties	621,166	469,786	366,255	103,530	151,380
27 Revolving, open-end loans, extended under lines of credit	79,173	62,321	48,836	13,485	16,851
28 All other loans	541,994	407,465	317,420	90,045	134,529
29 Multifamily (five or more) residential properties	35,722	24,887	18,161	6,727	10,835
30 Nonfamily nonresidential properties	296,323	205,441	157,637	47,804	90,882
31 Loans to depository institutions	58,405	54,547	48,108	6,439	3,858
32 Loans to finance agricultural production and other loans to farmers	39,732	20,388	16,375	4,013	19,444
33 Commercial and industrial loans	532,448	431,975	318,229	113,746	100,473
34 Acceptances of other banks	785	513	210	303	272
35 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	501,861	366,772	292,944	73,828	135,089
36 Obligations (other than securities) of states and political subdivisions in the United States	18,388	14,726	10,972	3,754	3,662
37 All other loans	77,660	71,246	42,947	28,300	6,414
38 Lease financing receivables	53,114	45,442	35,428	9,814	7,672
39 Net due from own foreign offices, Edge Act and agreement subsidiaries, and IBFs	18,008	13,908	9,547	4,361	4,100
40 Remaining assets	530,740	473,072	317,025	156,047	57,668
41 Total liabilities	3,370,577	2,556,023	1,901,985	654,038	814,553
42 Total deposits	2,552,022	1,869,259	1,406,313	462,947	682,763
43 Individuals, partnerships, and corporations	2,369,600	1,747,751	1,311,116	426,635	631,849
44 U.S. government	8,074	6,426	5,023	1,403	1,647
45 States and political subdivisions in the United States	109,329	72,036	51,920	20,116	37,293
46 Commercial banks in the United States	29,191	25,962	19,247	6,715	3,229
47 Other depository institutions in the United States	7,881	4,879	3,729	1,150	3,002
48 Certified and official checks	19,404	14,497	10,666	3,831	4,907
49 Banks in foreign countries, foreign governments, and foreign official institutions	8,545	7,708	4,612	3,097	837
50 Total transaction accounts	821,385	623,049	461,049	162,000	198,337
51 Individuals, partnerships, and corporations	714,619	538,917	399,811	139,106	175,701
52 U.S. government	7,134	5,776	4,438	1,338	1,358
53 States and political subdivisions in the United States	42,899	29,499	21,464	8,035	13,400
54 Commercial banks in the United States	25,494	23,830	18,102	5,729	1,663
55 Other depository institutions in the United States	3,936	3,269	2,362	907	667
56 Certified and official checks	19,404	14,497	10,666	3,831	4,907
57 Banks in foreign countries, foreign governments, and foreign official institutions	7,901	7,261	4,206	3,054	640
58 Demand deposits (included in total transaction accounts)	573,063	454,901	336,886	118,015	118,161
59 Individuals, partnerships, and corporations	491,391	386,380	287,111	99,269	105,011
60 U.S. government	7,038	5,715	4,389	1,326	1,323
61 States and political subdivisions in the United States	17,918	13,959	10,057	3,901	3,959
62 Commercial banks in the United States	25,489	23,827	18,098	5,729	1,662
63 Other depository institutions in the United States	3,928	3,267	2,360	906	661
64 Certified and official checks	19,404	14,497	10,666	3,831	4,907
65 Banks in foreign countries, foreign governments, and foreign official institutions	7,896	7,257	4,204	3,053	639
66 Total nontransaction accounts	1,730,637	1,246,211	945,264	300,947	484,426
67 Individuals, partnerships, and corporations	1,654,981	1,198,834	911,305	287,529	456,147
68 U.S. government	940	651	586	65	289
69 States and political subdivisions in the United States	66,430	42,537	30,456	12,081	23,893
70 Commercial banks in the United States	3,697	2,131	1,145	986	1,566
71 Other depository institutions in the United States	3,945	1,610	1,367	243	2,335
72 Banks in foreign countries, foreign governments, and foreign official institutions	644	447	405	42	197

4.22 DOMESTIC OFFICES Insured Commercial Bank Assets and Liabilities - Continued
Consolidated Report of Condition, December 31, 1995

Millions of dollars except as noted

Item	Total	Members			Non members
		Total	National	State	
73 Federal funds purchased and securities sold under agreements to repurchase	322,315	269,687	193,875	75,812	52,678
74 Demand notes issued to the U.S. Treasury	11,868	10,890	6,596	4,293	979
75 Other borrowed money	236,717	188,033	139,468	48,566	48,684
76 Banks liability on acceptances executed and outstanding	12,283	11,716	8,777	2,939	568
77 Net due to own foreign offices, Edge Act and agreement subsidiaries, and IBFs	81,017	68,265	50,479	17,787	12,757
78 Remaining liabilities	154,354	138,174	96,528	41,645	16,181
MEMO					
79 Trading assets at large banks ⁵	66,246	65,261	38,982	26,282	982
80 U.S. Treasury securities (domestic offices)	15,409	15,282	9,180	6,102	177
81 U.S. government agency corporation obligations	2,403	2,303	1,750	553	100
82 Securities issued by states and political subdivisions in the United States	984	961	586	376	22
83 Mortgage-backed securities	2,733	2,697	471	2,226	36
84 Other debt securities	1,755	1,726	700	1,025	30
85 Certificates of deposit	1,506	1,506	705	801	0
86 Commercial paper	156	61	61	0	95
87 Bankers acceptances	1,779	1,574	1,221	354	204
88 Other trading assets	4,531	4,458	2,491	1,966	74
89 Revaluation gains on interest rate, foreign exchange rate, and other commodity and equity contracts	34,989	34,695	21,817	12,878	294
90 Total individual retirement (IRA) and Keogh plan accounts	150,546	110,152	84,673	25,479	40,394
91 Total brokered deposits	45,717	31,238	23,158	8,079	14,479
92 Fully insured brokered deposits	38,816	26,704	20,454	6,250	12,112
93 Issued in denominations of less than \$100,000	6,403	4,371	3,939	382	2,082
94 Issued in denominations of \$100,000, or in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less	32,313	22,383	16,515	5,868	10,030
95 Money market deposit accounts (MMDAs)	475,861	379,874	296,358	83,465	96,038
96 Other savings deposits	298,548	220,026	158,567	61,479	78,522
97 Total time deposits of less than \$100,000	695,915	473,123	363,363	110,060	222,492
98 Time certificates of deposit of \$100,000 or more	243,215	158,796	120,387	38,409	84,420
99 Open account time deposits of \$100,000 or more	17,097	14,142	6,610	7,533	2,985
100 All negotiable order of withdrawal (NOW) accounts	244,677	166,263	122,632	43,631	78,414
101 Number of banks	9,973	3,902	2,861	1,041	6,071

NOTE: The notation "n.a." indicates the lesser detail available from banks that don't have foreign offices, the inapplicability of certain items to banks that have only domestic offices or the absence of detail on a fully consolidated basis for banks that have foreign offices.

1. All transactions between domestic and foreign offices of a bank are reported in "net due from" and "net due to" lines. All other lines represent transactions with parties other than the domestic and foreign offices of each bank. Because these intra-office 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.

Foreign offices include branches in foreign countries, Puerto Rico, and U.S. territories and possessions; subsidiaries in foreign countries; all offices of Edge Act and agreement corporations wherever located; and IBFs.

2. "Over 100" refers to banks whose assets, on June 30 of the preceding calendar year, were \$500 million or more. (These banks file the FFIEC 032 or FFIEC 033 Call Report.) "Under 100" refers to banks whose assets, on June 30 of the preceding calendar year, were less than \$100 million. (These banks file the FFIEC 034 Call Report.)

3. Because the domestic portion of allowances for loan and lease losses, and allocated transfer risk reserves are not reported for banks with foreign offices, the components of total assets (domestic) do not sum to the actual total (domestic).

4. "Residual" equals the sum of the "n.a." categories listed above it.

5. Components of "Trading assets at large banks" are reported only by banks with either total assets of \$1 billion or more or with \$2 billion or more in the par/notional amount of their off-balance sheet derivative contracts.

4.20 DOMESTIC AND FOREIGN OFFICES Insured Commercial Bank Assets and Liabilities
Consolidated Report of Condition, March 31, 1996

Millions of dollars except as noted

Item	Total	Banks with foreign offices ¹			Banks with domestic offices only ²	
		Total	Foreign	Domestic	Over 100	Under 100
1 Total assets³	4,281,164	2,521,259	675,131	1,935,796	1,452,890	307,015
2 Cash and balances due from depository institutions	272,995	185,872	74,063	111,809	72,032	15,091
3 Cash items in process of collection, imposed debits, and currency and com.	↑	86,216	2,110	84,105	40,000	↑
4 Cash items in process of collection and unposted debits	n.a.	n.a.	n.a.	64,426	27,131	n.a.
5 Currency and com.	n.a.	n.a.	n.a.	19,679	12,870	n.a.
6 Balances due from depository institutions in the United States	n.a.	21,678	11,965	9,713	18,795	n.a.
7 Balances due from banks in foreign countries and foreign central banks	n.a.	63,426	59,882	3,545	3,167	n.a.
8 Balances due from Federal Reserve Banks	n.a.	14,553	107	14,446	10,070	n.a.
MEMO						
9 Non-interest-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.	7,415	15,680	5,967
10 Total securities, held-to-maturity (amortized cost) and available-for-sale (fair value)	802,004	359,823	42,034	317,788	347,561	94,620
11 U.S. Treasury securities	189,584	75,797	876	14,922	87,101	26,685
12 U.S. government agency and corporation obligations (excludes mortgage-backed securities)	120,501	26,114	100	26,013	64,162	30,225
13 Issued by U.S. government agencies	6,161	2,398	n.a.	n.a.	2,621	1,142
14 Issued by U.S. government-sponsored agencies	114,339	23,716	n.a.	n.a.	61,541	29,082
15 Securities issued by states and political subdivisions in the United States	73,764	20,165	292	19,873	38,852	14,748
16 General obligations	55,497	14,682	n.a.	n.a.	30,004	10,811
17 Revenue obligations	17,627	5,276	n.a.	n.a.	8,506	3,845
18 Industrial development and similar obligations	640	207	n.a.	n.a.	342	91
19 Mortgage-backed securities (MBS)	332,794	174,670	3,747	170,923	138,447	19,677
20 Pass-through securities	210,524	114,597	3,709	110,889	84,038	11,889
21 Guaranteed by GNMA	78,350	52,485	n.a.	n.a.	22,336	3,529
22 Issued by FNMA and FHLMC	129,518	60,412	n.a.	n.a.	60,799	8,307
23 Privately issued	2,656	1,701	0	1,701	902	53
24 Other mortgage-backed securities (includes CMOs, RFMICs, and stripped MBS)	122,269	60,072	38	60,034	54,409	7,788
25 Issued or guaranteed by FNMA, FHLMC or GNMA	96,363	43,160	8	43,152	45,873	7,331
26 Collateralized by MBS issued or guaranteed by FNMA, FHLMC, or GNMA	4,366	2,504	n.a.	n.a.	1,537	325
27 All other mortgage-backed securities	21,540	14,409	n.a.	n.a.	6,999	133
28 Other debt securities	66,246	52,748	35,610	17,138	11,554	1,944
29 Other domestic debt securities	n.a.	13,890	402	13,489	11,160	n.a.
30 Foreign debt securities	n.a.	38,858	35,208	3,649	393	n.a.
31 Equity securities	19,115	10,429	1,409	8,920	7,445	1,341
32 Investments in mutual funds	2,523	771	60	711	1,309	442
33 Other equity securities with readily determinable fair value	4,361	3,228	577	2,650	1,036	97
34 All other equity securities	12,232	6,330	772	5,559	5,100	802
35 Federal funds sold and securities purchased under agreements to resell	172,753	101,912	296	101,616	54,899	15,942
36 Federal funds sold	148,952	81,604	n.a.	n.a.	51,502	15,846
37 Securities purchased under agreements to resell	23,801	20,308	n.a.	n.a.	3,398	96
38 Total loans- and lease-financing receivables, gross	2,622,137	1,521,693	287,063	1,234,630	927,564	172,880
39 LESS: Unearned income on loans	5,135	2,202	1,039	1,163	2,111	822
40 Total loans and leases (net of unearned income)	2,617,002	1,519,491	286,025	1,233,467	925,453	172,058
41 LESS: Allowance for loan and lease losses	52,636	32,574	n.a.	n.a.	17,366	2,696
42 LESS: Allocated transfer risk reserves	110	110	n.a.	n.a.	0	0
43 EQUALS: Total loans and leases, net	2,564,256	1,486,807	n.a.	n.a.	908,087	169,362
Total loans, gross, by category						
44 Loans secured by real estate	↑	↑	↑	↑	↑	↑
45 Construction and land development	1,081,636	517,226	27,625	489,601	467,542	96,868
46 Farmland	↑	↑	↑	27,231	35,093	6,816
47 One- to four-family residential properties	↑	↑	↑	2,417	10,518	10,096
48 Revolving, open end loans, extended under lines of credit	n.a.	n.a.	n.a.	314,293	260,077	50,528
49 All other loans	n.a.	n.a.	n.a.	45,884	30,153	2,375
50 Multifamily (five or more) residential properties	↓	↓	↓	268,409	229,924	48,154
51 Nonfarm nonresidential properties	↓	↓	↓	17,526	17,342	2,156
52 Loans to depository institutions	95,036	89,221	38,358	50,863	5,549	266
53 Commercial banks in the United States	n.a.	41,779	1,483	40,297	4,992	n.a.
54 Other depository institutions in the United States	n.a.	6,311	108	6,203	289	n.a.
55 Banks in foreign countries	n.a.	41,140	36,767	4,363	268	n.a.
56 Loans to finance agricultural production and other loans to farmers	31,902	5,878	33	5,576	14,606	17,417
57 Commercial and industrial loans	672,309	491,563	129,122	362,441	151,823	28,923
58 U.S. addressees (domestic)	n.a.	383,386	24,432	358,954	151,260	n.a.
59 Non U.S. addressees (domestic)	n.a.	108,177	104,691	3,487	562	n.a.
60 Acceptances of other banks	2,125	1,750	1,283	466	262	113
61 U.S. banks	n.a.	244	4	239	n.a.	n.a.
62 Foreign banks	n.a.	1,506	1,279	227	n.a.	n.a.
63 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	521,498	235,510	31,191	204,319	259,122	26,866
64 Credit cards and related plans	204,656	86,866	n.a.	n.a.	116,307	1,482
65 Other (includes single payment and installment)	316,843	148,644	n.a.	n.a.	142,815	25,384
66 Obligations (other than securities) of states and political subdivisions in the United States (includes nonated industrial development obligations)	18,229	9,392	33	9,359	7,936	901
67 All other loans	132,589	121,803	55,198	66,605	9,907	879
68 Loans to foreign governments and official institutions	n.a.	11,604	10,889	716	19	n.a.
69 Other loans	n.a.	110,198	44,309	65,889	9,888	n.a.
70 Loans for purchasing and carrying securities	n.a.	n.a.	n.a.	17,640	1,947	n.a.
71 All other loans (excludes consumer loans)	n.a.	n.a.	n.a.	48,250	7,941	n.a.
72 Lease-financing receivables	60,813	49,350	3,951	45,399	10,816	647
73 Assets held in trading accounts	208,143	206,588	↑	↑	1,509	1
74 Premises and fixed assets (including capitalized leases)	61,284	33,805	↑	↑	22,138	5,341
75 Other real estate owned	4,369	3,528	↑	↑	2,265	576
76 Investments in unconsolidated subsidiaries and associated companies	6,781	4,365	↓	↓	400	25
77 Customers' liability on acceptances outstanding	16,974	16,525	n.a.	n.a.	429	19
78 Net due from own foreign offices, Edge Act and agreement subsidiaries, and BHS	n.a.	n.a.	↓	↓	17,963	n.a.
79 Intangible assets	31,529	19,421	↓	↓	11,395	714
80 Other assets	140,065	102,613	↓	↓	32,175	5,278

4.20 DOMESTIC AND FOREIGN OFFICES Insured Commercial Bank Assets and Liabilities - Continued
Consolidated Report of Condition, March 31, 1996

Millions of dollars except as noted

Item	Total	Banks with foreign offices ¹			Banks with domestic offices only ²	
		Total	Foreign	Domestic	Over 100	Under 100
81 Total liabilities, limited-life preferred stock, and equity capital	4,281,164	2,521,259	n.a.	n.a.	1,452,890	307,015
82 Total liabilities	3,929,775	2,332,862	675,131	1,747,399	1,321,749	275,164
83 Total deposits	3,003,840	1,632,344	454,255	1,178,089	1,104,325	267,172
84 Individuals, partnerships, and corporations	2,660,614	1,386,665	287,025	1,099,640	1,030,991	242,958
85 U.S. government	n.a.	n.a.	n.a.	3,480	1,860	342
86 States and political subdivisions in the United States	n.a.	n.a.	n.a.	38,545	51,843	20,000
87 Commercial banks in the United States	53,594	46,080	29,659	16,421	6,620	894
88 Other depository institutions in the United States	n.a.	n.a.	n.a.	3,128	3,339	1,219
89 Banks in foreign countries	n.a.	98,786	92,603	6,183	189	n.a.
90 Foreign governments and official institutions	n.a.	39,698	38,705	993	21	n.a.
91 Certified and official checks	17,581	8,669	778	7,892	7,181	1,730
92 Residual ³	272,051	52,445	5,486	n.a.	n.a.	28
93 Total transaction accounts	↑	↑	↑	371,954	300,392	77,006
94 Individuals, partnerships, and corporations	↑	↑	↑	321,576	266,414	67,266
95 U.S. government	↑	↑	↑	2,933	1,483	231
96 States and political subdivisions in the United States	↑	↑	↑	13,890	17,516	7,262
97 Commercial banks in the United States	↑	↑	↑	16,421	6,620	384
98 Other depository institutions in the United States	↑	↑	↑	2,402	986	106
99 Banks in foreign countries	↑	↑	↑	6,183	189	n.a.
100 Foreign governments and official institutions	↑	↑	↑	657	3	n.a.
101 Certified and official checks	↑	↑	↑	7,892	7,181	1,730
102 Residual ⁴	↑	↑	↑	n.a.	n.a.	25
103 Demand deposits (included in total transaction accounts)	↑	↑	↑	304,517	188,784	38,117
104 Individuals, partnerships, and corporations	↑	↑	↑	258,948	166,521	34,124
105 U.S. government	↑	↑	↑	2,364	1,428	221
106 States and political subdivisions in the United States	↑	↑	↑	8,665	5,865	1,532
107 Commercial banks in the United States	↑	↑	↑	16,421	6,615	384
108 Other depository institutions in the United States	↑	↑	↑	2,401	981	102
109 Banks in foreign countries	↑	↑	↑	6,181	189	n.a.
110 Foreign governments and official institutions	↑	↑	↑	653	3	n.a.
111 Certified and official checks	↑	↑	↑	7,892	7,181	1,730
112 Residual ⁵	↑	↑	↑	n.a.	n.a.	25
113 Total nontransaction accounts	↓	↓	↓	806,135	803,932	190,166
114 Individuals, partnerships, and corporations	↓	↓	↓	778,064	764,577	175,692
115 U.S. government	↓	↓	↓	547	378	110
116 States and political subdivisions in the United States	↓	↓	↓	24,655	34,327	12,738
117 Commercial banks in the United States	↓	↓	↓	1,671	2,140	510
118 U.S. branches and agencies of foreign banks	↓	↓	↓	0	0	n.a.
119 Other commercial banks in the United States	↓	↓	↓	0	0	n.a.
120 Other depository institutions in the United States	↓	↓	↓	726	2,353	1,113
121 Banks in foreign countries	↓	↓	↓	136	141	n.a.
122 Foreign branches of other U.S. banks	↓	↓	↓	0	0	n.a.
123 Other banks in foreign countries	↓	↓	↓	0	0	n.a.
124 Foreign governments and official institutions	↓	↓	↓	336	18	n.a.
125 Residual ⁶	↓	↓	↓	n.a.	n.a.	3
126 Federal funds purchased and securities sold under agreements to repurchase	317,728	225,943	1,034	224,910	89,263	2,521
127 Federal funds purchased	241,882	178,226	n.a.	n.a.	62,623	1,033
128 Securities sold under agreements to repurchase	75,845	47,717	n.a.	n.a.	26,640	1,488
129 Demand notes issued to the U.S. Treasury	12,168	9,524	0	9,524	2,463	182
130 Trading liabilities	132,685	132,575	n.a.	n.a.	110	0
131 Other borrowed money	284,666	183,705	59,004	124,701	98,401	2,360
132 Banks' liability on acceptances executed and outstanding	17,034	16,585	4,190	12,395	429	20
133 Notes and debentures subordinated to deposits	45,147	40,667	n.a.	n.a.	4,459	22
134 Net due to own foreign offices, Edge Act and agreement subsidiaries, and IBFs	n.a.	n.a.	n.a.	71,705	n.a.	n.a.
135 All other liabilities	116,706	91,518	n.a.	n.a.	22,300	2,888
136 Total equity capital	351,384	188,397	n.a.	n.a.	131,137	31,850
MIMO						
137 Holdings of commercial paper included in total loans, gross	↑	↑	↑	314	824	n.a.
138 Total individual retirement (IRA) and Keogh plan accounts	↑	↑	↑	66,234	69,979	15,046
139 Total brokered deposits	↑	↑	↑	23,678	20,811	989
140 Fully insured brokered deposits	↑	↑	↑	18,105	17,276	955
141 Issued in denominations of less than \$100,000	↑	↑	↑	1,647	3,152	752
142 Issued in denominations of \$100,000, or in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less	↑	↑	↑	n.a.	n.a.	202
143 Money market deposit account (MMDAs)	↑	↑	↑	296,396	190,800	27,053
144 Other savings deposits (excluding MMDAs)	↑	↑	↑	143,685	138,659	29,792
145 Total time deposits of less than \$100,000	↑	↑	↑	246,014	353,535	103,322
146 Time certificates of deposit of \$100,000 or more	↑	↑	↑	106,726	118,333	29,183
147 Open-account time deposits of \$100,000 or more	↑	↑	↑	13,313	2,606	816
148 All negotiable order of withdrawal (NOW) accounts	↑	↑	↑	67,891	109,765	37,869
149 Number of banks	9,822	193	↓	n.a.	2,970	6,659

Footnotes appear at the end of table 4.22

4.22 DOMESTIC OFFICES Insured Commercial Bank Assets and Liabilities
Consolidated Report of Condition, March 31, 1996

Millions of dollars except as noted

Item	Total	Members			Non-members
		Total	National	State	
1 Total assets	3,695,701	2,800,006	2,081,404	718,703	895,695
2 Cash and balances due from depository institutions	198,932	158,037	120,248	37,790	40,895
3 Total securities, held-to-maturity (amortized cost) and available-for-sale (fair value)	442,181	243,557	181,381	62,176	198,624
4 U.S. Treasury securities	113,786	60,176	42,675	17,502	53,610
5 U.S. government agency and corporation obligations (excludes mortgage-backed securities)	94,387	46,020	34,232	11,788	48,367
6 Securities issued by states and political subdivisions in the United States	53,599	27,728	20,092	7,635	25,871
7 Mortgage-backed securities (MBS)	158,124	97,077	75,373	21,704	61,046
8 Pass-through securities	95,927	60,267	46,726	13,541	35,660
9 Issued or guaranteed by FNMA, FHLMC, or GNMA	94,971	59,564	46,315	13,249	35,407
10 Other pass-through securities	956	703	411	292	253
11 Other mortgage-backed securities (include CMOs, REMICs, and stripped MBS)	62,197	36,811	28,647	8,163	25,386
12 Issued or guaranteed by FNMA, FHLMC, or GNMA	53,203	31,602	24,645	6,957	21,602
13 All other mortgage-backed securities	8,994	5,209	4,003	1,206	3,785
14 Other debt securities	13,498	7,173	5,029	2,144	6,326
15 Equity securities	8,787	5,383	3,979	1,404	3,401
16 Investments in mutual funds	1,752	859	628	231	893
17 Other equity securities with readily determinable fair values	1,133	431	231	200	702
18 All other equity securities	5,902	4,093	3,121	972	1,809
19 Federal funds sold and securities purchased under agreements to resell	172,458	148,088	95,598	42,490	34,369
20 Total loans- and lease-financing receivables, gross	2,335,074	1,771,066	1,358,439	412,627	564,007
21 Less: Unearned income on loans	4,096	2,193	1,688	504	1,903
22 Total loans and leases (net of unearned income)	2,330,978	1,768,873	1,356,751	412,122	562,104
<i>Total loans, gross, by category</i>					
23 Loans secured by real estate	1,054,011	765,517	592,120	173,397	288,494
24 Construction and land development	69,140	46,798	35,298	11,500	22,343
25 Farmland	23,931	11,200	8,702	2,498	12,731
26 One- to four-family residential properties	624,899	474,196	369,992	104,294	150,702
27 Revolving, open-end loans, extended under lines of credit	78,412	61,806	48,420	13,386	16,605
28 All other loans	546,487	412,390	321,482	90,908	134,097
29 Multifamily (five or more) residential properties	37,024	26,060	19,602	6,458	10,963
30 Nonfarm nonresidential properties	299,017	207,263	158,616	48,646	91,755
31 Loans to depository institutions	56,678	52,654	45,683	6,971	4,025
32 Loans to finance agricultural production and other loans to farmers	37,599	19,236	15,414	3,821	18,363
33 Commercial and industrial loans	543,187	440,523	324,211	116,312	102,664
34 Acceptances of other banks	842	481	206	275	361
35 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	490,307	358,219	288,232	69,987	132,088
36 Obligations (other than securities) of states and political subdivisions in the United States	18,196	14,549	10,823	3,725	3,647
37 All other loans	77,391	70,728	43,037	27,690	6,664
38 Lease-financing receivables	56,862	49,161	38,712	10,449	7,701
39 Net due from own foreign offices, Edge Act and agreement subsidiaries, and IBFs	17,963	15,397	11,067	4,330	2,566
40 Remaining assets	533,189	476,053	316,267	159,794	57,136
41 Total liabilities	3,344,313	2,536,178	1,888,633	647,545	808,134
42 Total deposits	2,549,585	1,866,833	1,408,015	458,818	682,752
43 Individuals, partnerships, and corporations	2,373,589	1,741,767	1,317,663	424,104	614,822
44 U.S. government	5,682	4,662	3,885	776	1,020
45 States and political subdivisions in the United States	110,488	72,108	50,761	21,347	38,280
46 Commercial banks in the United States	23,935	21,743	16,704	5,039	2,192
47 Other depository institutions in the United States	7,686	4,660	3,720	940	3,026
48 Certified and official checks	16,803	12,404	9,276	3,029	4,499
49 Banks in foreign countries, foreign governments, and foreign official institutions	7,414	6,948	4,059	2,888	466
50 Total transaction accounts	749,352	560,663	421,178	139,484	188,689
51 Individuals, partnerships, and corporations	655,257	487,867	367,415	120,451	167,391
52 U.S. government	4,647	3,872	3,158	714	776
53 States and political subdivisions in the United States	38,668	25,633	18,919	6,714	13,035
54 Commercial banks in the United States	23,425	21,563	16,571	4,992	1,862
55 Other depository institutions in the United States	3,494	2,815	2,117	698	679
56 Certified and official checks	16,803	12,304	9,276	3,029	4,499
57 Banks in foreign countries, foreign governments, and foreign official institutions	7,057	6,609	3,724	2,886	448
58 Demand deposits (included in total transaction accounts)	530,419	418,838	313,168	105,670	111,581
59 Individuals, partnerships, and corporations	459,583	360,068	269,841	90,226	99,516
60 U.S. government	4,014	3,274	2,566	708	740
61 States and political subdivisions in the United States	16,062	12,213	9,081	3,132	3,849
62 Commercial banks in the United States	23,420	21,561	16,569	4,992	1,859
63 Other depository institutions in the United States	3,484	2,812	2,114	698	672
64 Certified and official checks	16,803	12,304	9,276	3,029	4,499
65 Banks in foreign countries, foreign governments, and foreign official institutions	7,052	6,605	3,720	2,885	447
66 Total nontransaction accounts	1,800,234	1,306,171	986,837	319,334	494,063
67 Individuals, partnerships, and corporations	1,718,332	1,253,901	950,248	303,653	464,431
68 U.S. government	1,035	790	728	62	245
69 States and political subdivisions in the United States	71,720	46,475	31,842	14,632	25,245
70 Commercial banks in the United States	4,321	2,603	1,886	717	1,718
71 Other depository institutions in the United States	4,192	1,846	1,403	242	2,346
72 Banks in foreign countries, foreign governments, and foreign official institutions	357	338	336	3	18

4.22 DOMESTIC OFFICES Insured Commercial Bank Assets and Liabilities—Continued
Consolidated Report of Condition, March 31, 1996

Millions of dollars except as noted

Item	Total	Members		Non-members	
		Total	National		State
73 Federal funds purchased and securities sold under agreements to repurchase	316,694	269,321	190,121	78,899	47,313
74 Demand notes issued to the U.S. Treasury	12,168	10,911	6,747	4,163	1,258
75 Other borrowed money	225,462	178,335	132,894	45,441	47,127
76 Banks liability on acceptances executed and outstanding	12,844	12,288	9,515	2,772	586
77 Net due to own foreign offices, Edge Act and agreement subsidiaries, and IBFs	71,705	58,655	43,907	14,748	13,051
78 Remaining liabilities	155,854	139,836	97,133	42,703	16,018
MEMO					
79 Trading assets at large banks	68,456	67,596	41,301	26,294	860
80 U.S. Treasury securities (domestic offices)	19,471	19,310	12,551	6,758	161
81 U.S. government agency corporation obligations	1,950	1,910	1,697	213	40
82 Securities issued by states and political subdivisions in the United States	545	536	352	184	9
83 Mortgage-backed securities	3,188	3,156	580	2,576	42
84 Other debt securities	1,764	1,763	767	996	1
85 Certificates of deposit	1,420	1,420	785	635	0
86 Commercial paper	206	85	85	0	120
87 Bankers acceptances	1,922	1,738	1,197	541	183
88 Other trading assets	5,444	5,064	2,766	2,298	81
89 Revaluation gains on interest rate, foreign exchange rate, and other commodity and equity contracts	32,846	32,613	20,521	12,092	233
90 Total individual retirement (IRA) and Keogh plan accounts	151,259	110,739	85,008	25,731	30,520
91 Total brokered deposits	45,479	31,368	22,175	9,193	14,111
92 Fully insured brokered deposits	36,336	25,071	18,763	6,308	11,265
93 Issued in denominations of less than \$100,000	5,552	3,409	3,129	280	2,143
94 Issued in denominations of \$100,000, or in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less	30,784	21,662	15,651	6,028	9,122
95 Money market deposit accounts (MMDAs)	514,249	415,005	371,676	93,330	99,244
96 Other savings deposits	312,137	231,654	166,258	65,396	80,482
97 Total time deposits of less than \$100,000	702,871	479,516	368,335	110,681	223,355
98 Time certificates of deposit of \$100,000 or more	254,242	166,256	124,008	42,248	87,986
99 Open-account time deposits of \$100,000 or more	16,735	13,739	6,060	7,679	2,996
100 All negotiable order of withdrawal (NOW) accounts	215,525	130,149	106,649	33,501	75,375
101 Number of banks	9,822	3,868	2,822	1,046	5,954

NOTE: The notation "n.a." indicates the lesser detail available from banks that don't have foreign offices, the inapplicability of certain items to banks that have only domestic offices or the absence of detail on a fully consolidated basis for banks that have foreign offices.

1. All transactions between domestic and foreign offices of a bank are reported in "net due from" and "net due to" lines. All other lines represent transactions with parties other than the domestic and foreign offices of each bank. Because 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.

Foreign offices include branches in foreign countries, Puerto Rico, and U.S. territories and possessions; subsidiaries in foreign countries; all offices of Edge Act and agreement corporations wherever located; and IBFs.

2. "Over 100" refers to banks whose assets, on June 30 of the preceding calendar year, were \$100 million or more. (These banks file the FFIEC 032 or FFIEC 033 Call Report.) "Under 100" refers to banks whose assets, on June 30 of the preceding calendar year, were less than \$100 million. (These banks file the FFIEC 034 Call Report.)

3. Because the domestic portion of allowances for loan and lease losses and allocated transfer risk reserves are not reported for banks with foreign offices, the components of total assets (domestic) do not sum to the actual total (domestic).

4. "Residual" equals the sum of the "n.a." categories listed above it.

5. Components of "Trading assets at large banks" are reported only by banks with either total assets of \$1 billion or more or with \$2 billion or more in the pro/total amount of their off-balance sheet derivative contracts.

4.20 DOMESTIC AND FOREIGN OFFICES Insured Commercial Bank Assets and Liabilities
Consolidated Report of Condition, June 30, 1996

Millions of dollars except as noted

Item	Total	Banks with foreign offices ¹			Banks with domestic offices only ²	
		Total	Foreign	Domestic	Over 100	Under 100
1 Total assets	4,369,085	2,648,044	705,746	2,045,723	1,413,099	307,942
2 Cash and balances due from depository institutions	287,814	203,621	79,028	124,592	69,076	15,117
3 Cash items in process of collection, unposted debits, and currency and coin	↑	96,657	2,770	93,887	39,180	↑
4 Cash items in process of collection and unposted debits	n.a.	n.a.	n.a.	72,348	26,879	n.a.
5 Currency and coin	n.a.	n.a.	n.a.	21,539	12,301	n.a.
6 Balances due from depository institutions in the United States	n.a.	22,386	11,711	10,675	17,813	n.a.
7 Balances due from banks in foreign countries and foreign central banks	↓	69,346	64,416	4,930	2,511	↓
8 Balances due from Federal Reserve Banks	↓	15,232	132	15,099	9,573	↓
9 Non-interest-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.	8,326	15,017	5,977
10 Total securities, held-to-maturity (amortized cost) and available-for-sale (fair value)	796,940	361,098	40,761	320,336	341,793	94,049
11 U.S. Treasury securities	185,637	75,651	1,031	74,620	83,755	26,231
12 U.S. government agency and corporation obligations (excludes mortgage-backed securities)	123,657	27,065	96	26,968	65,748	30,845
13 Issued by U.S. government agencies	5,741	2,303	n.a.	n.a.	2,259	1,179
14 Issued by U.S. government-sponsored agencies	117,916	24,762	n.a.	n.a.	63,488	29,666
15 Securities issued by states and political subdivisions in the United States	73,110	19,501	262	19,239	38,336	14,773
16 General obligations	54,905	13,977	n.a.	n.a.	30,077	10,850
17 Revenue obligations	17,534	5,215	n.a.	n.a.	8,479	3,841
18 Industrial development and similar obligations	671	309	n.a.	n.a.	280	81
19 Mortgage-backed securities (MBS)	330,470	175,84	3,832	171,952	135,648	19,037
20 Pass-through securities	214,870	118,072	3,805	114,268	85,218	11,580
21 Guaranteed by GNMA	72,767	47,619	n.a.	n.a.	21,722	3,427
22 Issued by FNMA and FHLMC	139,653	68,911	n.a.	n.a.	62,639	8,103
23 Privately issued	2,450	1,543	0	1,543	857	50
24 Other mortgage-backed securities (includes CMOs, RMBS, and stripped MBS)	115,599	57,711	27	57,684	50,431	7,458
25 Issued or guaranteed by FNMA, FHLMC or GNMA	90,124	40,908	0	40,908	42,200	7,016
26 Collateralized by MBS issued or guaranteed by FNMA, FHLMC, or GNMA	3,731	1,899	n.a.	n.a.	1,534	299
27 All other mortgage-backed securities	21,745	14,905	n.a.	n.a.	6,697	143
28 Other debt securities	64,682	52,254	34,362	17,892	10,618	1,810
29 Other domestic debt securities	n.a.	14,738	457	14,281	9,961	n.a.
30 Foreign debt securities	n.a.	37,516	33,905	3,611	657	n.a.
31 Equity securities	19,383	10,843	1,179	9,664	7,187	1,353
32 Investments in mutual funds	2,365	970	77	893	997	398
33 Other equity securities with readily determinable fair value	4,585	3,363	524	2,839	1,119	102
34 All other equity securities	12,433	6,510	578	5,932	5,070	853
35 Federal funds sold and securities purchased under agreements to resell	159,691	109,453	339	109,115	38,592	11,645
36 Federal funds sold	140,047	93,157	n.a.	n.a.	35,340	11,550
37 Securities purchased under agreements to resell	19,643	16,296	n.a.	n.a.	3,251	95
38 Total loans- and lease financing receivables, gross	2,679,675	1,589,359	301,039	1,288,321	912,013	178,302
39 L:SS: Unearned income on loans	5,071	2,098	1,023	1,075	2,148	825
40 Total loans and leases (net of unearned income)	2,674,604	1,587,261	300,016	1,287,245	909,865	177,478
41 L:SS: Allowance for loan and lease losses	53,290	33,633	n.a.	n.a.	16,954	2,703
42 L:SS: Allocated transfer risk reserves	80	80	n.a.	n.a.	0	0
43 EQUAIS: Total loans and leases, net	2,621,234	1,553,548	n.a.	n.a.	892,911	174,774
<i>Total loans, gross, by category</i>						
44 Loans secured by real estate	1,095,265	536,987	28,021	508,966	458,766	99,512
45 Construction and land development	↑	↑	↑	28,768	35,122	7,225
46 Farmland	↑	↑	↑	2,559	10,692	11,310
47 One- to four-family residential properties	n.a.	n.a.	n.a.	125,251	252,648	51,637
48 Revolving, open-end loans, extended under lines of credit	n.a.	n.a.	n.a.	49,344	29,634	2,464
49 All other loans	↓	↓	↓	275,907	223,013	49,173
50 Multifamily (five or more) residential properties	↓	↓	↓	18,016	17,178	2,200
51 Nonfarm nonresidential properties	↓	↓	↓	134,372	143,127	27,139
52 Loans to depository institutions	102,034	95,879	41,068	54,811	5,980	175
53 Commercial banks in the United States	n.a.	45,780	2,377	43,403	5,405	n.a.
54 Other depository institutions in the United States	n.a.	6,372	68	6,304	397	n.a.
55 Banks in foreign countries	n.a.	43,726	38,623	5,104	178	n.a.
56 Loans to finance agricultural production and other loans to farmers	41,264	6,811	50	6,473	15,451	19,001
57 Commercial and industrial loans	681,644	503,507	134,187	369,320	148,440	29,697
58 U.S. addressees (domestic)	n.a.	392,452	26,584	365,868	147,900	n.a.
59 Non-U.S. addressees (domestic)	n.a.	111,055	107,603	3,452	540	n.a.
60 Acceptances of other banks	1,954	1,684	1,255	429	180	90
61 U.S. banks	n.a.	219	0	219	n.a.	n.a.
62 Foreign banks	n.a.	1,465	1,255	210	n.a.	n.a.
63 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	534,509	251,979	31,216	220,764	255,135	27,394
64 Credit cards and related plans	212,107	89,344	n.a.	n.a.	121,254	1,509
65 Other (includes single payment and installment)	322,402	162,636	n.a.	n.a.	133,881	25,885
66 Obligations (other than securities) of states and political subdivisions in the United States (includes nonated industrial development obligations)	18,145	9,782	50	9,731	7,455	909
67 All other loans	139,912	129,378	61,004	68,374	9,655	879
68 Loans to foreign governments and official institutions	n.a.	11,722	10,185	1,537	27	n.a.
69 Other loans	n.a.	117,656	50,819	66,837	9,628	n.a.
70 Loans for purchasing and carrying securities	n.a.	n.a.	n.a.	17,277	1,862	n.a.
71 All other loans (excludes consumer loans)	n.a.	n.a.	n.a.	49,560	7,766	n.a.
72 Lease-financing receivables	64,949	53,352	3,899	49,453	10,951	646
73 Assets held in trading accounts	219,126	217,880	↑	↑	1,200	1
74 Premises and fixed assets (including capitalized leases)	62,207	35,412	↑	↑	21,381	5,414
75 Other real estate owned	5,891	3,298	↑	↑	2,055	538
76 Investments in unconsolidated subsidiaries and associated companies	5,773	5,140	↓	↓	608	25
77 Customers' liability on acceptances outstanding	17,988	17,738	n.a.	n.a.	231	19
78 Net due from own foreign offices, Edge Act and agreement subsidiaries, and IBFS	n.a.	n.a.	↓	28,986	n.a.	n.a.
79 Intangible assets	42,679	28,831	↓	n.a.	13,127	722
80 Other assets	149,742	112,025	↓	n.a.	32,126	5,591

4.20 DOMESTIC AND FOREIGN OFFICES Insured Commercial Bank Assets and Liabilities - Continued
Consolidated Report of Condition, June 30, 1996

Millions of dollars except as noted

Item	Total	Banks with foreign offices ¹			Banks with domestic offices only ²	
		Total	Foreign	Domestic	Over 100	Under 100
81 Total liabilities, limited-life preferred stock, and equity capital	4,369,085	2,648,044	n.a.	n.a.	1,413,099	307,942
82 Total liabilities	4,006,349	2,446,753	705,743	1,844,435	1,283,531	276,065
83 Total deposits	3,038,760	1,714,930	461,840	1,253,090	1,056,870	266,961
84 Individuals, partnerships, and corporations	2,686,083	1,458,418	290,140	1,168,278	985,002	242,663
85 U.S. government	n.a.	n.a.	n.a.	6,515	1,869	354
86 States and political subdivisions in the United States	n.a.	n.a.	n.a.	39,782	51,452	20,031
87 Commercial banks in the United States	59,640	52,847	35,787	17,061	5,942	851
88 Other depository institutions in the United States	n.a.	n.a.	n.a.	3,200	3,212	1,241
89 Banks in foreign countries	n.a.	93,870	87,033	6,838	196	n.a.
90 Foreign governments and official institutions	n.a.	41,136	39,657	1,479	31	n.a.
91 Certified and official checks	18,488	9,493	764	8,629	7,304	1,791
92 Residual ³	274,549	59,265	8,460	n.a.	n.a.	49
93 Total transaction accounts	↑	↑	↑	93,275	285,765	76,992
94 Individuals, partnerships, and corporations	↑	↑	↑	39,797	251,932	67,059
95 U.S. government	↑	↑	↑	2,590	1,552	260
96 States and political subdivisions in the United States	↑	↑	↑	14,839	17,953	7,430
97 Commercial banks in the United States	↑	↑	↑	17,061	5,942	332
98 Other depository institutions in the United States	↑	↑	↑	2,327	883	104
99 Banks in foreign countries	↑	↑	↑	6,838	196	n.a.
100 Foreign governments and official institutions	↑	↑	↑	1,194	3	n.a.
101 Certified and official checks	↑	↑	↑	8,629	7,304	1,791
102 Residual ³	↑	↑	↑	n.a.	n.a.	16
103 Demand deposits (included in total transaction accounts)	↑	↑	↑	331,304	183,672	38,903
104 Individuals, partnerships, and corporations	↑	↑	↑	283,518	161,977	34,857
105 U.S. government	↑	↑	↑	2,569	1,500	250
106 States and political subdivisions in the United States	↑	↑	↑	9,192	5,873	1,558
107 Commercial banks in the United States	↑	↑	↑	17,061	5,938	340
108 Other depository institutions in the United States	n.a.	n.a.	n.a.	2,325	880	101
109 Banks in foreign countries	↑	↑	↑	6,836	196	n.a.
110 Foreign governments and official institutions	↑	↑	↑	1,174	3	n.a.
111 Certified and official checks	↑	↑	↑	8,629	7,304	1,791
112 Residual ³	↑	↑	↑	n.a.	n.a.	16
113 Total nontransaction accounts	↓	↓	↓	859,815	771,105	189,969
114 Individuals, partnerships, and corporations	↓	↓	↓	828,481	733,070	175,605
115 U.S. government	↓	↓	↓	3,925	317	94
116 States and political subdivisions in the United States	↓	↓	↓	24,943	33,500	12,601
117 Commercial banks in the United States	↓	↓	↓	1,176	1,694	519
118 U.S. branches and agencies of foreign banks	↓	↓	↓	0	0	n.a.
119 Other commercial banks in the United States	↓	↓	↓	0	0	n.a.
120 Other depository institutions in the United States	↓	↓	↓	874	2,328	1,128
121 Banks in foreign countries	↓	↓	↓	132	168	n.a.
122 Foreign branches of other U.S. banks	↓	↓	↓	0	0	n.a.
123 Other banks in foreign countries	↓	↓	↓	0	0	n.a.
124 Foreign governments and official institutions	↓	↓	↓	285	28	n.a.
125 Residual ³	↓	↓	↓	n.a.	n.a.	24
126 Federal funds purchased and securities sold under agreements to repurchase	309,331	212,997	982	212,016	92,982	3,352
127 Federal funds purchased	224,622	159,735	n.a.	n.a.	63,047	1,840
128 Securities sold under agreements to repurchase	84,710	53,262	n.a.	n.a.	29,935	1,512
129 Demand notes issued to the U.S. Treasury	26,958	22,575	0	22,575	4,159	224
130 Trading liabilities	139,994	139,842	n.a.	n.a.	152	0
131 Other borrowed money	307,153	200,557	67,848	132,709	103,754	2,842
132 Banks' liability on acceptances executed and outstanding	18,039	17,789	4,590	13,198	231	19
133 Notes and debentures subordinated to deposits	47,586	43,180	n.a.	n.a.	4,386	20
134 Net due to own foreign offices, Edge Act and agreement subsidiaries, and IBFs	n.a.	n.a.	n.a.	74,438	n.a.	n.a.
135 All other liabilities	118,527	94,883	n.a.	n.a.	20,997	2,646
136 Total equity capital	362,732	201,291	n.a.	n.a.	129,564	31,876
MEMO						
137 Holdings of commercial paper included in total loans, gross	↑	225	36	189	561	n.a.
138 Total individual retirement (IRA) and Keogh plan accounts	↑	↑	↑	69,197	67,353	15,118
139 Total brokered deposits	↑	↑	↑	27,649	19,830	1,028
140 Fully insured brokered deposits	↑	↑	↑	19,171	17,584	990
141 Issued in denominations of less than \$100,000	↑	↑	↑	1,749	3,250	775
142 Issued in denominations of \$100,000, or in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less	n.a.	n.a.	n.a.	17,422	14,333	216
143 Money market deposit accounts (MMDAs)	↑	↑	↑	317,462	180,413	26,785
144 Other savings deposits (excluding MMDAs)	↑	↑	↑	147,721	133,191	29,553
145 Total time deposits of less than \$100,000	↑	↑	↑	260,663	339,140	103,376
146 Time certificates of deposit of \$100,000 or more	↑	↑	↑	118,508	115,709	29,426
147 Open-account time deposits of \$100,000 or more	↑	↑	↑	15,460	2,652	829
148 All negotiable order of withdrawal (NOW) accounts	↑	↑	↑	61,526	100,293	37,137
149 Number of banks	9,670	187	↓	n.a.	2,881	6,602

Footnotes appear at the end of table 4.22

4.22 DOMESTIC OFFICES Insured Commercial Bank Assets and Liabilities
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 Millions of dollars except as noted

Item	Total	Members			Non-members
		Total	National	State	
1 Total assets	3,766,764	2,884,844	2,203,413	681,431	881,920
2 Cash and balances due from depository institutions	208,786	167,093	131,799	35,294	41,693
3 Total securities, held-to-maturity (amortized cost) and available-for-sale (fair value)	435,842	238,911	182,101	56,811	196,931
4 U.S. Treasury securities	109,986	57,620	41,710	15,909	52,367
5 U.S. government agency and corporation obligations (excludes mortgage backed securities)	96,592	46,975	35,588	11,387	49,617
6 Securities issued by states and political subdivisions in the United States	53,609	27,760	20,115	7,645	25,848
7 Mortgage-backed securities (MBS)	154,686	94,670	75,073	19,597	60,016
8 Pass-through securities	96,798	61,198	48,683	12,515	35,600
9 Issued or guaranteed by FNMA, FHLMC, or GNMA	95,890	60,534	48,248	12,286	35,356
10 Other pass-through securities	908	664	435	229	244
11 Other mortgage backed securities (include CMOs, RMBSs, and stripped MBS)	57,888	33,472	26,390	7,082	24,416
12 Issued or guaranteed by FNMA, FHLMC, or GNMA	49,216	28,526	22,723	5,803	20,690
13 All other mortgage backed securities	8,672	4,946	3,667	1,280	3,726
14 Other debt securities	12,429	6,679	5,521	1,158	5,749
15 Equity securities	8,540	5,207	4,093	1,114	3,333
16 Investments in mutual funds	1,396	663	488	175	732
17 Other equity securities with readily determinable fair values	1,222	508	414	94	714
18 All other equity securities	5,923	4,036	3,191	845	1,887
19 Federal funds sold and securities purchased under agreements to resell	159,352	134,944	92,656	42,288	24,408
20 Total loans and lease financing receivables, gross	2,378,636	1,815,925	1,441,113	374,812	562,711
21 Less: Unearned income on loans	4,048	2,294	1,817	477	1,754
22 Total loans and leases (net of unearned income)	2,374,588	1,813,631	1,439,297	374,334	560,957
<i>Total loans, gross, by category</i>					
23 Loans secured by real estate	1,067,243	778,192	626,039	152,153	289,051
24 Construction and land development	71,114	47,880	37,286	10,593	23,235
25 Farmland	24,561	11,492	8,989	2,503	13,069
26 One- to four family residential properties	629,536	479,732	390,776	88,957	149,804
27 Revolving, open end loans, extended under lines of credit	81,442	65,825	54,280	11,544	15,617
28 All other loans	548,094	413,908	336,495	77,412	134,186
29 Multifamily (five or more) residential properties	37,394	26,251	20,662	5,590	11,143
30 Nonfarm nonresidential properties	304,638	212,837	168,326	44,510	91,802
31 Loans to depository institutions	60,966	57,123	49,760	7,363	3,843
32 Loans to finance agricultural production and other loans to farmers	40,925	20,679	16,654	4,024	20,247
33 Commercial and industrial loans	547,456	450,424	338,880	111,443	97,133
34 Acceptances of other banks	699	365	159	206	334
35 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	503,293	367,680	308,475	59,206	135,613
36 Obligations (other than securities) of states and political subdivisions in the United States	18,095	14,517	11,287	3,230	3,578
37 All other loans	78,908	73,277	46,545	26,732	5,631
38 Lease-financing receivables	61,050	53,770	43,315	10,455	7,280
39 Net due from own foreign offices, Edge Act and agreement subsidiaries, and IBFs	28,986	26,503	9,515	16,987	2,484
40 Remaining assets	559,209	503,761	348,046	155,716	55,448
41 Total liabilities	3,404,031	2,609,119	1,995,371	613,749	794,912
42 Total deposits	2,576,920	1,909,060	1,489,144	419,917	667,860
43 Individuals, partnerships, and corporations	2,395,943	1,777,830	1,389,677	388,153	618,113
44 U.S. government	8,739	7,686	6,925	760	1,053
45 States and political subdivisions in the United States	111,265	73,935	54,566	19,368	37,330
46 Commercial banks in the United States	23,853	21,931	17,474	4,457	1,922
47 Other depository institutions in the United States	7,643	4,787	4,026	761	2,857
48 Certified and official checks	17,724	13,135	10,123	3,012	4,589
49 Banks in foreign countries, foreign governments, and foreign official institutions	8,583	8,090	5,083	3,007	492
50 Total transaction accounts	786,031	575,441	447,781	127,660	180,590
51 Individuals, partnerships, and corporations	658,788	499,257	389,685	109,573	159,531
52 U.S. government	4,407	3,570	2,852	718	832
53 States and political subdivisions in the United States	40,221	27,208	20,773	6,434	13,013
54 Commercial banks in the United States	23,344	21,738	17,342	4,406	1,596
55 Other depository institutions in the United States	3,114	2,746	2,244	512	568
56 Certified and official checks	17,724	13,135	10,123	3,012	4,589
57 Banks in foreign countries, foreign governments, and foreign official institutions	8,247	7,787	4,782	3,005	461
58 Demand deposits (included in total transaction accounts)	553,879	445,513	346,809	98,704	108,365
59 Individuals, partnerships, and corporations	480,352	383,684	299,395	84,290	96,668
60 U.S. government	4,319	3,523	2,811	711	797
61 States and political subdivisions in the United States	16,623	12,924	10,155	2,769	3,699
62 Commercial banks in the United States	23,330	21,737	17,331	4,406	1,592
63 Other depository institutions in the United States	3,306	2,744	2,233	512	562
64 Certified and official checks	17,724	13,135	10,123	3,012	4,589
65 Banks in foreign countries, foreign governments, and foreign official institutions	8,225	7,766	4,762	3,004	459
66 Total nontransaction accounts	1,820,889	1,333,619	1,041,362	292,257	487,270
67 Individuals, partnerships, and corporations	1,737,156	1,278,573	999,992	278,581	458,583
68 U.S. government	4,336	4,116	4,074	42	221
69 States and political subdivisions in the United States	71,044	46,727	33,793	12,934	24,317
70 Commercial banks in the United States	3,389	1,616	1,189	477	1,773
71 Other depository institutions in the United States	4,429	2,041	1,791	250	2,289
72 Banks in foreign countries, foreign governments, and foreign official institutions	335	304	301	2	32

4.22 DOMESTIC OFFICES Insured Commercial Bank Assets and Liabilities - Continued
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Millions of dollars except as noted

Item	Total	Members			Non-members
		Total	National	State	
73 Federal funds purchased and securities sold under agreements to repurchase	308,350	257,113	182,875	74,238	50,937
74 Demand notes issued to the U.S. Treasury	26,958	24,922	14,053	10,869	2,056
75 Other borrowed money	239,305	190,792	116,550	34,242	48,514
76 Banks liability on acceptances executed and outstanding	13,448	13,212	10,359	2,853	236
77 Net due to own foreign offices, Edge Act and agreement subsidiaries, and IBFs	74,448	64,189	16,896	17,293	10,219
78 Remaining liabilities	164,611	149,530	105,494	34,036	15,081
MIMO					
79 Trading assets at large banks ²	66,016	62,493	39,607	25,886	523
80 U.S. Treasury securities (domestic offices)	15,312	15,208	9,944	5,264	104
81 U.S. government agency corporation obligations	1,490	1,433	1,306	127	58
82 Securities issued by states and political subdivisions in the United States	958	916	729	217	12
83 Mortgage-backed securities	3,464	3,454	539	2,915	10
84 Other debt securities	2,310	2,308	1,197	1,111	?
85 Certificates of deposit	1,352	1,452	180	972	0
86 Commercial paper	312	173	173	0	139
87 Bankers acceptances	1,681	1,657	1,011	643	21
88 Other trading assets	4,837	4,340	2,603	2,137	96
89 Revaluation gains on interest rate, foreign exchange rate, and other commodity and equity contracts	34,200	34,122	21,622	12,499	78
90 Total individual retirement (IRA) and Keogh plan accounts	151,667	111,799	88,777	23,022	39,869
91 Total brokered deposits	48,507	34,098	23,939	10,160	14,308
92 Fully insured brokered deposits	37,735	26,012	18,278	7,734	11,733
93 Issued in denominations of less than \$100,000	5,774	3,481	2,995	186	2,293
94 Issued in denominations of \$100,000, or in denominations greater than \$100,000 and participated out by the broker to shares of \$100,000 or less	31,971	22,331	15,283	7,248	9,340
95 Money market deposit accounts (MMDAs)	524,660	426,096	343,399	82,697	98,265
96 Other savings deposits	310,465	232,454	172,672	59,782	78,011
97 Total time deposits of less than \$100,000	703,180	481,308	380,150	101,278	251,117
98 Time certificates of deposit of \$100,000 or more	263,611	177,614	137,253	40,362	86,029
99 Open-account time deposits of \$100,000 or more	18,940	16,046	1,908	8,138	2,894
100 All negotiable order of withdrawal (NOW) accounts	198,956	128,302	99,571	28,681	30,154
101 Number of banks	9,670	3,787	2,764	1,023	5,884

NOTE: The notation "n.a." indicates the lesser detail available from banks that don't have foreign offices, the inapplicability of certain items to banks that have only domestic offices or the absence of detail on a fully consolidated basis for banks that have foreign offices.

1. All transactions between domestic and foreign offices of a bank are reported in "net due from" and "net due to" lines. All other lines represent transactions with parties other than the domestic and foreign offices of each bank. Because these intra-office 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.

Foreign offices include branches in foreign countries, Puerto Rico, and U.S. territories and possessions, subsidiaries in foreign countries, all offices of Edge Act and agreement corporations wherever located; and IBFs.

2. "Over 100" refers to banks whose assets, on June 30 of the preceding calendar year, were \$100 million or more (These banks file the FFIEC 032 or FFIEC 033 Call Report). "Under 100" refers to banks whose assets, on June 30 of the preceding calendar year, were less than \$100 million. (These banks file the FFIEC 034 Call Report.)

3. Because the domestic portion of allowances for loan and lease losses and allocated transfer risk reserves are not reported for banks with foreign offices, the components of total assets (domestic) do not sum to the actual total (domestic).

4. "Residual" equals the sum of the "n.a." categories listed above it.

5. Components of "Trading assets at large banks" are reported only by banks with either total assets of \$1 billion or more or with \$2 billion or more in the par/notional amount of their off-balance sheet derivative contracts.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, August 5-9, 1996¹

Commercial and industrial loans

Type and maturity of loan	Amount of loans (thousands of dollars)	Average size (thousands of dollars)	Weighted average maturity ²	Loan rate (percent)		Loans secured by collateral (percent)	Loans made under commitment (percent)	Participation loans (percent)	Most common base pricing rate ⁵
				Days	Weighted average effective ³					Standard error^{4}
			Months								Effective^{3}	Nominal^{8}
ALL BANKS									
1 Overnight ⁶	16,837,231	10,130	*	5.85	.28	10.8	60.8	4.1	Fed funds
2 One month or less (excluding overnight)	8,772,798	1,076	14	6.41	.17	22.0	82.5	5.3	Other
3 Fixed rate	6,455,170	2,428	14	6.24	.21	14.6	77.9	5.2	Fed funds
4 Floating rate	2,317,629	422	14	6.89	.23	42.4	95.4	5.5	Domestic
5 More than one month and less than one year	14,240,307	233	152	7.37	.14	41.5	85.6	7.8	Prime
6 Fixed rate	6,091,191	385	99	6.81	.19	34.8	91.9	9.6	Foreign
7 Floating rate	8,149,116	180	191	7.78	.20	46.4	80.9	6.4	Prime
8 Demand ⁷	14,967,968	331	*	7.04	.17	43.1	51.2	6.7	Prime
9 Fixed rate	5,409,840	1,625	*	5.74	.24	9.6	33.4	9.5	Other
10 Floating rate	9,558,128	228	*	7.77	.19	62.1	61.3	5.2	Prime
11 Total short-term	54,818,305	472	58	6.66	.15	29.4	68.1	6.0	Other
12 Fixed rate (thousands of dollars)	34,555,177	1,475	25	6.08	.21	15.6	64.9	6.1	Other
13 1-99	299,304	18	141	9.53	.10	76.8	53.6	.9	Other
14 100-499	439,182	208	96	7.94	.20	65.1	76.1	6.4	Other
15 500-999	482,813	671	72	7.15	.08	46.0	85.9	14.1	Foreign
16 1,000-4,999	4,328,842	2,309	38	6.66	.08	31.4	81.9	6.4	Other
17 5,000-9,999	4,212,072	6,616	43	6.35	.28	22.0	79.4	7.4	Other
18 10,000 or more	24,792,964	22,932	15	5.83	.08	9.6	59.0	5.8	Fed funds
19 Floating rate (thousands of dollars)	20,263,127	219	148	7.65	.20	52.8	73.5	5.6	Prime
20 1-99	1,818,524	26	200	9.62	.09	81.8	88.0	1.5	Prime
21 100-499	3,391,536	201	206	9.05	.04	73.6	92.1	3.8	Prime
22 500-999	1,564,958	668	193	8.74	.04	67.8	91.3	6.4	Prime
23 1,000-4,999	4,116,007	1,914	152	7.79	.15	54.7	79.1	5.9	Prime
24 5,000-9,999	2,192,641	6,710	126	7.10	.15	43.5	76.1	9.1	Other
25 10,000 or more	7,179,463	23,588	104	6.34	.08	34.2	53.3	6.2	Fed funds
Months									
26 Total long-term	9,783,244	398	50	7.96	.13	70.4	85.0	8.6	Prime
27 Fixed rate (thousands of dollars)	2,048,563	203	47	7.41	.22	59.3	74.0	10.4	Other
28 1-99	222,351	26	57	9.53	.11	94.9	31.9	.2	Other
29 100-499	199,550	198	56	8.76	.12	87.0	56.0	3.0	Other
30 500-999	117,305	664	48	8.04	.37	68.1	63.8	12.3	Domestic
31 1,000 or more	1,509,357	4,031	44	6.87	.27	49.7	83.4	12.7	Other
32 Floating rate (thousands of dollars)	7,734,681	532	50	8.10	.15	73.3	87.9	8.1	Prime
33 1-99	255,771	31	44	9.60	.10	83.8	69.4	3.6	Prime
34 100-499	938,126	211	46	9.10	.04	78.6	80.3	8.9	Prime
35 500-999	579,142	686	40	8.60	.13	75.2	88.0	13.1	Prime
36 1,000 or more	5,961,642	5,652	52	7.83	.18	71.8	89.9	7.7	Prime
Days									
Loan rate (percent)									
Effective³									
Nominal⁸									
Prime rate⁹									
LOANS MADE BELOW PRIME¹⁰									
37 Overnight ⁶	16,625,674	11,811	*	5.81	5.64	9.7	60.3	4.2	8.25
38 One month or less (excluding overnight)	8,180,286	3,889	13	6.18	6.00	18.2	82.4	5.4	8.25
39 More than one month and less than one year	9,881,616	1,060	129	6.50	6.32	28.1	83.7	9.1	8.27
40 Demand ⁷	10,142,647	2,572	*	5.99	5.86	28.0	36.6	7.6	8.26
41 Total short-term	44,830,223	2,672	41	6.07	5.91	19.5	64.1	6.3	8.26
42 Fixed rate	33,425,439	4,260	23	5.97	5.81	13.2	64.2	6.2	8.25
43 Floating rate	11,404,784	1,277	117	6.38	6.20	37.8	63.9	6.3	8.27
Months									
44 Total long-term	5,108,604	1,047	48	6.87	6.68	65.7	85.7	8.2	8.28
45 Fixed rate	1,534,086	620	46	6.75	6.61	50.2	78.2	8.7	8.32
46 Floating rate	3,574,518	1,486	49	6.92	6.72	72.3	89.0	8.0	8.26

Footnotes appear at the end of the table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, August 5-9, 1996¹ Continued

Commercial and industrial loans - Continued

Type and maturity of loan	Amount of loans (thousands of dollars)	Average size (thousands of dollars)	Weighted average maturity ² Days	Loan rate (percent)		Loans secured by collateral (percent)	Loans made under commitment (percent)	Participation loans (percent)	Most common base pricing rate ⁵
				Weighted average effective ³	Standard error ⁴				
LARGE BANKS									
1 Overnight ⁶	13,445,383	11,150	7	5.86	.24	9.9	65.0	4.2	Other
2 One month or less (excluding overnight)	6,181,420	2,236	14	6.40	.17	17.2	90.1	6.0	Domestic
3 Fixed rate	4,368,930	5,116	14	6.23	.17	9.6	87.5	6.2	Other
4 Floating rate	1,812,489	948	14	6.48	.25	45.6	96.3	5.4	Domestic
5 More than one month and less than one year	9,495,424	654	123	7.07	.14	46.0	92.7	9.9	Foreign
6 Fixed rate	4,648,252	2,679	80	6.73	.14	31.0	96.5	11.0	Foreign
7 Floating rate	4,747,172	376	165	7.41	.19	40.9	88.9	8.9	Prime
8 Demand ⁷	12,974,875	544	7	6.79	.17	39.3	45.4	6.0	Other
9 Fixed rate	5,259,409	4,288	7	5.69	.22	8.3	32.0	9.4	Other
10 Floating rate	7,715,366	341	7	7.53	.18	60.5	54.5	1.7	Prime
11 Total short-term	41,997,101	995	43	6.48	.14	25.9	68.8	6.3	Other
12 Fixed rate (thousands of dollars)	27,483,619	5,505	20	6.04	.16	13.2	67.3	6.7	Other
13 1-99	36,495	34	158	8.54	.18	89.0	88.4	4.5	Other
14 100-499	180,741	237	83	7.49	.13	62.5	89.2	6.1	Other
15 500-999	297,469	672	54	7.26	.15	39.6	92.1	12.3	Other
16 1,000-4,999	3,082,480	2,348	34	6.76	.14	30.5	83.5	6.1	Other
17 5,000-9,999	3,480,903	6,720	32	6.33	.33	20.3	77.3	8.6	Other
18 10,000 or more	20,405,631	23,021	15	5.84	.07	8.4	62.5	6.4	Other
19 Floating rate (thousands of dollars)	14,513,482	390	119	7.33	.19	50.0	71.7	5.6	Prime
20 1-99	760,185	31	202	9.46	.18	76.0	88.4	.9	Prime
21 100-499	1,930,171	207	203	9.00	.05	74.0	90.8	3.8	Prime
22 500-999	957,753	668	192	8.69	.10	70.6	89.5	6.6	Prime
23 1,000-4,999	2,872,093	2,036	139	7.61	.21	52.8	79.4	6.7	Prime
24 5,000-9,999	1,824,258	6,678	123	7.01	.14	40.3	71.9	7.8	Other
25 10,000 or more	6,169,023	22,414	67	6.29	.12	37.6	57.4	5.3	Fed funds
			Months						
26 Total long-term	7,296,907	1,017	50	7.86	.13	65.7	90.1	7.3	Prime
27 Fixed rate (thousands of dollars)	1,316,806	1,031	43	6.90	.21	50.0	83.5	12.6	Foreign
28 1-99	20,438	31	46	9.36	.18	84.2	64.2	2.3	Other
29 100-499	64,651	221	45	8.33	.28	79.0	77.2	5.6	Domestic
30 500-999	64,417	716	45	7.60	.30	68.7	87.6	22.4	Domestic
31 1,000 or more	1,167,300	5,059	43	6.74	.31	46.7	84.0	12.6	Foreign
32 Floating rate (thousands of dollars)	5,980,100	1,014	52	8.07	.14	69.2	91.6	6.1	Prime
33 1-99	93,555	42	36	9.35	.14	73.5	85.6	4.0	Prime
34 100-499	505,853	226	37	8.93	.08	71.2	91.0	8.1	Prime
35 500-999	401,537	670	41	8.62	.18	71.5	88.2	10.5	Prime
36 1,000 or more	4,977,155	6,107	54	7.91	.22	68.7	92.0	5.6	Prime
			Days		Loan rate (percent)				
					Effective³	Nominal⁶			
LOANS MADE BELOW PRIME¹⁰									
37 Overnight ⁶	13,241,893	12,452	7	5.81	5.65	8.5	64.4	4.3	8.25
38 One month or less (excluding overnight)	5,911,270	5,683	13	6.17	5.99	15.0	90.5	6.2	8.25
39 More than one month and less than one year	7,368,928	2,883	102	6.50	6.32	26.5	91.8	10.6	8.25
40 Demand ⁷	9,561,214	3,557	8	5.94	5.81	27.4	32.9	6.8	8.25
41 Total short-term	36,083,306	4,911	32	6.04	5.88	18.2	65.9	6.5	8.25
42 Fixed rate	26,758,563	7,211	19	5.96	5.80	11.0	66.4	6.8	8.25
43 Floating rate	9,324,743	2,564	89	6.30	6.12	39.0	64.5	5.8	8.25
			Months						
44 Total long-term	3,881,763	2,693	49	6.82	6.64	62.2	88.9	6.3	8.25
45 Fixed rate	1,124,221	2,334	43	6.54	6.44	45.9	83.1	11.6	8.25
46 Floating rate	2,757,542	2,873	52	6.94	6.72	68.8	91.3	4.1	8.25

Footnotes appear at the end of the table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, August 5-9, 1996¹ - Continued

Commercial and industrial loans - Continued

Type and maturity of loan	Amount of loans (thousands of dollars)	Average size (thousands of dollars)	Weighted average maturity ²	Loan rate (percent)		Loans secured by collateral (percent)	Loans made under commitment (percent)	Participation loans (percent)	Most common base pricing rate ⁵
				Days	Weighted average effective ³					Standard error^{4}
			Days						
OTHER BANKS									
1 Overnight ⁶	3,391,848	7,434	-	5.80	.40	14.3	44.3	3.8	Fed funds
2 One month or less (excluding overnight)	2,591,478	481	14	6.66	.20	33.2	64.4	3.6	Fed funds
3 Fixed rate	2,086,239	1,156	13	6.25	.25	25.1	57.7	3.0	Fed funds
4 Floating rate	505,139	141	17	8.36	.24	66.7	92.3	6.0	Prime
5 More than one month and less than one year	4,844,884	104	207	7.94	.18	52.0	71.8	3.5	Prime
6 Fixed rate	1,442,939	103	163	7.05	.25	46.9	76.9	5.1	Foreign
7 Floating rate	3,401,945	103	226	8.31	.17	54.1	69.6	2.9	Prime
8 Demand ⁷	1,993,093	94	-	8.66	.19	67.9	89.1	11.3	Prime
9 Fixed rate	150,532	72	-	7.48	.33	53.6	83.8	11.4	Foreign
10 Floating rate	1,842,561	96	-	8.75	.19	69.1	89.6	11.3	Prime
11 Total short-term	12,821,204	174	97	7.23	.17	40.7	65.7	4.8	Fed funds
12 Fixed rate (thousands of dollars)	7,971,558	83	39	6.23	.22	25.0	55.7	4.0	Fed funds
13 1-99	762,809	16	139	9.67	.09	75.2	48.8	.5	Other
14 100-499	258,440	193	103	8.25	.24	67.0	66.9	6.6	Prime
15 500-999	185,345	668	99	6.99	.10	56.3	75.9	17.0	Foreign
16 1,000-4,999	1,246,362	47	227	6.41	.17	33.7	78.0	7.1	Foreign
17 5,000-9,999	731,169	6,162	91	6.44	.25	30.1	89.8	1.9	Fed funds
18 10,000 or more	4,387,333	22,528	17	5.78	.16	14.9	42.6	3.0	Fed funds
19 Floating rate (thousands of dollars)	5,749,645	104	199	8.46	.19	60.0	78.0	5.9	Prime
20 1-99	1,058,339	23	200	9.73	.07	85.9	87.7	2.0	Prime
21 100-499	1,461,365	193	209	9.11	.06	73.2	93.8	3.8	Prime
22 500-999	607,204	667	194	8.83	.17	63.4	94.0	6.1	Prime
23 1,000-4,999	1,243,914	1,681	171	8.20	.20	59.0	78.2	4.2	Prime
24 5,000-9,999	368,383	6,874	136	7.53	.61	59.1	96.9	15.7	Prime
25 10,000 or more	1,010,440	34,681	237	6.60	1.15	13.3	28.3	11.3	Foreign
Months									
26 Total long-term	2,486,337	143	48	8.25	.17	84.0	69.9	12.5	Prime
27 Fixed rate (thousands of dollars)	731,757	83	52	8.32	.29	76.1	56.9	6.5	Other
28 1-99	201,913	26	58	9.55	.13	96.0	28.6	.0	Other
29 100-499	134,899	189	61	8.97	.20	90.8	45.8	1.7	Other
30 500-999	52,888	610	51	8.59	.78	67.4	34.8	.0	Other
31 1,000 or more	342,057	2,380	46	7.29	.33	59.8	81.3	13.2	Other
32 Floating rate (thousands of dollars)	1,754,581	203	46	8.22	.17	87.3	75.3	15.0	Prime
33 1-99	162,216	27	48	9.74	.11	89.8	60.0	3.3	Prime
34 100-499	432,273	196	55	9.29	.10	87.4	67.8	9.8	Prime
35 500-999	175,605	728	38	8.54	.09	83.5	87.5	19.0	Prime
36 1,000 or more	984,487	4,107	42	7.44	.34	87.4	79.0	18.5	Prime
Days									
				Loan rate (percent)					
				Effective ³	Nominal ⁸				
LOANS MADE BELOW PRIME¹⁰									
37 Overnight ⁶	3,383,781	9,830	-	5.79	5.63	14.2	44.1	3.8	8.25
38 One month or less (excluding overnight)	2,269,015	2,134	13	6.23	6.04	26.5	61.5	3.4	8.26
39 More than one month and less than one year	2,512,688	371	208	6.51	6.33	33.1	60.1	4.7	8.32
40 Demand ⁷	581,433	463	-	6.83	6.64	38.0	97.0	21.8	8.30
41 Total short-term	8,746,917	927	68	6.18	6.01	24.4	56.7	5.1	8.28
42 Fixed rate	6,666,876	1,612	35	6.01	5.84	21.9	55.4	4.1	8.26
43 Floating rate	2,080,041	393	203	6.73	6.53	32.5	61.0	8.7	8.36
Months									
44 Total long-term	1,226,841	357	44	7.00	6.83	76.9	75.8	14.3	8.36
45 Fixed rate	409,865	206	53	7.32	7.08	62.0	64.8	.6	8.51
46 Floating rate	816,977	565	39	6.84	6.71	81.3	81.3	21.2	8.28

Footnotes appear at the end of the table

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, August 5-9, 1996¹ -Continued

NOTES

1. The survey of terms of bank lending to business collects data on gross loan extensions made during the first full business week in the mid month of each quarter by a sample of 340 commercial banks of all sizes. A sample of 250 banks reports loans to farmers. The sample data are blown up to estimate the lending terms at all insured commercial banks during that week. The estimated terms of bank lending are not intended for use in collecting the terms of loans extended over the entire quarter or residing in the portfolios of those banks. Construction and land development loans include both unsecured loans and loans secured by real estate. Thus, some of the construction and land development loans would be reported on the statement of condition as real estate loans and the remainder as business loans. Mortgage loans, purchased loans, foreign loans, and loans of less than \$1,000 are excluded from the survey. As of December 31, 1995, assets of most of the large banks were at least \$7.0 billion. Median total assets for all insured banks were roughly \$1.0 billion.

2. Average maturities are weighted by loan size, excludes demand loans.

3. Effective (compounded) annual interest rate calculated from the stated rate and other terms of the loans and weighted by loan size.

4. The chances are about two out of three that the average rate shown would differ by less than the amount of the standard error from the average rate that would be found by a complete survey of lending at all banks.

5. The rate used to price the largest dollar volume of loans. Base pricing rates include the prime rate (sometimes referred to as a bank's "basic" or "reference" rate); the federal funds rate; domestic money market rates other than the federal funds rate; foreign money market rates; and other base rates not included in the foregoing classifications.

6. Overnight loans mature on the following business day.

7. Demand loans have no stated date of maturity.

8. Nominal (not compounded) annual interest rate calculated from the stated rate and other terms of the loans and weighted by loan size.

9. Calculated by weighting the prime rate reported by each bank by the volume of loans reported by that bank, summing the results, and then averaging over all reporting banks.

10. The proportion of loans made at rates below the prime may vary substantially from the proportion of such loans outstanding in banks' portfolios.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, June 30, 1996¹

Millions of dollars except as noted

Item	All states ²		New York		California		Illinois	
	Total including IBI's ³	IBI's only	Total including IBI's	IBI's only	Total including IBI's	IBI's only	Total including IBI's	IBI's only
1 Total assets⁴	767,192	289,671	593,356	239,817	68,999	27,809	61,949	13,322
2 Claims on nonrelated parties	682,548	141,090	523,095	118,008	64,804	10,653	57,456	6,777
3 Cash and balances due from depository institutions	109,868	80,928	99,269	72,259	2,922	2,296	5,677	4,980
4 Cash items in process of collection and unposted debits	2,723	0	2,619	0	3	0	43	0
5 Currency and coin (U.S. and foreign)	20	n.a.	13	n.a.	2	n.a.	1	n.a.
6 Balances with depository institutions in United States US branches and agencies of other foreign banks	66,452	44,707	60,585	40,363	2,061	1,482	3,214	2,612
7 (including IBI's)	61,648	43,243	56,424	38,902	1,760	1,482	3,069	2,612
8 Other depository institutions in United States (including IBI's)	4,805	1,464	4,161	1,461	301	0	145	0
9 Balances with banks in foreign countries and with foreign central banks	40,228	36,221	35,708	31,896	823	814	2,388	2,368
10 Foreign branches of U.S. banks	1,100	729	985	646	1	1	81	81
11 Other banks in foreign countries and foreign central banks	39,128	35,493	34,723	31,250	822	813	2,307	2,286
12 Balances with Federal Reserve Banks	444	n.a.	344	n.a.	32	n.a.	32	n.a.
13 Total securities and loans	433,235	49,433	302,143	36,673	56,321	7,367	41,283	1,541
14 Total securities, book value	99,900	9,442	92,087	8,306	3,845	670	3,379	446
15 U.S. Treasury	31,247	n.a.	30,011	n.a.	608	n.a.	503	n.a.
16 Obligations of U.S. government agencies and corporations	26,995	n.a.	26,389	n.a.	430	n.a.	47	n.a.
17 Other bonds, notes, debentures, and corporate stock (including state and local securities)	41,657	9,442	35,688	8,306	2,807	670	2,829	446
18 Securities of foreign governmental units	12,934	4,184	11,628	3,690	668	258	550	217
19 All Other	28,723	5,258	24,059	4,616	2,138	412	2,279	229
20 Federal funds sold and securities purchased under agreements to resell	48,107	7,884	43,871	6,827	1,066	698	2,201	17
21 U.S. branches and agencies of other foreign banks	13,735	5,523	12,634	5,257	310	63	233	17
22 Commercial banks in United States	7,856	148	7,077	148	56	0	475	0
23 Other	26,516	2,213	24,160	1,423	701	635	1,493	0
24 Total loans, gross	333,489	40,003	210,147	28,374	52,524	6,699	37,909	1,095
25 Less: Unearned income on loans	153	11	91	7	48	2	6	0
26 EQUA'S: Loans, net	333,336	39,992	210,056	28,367	52,476	6,697	37,903	1,095
<i>Total loans, gross, by category</i>								
27 Real estate loans	31,576	208	19,098	58	9,064	149	1,580	0
28 Loans to depository institutions	37,572	24,682	24,984	16,184	6,793	5,009	870	546
29 Commercial banks in United States (including IBI's)	13,838	7,702	8,797	4,674	4,368	2,811	327	181
30 U.S. branches and agencies of other foreign banks	12,361	7,451	7,662	4,444	4,225	2,806	212	171
31 Other commercial banks in United States	1,478	250	1,135	230	143	5	110	10
32 Other depository institutions in United States (including IBI's)	34	0	34	0	0	0	0	0
33 Banks in foreign countries	23,700	16,981	16,153	11,510	2,425	2,198	544	365
34 Foreign branches of U.S. banks	477	316	389	308	0	0	0	0
35 Other banks in foreign countries	23,222	16,664	15,764	11,202	2,425	2,198	544	365
36 Loans to other financial institutions	40,106	867	32,942	517	2,341	91	3,975	166
37 Commercial and industrial loans	203,867	12,178	116,496	9,645	33,437	1,403	29,296	373
38 U.S. addressees (domicile)	175,583	88	95,971	50	30,519	35	27,913	0
39 Non-U.S. addressees (domicile)	28,284	12,090	20,525	9,595	2,818	1,369	1,383	373
40 Acceptances of other banks	517	60	213	59	131	0	121	0
41 U.S. banks	51	0	27	0	8	0	6	0
42 Foreign banks	466	60	186	59	124	0	115	0
43 Loans to foreign governments and official institutions (including foreign central banks)	3,493	1,761	3,004	1,675	192	46	75	9
44 Loans for purchasing or carrying securities (secured and unsecured)	8,338	87	8,181	87	77	0	32	0
45 All other loans	6,129	134	3,374	122	555	0	1,956	0
46 Lease financing receivables (net of unearned income)	1,890	26	1,854	26	33	0	4	0
47 U.S. addressees (domicile)	1,279	0	1,242	0	33	0	4	0
48 Non-U.S. addressees (domicile)	611	26	611	26	0	0	0	0
49 Trading assets	53,663	310	47,057	297	1,095	12	5,511	0
50 All other assets	37,675	2,535	30,755	1,952	3,399	280	2,784	239
51 Customers' liabilities on acceptances outstanding	8,082	n.a.	5,240	n.a.	2,101	n.a.	490	n.a.
52 U.S. addressees (domicile)	5,978	n.a.	3,596	n.a.	1,949	n.a.	312	n.a.
53 Non-U.S. addressees (domicile)	2,104	n.a.	1,645	n.a.	152	n.a.	178	n.a.
54 Other assets including other claims on nonrelated parties	29,593	2,535	25,515	1,952	1,298	280	2,294	239
55 Net due from related depository institutions ⁵	84,643	148,580	70,262	121,809	4,196	17,156	4,493	6,545
56 Net due from head office and other related depository institutions ⁶	84,643	n.a.	70,262	n.a.	4,196	n.a.	4,493	n.a.
57 Net due from establishing entity, head offices, and other related depository institutions ⁷	n.a.	148,580	n.a.	121,809	n.a.	17,156	n.a.	6,545
58 Total liabilities¹	767,192	289,671	593,356	239,817	68,999	27,809	61,949	13,322
59 Liabilities to nonrelated parties	636,526	271,497	536,492	225,193	44,983	26,802	37,041	11,857

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, June 30, 1996¹ - Continued

Millions of dollars except as noted

Item	All states ²		New York		California		Illinois	
	Total excluding IBI's	IBI's only ³	Total excluding IBI's	IBI's only	Total excluding IBI's	IBI's only	Total excluding IBI's	IBI's only
60 Total deposits and credit balances	169,128	204,059	144,056	187,375	6,572	4,693	10,809	5,915
61 Individuals, partnerships, and corporations	117,884	13,955	96,877	9,230	5,424	614	8,631	134
62 U.S. addressees (domestic)	104,693	403	89,677	403	3,955	0	7,935	0
63 Non-U.S. addressees (domestic)	13,192	13,552	7,200	8,828	1,470	614	696	134
64 Commercial banks in United States (including IBI's)	27,145	44,715	24,712	42,166	654	1,418	1,425	823
65 U.S. branches and agencies of other foreign banks	16,284	41,155	15,204	39,009	260	1,219	556	671
66 Other commercial banks in United States	10,851	3,560	9,509	3,158	394	199	869	152
67 Banks in foreign countries	8,377	110,865	7,879	104,561	251	2,008	50	3,242
68 Foreign branches of U.S. banks	1,795	4,325	1,644	3,728	150	300	0	277
69 Other banks in foreign countries	6,581	106,540	6,234	100,832	101	1,708	50	2,965
70 Foreign governments and official institutions (including foreign central banks)	4,849	34,501	4,457	31,395	209	652	17	1,715
71 All other deposits and credit balances	10,563	23	9,862	23	5	0	676	1
72 Certified and official checks	320		269		27		8	
73 Transaction accounts and credit balances (excluding IBI's)	8,285		6,704		332		324	
74 Individuals, partnerships, and corporations	6,249		5,003		247		300	
75 U.S. addressees (domestic)	4,407		3,852		168		295	
76 Non-U.S. addressees (domestic)	1,842		1,151		79		5	
77 Commercial banks in United States (including IBI's)	160		150		7		0	
78 U.S. branches and agencies of other foreign banks	9		8		0		0	
79 Other commercial banks in United States	150		141		7		0	
80 Banks in foreign countries	879		673		36		12	
81 Foreign branches of U.S. banks	5		4		0		0	
82 Other banks in foreign countries	874		669		36		12	
83 Foreign governments and official institutions (including foreign central banks)	553		500		10		2	
84 All other deposits and credit balances	125		110		5		1	
85 Certified and official checks	320		269		27		8	
86 Demand deposits (included in transaction accounts and credit balances)	7,766		6,440		279		310	
87 Individuals, partnerships, and corporations	5,896		4,880		202		287	
88 U.S. addressees (domestic)	4,284		3,790		139		282	
89 Non-U.S. addressees (domestic)	1,612		1,090		63		5	
90 Commercial banks in United States (including IBI's)	99		95		0		0	
91 U.S. branches and agencies of other foreign banks	9	n.a.	8	n.a.	0	n.a.	0	n.a.
92 Other commercial banks in United States	90		87		0		0	
93 Banks in foreign countries	825		621		35		12	
94 Foreign branches of U.S. banks	5		4		0		0	
95 Other banks in foreign countries	821		617		35		12	
96 Foreign governments and official institutions (including foreign central banks)	535		496		10		7	
97 All other deposits and credit balances	91		79		4		1	
98 Certified and official checks	320		269		27		8	
99 Nontransaction accounts (including MMDAs, excluding IBI's)	160,843		137,352		6,239		10,485	
100 Individuals, partnerships, and corporations	111,635		91,874		5,177		8,331	
101 U.S. addressees (domestic)	100,286		85,825		3,786		7,641	
102 Non-U.S. addressees (domestic)	11,349		6,049		1,391		691	
103 Commercial banks in United States (including IBI's)	26,975		24,562		648		1,425	
104 U.S. branches and agencies of other foreign banks	16,275		15,195		260		556	
105 Other commercial banks in United States	10,701		9,368		388		869	
106 Banks in foreign countries	7,497		7,206		215		38	
107 Foreign branches of U.S. banks	1,790		1,640		150		0	
108 Other banks in foreign countries	5,707		5,566		65		38	
109 Foreign governments and official institutions (including foreign central banks)	4,296		3,958		200		15	
110 All other deposits and credit balances	10,438		9,752		0		676	
111 IBI deposit liabilities		204,059		187,375		4,693		5,915
112 Individuals, partnerships, and corporations		13,955		9,230		614		134
113 U.S. addressees (domestic)		403		403		0		0
114 Non-U.S. addressees (domestic)		13,552		8,828		614		134
115 Commercial banks in United States (including IBI's)		44,715		42,166		1,418		823
116 U.S. branches and agencies of other foreign banks		41,155		39,009		1,219		671
117 Other commercial banks in United States	n.a.	3,560	n.a.	3,158	n.a.	199	n.a.	152
118 Banks in foreign countries		110,865		104,561		2,008		3,242
119 Foreign branches of U.S. banks		4,325		3,728		300		277
120 Other banks in foreign countries		106,540		100,832		1,708		2,965
121 Foreign governments and official institutions (including foreign central banks)		34,501		31,395		652		1,715
122 All other deposits and credit balances		23		23		0		1

Footnotes appear at end of table.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, June 30, 1996¹ Continued

Millions of dollars except as noted

Item	All states ²		New York		California		Illinois	
	Total including IBFs ³	IBFs only	Total including IBFs	IBFs only	Total including IBFs	IBFs only	Total including IBFs	IBFs only
123 Federal funds purchased and securities sold under agreements to repurchase	88,109	17,879	75,540	12,551	6,456	3,777	5,437	1,234
124 U.S. branches and agencies of other foreign banks	13,780	4,615	8,767	1,846	3,531	2,455	1,278	257
125 Other commercial banks in United States	7,955	295	5,693	145	1,476	88	704	25
126 Other	66,473	12,969	61,080	10,560	1,448	1,234	3,454	952
127 Other borrowed money	98,762	46,183	61,942	22,302	23,280	18,077	10,568	4,604
128 Owed to nonrelated commercial banks in United States (including IBFs)	26,247	12,165	12,857	4,626	9,268	6,051	2,599	1,026
129 Owed to U.S. offices of nonrelated U.S. banks	7,691	915	4,185	218	1,868	579	987	75
130 Owed to U.S. branches and agencies of nonrelated foreign banks	18,547	11,250	8,673	4,408	7,401	5,473	1,612	951
131 Owed to nonrelated banks in foreign countries	35,053	30,928	19,014	15,076	11,256	11,642	3,475	3,474
132 Owed to foreign branches of nonrelated U.S. banks	1,563	1,400	451	316	971	951	133	133
133 Owed to foreign offices of nonrelated foreign banks	33,490	29,528	18,562	14,760	10,784	10,691	3,442	3,340
134 Owed to others	37,471	3,089	30,071	2,600	2,256	384	4,493	105
135 All other liabilities	76,368	3,376	67,579	2,965	3,984	255	4,312	104
136 Branch or agency liability on acceptances executed and outstanding	8,314	n.a.	5,424	n.a.	2,116	n.a.	493	n.a.
137 Trading liabilities	41,099	397	37,740	382	1,054	14	2,285	1
138 Other liabilities to nonrelated parties	27,056	2,979	24,415	2,584	813	240	1,534	103
139 Net due to related depository institutions ⁴	130,665	18,174	56,864	14,624	24,016	1,008	24,908	1,464
140 Net owed to head office and other related depository institutions ⁵	130,665	n.a.	56,864	n.a.	24,016	n.a.	24,908	n.a.
141 Net owed to establishing entity, head office, and other related depository institutions ⁶	n.a.	18,174	n.a.	14,624	n.a.	1,008	n.a.	1,464
MEMO								
142 Non-interest bearing balances with commercial banks in United States	1,457	0	1,197	0	83	0	71	0
143 Holding of commercial paper included in total loans	1,027	↑	812	↑	5	↑	185	↑
144 Holding of own acceptances included in commercial and industrial loans	5,179	↑	3,862	↑	1,112	↑	95	↑
145 Commercial and industrial loans with remaining maturity of one year or less	117,410	↑	66,247	↑	19,130	↑	18,429	↑
146 Predetermined interest rates	69,373	n.a.	40,580	n.a.	10,372	n.a.	12,438	n.a.
147 Floating interest rates	48,236	↓	25,667	↓	8,758	↓	5,991	↓
148 Commercial and industrial loans with remaining maturity of more than one year	85,733	↓	49,715	↓	14,070	↓	10,829	↓
149 Predetermined interest rates	20,186	↓	12,498	↓	2,980	↓	3,086	↓
150 Floating interest rates	65,547	↓	37,217	↓	11,090	↓	7,743	↓

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, June 30, 1996¹ Continued

Millions of dollars except as noted

Item	All states ²		New York		California		Illinois	
	Total excluding IBI's ³	IBI's only	Total excluding IBI's	IBI's only	Total excluding IBI's	IBI's only	Total excluding IBI's	IBI's only
151 Components of total nontransaction accounts, included in total deposits and credit balances of nontransaction accounts, including IBI's								
152 Time CDs in denominations of \$100,000 or more	164,934	↑	142,496	↑	6,373	↑	10,318	↑
153 Other time deposits in denominations of \$100,000 or more	125,664		108,051		4,467		8,263	
154 Time CDs in denominations of \$100,000 or more with remaining maturity of more than 12 months	31,269	n.a.	27,168	n.a.	1,392	n.a.	1,912	n.a.
	8,001	↓	1,277	↓	514	↓	144	↓
	All states ⁴		New York		California		Illinois	
	Total including IBI's	IBI's only	Total including IBI's	IBI's only	Total including IBI's	IBI's only	Total including IBI's	IBI's only
155 Immediately available funds with a maturity greater than one day included in other borrowed money	58,410	n.a.	32,933	n.a.	17,991	n.a.	8,776	n.a.
156 Number of reports filed ⁶	501	0	246	0	111	0	43	0

1. Data are aggregates of categories reported on the quarterly form FD-302, "Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks." The 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 monthly 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). Since December 31, 1985, data for IBFs have been 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 IBI data have been reported for that item,

either because the item is not an eligible IBI asset or liability or because that level of detail is not reported for IBFs. From December 1981 through September 1985, IBI data were included in all applicable items reported.

4. Total assets and total liabilities include net balances, if any, due from or owed to related banking institutions in the United States and in foreign countries (see note 5). On the former monthly branch and agency report, available through the G-11 monthly 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 depository institutions includes the foreign head office and other U.S. and foreign branches and agencies of a bank, a 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.

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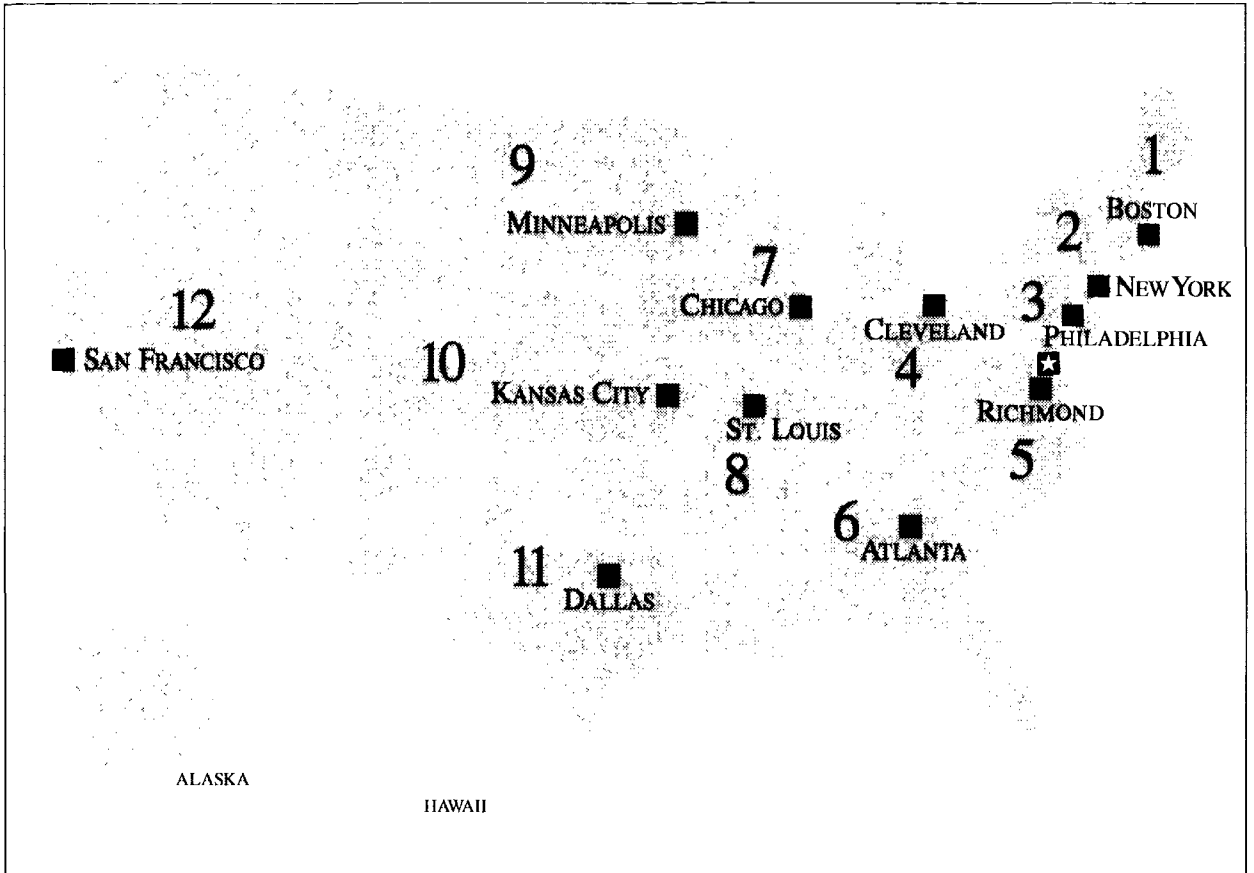
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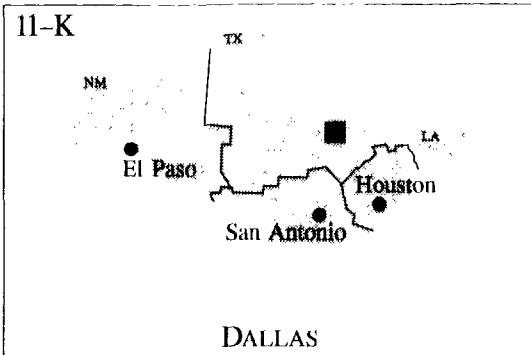
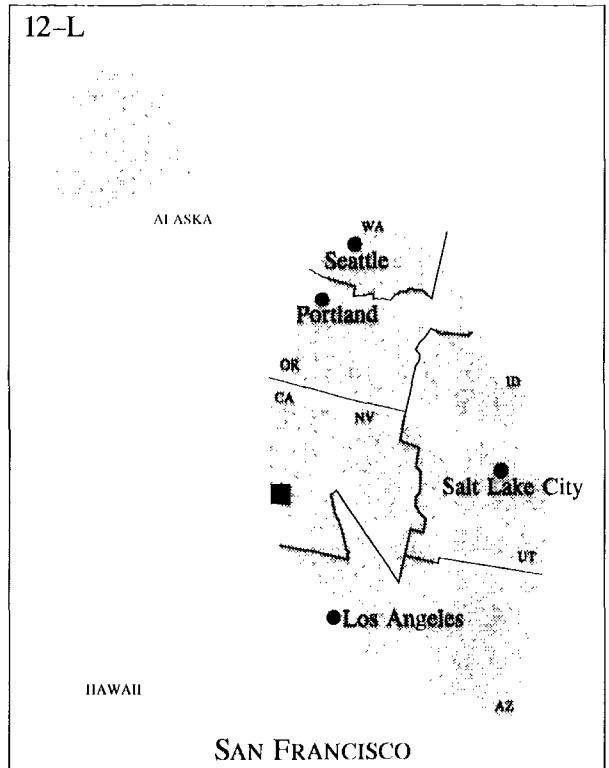
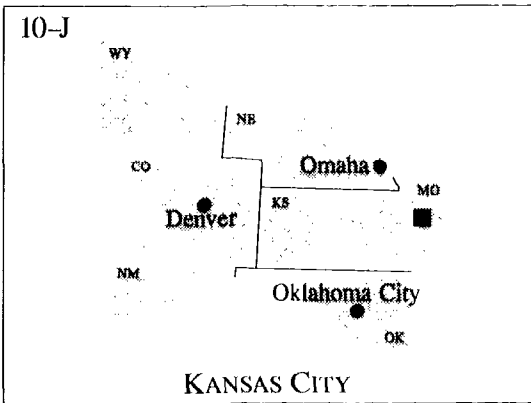
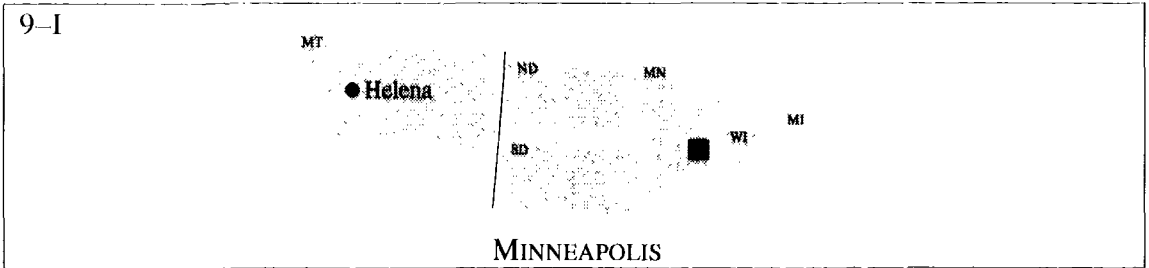
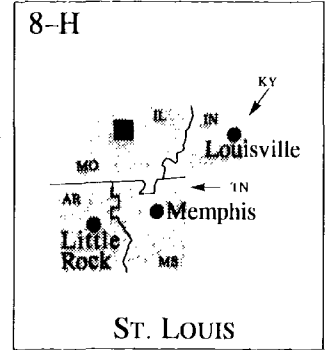
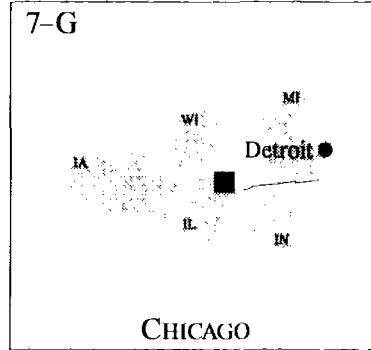
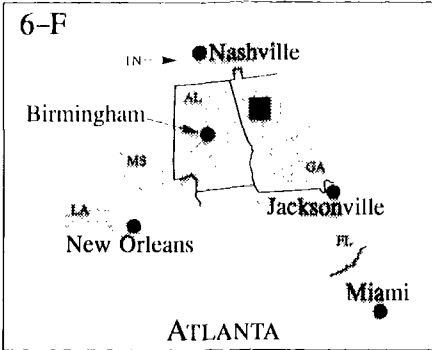
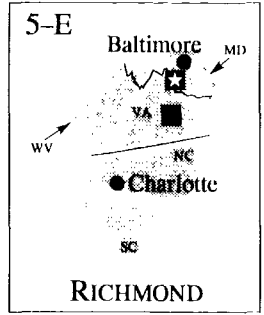
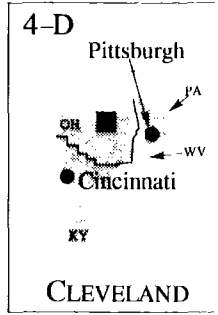
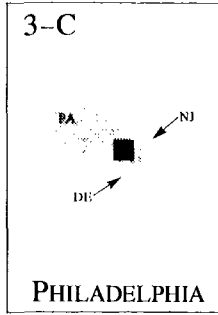
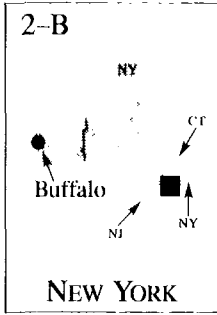
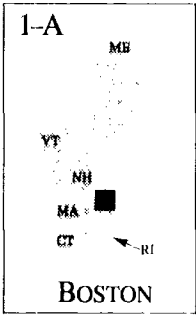
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