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Lowered regulatory barriers and advances in technology have reduced the cost of supplying banking services across borders. At the same time, growth in activity by multinational corporations has increased the demand for international financial services. As a result, many observers believe that global integration is under way in the banking industry, that banks are expanding their reach across borders, and that many banking markets will therefore develop large foreign components. The authors report on a study conducted by them, along with Qinglei Dai and Steven Ongena, that examined the nationality and international reach of banks that provide short-term financial services across Europe to affiliates of multinational corporations. The present article also looks at time-series data that provide a more recent look at the progress of integration in Europe.

Based on a 1996 survey of more than 2,000 affiliates, the study found that an affiliate is most likely to choose a bank headquartered in the nation in which it is operating (a host-nation bank) rather than a bank headquartered in the home country of the affiliate or in a third nation. The affiliate is also more likely to select a bank limited to local or regional operations rather than one with global reach. The findings are consistent with the proposition that affiliates most value a bank that understands the culture, business practices, and regulatory conditions of the country in which the affiliate operates, and that host-nation banks possess a competitive advantage over other banks in this regard. The time-series data—on syndicated loans, foreign bank claims, and the dispersion of consumer goods prices across Europe—are also consistent with the picture drawn from the 1996 survey. The article concludes that banking markets evidently need not become more integrated even as economic activity otherwise becomes increasingly global.

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Global Integration in the Banking Industry

Allen N. Berger, of the Board's Division of Research and Statistics, and David C. Smith, of the Board's Division of International Finance, prepared this article. Jennifer Judge provided research assistance.

Many observers believe that significant global integration is under way in the banking industry and that, in the coming years, individual banks will expand their reach into many countries. Likewise, these observers expect that many national banking markets will develop large foreign components; as that happens, the nationality of a bank in such a market will matter little to prospective customers.¹

These forecasts are based on the observation that, over the past two or three decades, many nations have removed important regulatory barriers to international banking. Advances in technology also now allow financial institutions to manage larger information flows across more locations and to evaluate and manage risks at lower costs than ever before. Together, these developments have reduced the costs of supplying banking services across borders. At the same time, growth in the international activities and trade of multinational corporations has increased the demand for services from financial institutions that operate across borders.

Despite these developments, the banking industry appears today to be far from globally integrated, particularly in industrialized countries. For example, the foreign share of bank assets in most industrialized countries remains at or below 10 percent. And although bank consolidation has been intense within industrialized countries, mergers and acquisitions across the borders of these countries have been much less common.²

NOTE. Much of the analysis in this article is based on Allen N. Berger, Qinglei Dai, Steven Ongena, and David C. Smith, "To What Extent Will the Banking Industry Be Globalized? A Study of Bank Nationality and Reach in 20 European Nations," *Journal of Banking and Finance*, vol. 27 (March 2003), pp. 383–415. The authors of the present article thank David Birks for making available the "GlobalCash–Europe96" data and Gregory P. Nini for writing the program that examines syndicated loans.

1. For example, Paul R. Krugman and Maurice Obstfeld, in their *International Economics: Theory and Policy*, 5th ed. (Reading, Mass.: Addison-Wesley, 2000), state that "one of the most pervasive features of the commercial banking industry of the 1990s is that banking activities have become globalized" (p. 649).

2. For the 10 percent figure, see Stijn Claessens, Asli Demirgüç-Kunt, and Harry Huizinga, "How Does Foreign Entry Affect the

To evaluate more closely the extent to which banking is becoming globally integrated, we study the nationality and international reach of banks that provide financial services across Europe to affiliates of multinational corporations. We examine these affiliates because they are among the customers most likely to demand the services of international banks, and we focus on Europe because barriers to financial integration have been extensively reduced on that continent. A finding that banking integration has advanced little even under such favorable conditions would cast doubt on the prospects for the globalization of banking more generally.

We rely mostly on an extensive, carefully conducted 1996 survey of the short-term banking practices of more than 2,000 European affiliates of multinational corporations. Perhaps surprisingly, we find that close to two-thirds of these affiliates choose a bank headquartered in the nation in which they are operating (a host-nation bank) rather than a bank from their home country or a third nation. Moreover, having chosen a host-nation bank, an affiliate is more likely to select a bank limited to local or regional operations rather than a large bank with global reach.

We also examine time-series data that might reveal the degree to which global integration has increased over the past decade. These data cover European syndicated loans, the ratio of domestic private bank claims to total (domestic plus foreign) bank claims, and the dispersion of nonfinancial goods prices across Europe. In brief, the time-series data show a picture for the current period that is not substantially different from that at the time of the 1996 survey.

These results are consistent with the idea that affiliates value host-nation banks over others because host-nation banks better understand their own market and may possess superior information about local nonfinancial suppliers and customers. Our results also imply that affiliates that have chosen host-nation banks value the more customized and relationship-based services offered by banks with local or regional reach, as opposed to the broad-based services offered by a host-nation bank that has global reach.

Domestic Banking Market?" *Journal of Banking and Finance*, vol. 25 (May 2001), table 1, p. 896. For mergers and acquisitions across borders, see Group of Ten, *Report on Consolidation in the Financial Sector* (Basel, Switzerland: Bank for International Settlements, 2001).

Our findings suggest that even as economic forces push toward globalization, the high demand for host-based expertise by bank customers, coupled with the competitive advantages that host-nation banks have in providing this expertise, implies that many banking services could very well remain local. In other words, banking markets need not become much more integrated as the globalization of other economic sectors continues.

FOCUS ON EUROPE

Europe is an ideal setting for studying international integration because its countries have taken a number of steps to reduce regulatory barriers to cross-border banking. These steps are known collectively as the "single market" program.³ Under this program, the European Commission and the European Union (EU) Council of Ministers established directives intended to guarantee equal regulatory treatment of foreign banks by national authorities, unfettered provision of financial services across borders, home-country control of bank supervision, and home-country implementation of bank solvency requirements.⁴ The EU Council also passed regulations to liberalize cross-border capital flows and harmonize regulations across member countries that cover capital adequacy, credit exposure, and banks' participation in nonfinancial activities. Most of these directives had been implemented by the mid-1990s. In 1999, eleven members of the EU also entered into the European Monetary Union (EMU) and began to trade in a single currency, the euro.⁵

The EU Council has as one of its goals the creation of a single, integrated banking market. An assumption behind such a goal is that cross-border competition fosters efficient, low-cost banking by allowing more efficient banks to move across borders and compete with less-efficient banks formerly protected by their nation's borders. Competition forces the inefficient banks to either improve or to leave the

market. As the lowest-cost producers of banking services expand across many borders, they drive prices closer to marginal costs.

Europe has other characteristics that support financial integration. The proximity of most of its countries to each other should keep cross-border transaction costs low. In addition, the countries of western Europe are technologically advanced. As of the early 1990s, they were producing more science and engineering Ph.D.s than either the United States or Asia and were spending as much as the United States on nondefense-related research and development.⁶

Even within Europe, however, the evidence suggests that the integration of banking is advancing little, if at all. With the exception of the recent consolidation across the Nordic countries, bank merger and acquisition activity has been minimal across European borders.⁷

Remaining informal barriers in Europe could help explain this slow pace. One potential barrier is brand loyalty to local services. Observers often cite reluctance by bankers in Europe to compete in foreign countries in which they believe that loyalty to local products is strong. So, for example, Swiss banks do little business in Germany, and German banks do little business in Switzerland. Yet German and Swiss banks both have a strong presence in the United States, where loyalty to local brands is viewed as less of an issue. National government policies could also inhibit cross-border competition. For instance, despite an explicit commitment to a level playing field, European governments often promote the expansion of their own nations' banks through tax breaks, subsidies, guarantees, and direct ownership.⁸

We argue that such barriers are not the only explanation for the observed lack of integration in Europe. The slow pace of integration could result in large part from competitive advantages enjoyed by host-nation banks.

6. National Science Foundation, *Human Resources for Science & Technology: The European Region*, NSF 96-316 (Arlington, Va.: NSF, 1996). Organisation for Economic Co-operation and Development, *OECD Science and Technology: Indicators* (Paris: OECD, 1995).

7. The Nordic countries are Denmark, Finland, Iceland, Norway, and Sweden. See Claudia M. Buch and Gayle L. Delong, "Cross-Border Bank Mergers: What Lures the Rare Animal?" *Journal of Banking and Finance* (forthcoming); Patrick Beitel and Dirk Schiereck, "Value Creation at the Ongoing Consolidation of the European Banking Market," Institute for Mergers and Acquisitions, working paper; and Steven Ongena, Jason Karceski, and David C. Smith, "The Impact of Bank Consolidation on Commercial Borrower Welfare," International Finance Discussion Papers 679 (Board of Governors of the Federal Reserve System, 2000).

8. Rafael La Porta, Florencio Lopez-de-Silanes, and Andrei Shleifer, "Government Ownership of Banks," *Journal of Finance*, vol. 57 (February 2002), pp. 265-301.

3. Jean Dermine, "Banking in Europe: Past, Present, and Future," in Vitor Gaspar, Philipp Hartmann, and Olaf Sleijpen, eds., *The Transformation of the European Financial System*, Second ECB Central Banking Conference (Frankfurt: European Central Bank, 2003) pp. 31-116.

4. Currently, the fifteen members of the European Union (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom) and the three additional nations of the European Economic Area (Iceland, Liechtenstein, and Norway) have agreed to abide by the bank-related directives.

5. The original EMU members are Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal, and Spain. On January 1, 2001, Greece became the twelfth country to adopt the euro.

NATIONALITY AND REACH OF BANKS

In a frictionless banking market with no barriers to integration, commercial customers will select the bank that provides the price, quality, and mix of services that will best facilitate their business operations. Two potentially important criteria for a foreign affiliate's choice are the bank's *nationality* and *reach*.

Bank nationality refers to the country in which the bank is headquartered. Some affiliates might value banking services that require a detailed knowledge of the country in which the affiliate operates. Banks headquartered in the nation that hosts the affiliate will likely have an advantage in offering these services, which we term "host-based" expertise. So, for example, an affiliate of a U.S. corporation operating in Germany might choose a German bank because such a bank will best understand the culture, business practices, and regulatory conditions in Germany. The bank may even have unique access to information about German nonfinancial suppliers and customers.

Other affiliates might value a bank that offers "home-based" expertise—that is, an understanding of the home market of the affiliate's parent—because it is important to the affiliate to rely on a bank familiar with its home territory.⁹ Perhaps the bank already serves the parent corporation in the home country. Banks headquartered in the affiliate's home country should have an advantage in offering home-based expertise. A U.S. affiliate operating in Germany that values home-based expertise might then prefer a U.S. bank because of its advantage in offering such services.

Banks from third countries (that is, from neither the host nor the home country) may not have host-based or home-based expertise, but they might competitively offer services in other dimensions valued by an affiliate. For instance, a U.S. corporate affiliate in Germany may value, say, a Dutch bank for a specialized service not offered by host- or home-nation banks.

Bank reach refers to the size and geographic scope of the bank. Some affiliates may value a large, global bank that can offer a broad range of financial services, expertise within many foreign markets, superior risk diversification, and the ability to facilitate large deals. For the affiliate operating in Germany, this choice need not depend on bank nationality because the affiliate could choose a global German bank (for example, Deutsche Bank), a global U.S.

bank (for example, Citibank), or a global third-nation bank (for example, the Dutch bank ABN AMRO). A different set of affiliates may prefer the advantages of a smaller bank that offers services in only a local area because such a bank is more likely to establish a close relationship with the affiliate and provide customized services. Such an affiliate that operates in Germany might select a German bank that has a local character and operates only in Germany or maybe even in only one part of the country. Still other affiliates may prefer a bank that blends international reach with local, personalized services. Such a bank's reach may be limited to a specific region or set of countries. So, a U.S. affiliate operating in Germany that prefers a blend of the far-reaching services of a global bank and the more personalized character of a local bank might choose an institution that confines itself to operating mainly on the European continent (for example, the Nordic-based banking concern Nordea).

In the absence of barriers, the extent of integration in the banking industry will depend on how customers value different banking services and the extent to which banks of a given nationality and reach can provide those services. Importantly, if customers place a high value on global services and have little value for host-based or home-based expertise, then we might expect to see an integrated banking industry, perhaps with a few global banks dominating markets around the world. Conversely, if customers value host-based expertise and place less value on global services, then we should observe limited banking industry integration. Thus, depending on the services valued by bank customers, we could have a world with extensive integration or one with little integration.

In the next section, we use the concepts of bank nationality and reach to examine our primary data set.

III. 1996 SURVEY

Our main source for connecting foreign affiliates of multinational corporations with their banks is "GlobalCash—Europe96," a survey of the short-term banking services provided to large, nonbank corporations.¹⁰ The survey was conducted in 1996 across twenty European nations by The Bank Relationship Consultancy and the School of Management at the

9. Berger, Dai, Ongena, and Smith. "To What Extent Will the Banking Industry Be Globalized?" refer to host-based expertise as "concierge" services and home-based expertise as "home cookin'" services.

10. The objective of the survey is to gather information on the cash management practices of corporations. However, the European usage of "cash management" covers virtually all short-term banking services.

1. Banks in the 1996 sample that are defined as having global reach

Bank name	Assets worldwide (billions of dollars, year-end 1995)	Rank in <i>American Banker</i> , by year-end 1995 worldwide assets	Number of surveyed countries in which the bank operates	Headquarters
Deutsche Bank	502.3	1	10	Germany
ABN AMRO	339.4	12	19	Netherlands
Crédit Lyonnais	337.6	13	9	France
Société Générale	324.8	17	19	France
Banque Nationale de Paris	323.5	18	12	France
Citibank	255.3	28	20	United States
Bank of America	230.2	34	18	United States
Chase Manhattan Bank	120.5	62	19	United States

NOTE. Banks with global reach are defined as those that operate in at least nine of twenty European nations and had at least \$100 billion in worldwide assets as of year-end 1995.

SOURCE. Allen N. Berger, Qinglei Dai, Steven Ongena, and David C. Smith, "To What Extent Will the Banking Industry Be Globalized? A Study of Bank Nationality and Reach in 20 European Nations," *Journal of Banking and Finance*, vol. 27 (March 2003), table 1, p. 391.

University of Bath, in the United Kingdom.¹¹ Short-term banking services include lending, deposit-taking, liquidity management, foreign exchange management, and other financial services that have a time horizon of less than one year. A foreign affiliate of a corporation can take the form of a subsidiary, branch office, sales office, manufacturing plant, or some other related entity that requires banking services within a given country.

Responses to the survey were obtained from 1,129 corporations. These corporations had a total of 2,118 foreign affiliates operating in twenty countries in Europe, or about two affiliates per corporation. The parent corporations of most of these affiliates were headquartered in Europe, although 24 percent were headquartered outside Europe, mostly in the United States.

The survey asked corporations to identify the banks their foreign affiliates used for short-term banking services within each of the twenty countries.¹² The nationalities of the sample banks named by the respondents were obtained from Fitch IBCA, a database containing information on the ownership structure of banks. Each bank subsidiary was assumed to take on the nationality and reach of its parent. Under this assumption, 255 banks provided short-term banking services for the 2,118 affiliates.

For each affiliate-bank observation, we identified the bank's nationality and reach. For nationality, banks are classified as either host-nation, home-

nation, or third-nation banks. A *host-nation bank* is headquartered in the country in which the affiliate operates, a *home-nation bank* is headquartered in the same country in which the affiliate's parent is headquartered, and a *third-nation bank* is headquartered in neither the home nor host country.

For reach, banks are classified as global, regional, or local. *Global banks* are defined to have the widest reach. They provide services to the affiliates in at least nine of the twenty European nations from which respondents were drawn and have at least \$100 billion in consolidated assets as of year-end 1995. *Local banks* are defined to have the narrowest reach, providing services to the affiliates in the European nation of their headquarters only and having consolidated assets of less than \$100 billion. By definition, all local banks serve only as host-nation banks. Finally, *regional banks* are defined to have intermediate reach. They operate in more than one country or have more than \$100 billion in assets; but they operate in too few countries, or are too small, to be a global bank. Of the 255 banks in our sample, 8 are global, 73 are regional, and the remaining 174 are local.

By their nature, the bank reach classifications are somewhat arbitrary and Eurocentric. For instance, banks that have a strong European presence but do not operate outside of Europe could be classified as "global" under our system. Nevertheless, all eight banks are generally recognized as large, global banks (table 1). The findings are materially unchanged when the dividing lines between global and regional banks and between regional and local banks are altered. Overall, we are confident that the results are not an artifact of our definition of bank reach.

With respect to bank nationality, we find that nearly two-thirds of all affiliates (66 percent) use a bank headquartered in the host nation for their short-term banking services (table 2). The remaining affiliates split evenly between using a home-nation bank (18 percent) and a third-nation bank (17 percent).

11. For a detailed description of the survey, see Steven Ongena and David C. Smith, "What Determines the Number of Bank Relationships: Cross-country Evidence," *Journal of Financial Intermediation*, vol. 9 (January 2000), pp. 26–56.

12. A respondent could identify up to two banks for each country—a "primary" and "secondary" bank. To avoid biases associated with double counting, we report all sample statistics using only the affiliate's primary bank choice. Berger, Dai, Ongena, and Smith, "To What Extent Will the Banking Industry Be Globalized?" find that the results reported here are not altered by use of an alternative definition that includes a secondary bank.

2. Distribution of bank nationality and bank reach, by host nation, 1996

Percent except as noted

Host nation	Total bank assets of nation (billions of dollars, year-end 1995)	Number of affiliates	Bank nationality			Bank reach		
			Host ¹	Home ²	Third ³	Global ⁴	Regional ⁵	Local ⁶
All	9,563	2,118	65.5	17.7	16.9	35.1	52.8	12.0
<i>Large banking sector</i>								
Germany	3,041	240	73.3	14.2	12.5	40.0	49.2	10.8
France	1,527	223	76.7	12.1	11.2	66.8	17.0	16.1
United Kingdom	1,278	224	52.2	29.0	18.8	25.9	71.9	2.2
Italy	831	119	70.6	17.6	11.8	27.7	43.7	28.6
Switzerland	557	103	76.7	15.5	7.8	13.6	78.6	7.8
Spain	552	126	57.9	26.2	15.9	26.2	54.8	19.0
Netherlands	457	166	78.3	11.4	10.2	76.5	21.1	2.4
Total	8,241	1,201	69.1	17.9	13.0	42.5	46.1	11.4
<i>Small banking sector</i>								
Belgium	389	150	59.3	21.3	19.3	35.3	64.0	.7
Austria	297	79	79.7	8.9	11.4	20.3	72.2	7.6
Sweden	106	109	85.3	9.2	5.5	11.0	79.8	9.2
Norway	95	83	74.7	15.7	9.6	10.8	80.7	8.4
Portugal	89	54	51.9	20.4	27.8	27.8	29.6	42.6
Finland	88	48	77.1	12.5	10.4	16.7	68.8	14.6
Denmark	75	100	85.0	7.0	8.0	12.0	79.0	9.0
Greece	47	40	40.0	20.0	40.0	45.0	32.5	22.5
Ireland	26	73	56.2	19.2	24.7	21.9	74.0	4.1
Luxembourg	13	40	15.0	17.5	67.5	27.5	57.5	15.0
Total	1,224	776	67.0	14.8	18.2	21.9	67.7	10.4
<i>Former Eastern bloc</i>								
Czech Republic	43	49	28.6	28.6	42.9	42.9	28.6	28.6
Poland	36	60	28.3	26.7	45.0	50.0	21.7	28.3
Hungary	16	32	18.8	43.8	37.5	40.6	40.6	18.8
Total	96	141	26.2	31.2	42.6	45.4	28.4	26.2

NOTE: Banks are those chosen by affiliates of multinational corporations operating in twenty European countries and surveyed in 1996. The banks provide short-term banking services to the affiliates that selected them. Components may not sum to totals because of rounding.

1. A host-nation bank is headquartered in the nation in which the affiliate operates.

2. A home-nation bank is headquartered in the same nation in which the affiliate's parent is headquartered.

3. A third-nation bank is headquartered in neither the host nation nor the home nation.

4. A global bank provides services to the affiliates in at least nine of the twenty European nations and had at least \$100 billion in worldwide assets as of year-end 1995.

5. A regional bank is neither global (is in too few nations or is too small) nor local (is in too many nations or is too large).

6. A local bank provides services to the affiliates only in the European nation of the bank's headquarters and had worldwide assets of less than \$100 billion as of year-end 1995.

SOURCE: Berger, Dai, Ongena, and Smith, "To What Extent Will the Banking Industry Be Globalized?" table 2, p. 392.

This pattern suggests that preferences for host-based expertise are strong and tend to dominate bank selections. This finding also contrasts with the perception in much of the academic literature that foreign affiliates favor their home-nation banks.¹³

With respect to bank reach, about 35 percent of the affiliates choose global banks, 53 percent choose regional banks, and 12 percent choose local banks. These data suggest that while a vast majority of the foreign affiliates of multinational corporations prefer banks that span multiple nations (that is, global or regional banks), only about one-third choose global banks.

We also examine the distribution of bank nationality and reach within each of the twenty host countries, sorted by the total size of the nation's banking

sector and grouped into one of three categories: large-banking-sector nation, small-banking-sector nation, or former Eastern-bloc nation (table 2). The data show that bank nationality choice can differ greatly across industrialized host nations, particularly among small-banking-sector countries. For instance, only 15 percent of the affiliates operating in Luxembourg use a host-nation bank, whereas about 85 percent of those in Sweden do so. We separately consider the banking systems of the former Eastern-bloc nations because they tend to have legal and financial systems that are relatively new compared with those of western Europe.¹⁴ Only 26 percent of the affiliates operating in the former Eastern-bloc nations use a host bank; about 43 percent select a bank from a third nation. Thus, use of host-nation banks in the former Eastern-bloc nations is much less frequent than in the industrialized nations of western Europe.

13. For example, see Larry G. Goldberg and Anthony Saunders, "The Determinants of Foreign Bank Activity in the U.S.," *Journal of Banking and Finance*, vol. 15 (March 1981), pp. 17-32; and E.C. Kaplanis and Richard A. Brealey, "The Determination of Foreign Bank Location," *Journal of International Money and Finance*, vol. 15 (August 1996), pp. 577-97.

14. The former Eastern-bloc countries in the sample are the Czech Republic, Hungary, and Poland.

3. Distribution of bank nationality and bank reach, by home nation, 1996

Percent except as noted

Home nation	Total bank assets of nation (billions of dollars, year-end 1995)	Number of affiliates	Bank nationality			Bank reach		
			Host	Home	Third	Global	Regional	Local
All	22,151	2,118	65.5	17.7	16.9	35.1	52.8	12.0
<i>Large banking sector</i>								
Germany	3,041	177	76.8	7.9	15.3	31.6	55.4	13.0
France	1,527	50	60.0	26.0	14.0	32.0	54.0	14.0
United Kingdom	1,278	364	79.1	6.3	14.6	30.5	57.1	12.4
Italy	831	84	54.8	9.5	35.7	36.9	51.2	11.9
Switzerland	557	84	63.1	3.6	33.3	48.8	40.5	10.7
Spain	552	12	66.7	25.0	8.3	41.7	25.0	33.3
Netherlands	457	121	47.1	26.4	26.4	48.8	45.5	5.8
Total	8,241	892	69.3	10.8	20.0	35.8	52.5	11.8
<i>Small banking sector</i>								
Belgium	389	4	100.0	.0	.0	.0	100.0	.0
Austria	297	39	64.1	28.2	7.7	17.9	51.3	30.8
Sweden	106	164	73.8	12.8	13.4	21.3	67.7	11.0
Norway	95	65	63.1	7.7	29.2	23.1	63.1	13.8
Portugal	89	12	25.0	25.0	50.0	58.3	33.3	8.3
Finland	88	177	83.1	4.5	12.4	21.5	63.8	14.7
Denmark	75	134	70.1	17.9	11.9	17.2	62.7	20.1
Greece	47	5	40.0	20.0	40.0	80.0	20.0	.0
Ireland	26	100	58.0	9.0	33.0	43.0	47.0	10.0
Luxembourg	13	16	81.3	.0	18.8	18.8	62.5	18.8
Total	1,224	716	70.9	11.5	17.6	24.4	60.8	14.8
<i>Former Eastern bloc</i>								
Czech Republic	43	2	100.0	.0	.0	.0	50.0	50.0
Poland	36	2	100.0	.0	.0	50.0	.0	50.0
Hungary	16	0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total	96	4	100.0	.0	.0	25.0	25.0	50.0
<i>Other</i>								
Japan	6,746	9	77.8	.0	22.2	33.3	44.4	22.2
United States	5,012	470	49.1	41.7	9.1	51.1	41.7	7.2
Canada	408	22	72.7	.0	27.3	18.2	59.1	22.7
Other	422	5	60.0	.0	40.0	40.0	40.0	20.0
Total	12,588	506	50.8	38.7	10.5	49.2	42.5	8.3

NOTE. See notes to table 2.

n.a. Not applicable.

The data on bank reach also show considerable variation across host nations. Global banks are chosen relatively more frequently in large-banking-sector nations (43 percent) and in former Eastern-bloc nations (45 percent) than in small-banking-sector nations (22 percent). This observed pattern seems to indicate that global banks prosper best in markets open to bank competition (large-banking-sector nations) and in markets with less-established banking systems (former Eastern-bloc nations). Also notable is the variation in reach among the large-banking-sector nations. For example, about two-thirds of the affiliates operating in France use a global bank; more than two-thirds of the affiliates operating in Switzerland and the United Kingdom use regional banks; and more than one-fourth of the affiliates operating in Italy use local banks.

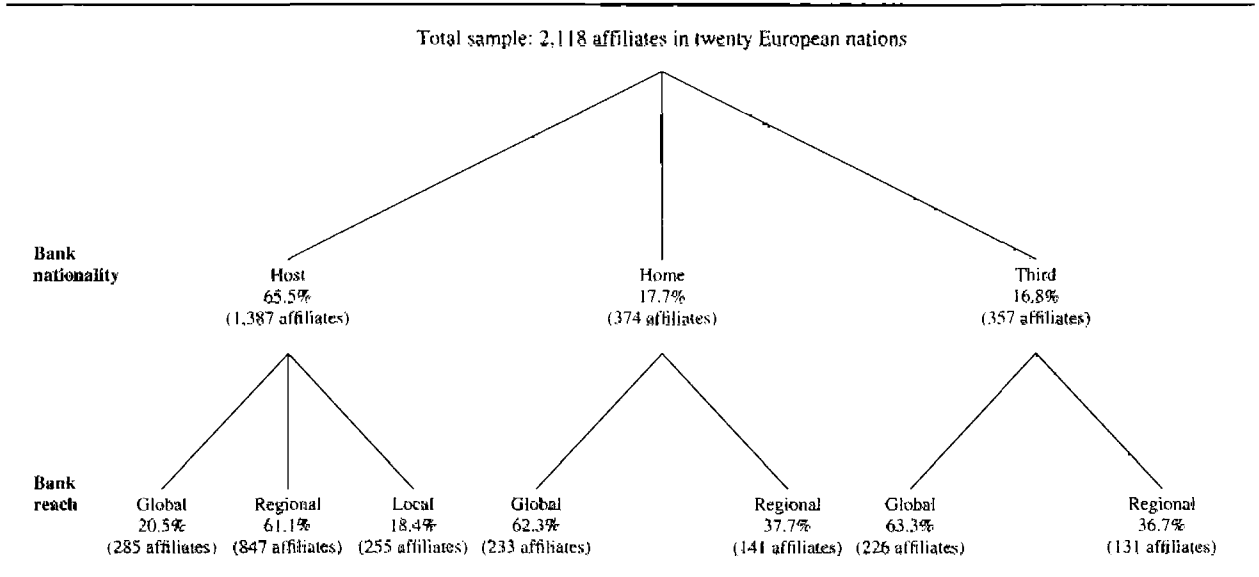
We also examine the distribution of bank nationality and reach according to the home nation of the affiliate, including countries outside the twenty host European nations (table 3). Of the foreign affiliates with corporate headquarters in European countries with both large and small banking sectors, 70 percent select a host-nation bank and only about

11 percent opt for a home-nation bank. This result is surprising, given that many of the European corporations have large home-nation banks close by from which to choose. In fact, the only outlier home nation is the United States. Of the affiliates whose parents are headquartered in the United States, 42 percent choose home-nation banks, a rate much higher than that for affiliates from other countries. This finding could reflect the ability of U.S.-owned banks to operate relatively efficiently in foreign countries, consistent with the academic literature.¹⁵

Although bank nationality and reach are two distinct concepts, they can be related. For instance, we have already seen that banks with local reach have, by definition, host-nation nationality. Other dependencies may result from how banks with a given reach are distributed across countries. For example, some countries do not have a global bank headquartered within their borders. Banks in these countries

15. See Allen N. Berger, Robert DeYoung, Hesna Genay, and Gregory F. Udell, "Globalization of Financial Institutions: Evidence from Cross-Border Banking Performance," in Robert E. Litan and Anthony Santomero, eds., *Brookings-Wharton Papers on Financial Services* (Washington: Brookings Institution Press, 2000), pp. 23-158.

Diagram 1. Distribution of bank nationality and bank reach in a two-stage decision tree



NOTE. See notes to table 2. By definition, a local bank does not arise as a second-stage choice when an affiliate chooses a home-nation or third-nation bank.

cannot offer both host-based expertise and global services to affiliates that value such a combination. Likewise, banks from these countries cannot jointly offer home-based and global services to affiliates of native corporations operating abroad. Finally, some banking systems may be too new or undeveloped to offer competitive banking services at even a local level.

We study potential dependencies between bank nationality and reach by assuming that bank reach depends first on the selection of bank nationality. We reason that, in the absence of barriers to integration, a bank's reach will be limited by the extent to which customers value cross-border banking relations. For example, in the extreme case that *all* bank customers selected host-nation banks for *all* of their services, there would be no need for banks with global reach.

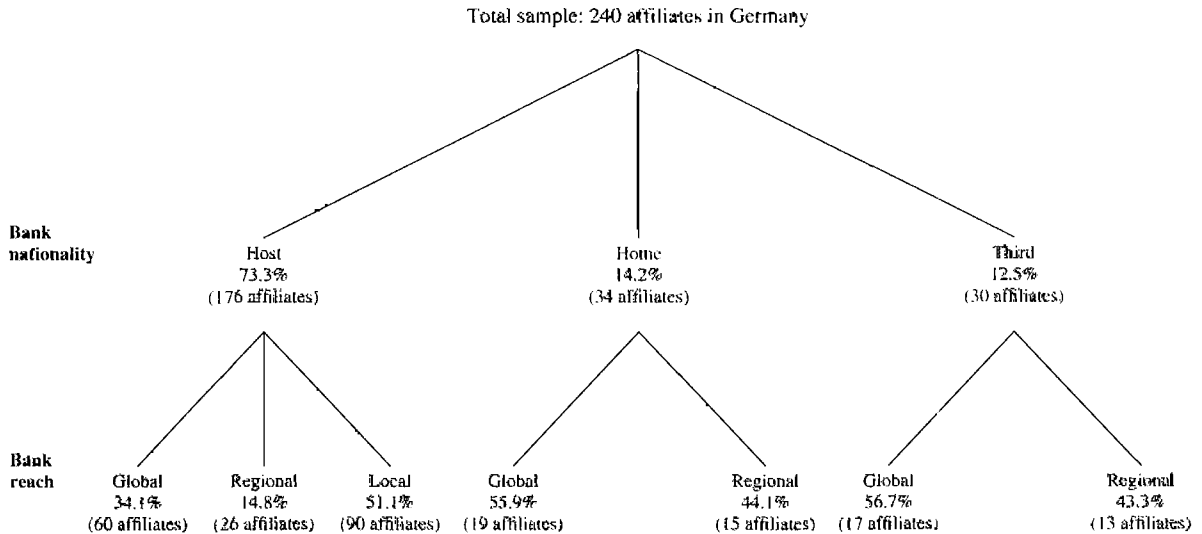
A two-stage decision tree illustrates our framework (diagram 1). In the first stage, an affiliate decides on bank nationality; in the second stage, it chooses bank reach. Note that by definition, a local bank does not arise as a second-stage choice when an affiliate chooses a home-nation or third-nation bank in the first stage. At the nodes of the top branches of the tree, we report the sample frequencies for selecting a host-nation, home-nation, and third-nation bank, while at the bottom branch nodes, we report the sample frequencies for selecting a global, regional, and local bank given the prior choice of bank nationality.

As shown earlier, almost two-thirds of the affiliates use host-nation banks over home- and third-nation banks (table 2), a pattern consistent with strong host-based expertise. Affiliates' choices for bank reach differ greatly, depending on bank nationality (diagram 1). After selecting a host-nation bank, about 21 percent of the affiliates use a global bank. By comparison, of affiliates that select either a home-nation or third-nation bank, about 63 percent use a global bank. In other words, affiliates tend to use banks with global reach once they choose a home-nation or third-nation bank, but they tend to use a regional or local bank once they choose a host-nation bank.

One aspect of the data that could be driving these patterns is that, as of 1996, only three host nations—France, Germany, and the Netherlands—had a global bank headquartered within their borders. That is, affiliates choosing a host-nation bank in any of the other seventeen nations in our sample could not also select a global bank. This limitation could simply reflect an equilibrium outcome—that is, the demand for global services within these countries is not great enough to induce a host-nation bank to expand its reach globally or to induce an existing global bank to move its headquarters to one of these countries. Alternatively, this outcome could reflect supply conditions in the host nation.

We look more closely at Germany to gain some insight into how the distribution of bank choices

Diagram 2. Distribution of bank nationality and bank reach in Germany in a two-stage decision tree



NOTE. See notes to diagram 1.

might differ in a market in which all types of banks are available (diagram 2). Germany not only has a host-nation bank that is global (Deutsche Bank), but it also has three strong nationwide systems of local and regional commercial banks from which affiliates may choose: the *Landesbanken* (state banks), *Sparkassen* (savings banks), and *Hypothekbanken* (building societies).

The German data in diagram 2 suggest that the supply conditions alone do not create the patterns shown in diagram 1. A substantial proportion of the foreign affiliates operating in Germany still select a host-nation (that is, German) bank for their banking services. More important, if they choose a German bank, affiliates choose a regional or local bank over a global bank by a two-to-one margin; whereas, if they choose a home-nation or third-nation bank, most affiliates then choose a global bank.

The cross-country variation in bank nationality and reach was analyzed more formally using a regression model that attempted to control for the demand and supply factors within host nations, the geographic, cultural, and financial differences between host and home nations, and the attributes of a foreign affiliate's parent corporation.¹⁶ The regression analysis confirmed the importance of host-nation-based expertise in the choice of bank. An additional finding was that host-nation banks are less likely to be chosen in the former Eastern-bloc countries, and home-nation banks typically fill the void left by the host-nation

banks in these countries. We speculate that the banking systems within these countries are not yet developed enough to offer competitive host-based expertise.

One limitation of the 1996 survey evidence is that it offers only a "snapshot" of the provision of banking services rather than a picture of the evolution of banking markets over time. Moreover, the snapshot was seven years ago; significant integration could have occurred since that time.

A LOOK AT THE TIME-SERIES DATA

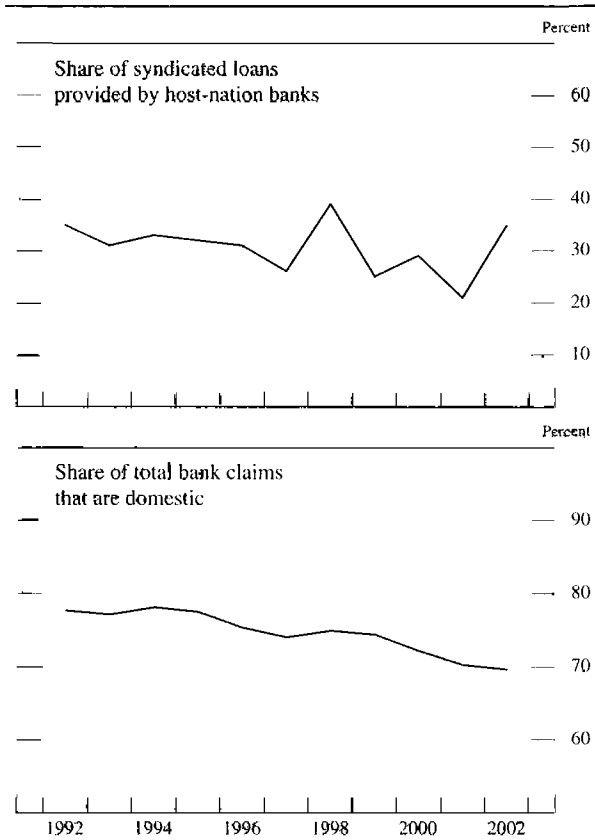
We begin our time-series analysis with two measures of banking industry integration for the period from 1992 to 2002. The first measure is the proportion of syndicated loans that host-nation banks provide to European affiliates of multinational corporations. That is, we start with the same types of affiliates as examined in the previous section, but we now track the nationality of those banks that provide syndicated loans to the affiliates.

The syndicated loan market is a popular mechanism for extending loans to medium-sized and large borrowers and is often thought to be the most globally integrated sector of the banking industry. Our measure is constructed from *Loanware*, a database that tracks syndicated loan agreements from around the world.¹⁷ For the 1992–2002 period, we review

16. Berger, Dai, Ongena, and Smith, "To What Extent Will the Banking Industry Be Globalized?"

17. *Loanware* is a product of Dealogic, Ltd. A syndicated loan agreement is a loan contract between a borrower and a group of banks, typically headed by a "lead" or "arranging" bank or group of banks.

1. Indicators of banking market integration in Europe, 1992–2002



SOURCE. For top panel, see text note 17; for bottom panel, see text note 18.

1,556 syndicated loans to foreign affiliates of multinational corporations operating in Europe.

The degree of integration as measured by the proportion of syndicated loans financed by host-nation banks did not increase over the past decade (chart 1). In 1992, host-nation banks financed 35 percent of the syndicated loans; in 2002, they financed the same proportion. Since 1996, the proportion of host-nation banks financing syndicated loans has fluctuated between 39 percent and 21 percent. Thus, the syndicated loan data provide no evidence to suggest that the level of bank integration has changed much since the 1996 survey.

The syndicated loan data suffer from a potential drawback. If the syndicated loan market was already fully integrated in 1992, then one might not expect it to change much over the decade. Indeed, we see that by 1992 foreign banks (home- and third-nation banks) already covered roughly two-thirds of the loans provided to foreign affiliates (chart 1, top panel), which might be close to full integration.

Another measure of integration that provides a more general assessment of changes through time is

the share of total private bank debt claims (domestic and foreign) that are claims on domestic customers. This measure is calculated for banks residing in twelve countries in western Europe (Austria, Belgium, Denmark, France, Germany, Ireland, Italy, the Netherlands, Spain, Sweden, Switzerland, and the United Kingdom), plus Canada, Japan, and the United States.¹⁸

We interpret a decline in the share of domestic bank claims to total bank claims as an increase in the level of integration. The proportion has fallen somewhat over the past decade (chart 1, bottom panel). It hovered around 78 percent from 1992 through 1995 and then began to decline slowly. By 2002, the proportion had fallen to 70 percent. This decrease indicates that banks have increased their foreign claims over the past decade slightly faster than the rate at which they expanded their domestic claims.

We provide one more piece of time-series evidence on the progress of integration, and that is the pace of price convergence across countries. John Rogers uses a comprehensive and detailed set of prices for 139 nonfinancial consumer goods in twenty-five European cities from 1990 to 2001 to measure the speed at which prices converged as barriers to cross-border trade were diminished within Europe.¹⁹ Rogers compares the dispersion of prices in European cities, including a subset of cities within the eleven original countries of the EMU, to the dispersion of prices for a similar set of goods across cities within the United States.²⁰ By 1996, the dispersion in prices across the European countries had narrowed significantly (chart 2). In fact, prices within the EMU countries had converged to a degree comparable to that observed in the United States. Most of the convergence occurred in the earlier part of the period, with little or no further convergence occurring after 1996.

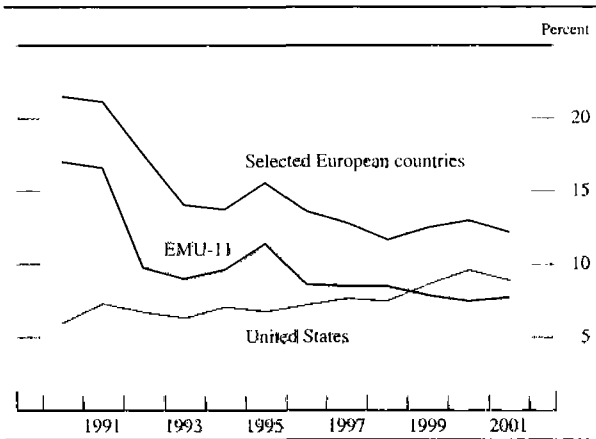
In sum, the various sets of time-series data examined here suggest that little further integration has occurred in Europe since our sample was collected in 1996, although the BIS banks claims statistics

18. "Claims" refer to loans, notes, and equity claims that banks hold against customers. Foreign claims refer to claims on customers outside of a bank's resident country. Foreign claims are obtained from the Bank for International Settlements' locational statistics through www.bis.org. To avoid the double counting of claims against subsidiaries, we subtract local office claims from total foreign bank claims. Private domestic bank claims are from the International Monetary Fund's *International Financial Statistics*.

19. John H. Rogers, "Monetary Union, Price Level Convergence, and Inflation: How Close is Europe to the United States?" *International Finance Discussion Papers 740* (Board of Governors of the Federal Reserve System, 2002).

20. Price dispersion is defined as the cross-city standard deviation of a product's price (calculated after normalizing the price by the average price of the product).

2. Price dispersion for traded goods in Europe and the United States, 1990–2001



NOTE. The EMU-11 consists of Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal, and Spain. The selected European countries are the EMU-11, the United Kingdom, Sweden, and Switzerland. For definition of price dispersion, see text note 20.

SOURCE. John H. Rogers, "Monetary Union, Price Level Convergence, and Inflation: How Close Is Europe to the United States?" International Finance Discussion Papers 740 (Board of Governors of the Federal Reserve System, 2002).

suggest that banks have expanded somewhat across borders since 1999.

SUMMARY

The barriers to global integration in the banking industry have been significantly reduced over the past two decades. Among the contributing factors have been the lifting of regulatory restrictions on cross-border banking, technological advances that allow for better management of financial institutions across borders, and increases in nonfinancial activities that create demands for international banking services. Despite these reduced barriers, the integration of the banking industry in most developed countries has fallen far short of the expectations of many observers.

Some potentially powerful market forces based on the competitive advantages of domestic and foreign banks may help explain the lack of an advance in global banking. We argue that foreign banking organizations may be at significant competitive disadvantages in providing the price, quality, and mix of

services that best suit bank customers, and that such disadvantages may limit the integration of the banking industry.

Our main findings, which are based on a 1996 cross-section of European affiliates of multinational corporations, suggest that almost two-thirds of these affiliates receive short-term banking services from a bank headquartered in the affiliate's host nation. This result is consistent with a strong host-based-expertise effect, in which host-nation banks have significant competitive advantages in understanding the culture, business practices, and regulatory conditions of the host nation. However, in the former Eastern-bloc nations, the data suggest that only about one-fourth of these same types of affiliates are served by host-nation banks. This finding is consistent with the possibility that host-nation banks in these nations are not equipped to provide the package of banking services that would give them an advantage over foreign institutions.

We also examine three sets of time-series data on the progress of integration in Europe from 1992 to 2002. The main purpose is to explore the possibility that our "snapshot" of banking as of 1996 might have predated significant advances in the integration of the European banking industry. We show data on the changes in (1) the proportions of the syndicated loan market that are underwritten by domestic banks, (2) the changes in the proportions of total bank claims that are held by domestic banks, and (3) the convergence of prices of consumer goods across Europe. These data suggest that, if anything, most of the effects of the reduced barriers had already occurred by 1996.

Overall, the findings suggest that domestic banks possess some competitive advantages that may significantly limit the global integration of the banking industry. In industrialized nations, domestically based institutions appear likely to retain significant market shares for some financial services that could potentially be provided by foreign institutions, even when the barriers to bank integration have declined dramatically. In contrast, foreign banks may obtain much higher shares in some less-industrialized nations because of competitive advantages over domestic institutions that are less well developed. □

Announcements

RELEASE OF ANNUAL ADJUSTMENTS FOR RESERVE CALCULATIONS AND DEPOSIT REPORTING

The Federal Reserve Board on October 1, 2003, announced the annual adjustments in the amount of net transaction accounts used in the calculation of reserve requirements and the cutoff level used to determine the detail and frequency of deposit reporting.

All depository institutions must retain a percentage of certain types of deposits in the form of vault cash, or as a deposit in a Federal Reserve Bank, or in a pass-through account at a correspondent institution. Reserve requirements currently are assessed on the depository institution's net transaction accounts (mostly checking accounts).

For net transaction accounts in 2004, the first \$6.6 million, up from \$6.0 million in 2003, will be exempt from reserve requirements. A 3 percent reserve ratio will be assessed on net transaction accounts of more than \$6.6 million up to and including \$45.4 million, up from \$42.1 million in 2003. A 10 percent reserve ratio will be applied above \$45.4 million.

These annual adjustments, known as the low reserve tranche adjustment and the reservable liabilities exemption adjustment, are based on growth in net transaction accounts and total reservable liabilities, respectively, at all depository institutions between June 30, 2002, and June 30, 2003.

For depository institutions that report weekly, the low reserve tranche adjustment and the reservable liabilities exemption adjustment will apply to the reserve computation period that begins Tuesday, November 25, 2003, and the corresponding reserve maintenance period that begins Thursday, December 25, 2003.

For institutions that report quarterly, the low reserve tranche adjustment and the reservable liabilities exemption adjustment will apply to the reserve computation period that begins Tuesday, December 16, 2003, and the corresponding seven-day reserve maintenance period that begins Thursday, January 15, 2004.

Additionally, the Board increased the deposit cutoff level that is used with the exemption level to determine the frequency and detail of deposit reporting.

COMMENTS REQUESTED ON PROPOSED CHANGES TO CASH SERVICES POLICY

The Board of Governors of the Federal Reserve System on October 8, 2003, requested comment on proposed changes to its cash services policy. The changes would address a shift by depository institutions away from traditional patterns of currency activity toward greater reliance on Reserve Bank cash processing and provide incentives for depository institutions to recirculate currency among their customers.

To reduce depository institutions' overuse of Reserve Bank cash-processing services that are provided at no charge, the Board proposes revising its cash services policy by adding two elements: (1) a custodial inventory program that provides an incentive to depository institutions to hold currency in their vaults to meet customers' demand; and (2) a fee to depository institutions that deposit fit currency to, and order currency from, Reserve Banks within the same week. Initially the policy changes would apply only to the \$5, \$10, and \$20 denominations. The Reserve Banks estimate that the proposed changes would affect approximately 100 of their largest cash customers.

The Board proposes to implement the recirculation policy in phases. In early 2004, the Reserve Banks will accept applications for a custodial inventory proof-of-concept, or trial, program. The Board will evaluate the results of the program after about six months of operation and will decide whether to implement a permanent custodial inventory program in 2005. Reserve Banks would begin assessing the recirculation fee in 2006. In 2007, the Board would extend the recirculation policy to one-dollar notes if the Reserve Banks are unable, by working collaboratively with depository institutions, to achieve significant savings.

APPOINTMENT OF CHAIRMEN AND DEPUTY CHAIRMEN OF THE FEDERAL RESERVE BANKS

The Federal Reserve Board on October 10, 2003, announced the appointment of the chairmen and deputy chairmen of the twelve Federal Reserve Banks for 2004.

Each Reserve Bank has a nine-member board of directors. The Board of Governors in Washington appoints three of these directors and each year designates one of its appointees as chairman and a second as deputy chairman.

Following are the names of the chairmen and deputy chairmen appointed by the Board for 2004.

Boston

Samuel O. Thier, M.D., Professor of Medicine and Professor of Health Care Policy, Harvard Medical School, Massachusetts General Hospital, Boston, Massachusetts, named chairman.

Blenda J. Wilson, President and Chief Executive Officer, Nellie Mae Education Foundation, Quincy, Massachusetts, named deputy chairman.

New York

John E. Sexton, President, New York University, New York, New York, named chairman.

Jerry I. Speyer, President and Chief Executive Officer, Tishman Speyer Properties, New York, New York, named deputy chairman.

Philadelphia

Ronald J. Naples, Chairman and Chief Executive Officer, Quaker Chemical Corporation, Conshohocken, Pennsylvania, named chairman.

Doris M. Damm, President and Chief Executive Officer, ACCU Staffing Services, Cherry Hill, New Jersey, named deputy chairman.

Cleveland

Robert W. Mahoney, Retired Chairman and Chief Executive Officer, Diebold, Incorporated, Canton, Ohio, renamed chairman.

Charles E. Bunch, President and Chief Operating Officer, PPG Industries, Inc., Pittsburgh, Pennsylvania, renamed deputy chairman.

Richmond

Wesley S. Williams, Jr., Partner, Covington & Burling, Washington, D.C., renamed chairman.

Thomas J. Mackell, Jr., President and Chief Operating Officer, The Kamber Group, Washington, D.C., renamed deputy chairman.

Atlanta

David M. Ratcliffe, President and Chief Executive Officer, Georgia Power Company, Atlanta, Georgia, named chairman.

V. Larkin Martin, Managing Agent, Martin Farm, Courtland, Alabama, named deputy chairman.

Chicago

W. James Farrell, Chairman and Chief Executive Officer, Illinois Tool Works, Inc., Glenview, Illinois, named chairman.

Miles D. White, Chairman and Chief Executive Officer, Abbott Laboratories, Abbott Park, Illinois, named deputy chairman.

St. Louis

Walter L. Metcalfe, Jr., Chairman, Bryan Cave LLP, St. Louis, Missouri, named chairman.

Gayle P. W. Jackson, Managing Director, FondElec Clean Energy Group, Inc., St. Louis, Missouri, named deputy chairman.

Minneapolis

Linda Hall Whitman, Chief Executive Officer, QuickMedx, Inc., Minneapolis, Minnesota, named chairman.

Frank L. Sims, Corporate Vice President, Transportation, Cargill, Inc., Wayzata, Minnesota, named deputy chairman.

Kansas City

Richard H. Bard, Chief Executive Officer, Bard & Co., Inc., Denver, Colorado, renamed chairman.

Robert A. Funk, Chairman and Chief Executive Officer, Express Personnel Services International, Oklahoma City, Oklahoma, renamed deputy chairman.

Dallas

Ray L. Hunt, Chairman, President, and Chief Executive Officer, Hunt Consolidated, Inc., Dallas, Texas, renamed chairman.

Patricia M. Patterson, President, Patterson Investments, Inc., Dallas, Texas, renamed deputy chairman.

San Francisco

George M. Scalise, President, Semiconductor Industry Association, San Jose, California, renamed chairman.

Sheila D. Harris, Director, Arizona Department of Housing, Phoenix, Arizona, renamed deputy chairman.

APPOINTMENT OF TIMOTHY F. GEITHNER AS PRESIDENT, FEDERAL RESERVE BANK OF NEW YORK

The Federal Reserve Bank of New York on October 15, 2003, named Timothy F. Geithner to serve as the Bank's new president and CEO. His appointment by the New York Federal Reserve Bank's Board of Directors was approved by the Federal Reserve Board of Governors and announced by Mr. Peter Peterson, chair of the New York Federal Reserve Bank's Board of Directors and of the search committee that selected Mr. Geithner.

Mr. Geithner is expected to assume his duties in mid-November.

Mr. Geithner, 42, currently is the director of the Policy Development and Review Department in the

International Monetary Fund of Washington, D.C. His department plays a central role in the design and implementation of IMF policies and in the review of its financial programs and assessments of member economies. He joined the IMF in September 2001.

Mr. Geithner served as Under Secretary of the Treasury for International Affairs from 1998 to 2001 under Secretaries Robert Rubin and Lawrence Summers. He was a principal adviser and member of the executive branch's senior team.

"I'm honored to be selected for this post and to work with an institution that is central to domestic and global financial stability," said Mr. Geithner.

"I'm pleased Tim Geithner will be at the helm; he'll do a great job," Mr. Peterson said. "He has done an outstanding job at Treasury and the IMF and is admirably equipped to confront the unique domestic and international challenges that will face our financial system over the coming years."

Mr. Geithner will succeed William J. McDonough, who served as the Bank's president from July 1993 until he stepped down in June of this year to assume the post of chairman of the Public Company Accounting Oversight Board in Washington, D.C. Jamie B. Stewart, First Vice President of the Federal Reserve Bank of New York, has assumed on an interim basis the duties of president since Mr. McDonough's departure.

Mr. Peterson was assisted in the search by an outside advisory committee with ties to the Federal Reserve Bank of New York: Ann Fudge, Ellen Futter, Maurice R. Greenberg, Walter Shipley, Paul Volcker, John Whitehead, and Robert Wilmers. Search committee members, all current members of the New York Federal Reserve Bank's Board, are Jill Considine, Loretta Lynch, John Sexton, Jerry Speyer, and Charles Wait.

Mr. Peterson was also advised by Robert Rubin, E. Gerald Corrigan, Lawrence Summers, and Fred Bergsten. He was also assisted by Tom Neff, Chairman US of Spencer Stuart.

DEBUT OF A MORE SECURE, COLORFUL \$20 BILL

The most secure currency in U.S. history was introduced into the economy on October 9, 2003, as a newly redesigned, colorful \$20 bill was issued by the Federal Reserve System.

In dozens of communities from coast to coast, U.S. government officials and local business, banking, and civic leaders participated in transactions with the new \$20 notes, marking the first opportunity for the public

to spend the new currency. October 9 was the first day banks received the new bills from the Federal Reserve System and in turn began to distribute them to their customers. It took several days or even weeks for the bills to make their way to all communities in the United States and internationally. The new designs will co-circulate with old-design \$20 notes, until, gradually, the old-design notes become worn and are pulled from circulation.

"*The New Color of Money* starts making its way into cash registers and wallets today," said Tom Ferguson, director of the U.S. Treasury's Bureau of Engraving and Printing (BEP). "This is a historic milestone on two fronts: for the first time in modern history, U.S. currency features background colors other than black and green, and, more importantly, this currency is the most secure U.S. currency ever, to protect against counterfeiting."

"While much of the public will be anxious to see and handle this newly designed \$20 bill, we want to emphasize that older-design \$20 notes are still in circulation, and still maintain their value," said Marsha Reidhill, the Federal Reserve Board's assistant director for cash. "A genuine U.S. \$20 bill—whether it has the new background colors or the familiar green and black—is legal tender, worth \$20. It is important to remember that all bills are good, for good. The stability and integrity of U.S. currency has kept worldwide trust and confidence high, and the government is committed to keeping it that way."

The BEP and the Federal Reserve System have been educating the public worldwide about the new bills in professional and community settings, in preparation for a smooth transition this fall. More than 37 million items of training materials such as brochures, posters, training videos, and CD-ROMS have been ordered by businesses large and small to train their cash-handling employees on the bill's new look and updated security features. Additionally, there have been more than 2 million visits to the new money web site (www.moneyfactory.com/newmoney) for information. The public education program continues globally with broadcast, print, Internet, and other public education advertising; and integration of the new money's look and security features have been featured in the story lines of television programs that reach millions of viewers.

Ferguson and Reidhill marked the historic issue of the new \$20 bill in New York City's Times Square, where they spent the new twenties in Times Square area businesses. In Washington, D.C., Michael Lambert, the Federal Reserve System's Financial Services manager who is responsible for cash, and James Brent, the BEP's chief of the office of currency

production, demonstrated the effectiveness of the government's advance preparation for the new money by using a new \$20 note to buy stamps from a vending machine at a U.S. Postal Service facility. The government began working with the vending machine industry and transit authorities more than a year ago to ensure there was ample time for adjustments so machines will accept the new bills.

Events marking the first purchases with the new \$20 notes were held in more than thirty U.S. cities. In late October, the issue of the new \$20 bill was marked by international events in dollarized economies and in countries where U.S. currency is widely held, such as Russia and countries throughout Latin America.

The New Color of Money: Safer. Smarter. More Secure.

The most noticeable difference in the new \$20 notes is the subtle green, peach, and blue colors featured in the background. New designs for the \$50 and \$100 notes are scheduled for introduction in 2004 and 2005 respectively. Different colors will be used for different denominations, which will help everyone—particularly those who are visually impaired—to tell denominations apart. Redesign of the \$5 and \$10 notes is under consideration, but the \$1 and \$2 notes will not be redesigned.

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

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

Security Features

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

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

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

- The color-shifting ink—the numeral “20” in the lower-right corner on the face of the note changes from copper to green when the note is tilted. The color shift is more dramatic and easier to see on the new-design notes.

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

Counterfeiting: Increasingly Digital

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

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

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

D.C. DEBUT OF NEWLY REDESIGNED \$20 BILL AT L'ENFANT PLAZA POST OFFICE

U.S. government officials introduced the newly redesigned \$20 note into the community on October 9, 2003, at the L'Enfant Plaza Post Office in Washington, D.C., marking the first opportunity for the public to spend the new currency in the Washington area. James Brent, the chief of the office of currency production in the U.S. Treasury Department's Bureau of Engraving and Printing, joined Michael Lambert, financial services manager of the Federal Reserve Board, to mark this historic milestone.

In Washington, the first expenditure with the new \$20 bill was the purchase of stamps from the stamp vending machines at the Post Office. The U.S. Postal Service has had to prepare its machines as well as its employees to ensure acceptance of the new money.

“After months of seeing them roll off of the presses, I am honored to spend the first new \$20 bill in my hometown of Washington, D.C.,” said Brent, who is responsible for the day-to-day operations of currency production at the Bureau’s Washington, D.C., facility. “The Bureau of Engraving and Printing is tremendously proud of The New Color of Money, and I am proud to have helped in the creation of the safest, smartest, and most secure note the U.S. government has ever produced.”

“Today marks the formal introduction into circulation of the most secure note the U.S. government has ever produced,” said the Federal Reserve Board’s Lambert. “Its enhanced security will help ensure that our currency continues to represent value, trust and confidence to people all over the world.”

“The U.S. Postal Service’s stamp vending machines are ready and able to accommodate the new \$20 bills, and our retail associates look forward to serving customers using this new currency,” explained the Postal Service’s Manager of Customer Service Operations, Fred Hintenach. “We are honored that the Bureau chose the L’Enfant Plaza Post Office to be the site of Washington’s first commercial transaction with the new \$20 bill.”

The event in D.C. was one of more than thirty that took place around the country, including an event in New York City. Tom Ferguson, director of the U.S. Treasury’s Bureau of Engraving and Printing (BEP), and Marsha Reidhill, the Federal Reserve Board’s assistant director for cash, marked today’s historic issue of the new \$20 bill in New York City’s Times Square, where they spent the new \$20 bill at a Times Square area business.

FEDERAL AGENCIES PUBLISH CONSUMER BROCHURE ON PREDATORY LENDING

The federal Interagency Task Force on Fair Lending has published a new brochure that alerts consumers to potential borrowing pitfalls, including high-cost home loans, and provides tips for getting the best financing deal possible. The brochure, *Putting Your Home on the Loan Line Is Risky Business*, warns that regardless of whether a home equity loan is for a home repair, bill consolidation, or some other purpose, it is important to shop around.

Borrowing from an unscrupulous lender, especially one that offers a high-cost loan using the home as security, could result in the loss of the borrower’s home and money. The brochure cautions that certain lenders—often called “predatory lenders”—target homeowners with low incomes or credit problems,

including the elderly, by deceiving them about loan terms or giving them loans they cannot afford to repay. Before signing the credit contract, consumers are encouraged to do the following:

- Think about their financing options
- Do their homework
- Think twice before they sign a loan contract
- Know that they have rights under the law

The brochure notes that many consumers may have other options for meeting their financial needs besides taking out a home equity loan. Housing counseling and social service programs are available to assist people with financial problems.

If consumers decide that a loan is right for them, the brochure suggests talking with several lenders; comparison shopping for interest rates, payments, term of the loan, points and fees, and other costs of the loan; and having a knowledgeable friend, attorney, or housing counselor review the loan documents. A shopping checklist is included with the brochure.

The publication also reminds consumers that if they are refinancing or using their home as security for a home equity loan (or for a second mortgage loan or a line of credit), federal law gives them three business days after signing the loan papers to cancel the deal. The cancellation must be submitted in writing, after which the lender is required to return any money the consumer has paid to date.

If the three-day period has already passed and consumers believe they have been misled, the brochure suggests that they contact a state or local bar association, a local consumer protection agency, or a local fair housing or housing counseling agency.

The members of the Interagency Task Force are the Department of Housing and Urban Development, the Department of Justice, the Federal Deposit Insurance Corporation, the Federal Housing Finance Board, the Federal Reserve Board, the Federal Trade Commission, the National Credit Union Administration, the Office of the Comptroller of the Currency, the Office of Federal Housing Enterprise Oversight, and the Office of Thrift Supervision.

The brochure is available on the agencies’ web sites listed below. A PDF (portable document format) version is provided on the web site so that consumer groups, financial institutions, agencies, and other organizations can download and print copies for distribution to their clients and customers. It includes a space on the back panel for organizations to provide their own contact information. A Spanish-language version of the publication will be available in the future.

Single copies of the brochure are available free of charge from the following agencies:

Department of Housing and Urban Development: The Department's web site at www.hud.gov or U.S. Department of Housing and Urban Development, 451 Seventh Street, S.W., Washington, DC 20410; Customer Service Center: (202) 708-3151.

Department of Justice: The Department's web site at www.usdoj.gov or contact the U.S. Department of Justice, Civil Rights Division, 950 Pennsylvania Ave., N.W., Housing and Civil Enforcement Section, N.W.B., Washington, DC 20530; (202) 514-1116.

Federal Deposit Insurance Corporation: The FDIC's web site at www.fdic.gov or the FDIC's Public Information Center, 801 17th Street, N.W., Room 100, Washington, DC 20434; (877) 275-3342 or (202) 416-6940.

Federal Housing Finance Board: The Board's web site at www.fhfb.gov and from the Federal Housing Finance Board, 1777 F Street, N.W., Washington, DC 20006.

Federal Reserve Board: The Board's web site at www.federalreserve.gov/pubs/riskyhomeloans/default.htm and from Publications Fulfillment, Stop 127, Federal Reserve Board, 20th & C Streets, N.W., Washington, DC 20551; (202) 452-3245.

Federal Trade Commission: The FTC's web site at www.ftc.gov and from the FTC's Consumer Response Center, 600 Pennsylvania Avenue, N.W., Washington, DC 20580; toll free: 1-877-FTC-HELP (1-877-382-4357); TTY for the hearing impaired (866) 653-4261.

National Credit Union Administration: NCUA's web site at www.ncua.gov or contact Cliff Northup, Director of Public and Congressional Affairs, National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22134.

Office of Federal Housing Enterprise Oversight: The Office's web site at www.ofheo.gov. E-mail requests for individual copies should be sent to ofheoinquiries@ofheo.gov or call (202) 414-6922.

Office of the Comptroller of the Currency: The OCC's web site at www.occ.treas.gov and from Communications, Mail Stop 3-2, Office of the Comptroller of the Currency, 250 E Street, S.W., Washington, DC 20219; (202) 874-4700.

Office of Thrift Supervision: The OTS's web site at www.ots.treas.gov or contact Louise Batdorf, Office of Thrift Supervision, 1700 G Street, N.W., Washington, DC 20552; (202) 906-7087.

MOVE OF FEDERAL RESERVE BULLETIN TO A QUARTERLY SCHEDULE

The Federal Reserve Board on October 3, 2003, announced the move to a quarterly publication schedule for the *Federal Reserve Bulletin* and the creation of a new monthly statistical supplement.

Beginning in the first quarter of 2004, the *Bulletin* will be enhanced and published four times a year. A quarterly report on the condition of the banking sys-

tem and an annual report on changes in consumer regulations are among the new materials to be presented in the *Bulletin*. The *Bulletin* will continue to include topical research articles and summaries of Board survey findings, the Board's semiannual Monetary Policy Reports, a Legal Developments section, and other features such as lists of staff members, councils, committees, lists of Federal Reserve publications, and maps of the Federal Reserve Districts.

The Legal Developments section of the quarterly *Bulletin* will contain Board orders issued under the Bank Holding Company Act, the Bank Merger Act, the Federal Reserve Act, and the International Banking Act. Final rules and pending cases involving the Board are available on the Board's web site under "Legal Developments" at www.federalreserve.gov/releases/h2/.

The revised publication schedule responds to the results of customer surveys, the increased use of the Internet to access information on a more timely basis, and the Board's desire to provide a broader range of articles on topics of interest to *Bulletin* readers. A quarterly schedule will also make the planning and production of the *Bulletin* more efficient.

The tables that now appear in the Financial and Business Statistics section of the *Bulletin* will be published monthly as a separate publication titled *Statistical Supplement to the Federal Reserve Bulletin*. All tables that now appear in the *Federal Reserve Bulletin*, including special tables, will appear in the *Statistical Supplement*. All statistical series will be published with the same frequency that they have currently in the *Bulletin*. The first issue of the *Statistical Supplement* will be published in January 2004. The Publications Committee will monitor the usefulness of this publication in meeting the needs of the public over time, especially in light of the widespread dissemination of data through the Internet.

A *Bulletin* editorial board has been established under the direction of Lucretia Boyer, the Federal Reserve Board's chief of publications, to oversee the quality of content of these two publications and to ensure a diverse range of *Bulletin* articles.

Separate subscriptions for the two publications will be available starting with the January 2004 issue of the *Statistical Supplement*. For additional subscription information, contact Publications Fulfillment at 202-452-3244 or 202-452-3245 or send an e-mail to publications-bog@frbog.frb.gov.

Articles published in the *Bulletin* will continue to be available online at www.federalreserve.gov/pubs/bulletin/default.htm.

RELEASE OF MINUTES OF DISCOUNT RATE MEETINGS

The Federal Reserve Board on September 25, 2003, released the minutes of its discount rate meetings from July 7 through August 11, 2003.

ANNOUNCEMENT OF MEETING OF THE CONSUMER ADVISORY COUNCIL

The Federal Reserve Board announced on October 2, 2003, that the Consumer Advisory Council would hold its next meeting on Thursday, October 23, 2003. The meeting took place in Dining Room E, Terrace level, in the Board's Martin Building. The session began at 9:00 a.m. and was open to the public.

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

ENFORCEMENT ACTIONS

The Federal Reserve Board on September 25, 2003, announced the execution of a written agreement by and among United National Corporation, Sioux Falls,

South Dakota; First PREMIER Bank, Sioux Falls, South Dakota; PREMIER Bankcard, Inc., Sioux Falls, South Dakota; and the Federal Reserve Bank of Minneapolis.

The Federal Reserve Board on October 3, 2003, announced the execution of a written agreement by and among the First Charter Bank, Charlotte, North Carolina; the Office of the North Carolina Commissioner of Banks, Raleigh, North Carolina; and the Federal Reserve Bank of Richmond.

The Federal Reserve Board on October 15, 2003, announced the issuance of a final decision and orders of prohibition against Gene Ulrich and Susan Diehl McCarthy, former senior vice president and vice president, respectively, of Six Rivers National Bank, Eureka, California. The orders, the result of an action brought by the Office of Comptroller of the Currency, prohibit Mr. Ulrich and Ms. Diehl McCarthy from participating in the conduct of the affairs of any financial institution or holding company.

The Federal Reserve Board on October 15, 2003, announced the execution of a written agreement by and among the First American Bank, Carpentersville, Illinois; the Illinois Office of Banks and Real Estate; and the Federal Reserve Bank of Chicago. □

Legal Developments

FINAL RULE—AMENDMENT TO REGULATION F

The Board of Governors of the Federal Reserve System (Board) is amending 12 C.F.R. Part 206, its Regulation F (Interbank Liabilities). The technical amendments to Regulation F will remove an obsolete section of the rule and correct several typographical errors.

Effective September 10, 2003, 12 C.F.R. Part 206 is amended as follows:

Part 206—Interbank Liabilities (Regulation F)

1. The authority citation for Part 206 continues to read as follows:

Authority: 12 U.S.C. 371b-2.

2. In section 206.1(a), remove the phrase “to implement section 308 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (Act), 12 U.S.C. 371b-2” in the first sentence and add the phrase “under authority of section 23 of the Federal Reserve Act (12 U.S.C. 371b-2)” in its place.
3. In section 206.2(f), remove “(q)” in each place it appears.
4. In section 206.2(g), remove the word “Basle” wherever it appears and add the word “Basel” in its place.
5. In section 206.3(c)(1), remove the word “of” between the words “form” and “maturity” in the first sentence and add the word “or” in its place, and remove the word “of” between the words “amount” and “flexible” in the third sentence and add the word “or” in its place.
6. In section 206.4(b), remove the word “of” between the words “principal” and “other” in the last sentence and add the word “or” in its place.
7. In section 206.5(a), footnote 1, remove the phrase “subpart B” and add the phrase “subpart D” in its place.
8. In section 206.5(f), redesignate paragraphs (i), (ii), and (iii) as paragraphs (1), (2), and (3), respectively, and remove the word “Basle” wherever it appears and add the word “Basel” in its place.
9. Remove section 206.7.

ORDERS ISSUED UNDER BANK HOLDING COMPANY ACT

Orders Issued Under Section 3 of the Bank Holding Company Act

Cathay Bancorp, Inc. Los Angeles, California

Order Approving the Merger of Bank Holding Companies

Cathay Bancorp, Inc. (“Cathay”) has requested the Board’s approval under section 3 of the Bank Holding Company Act (“BHC Act”) (12 U.S.C. § 1842) to merge with GBC Bancorp (“GBC”), and thereby indirectly acquire General Bank (“General Bank”), both in Los Angeles.¹

Notice of the proposal, affording interested persons an opportunity to submit comments, has been published (68 *Federal Register* 41,588 (2003)). 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.

Cathay, with total consolidated assets of approximately \$3 billion, is the 16th largest banking organization headquartered in California, controlling one depository institution, Cathay Bank. Cathay Bank is the 29th largest depository institution in California, controlling deposits of approximately \$2.1 billion, representing less than 1 percent of total deposits in insured depository institutions in the state (“state deposits”).²

GBC operates one subsidiary depository institution in California, General Bank, which is the 30th largest depository institution in California, controlling \$1.9 billion in deposits, representing less than 1 percent of state deposits. On consummation of the proposed merger, Cathay Bank would become the 16th largest depository institution in California, controlling deposits of \$4 billion.

Competitive Considerations

Section 3 of the BHC Act prohibits the Board from approving any proposal that would result in a monopoly or would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the business of banking in any relevant banking market. The BHC Act also prohibits the Board from approving a proposed bank acquisition that would substantially lessen competition in any relevant banking market, unless the Board finds that the

1. Cathay Bank, also in Los Angeles (“Cathay Bank”), Cathay’s wholly owned subsidiary, has filed an application with the Federal Deposit Insurance Corporation (“FDIC”) under the Bank Merger Act (12 U.S.C. § 1828(c)) to merge General Bank into Cathay Bank.

2. Deposit data are as of June 30, 2002, and state ranking data are as of December 31, 2002. In this context, depository institutions include commercial banks, savings banks, and savings associations.

anticompetitive effects of the proposal clearly are outweighed in the public interest by the probable effect of the proposal in meeting the convenience and needs of the community to be served.³

Cathay competes directly with GBC in the Los Angeles and the San Francisco–Oakland–San Jose banking markets, both in California.⁴ The Board has reviewed carefully the competitive effects of the proposal in the relevant banking markets in light of all the facts of record. In particular, the Board has considered the relative shares of total deposits in depository institutions in the markets (“market deposits”) controlled by the companies involved in this transaction,⁵ the concentration levels of market deposits and the increase in these levels as measured by the Herfindahl–Hirschman Index (“HHI”) under the Department of Justice Merger Guidelines (“DOJ Guidelines”),⁶ and other characteristics of the market.

Consummation of the proposal would be consistent with Board precedent and the DOJ Guidelines in each of the two banking markets,⁷ with one market remaining unconcentrated and the other remaining moderately concentrated. The Department of Justice also has conducted a review of the expected competitive effects of the proposal and has advised the Board that it believes that consummation of the proposal is not likely to have a significantly adverse effect on competition in any relevant banking market. The FDIC has been afforded an opportunity to comment and has not objected to consummation of the proposal.

After carefully reviewing all the facts of record, and for reasons discussed in this order, the Board has concluded that consummation of the proposal is not likely to result in a significantly adverse effect on competition or on the concentration of banking resources in any of the banking markets in which Cathay and GBC directly compete or in any other relevant banking market. Accordingly, based on all the facts of record, the Board has determined that competitive factors are consistent with approval.

3. 12 U.S.C. § 1842(c)(1).

4. These banking markets are defined in the Appendix.

5. Deposit and market share data are as of June 30, 2002, and are based on calculations in which the deposits of thrift institutions, which include savings banks and savings associations, are weighted 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); *National City Corporation*, 70 *Federal Reserve Bulletin* 743 (1984). Thus, the Board regularly has included thrift deposits in the market share calculation on a 50 percent weighted basis. See, e.g., *First Hawaiian, Inc.*, 77 *Federal Reserve Bulletin* 52 (1991).

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

7. Market data for these banking markets are provided in the Appendix.

Financial and Managerial Considerations

The BHC Act requires the Board to consider the financial and managerial resources and future prospects of the companies and banks involved in a proposal and certain other supervisory factors under the BHC Act. In assessing the financial and managerial strength of Cathay and its subsidiaries, the Board has reviewed information provided by Cathay, confidential supervisory and examination information, and publicly reported and other financial information. Based on all the facts of record, the Board concludes that the financial and managerial resources and future prospects of the organizations involved in the proposal are consistent with approval, as are other supervisory factors under the BHC Act.

Convenience and Needs Considerations

In acting on a proposal under section 3 of the BHC Act, the Board is required to consider its effects on the convenience and needs of the community to be served and to take into account the records of the relevant insured depository institutions under the Community Reinvestment Act (“CRA”).⁸ The CRA requires the federal financial supervisory agencies to encourage financial institutions to help meet the credit needs of local communities in which they operate, consistent with their safe and sound operation, and requires the appropriate federal financial supervisory agency to take into account an institution’s record of meeting the credit needs of its entire community, including low- and moderate-income (“LMI”) neighborhoods, in evaluating bank expansionary proposals. The Board has carefully considered the convenience and needs factor and the CRA performance records of the subsidiary depository institutions of Cathay and GBC in light of all the facts of record, including public comments on the effect the proposal would have on the communities to be served by the institutions resulting from this proposal.

A. Summary of Public Comments

The Board received eleven comments on the proposal. Nine supported the proposal or commented favorably on Cathay’s or GBC’s CRA-related activities. Many of these commenters commended Cathay or GBC for providing credit and support to nonprofit organizations, sponsoring community development activities, and participating in programs that provided affordable housing for LMI individuals. Other commenters related their favorable experiences with specific programs or services offered by Cathay or GBC.

Two commenters (“Protestants”) questioned whether Cathay Bank was focused too narrowly on a relatively small Chinese-American population in its assessment area, while underserving larger populations of historically underserved minority communities. In addition, one Protestant questioned the bank’s lending record based on data

8. 12 U.S.C. § 2901 *et seq.*

reported under the Home Mortgage Disclosure Act (“HMDA”)⁹ and expressed concerns that Cathay made a disproportionately small number of small business and home mortgage loans to Latinos, African Americans, and Filipino Americans.¹⁰ Finally, one Protestant expressed the view that Cathay’s philanthropic contributions and the composition of Cathay Bank’s staff demonstrated a low standard of service to various minority groups.

B. CRA Performance Evaluations

As provided in the CRA, the Board has evaluated the convenience and needs factor in light of examinations of the CRA performance records of the relevant insured depository institutions by the appropriate federal supervisor. An institution’s most recent CRA performance evaluation is a particularly important consideration in the applications process because it represents a detailed, on-site evaluation of the institution’s overall record of performance under the CRA by its appropriate federal supervisor.¹¹

Cathay Bank received a “satisfactory” rating at its most recent CRA performance evaluation by the FDIC, as of January 22, 2001. General Bank received a “satisfactory” rating at its most recent CRA performance evaluation by the FDIC, as of December 10, 2001. Examiners found no evidence of prohibited discrimination or other illegal credit practices at either of the insured depository institutions involved in this proposal and found no violations of the substantive provisions of fair lending laws. Examiners also reviewed the assessment areas delineated by Cathay Bank and General Bank and concluded that the areas were reasonable and did not arbitrarily exclude LMI neighborhoods. In addition, the Board has evaluated information submitted by Cathay about the CRA performance of Cathay Bank since the 2001 evaluation, including information relating to the bank’s community development lending, lending practices, and CRA-related investments.

C. Cathay Bank’s CRA Performance Record

Examiners rated Cathay Bank “high satisfactory” under the lending test at its most recent CRA performance evaluation for the evaluation period January 1, 1999, through December 31, 2000. Examiners noted that Cathay Bank was primarily a commercial lender serving the needs of

small- and medium-sized businesses.¹² They concluded that the bank’s lending reflected an excellent responsiveness to the credit needs of its assessment areas, noting that more than 90 percent of Cathay Bank’s small business and home mortgage loans were made in the bank’s seven assessment areas. Examiners also noted that Cathay Bank used flexible lending practices, such as a new low-document loan program of the Small Business Administration (“SBA”) and the bank’s Community Home Loan Program. In addition, the bank offered a variety of innovative loans, including products from various federal government agencies’ guarantee programs, to meet credit needs and serve consumers and businesses in its assessment areas who would otherwise not qualify for traditional banking products.

Examiners reported that the bank’s geographic distribution of loans, particularly its small business loans, reflected a good geographic distribution throughout the assessment area. Thirty-four percent of the small business loans originated by Cathay Bank during the evaluation period were made to borrowers in LMI census tracts. Examiners also noted that the bank’s distribution of loans reflected good penetration among business borrowers of different sizes, particularly small business borrowers.

Examiners found that Cathay Bank made a relatively high amount of community development loans, totaling \$74 million during the evaluation period. These loans funded the construction, renovation, and preservation of affordable housing, as well as economic revitalization, such as a \$27.5 million construction loan to build a shopping center in a low-income area in Los Angeles and a \$27 million construction loan to build an industrial building in a low-income area in Richmond, California.

Since the 2001 evaluation, Cathay Bank has achieved similar levels of geographic distribution for its small business loans. In 2001 and 2002, the bank made approximately 38 percent and 35 percent, respectively, of its small business loans to borrowers in LMI census tracts. In addition, Cathay Bank’s level of community development lending has increased since the 2001 evaluation. Cathay states that the bank has originated 61 community development loans, totaling \$221 million in 2001 and 2002. Many of the loans were commercial real estate loans or lines of credit to small- and medium-sized businesses in designated empowerment or enterprise zones in California.

Cathay Bank received a “high satisfactory” rating for its investment activities in the 2001 evaluation. Examiners noted that the bank had made \$27.2 million in qualified community development investments and was particularly responsive to the needs identified in its assessment areas. Examiners also noted that the bank had developed an active strategy of making most of its community development investments in affordable housing-related projects.

Cathay states that since the 2001 evaluation, the bank has made more than \$47 million in housing-related investments. These investments involved housing-tax-credit

9. 12 U.S.C. § 2801 *et seq.*

10. The Board notes that lenders are precluded from collecting racial or ethnic data on small business borrowers except when such data are collected for the purpose of conducting a self-test. The Board also notes that one Protestant focused on the ethnic background of Cathay Bank’s officers and director and implied that the bank lends to ethnic Chinese borrowers to the detriment of Filipino and other Asian/Pacific Islander individuals. HMDA data, however, are reported in broader ethnic categories and, therefore, isolating data on Chinese borrowers from data on Filipino or other Asian/Pacific Islander borrowers would be subjective and difficult to accomplish.

11. See *Interagency Questions and Answers Regarding Community Reinvestment*, 66 *Federal Register* 36,620 and 36,639 (2001).

12. Examiners noted that 75 percent by number and 70 percent by dollar volume of all loan originations during the evaluation period were small business loans.

investments and mortgage-backed securities, as well as grants and contributions to community and nonprofit organizations.

Cathay Bank also received a "high satisfactory" rating for retail banking services in the 2001 evaluation. Examiners reported that its banking services, business hours, and alternative delivery systems in its assessment areas were very good and were accessible to all portions of the bank's community, including LMI areas and individuals. Examiners noted that the bank had staff that was fluent in several languages, including Spanish, Cantonese, Mandarin, Taiwanese, and Vietnamese.¹³

D. General Bank's CRA Performance Record

As noted above, General Bank received a "satisfactory" rating at its most recent CRA performance evaluation, and examiners rated General Bank "high satisfactory" under the lending test for the evaluation period January 1, 1999, through September 30, 2001. Examiners concluded the bank's lending levels reflected an excellent responsiveness to the credit needs of its assessment areas and commended the bank for extending more than 90 percent of its loans in these areas. Examiners noted that General Bank was primarily a commercial lender serving the credit needs of small- to medium-sized businesses, originated consumer loans on an accommodation basis, and no longer reported HMDA data. Examiners also noted that General Bank had a good geographic distribution of loans in its assessment areas. During the evaluation period, the bank made approximately 33 percent of its small business loans by number and 31 percent by dollar volume to businesses in LMI census tracts. Examiners considered these levels to compare favorably with the aggregate levels for small business lenders in the assessment areas.

Examiners found that General Bank made a relatively large amount of community development loans, totaling \$48.2 million. Most of these loans funded the construction and renovation of affordable single and multifamily housing. Examiners noted General Bank's use of flexible lending practices to small business borrowers in its assessment area, including the origination of 72 SBA loans totaling approximately \$19 million during the evaluation period.

General Bank received a "high satisfactory" rating for its investment activities at the 2001 evaluation. Examiners characterized General Bank's level of qualified community development investments as significant, noting that the bank was principally a commercial lender, but that it had made most of its community development investments in affordable housing-related activities throughout its California assessment areas. The bank entered into 27 qualified investments from July 1999 through December 2001, totaling approximately \$19.3 million, that examiners found responsive to the needs identified in its California assessment areas. Examiners also noted that General Bank made

grants and donations to several community development organizations.

In 2002, General Bank increased its small business lending in LMI census tracts, extending approximately 35 percent of its small business loans to businesses in LMI census tracts. Since the 2001 evaluation, General Bank also originated 59 community development loans totaling approximately \$20 million and entered into housing-related investments totaling approximately \$5 million.

General Bank received a "high satisfactory" rating for retail banking services in the 2001 evaluation. Examiners reported that banking services at General Bank were accessible to essentially all portions of its assessment areas, and that branch locations and hours were generally convenient to most portions of its overall assessment areas. Examiners also noted the bank's alternative delivery systems included ATMs and 24-hour Internet and telephone banking.¹⁴ Examiners found that General Bank provided a high level of community development services, such as sponsoring a minority business-financing workshop to assist start-up businesses in LMI areas and organizing an annual charity event designed to benefit a low-income housing service, homeless shelter, and community service organization.

E. HMDA

The Board has carefully considered Cathay's lending record in light of the public comments on the bank's HMDA data. In considering this proposal, the Board has reviewed publicly available HMDA data for 2001 and 2002 for Cathay Bank and lenders that operate in the bank's assessment areas.

The Board is concerned when the record of an institution indicates disparities in lending and believes that all banks are obligated to ensure that their lending practices are based on criteria that ensure not only safe and sound lending, but also equal access to credit by creditworthy applicants regardless of their race or income level. The Board recognizes, however, that HMDA data alone provide an incomplete measure of an institution's lending in its community because these data cover only a few categories of housing-related lending. HMDA data, moreover, provide only limited information about covered loans.¹⁵ HMDA data, therefore, have limitations that make them an inadequate basis, absent other information, for concluding that an institution has not assisted adequately in meeting its community's credit needs or has engaged in illegal lending discrimination.

The Board notes that Cathay Bank's primary focus is providing business credit to small- and medium-sized busi-

14. The telephone banking service is available in English, Spanish, and Mandarin.

15. The data, for example, do not account for the possibility that an institution's outreach efforts may attract a larger proportion of marginally qualified applicants than other institutions attract and do not provide a basis for an independent assessment of whether an applicant who was denied credit was, in fact, creditworthy. Credit history problems and excessive debt levels relative to income (reasons most frequently cited for a credit denial) are not available from HMDA data.

13. General Bank and Cathay Bank have employees of different racial and ethnic backgrounds, and after the merger, Cathay Bank's business plan would continue to support hiring candidates able to provide multilingual services.

nesses, which is not subject to the same reporting requirements that mortgage loans are under HMDA. Cathay Bank originates a limited number of HMDA loans, many of which are to accommodate business customers.¹⁶ Neither the HMDA data nor on-site evaluations of compliance by Cathay Bank with fair lending laws indicate that Cathay Bank has excluded any segment of the population or geographic areas on a prohibited basis. The record also indicates that Cathay has taken a number of affirmative steps to attract customers other than Asian Americans. For example, Cathay Bank has increased its lending to African Americans by purchasing mortgage loans from an African-American-owned bank.

The Board also has considered the HMDA data in light of Cathay Bank's overall performance under the CRA. As noted above, Cathay has a number of programs, consistent with its strategy of serving small businesses, that are designed to help serve all segments of LMI areas in its assessment areas. The Board believes that, when viewed in light of the entire record, the HMDA data indicate that the bank's record of performance in helping to serve the credit needs of its community is consistent with approval of the proposal.

F. Conclusion on Convenience and Needs Considerations

In reviewing the proposal's effect on the convenience and needs of the communities to be served by the combined organization, the Board has carefully considered the entire record, including the public comments received, information submitted by Cathay, reports of examinations of the CRA performance of Cathay Bank and General Bank, and confidential supervisory information from the FDIC. Based on all the facts of record and for the reasons discussed above, the Board concludes that considerations relating to the convenience and needs factor, including the CRA performance records of the relevant depository institutions, are consistent with approval.

Conclusion

Based on the foregoing and in light of all the facts of record, the Board has determined that the application should be, and hereby is, approved.¹⁷ In reaching this

16. The Board has previously recognized that banks help serve the banking needs of communities by making a variety of products and services available, and that the CRA does not require an institution to provide any specific type of products and services, such as mortgages, in its assessment area. *See, e.g., Firststar Corporation*, 87 *Federal Reserve Bulletin* 236 (2001).

17. Protestants requested that the Board extend the comment period on the proposal to allow them additional time to negotiate a CRA commitment with the bank. The Board previously has concluded that the CRA requires it to review an insured depository institution's actual record of performance under the CRA without reliance on plans or commitments for future action. *See, e.g., Totalbank Corp. of Florida*, 81 *Federal Reserve Bulletin* 876 (1995). The Board also has noted that, although communication by depository institutions with community groups provides a valuable method of assessing and determining how an institution may best address the credit needs of

conclusion, the Board has considered all the facts of record in light of the factors that it is required to consider under the BHC Act and other applicable statutes. The Board's approval is specifically conditioned on compliance by Cathay with all the representations and commitments made in connection with the application and the receipt of all other regulatory approvals. These representations and commitments are deemed to be conditions imposed in writing by the Board in connection with its findings and decision and, as such, may be enforced in proceedings under applicable law.

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

By order of the Board of Governors, effective September 15, 2003.

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

ROBERT DE V. FRIERSON
Deputy Secretary of the Board

Appendix

Banking Markets in which Cathay and GBC Directly Compete

Los Angeles. The Los Angeles banking market is defined as the Los Angeles Ranally Metro Area ("RMA") and the towns of Acton and Rosamond. Cathay operates the 15th largest depository institution in the market, controlling deposits of approximately \$1.8 billion, representing approximately 1 percent of market deposits. GBC operates the 18th largest depository institution in the market, controlling deposits of approximately \$1.6 billion, represent-

the community, neither the CRA nor the CRA regulations of the federal financial supervisory agencies require depository institutions to enter into agreements with any organization, and the presence or absence of a written agreement between a bank and community groups does not influence the Board's evaluation of the CRA performance of a bank. *See, e.g., Fifth Third Bancorp*, 80 *Federal Reserve Bulletin* 838 (1994).

The Board has accumulated a significant record in this case, including reports of examination, supervisory information, public reports and information, and considerable public comment. In the Board's view, commenters have had ample opportunity to submit their views and, in fact, they have provided written submissions that have been considered carefully by the Board in acting on the proposal. Moreover, the BHC Act and Regulation Y require the Board to act on proposals submitted under those provisions within certain time periods. 12 U.S.C. § 1842(b); 12 C.F.R. 225.15(d). Based on a review of all the facts of record, the Board has concluded that the record in this case is sufficient to warrant Board action at this time and that an extension of the comment period is not warranted. Accordingly, the requests for an extension of the comment period are denied.

ing less than 1 percent of market deposits. On consummation of the proposal, Cathay would operate the 10th largest depository institution in the market, controlling deposits of approximately \$3.4 billion, representing approximately 1.9 percent of market deposits. The HHI would increase 2 points to 987.

San Francisco–Oakland–San Jose. The San Francisco–Oakland–San Jose banking market is defined as the San Francisco–Oakland–San Jose RMA and the towns of Hollister, Pescadero, Point Reyes Station, and San Juan

Bautista. Cathay operates the 31st largest depository institution in the market, controlling deposits of approximately \$263 million, representing less than 1 percent of market deposits. GBC operates the 32nd largest depository institution in the market, controlling deposits of approximately \$257 million, representing less than 1 percent of market deposits. On consummation of the proposal, Cathay would operate the 22nd largest depository institution in the market, controlling deposits of approximately \$520 million, representing less than 1 percent of market deposits. The HHI would remain unchanged at 1457.

APPLICATIONS APPROVED UNDER BANK HOLDING COMPANY ACT By Federal Reserve Banks

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

Section 3

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
BancFirst Corporation, Oklahoma City, Oklahoma	Lincoln National Bancorporation, Inc., Oklahoma City, Oklahoma Lincoln National Bank, Oklahoma City, Oklahoma	Kansas City	September 23, 2003
BCAC, Inc., Rosiclare, Illinois	Banterra Corp., Eldorado, Illinois	St. Louis	August 28, 2003
The Colonial BancGroup, Inc., Montgomery, Alabama	Sarasota Bancorporation, Inc., Sarasota, Florida	Atlanta	September 17, 2003
Community Guaranty Corporation, Plymouth, New Hampshire	Community Guaranty Savings Bank, Plymouth, New Hampshire	Boston	September 12, 2003
East Penn Financial Corporation, Emmaus, Pennsylvania	Berkshire Bank, Wyomissing, Pennsylvania	Philadelphia	September 8, 2003
Freedom Bancshares, Inc., Commerce, Georgia	Freedom Bank of Georgia, Commerce, Georgia	Atlanta	September 22, 2003
InfiCorp Holdings, Inc., Atlanta, Georgia	InfiBank, N.A., Atlanta, Georgia	Kansas City	September 4, 2003
KSB Bancorp, Inc., Kaplan, Louisiana	Kaplan State Bank, Kaplan, Louisiana	Atlanta	September 5, 2003
Liberty Shares, Inc., Hinesville, Georgia	Cumberland National Bank, St. Marys, Georgia	Atlanta	September 2, 2003
Mount Hope Bankshares, Inc., Mount Hope, West Virginia	Bank of Mount Hope, Inc., Mount Hope, West Virginia	Richmond	September 4, 2003
New Century Bancorp, Inc., Dunn, North Carolina	New Century Bank, Dunn, North Carolina	Richmond	September 11, 2003
New City Bancorp, Inc., Chicago, Illinois	New City Bank, Chicago, Illinois	Chicago	September 12, 2003
North American Bancshares, Inc., Sherman, Texas	Pioneer Bankshares, Inc., Fredericksburg, Texas Pioneer II Bankshares, Inc., Dover, Delaware Pioneer National Bank, Fredericksburg, Texas	Dallas	September 9, 2003
Northwest Equity Corporation, Buffalo Grove, Illinois	1st Equity Bank Northwest, Buffalo Grove, Illinois	Chicago	September 8, 2003
Page Bancshares, Inc., Liberty, Missouri	Griffin Bancshares, Inc., Cameron, Missouri	Kansas City	September 4, 2003

Section 3—Continued

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Prosperity Bancshares, Inc., Houston, Texas	MainBancorp, Inc., Austin, Texas Main Bank, National Association, Dallas, Texas	Dallas	September 23, 2003
Quality Bankshares, Inc., Fingal, North Dakota	Page Bank Holding Company, Page, North Dakota Page State Bank, Page, North Dakota	Minneapolis	September 9, 2003
Rio Financial Services, Inc., McAllen, Texas Rio Delaware Corporation, Wilmington, Delaware	Rio Bank, McAllen, Texas	Dallas	August 21, 2003
Total Bancshares Corp., Miami, Florida	TotalBank, Miami, Florida	Atlanta	August 28, 2003
Valley Commerce Bancorp, Phoenix, Arizona	Valley Commerce Bank, Phoenix, Arizona	San Francisco	August 27, 2003

Sections 3 and 4

Applicant(s)	Nonbanking Activity/Company	Reserve Bank	Effective Date
Farmers & Merchants Financial Services, Inc., St. Paul, Minnesota	Eau Claire Financial Services, Inc., St. Paul, Minnesota American Bank, Eau Claire, Wisconsin American Bank Lake City, Lake City, Minnesota	Minneapolis	September 9, 2003
Kankakee Bancorp, Inc., Kankakee, Illinois	Aviston Financial Corporation, Aviston, Illinois State Bank of Aviston, Aviston, Illinois Kankakee Federal Savings Bank, F.S.B., Kankakee, Illinois KFS Service Corp., Kankakee, Illinois	Chicago	September 18, 2003

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

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

Applicant(s)	Bank(s)	Reserve Bank	Effective Date
Baylake Bank, Sturgeon Bank, Wisconsin	M&I Marshall & Ilsley Bank, Milwaukee, Wisconsin	Chicago	September 22, 2003
The Ravenna Bank, Ravenna, Nebraska	Pleasanton State Bank, Pleasanton, Nebraska	Kansas City	September 17, 2003

PENDING CASES INVOLVING THE BOARD OF GOVERNORS

This list of pending cases does not include suits against the Federal Reserve Banks in which the Board of Governors is not named a party.

Tavera v. Von Nothaus, et al., No. 03-763 (D. Oregon, filed June 5, 2003). Civil rights action for violation of rights in connection with the plaintiff's prosecution for passing "Liberty dollar coins" as lawful money.

Carter v. Greenspan, No. 03-CV-1026 (D.D.C., filed May 9, 2003). Employment discrimination action.

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

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

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

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

Fraternal Order of Police v. Board of Governors, No. 1:98-CV-03116 (WBB)(D.D.C., filed December 22, 1998). Declaratory judgment action challenging Board regulation on labor-management relations at Reserve Banks.

To Readers of the Legal Developments Section of the *Bulletin*

The materials currently contained in the Legal Developments section of the *Federal Reserve Bulletin* are also available in various publications, in press releases, and on the Board's web site. The Board's Legal Developments web site, launched in September 2002, provides a convenient way of gaining access to material that has been published in the *Bulletin* for many years. The site is updated as orders and actions are finalized.

- Selected rulemaking actions (proposed and final) are first issued as press releases, which are available on the Board's web site at www.federalreserve.gov/boarddocs/press/bcreg/2003/. They are then published in the *Federal Register* (www.gpoaccess.gov/fr/index.html). On the Board's site, they can also be found in the Legal Developments section of the Banking Information and Regulation page at www.federalreserve.gov/boarddocs/legaldevelopments/rulemaking/. Interested persons may view proposals published for comment and comments received at www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm. Comments on proposals may also be submitted through this web site, by electronic mail, or in writing.
- Board orders issued under the Bank Holding Company Act, the Bank Merger Act, the Federal Reserve Act, and the International Banking Act are issued as attachments to press releases, which are available from 1996 on the Board's web site at www.federalreserve.gov/boarddocs/press/orders/2003/. Board orders issued under the Bank Holding Company Act can also be found at www.federalreserve.gov/boarddocs/legaldevelopments/ordersbhc/. Board orders issued under the Bank Merger Act, the Federal Reserve Act, and the International Bank-

ing Act, can also be found at www.federalreserve.gov/boarddocs/legaldevelopments/ordersother/.

- Applications approved under the Bank Holding Company Act, the Bank Merger Act, the Federal Reserve Act, and the International Banking Act are listed in the Board's weekly H.2 release "Actions of the Board, Its Staff, and the Federal Reserve Banks; Applications and Reports Received," which is available in paper copies by subscription from Publications Fulfillment and on the Board's web site at www.federalreserve.gov/releases/h2.
- Enforcement actions are issued as press releases. Actions since 1997 are available at www.federalreserve.gov/boarddocs/press/enforcement/2003/; actions since 1989 can be located by going to "Enforcement Actions" from the Banking and Information and Regulation page at www.federalreserve.gov/boarddocs/enforcement/.

Paper copies of these documents are also available upon request from the Board's Freedom of Information Office. Requests may be submitted by facsimile (202-872-7565); online at www.federalreserve.gov/generalinfo/foia/request.cfm; or by mail to the Secretary, Board of Governors of the Federal Reserve System, Freedom of Information Office, Washington, DC 20551.

Pending cases are listed in the Board's *Annual Report* in the "Litigation" chapter and on the web site at www.federalreserve.gov/boarddocs/legaldevelopments/cases.htm.

Because it is available elsewhere in a more timely fashion, much of the material currently being published in the Legal Developments section of the *Bulletin* will no longer be included in the *Bulletin* when it becomes a quarterly. Only Board orders will be included.

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SYMBOLS AND ABBREVIATIONS

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

GENERAL INFORMATION

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

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

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

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

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

A4 Domestic Financial Statistics □ November 2003

1.10 RESERVES AND MONEY STOCK MEASURES

Percent annual rate of change, seasonally adjusted¹

Monetary or credit aggregate	2002		2003		2003				
	Q3	Q4	Q1	Q2	Apr.	May	June	July	Aug.
<i>Reserves of depository institutions²</i>									
1 Total	-2.2	1.0	11.3	6.7	-4.9	5.3	53.0	31.7	64.7
2 Required	-4.9	-1.4	11.4	8.1	-1.9	2.8	48.0	31.1 ¹	14.8
3 Nonborrowed	-3.7	1.9	12.8	6.2	-5.1	4.5	49.9	32.7	59.4
4 Monetary base ³	6.9	5.1	7.6	5.9	5.3	5.1	3.4	.6	9.7
<i>Concepts of money⁴</i>									
5 M1	3.0	4.9	7.5	9.2	.4	20.3	13.3	5.3	7.0
6 M2	8.8	7.0	6.4	8.4	4.6	17.8	9.5	9.6	7.9
7 M3	7.2	7.8	5.6	6.3 ¹	2.5 ¹	12.9 ¹	9.1 ¹	22.0	3.2
<i>Nontransaction components</i>									
8 In M2 ⁵	10.4	7.6	6.0	8.2	5.8	17.1	8.5	10.8	8.1
9 In M3 only ⁶	3.6	9.5	3.9	1.8 ¹	-2.2 ¹	2.2 ¹	8.2 ¹	49.4 ¹	-7.0
<i>Time and savings deposits</i>									
<i>Commercial banks</i>									
10 Savings, including MMDAs	20.1	16.8	13.6	16.5	17.7	23.5	21.5	28.1	18.9
11 Small time ⁷	-4.0	-7.4	-7.1	-8.6	-8.5	-10.2	-10.9	-19.1	-16.8
12 Large time ^{8,9}	.5	-5.6	-4.5	2.1	-1.0	7.0	-6.6	153.1 ¹	-2.5
<i>Thrift institutions</i>									
13 Savings, including MMDAs	20.6	20.0	21.9	24.6	19.1	40.5	13.2	21.4	22.2
14 Small time ⁷	-10.5	-6.0	-6.6	-9.0	-7.3	-11.8	-13.2	-14.6	-16.8
15 Large time ⁸	-2.6	11.9	8.9	-2.1	2.0	-10.2	11.3	34.6	15.8
<i>Money market mutual funds</i>									
16 Retail	.9	-6.3	-10.0	-8.2	-20.1	5.1	-7.9	-15.0	-9.0
17 Institution-only	-7	2.1	-4.9	-14.7	-22.4	-20.1	20.3	42.1	-19.6
<i>Repurchase agreements and eurodollars</i>									
18 Repurchase agreements ¹⁰	28.7	47.7	31.4	27.8	23.8	14.3	6.3	-57.9	-8.5
19 Eurodollars ¹⁰	-3.5	28.9	19.2	32.1 ¹	37.1 ¹	62.3 ¹	-1.8 ¹	29.2 ¹	29.4

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

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

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

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

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

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

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

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

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

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

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

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

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

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

10. Includes both overnight and term.

1.11 RESERVE BALANCES OF DEPOSITORY INSTITUTIONS¹

Millions of dollars

Factor	Average of daily figures			Average of daily figures for week ending on date indicated						
	2003			2003						
	June	July	Aug.	July 16	July 23	July 30	Aug. 6	Aug. 13	Aug. 20	Aug. 27
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	715,547	716,576	718,212	715,469	716,706	713,382	715,976	711,824	726,539	715,403
2 Securities held outright	651,774	652,630	653,374	652,538	652,764	652,843	652,996	653,072	653,446	653,644
3 U.S. Treasury ²	651,764	652,620	653,364	652,528	652,754	652,833	652,986	653,062	653,436	653,634
4 Bills ³	238,596	239,480	240,227	239,385	239,616	239,701	239,855	239,927	240,298	240,492
5 Notes and bonds, nominal ⁴	398,853	398,853	398,853	398,853	398,853	398,853	398,853	398,853	398,853	398,853
6 Notes and bonds, inflation-indexed ⁴	12,814	12,814	12,814	12,814	12,814	12,814	12,814	12,814	12,814	12,814
7 Inflation compensation ⁴	1,500	1,473	1,470	1,475	1,470	1,465	1,464	1,467	1,471	1,474
8 Federal agency ⁵	10	10	10	10	10	10	10	10	10	10
9 Repurchase agreements ⁶	25,074	24,153	25,774	22,893	24,250	20,857	22,500	17,679	34,071	24,607
10 Loans to depository institutions	174	114	330	114	119	126	154	145	937	157
11 Primary credit	100	5	168	6	4	1	21	7	719	1
12 Secondary credit	0	0	15	1	0	0	0	0	66	0
13 Seasonal credit	74	109	147	107	115	125	133	138	152	156
14 Float	-166	147	346	452	42	-477	470	595	842	160
15 Other Federal Reserve assets	38,692	39,532	38,387	39,472	39,531	40,033	39,856	40,334	37,243	36,834
16 Gold stock	11,044	11,044	11,043	11,044	11,044	11,044	11,043	11,043	11,043	11,043
17 Special drawing rights certificate account	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
18 Treasury currency outstanding	35,022	35,104 ⁷	35,171	35,097 ⁷	35,113 ⁷	35,129 ⁷	35,145	35,159	35,173	35,187
ABSORBING RESERVE FUNDS										
19 Currency in circulation	691,893	694,590 ⁷	695,339	694,526 ⁷	692,719 ⁷	692,566 ⁷	694,304	694,979	694,709	694,738
20 Reverse repurchase agreements ⁶	22,038	20,180	19,541	20,067	19,677	19,916	18,946	19,563	20,106	19,223
21 Foreign official and international accounts	21,530	20,180	19,541	20,067	19,677	19,916	18,946	19,563	20,106	19,223
22 Dealers	508	0	0	0	0	0	0	0	0	0
23 Treasury cash holdings	375	334	354	327	330	343	365	369	355	338
24 Deposits with Federal Reserve Banks, other than reserve balances	18,169	17,943	17,322	17,957	18,098	18,005	17,399	17,205	17,518	17,612
25 U.S. Treasury, general account	6,747	6,213	5,599	6,479	6,067	6,205	5,639	5,611	5,644	5,974
26 Foreign official	157	224	151	109	124	259	177	149	238	86
27 Service-related	11,028	11,192	11,280	11,062	11,401	11,290	11,288	11,157	11,331	11,246
28 Required clearing balances	10,832	10,864	10,909	10,863	10,863	10,896	10,898	10,912	10,919	10,910
29 Adjustments to compensate for float	196	327	372	199	538	394	390	245	419	337
30 Other	237	315	292	307	506	251	294	287	304	306
31 Other liabilities and capital	20,170	19,956	20,112	19,878	20,000	20,228	19,850	20,190	20,304	19,997
32 Reserve balances with Federal Reserve Banks ⁷	11,168	11,921	13,958	11,054	14,238	10,696	13,500	7,919	21,963	11,924
End-of-month figures										
Wednesday figures										
SUPPLYING RESERVE FUNDS										
1 Reserve Bank credit outstanding	722,933	721,467	726,172	716,149	724,764	718,066	711,908	715,472	730,576	718,942
2 Securities held outright	652,128	652,913	653,909	652,700	652,837	652,866	653,034	653,288	653,526	653,681
3 U.S. Treasury ²	652,118	652,903	653,899	652,690	652,827	652,856	653,024	653,278	653,516	653,671
4 Bills ³	238,965	239,773	240,754	239,550	239,692	239,726	239,892	240,142	240,376	240,528
5 Notes and bonds, nominal ⁴	398,853	398,853	398,853	398,853	398,853	398,853	398,853	398,853	398,853	398,853
6 Notes and bonds, inflation-indexed ⁴	12,814	12,814	12,814	12,814	12,814	12,814	12,814	12,814	12,814	12,814
7 Inflation compensation ⁴	1,485	1,462	1,478	1,473	1,468	1,463	1,465	1,469	1,472	1,476
8 Federal agency ⁵	10	10	10	10	10	10	10	10	10	10
9 Repurchase agreements ⁶	31,750	29,000	35,000	24,000	32,000	26,250	18,250	19,000	39,500	29,000
10 Loans to depository institutions	768	145	158	121	118	141	143	164	262	161
11 Primary credit	686	11	0	8	1	5	3	16	105	2
12 Secondary credit	0	0	0	0	0	0	0	0	0	0
13 Seasonal credit	82	133	158	113	118	137	140	148	157	159
14 Float	-525	-195	-265	97	-32	-1,187	429	2,583	499	-458
15 Other Federal Reserve assets	38,812	39,605	37,371	39,230	39,841	39,996	40,053	40,438	36,789	36,558
16 Gold stock	11,044	11,043	11,043	11,044	11,044	11,043	11,043	11,043	11,043	11,043
17 Special drawing rights certificate account	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
18 Treasury currency outstanding	35,065	35,145 ⁷	35,201	35,097 ⁷	35,113 ⁷	35,129 ⁷	35,145	35,159	35,173	35,187
ABSORBING RESERVE FUNDS										
19 Currency in circulation	693,315	694,073 ⁷	700,102	694,752 ⁷	693,632 ⁷	694,586 ⁷	696,134	695,930	695,668	697,386
20 Reverse repurchase agreements ⁶	22,080	19,827	20,190	20,346	19,672	19,316	19,062	19,138	20,344	19,119
21 Foreign official and international accounts	22,080	19,827	20,190	20,346	19,672	19,316	19,062	19,138	20,344	19,119
22 Dealers	0	0	0	0	0	0	0	0	0	0
23 Treasury cash holdings	365	364	335	329	339	364	371	358	338	335
24 Deposits with Federal Reserve Banks, other than reserve balances	19,222	18,219	16,350	17,233	18,014	18,561	18,135	17,683	18,246	17,050
25 U.S. Treasury, general account	6,939	6,356	4,589	5,724	6,058	6,174	6,400	5,720	6,533	5,441
26 Foreign official	898	318	81	128	134	852	141	525	81	81
27 Service-related	11,136	11,288 ⁷	11,455	11,062	11,400	11,290	11,288	11,157	11,331	11,246
28 Required clearing balances	10,838	10,898	10,912	10,863	10,862	10,896	10,898	10,912	10,912	10,910
29 Adjustments to compensate for float	297	390	543	199	538	394	390	245	419	337
30 Other	249	258	225	318	423	246	307	281	301	282
31 Other liabilities and capital	19,898	19,674	20,251	19,649	20,085	19,745	19,872	20,043	19,884	19,912
32 Reserve balances with Federal Reserve Banks ⁷	16,364	17,696 ⁷	17,387	12,180	21,380	13,866	6,722	10,722	24,511	13,570

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

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

3. Face value of the securities.

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

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

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

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

A6 Domestic Financial Statistics □ November 2003

1.12 RESERVES AND BORROWINGS Depository Institutions¹

Millions of dollars

Reserve classification	Prorated monthly averages of biweekly averages										
	2000	2001	2002	2003							
	Dec.	Dec.	Dec.	Feb.	Mar.	Apr.	May	June	July	Aug.	
1 Reserve balances with Reserve Banks ²	7,022	9,053	9,926	9,860	9,840	10,598	11,403	11,297	12,157 ⁷	14,107	
2 Total vault cash ³	45,246	43,918	43,368	45,942	43,088	41,991	41,636	41,961	42,637	43,034	
3 Applied vault cash ⁴	31,451	32,024	30,347	32,079	30,757	30,574	30,393	30,574	31,437 ⁷	31,989	
4 Surplus vault cash ⁵	13,795	11,894	13,021	13,863	12,331	11,417	11,241	11,386	11,220	11,046	
5 Total reserves ⁶	38,473	41,077	40,274	41,939	40,597	41,172	41,801	41,872	43,594 ⁷	46,096	
6 Required reserves	37,046	39,428	38,264	39,973	38,961	39,640	40,182	40,018	41,671 ⁷	42,322	
7 Excess reserve balances at Reserve Banks ⁷	1,427	1,649	2,009	1,965	1,636	1,532	1,619	1,854	1,924 ⁷	3,773	
8 Total borrowing at Reserve Banks	210	67	80	25	22	29	55	161	130	329	
9 Primary				21	14	8	3	87	21	168	
10 Secondary				0	0	0	0	0	0	15	
11 Seasonal	111	33	45	5	8	21	53	74	110	146	
12 Adjustment	99	34	35								

Reserve classification	Biweekly averages of daily figures for two-week periods ending on dates indicated									
	2003									
	Apr 30	May 14	May 28	June 11	June 25	July 9	July 23	Aug. 6 ⁷	Aug. 20	Sept. 3
1 Reserve balances with Reserve Banks ²	11,852	9,772	13,116	11,050	11,437	11,453	12,644	12,099	14,940	14,142
2 Total vault cash ³	42,024	41,432	41,968	41,040	42,303	43,030	41,783	43,758	43,490	42,060
3 Applied vault cash ⁴	31,136	29,696	31,211	29,854	30,798	31,534	30,545	32,890	31,553	32,052
4 Surplus vault cash ⁵	10,889	11,736	10,758	11,186	11,505	11,497	11,244	10,869	11,937	10,007
5 Total reserves ⁶	42,987	39,468	44,326	40,904	42,235	42,986	43,183	44,988	46,493	46,194
6 Required reserves	41,436	37,924	42,712	38,909	40,631	40,744	41,601	42,836	40,806	43,973
7 Excess reserve balances at Reserve Banks ⁷	1,551	1,543	1,614	1,994	1,604	2,242	1,583	2,152	5,687	2,221
8 Total borrowing at Reserve Banks	29	51	58	69	241	144	117	140	541	162
9 Primary	2	3	2	7	163	54	5	11	363	5
10 Secondary	0	0	0	0	0	0	1	0	33	0
11 Seasonal	27	48	56	63	78	90	111	129	145	157
12 Adjustment										

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

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

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

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

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

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

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

1.14 FEDERAL RESERVE BANK INTEREST RATES

Percent per year

Current and previous levels

Federal Reserve Bank	Primary credit ¹			Secondary credit ²			Seasonal credit ³		
	On 10/17/03	Effective date	Previous rate	On 10/17/03	Effective date	Previous rate	On 10/17/03	Effective date	Previous rate
Boston	2.00	6/25/03	2.25	2.50	6/25/03	2.75	1.05	9/4/03	1.10
New York	↑	6/25/03	↑	↑	6/25/03	↑	↑	↑	↑
Philadelphia		6/26/03			6/26/03				
Cleveland		6/26/03			6/26/03				
Richmond		6/26/03			6/26/03				
Atlanta		6/26/03			6/26/03				
Chicago		6/26/03			6/26/03				
St. Louis		6/26/03			6/26/03				
Minneapolis		6/26/03			6/26/03				
Kansas City		6/25/03			6/25/03				
Dallas		6/26/03			6/26/03				
San Francisco	2.00	6/25/03	2.25	2.50	6/25/03	2.75	1.05	9/4/03	1.10

Range of rates for primary credit

Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.	Effective date	Range (or level)—All F.R. Banks	F.R. Bank of N.Y.
In effect Jan. 9, 2003 (beginning of program)	2.25	2.25						
2003—June 25	2.00–2.25	2.00						
26	2.00	2.00						
In effect October 17, 2003	2.00	2.00						

Range of rates for adjustment credit in recent years⁴

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

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

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

3. 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.

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

1.15 RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS¹

Type of deposit	Requirement	
	Percentage of deposits	Effective date
<i>Net transaction accounts²</i>		
1 \$0 million–\$6.6 million ³	0	12/25/03
2 More than \$6.6 million–\$45.4 million ³	3	12/25/03
3 More than \$45.4 million ³	10	12/25/03
4 Nonpersonal time deposits ⁶	0	12/27/90
5 Eurocurrency liabilities ⁷	0	12/27/90

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

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

3. Under the Garn–St Germain Depository Institutions Act of 1982, the Board adjusts the amount of reservable liabilities subject to a zero percent reserve requirement each year for the succeeding calendar year by 80 percent of the percentage increase in the total reservable liabilities of all depository institutions, measured on an annual basis as of June 30. No corresponding adjustment is made in the event of a decrease. The exemption applies only to accounts that would be subject to a 3 percent reserve requirement. Effective with the reserve maintenance period beginning December 25, 2003, for depository institutions that report weekly, and with the period beginning January 15, 2004, for institutions that report quarterly, the exemption was raised from \$6.0 million to \$6.6 million.

4. The Monetary Control Act of 1980 requires that the amount of transaction accounts against which the 3 percent reserve requirement applies be modified annually by 80 percent of the percentage change in transaction accounts held by all depository institutions, determined as of June 30 of each year. Effective with the reserve maintenance period beginning December 25, 2003, for depository institutions that report weekly, and with the period beginning January 15, 2004, for institutions that report quarterly, the amount was increased from \$42.1 million to \$45.4 million.

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

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

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

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

1.17 FEDERAL RESERVE OPEN MARKET TRANSACTIONS¹

Millions of dollars

Type of transaction and maturity	2000	2001	2002	2003						
				Jan.	Feb.	Mar.	Apr.	May	June	July
U.S. TREASURY SECURITIES²										
<i>Outright transactions</i>										
Treasury bills										
1 Gross purchases	8,676	15,503	21,421	0	4,161	1,863	3,543	1,684	1,032	808
2 Gross sales	0	0	0	0	0	0	0	0	0	0
3 Exchanges	477,904	542,736	657,931	71,075	53,860	47,424	51,834	76,354	60,706	68,544
4 For new bills	477,904	542,736	657,931	71,075	53,860	47,424	51,834	76,354	60,706	68,544
5 Redemptions	24,522	10,095	0	0	0	0	0	0	0	0
Others within one year										
6 Gross purchases	8,809	15,663	12,720	0	478	1,318	1,422	786	0	0
7 Gross sales	0	0	0	0	0	0	0	0	0	0
8 Maturity shifts	62,025	70,336	89,108	6,216	3,214	8,334	8,333	7,228	7,531	6,662
9 Exchanges	-54,656	-72,004	-92,075	-6,834	-13,313	-8,211	-7,293	-6,999	-6,700	-4,996
10 Redemptions	3,779	16,802	0	0	0	0	0	0	0	0
One to five years										
11 Gross purchases	14,482	22,814	12,748	0	2,127	710	733	1,057	0	0
12 Gross sales	0	0	0	0	0	0	0	0	0	0
13 Maturity shifts	-52,068	-45,211	-73,093	-6,216	2,160	-8,334	-8,333	-1,513	-7,531	-6,662
14 Exchanges	46,177	64,519	88,276	6,834	11,817	8,211	7,293	6,747	6,700	4,996
Five to ten years										
15 Gross purchases	5,871	6,003	5,074	0	769	522	0	234	0	0
16 Gross sales	0	0	0	0	0	0	0	0	0	0
17 Maturity shifts	-6,801	-21,063	-11,588	0	-3,877	0	0	-5,463	0	0
18 Exchanges	6,585	6,063	3,800	0	1,497	0	0	252	0	0
More than ten years										
19 Gross purchases	5,833	8,531	2,280	0	0	50	0	0	0	0
20 Gross sales	0	0	0	0	0	0	0	0	0	0
21 Maturity shifts	-3,155	-4,062	-4,427	0	-1,497	0	0	-252	0	0
22 Exchanges	1,894	1,423	0	0	0	0	0	0	0	0
All maturities										
23 Gross purchases	43,670	68,513	54,242	0	7,534	4,463	5,699	3,761	1,032	808
24 Gross sales	0	0	0	0	0	0	0	0	0	0
25 Redemptions	28,301	26,897	0	0	0	0	0	0	0	0
26 Net change in U.S. Treasury securities	15,369	41,616	54,242	0	7,534	4,463	5,699	3,761	1,032	808
FEDERAL AGENCY OBLIGATIONS										
<i>Outright transactions</i>										
27 Gross purchases	0	0	0	0	0	0	0	0	0	0
28 Gross sales	0	0	0	0	0	0	0	0	0	0
29 Redemptions	51	120	0	0	0	0	0	0	0	0
30 Net change in federal agency obligations	-51	-120	0	0	0	0	0	0	0	0
TEMPORARY TRANSACTIONS										
<i>Repurchase agreements³</i>										
31 Gross purchases	890,236	1,497,713	1,143,126	135,749	121,896	95,001	112,251	124,741	90,500	145,750
32 Gross sales	987,501	1,490,838	1,153,876	150,499	119,746	90,151	106,500	132,002	88,990	148,500
<i>Matched sale-purchase agreements</i>										
33 Gross purchases	4,415,905	4,722,667	4,981,624	0	0	0	0	0	0	0
34 Gross sales	4,397,835	4,724,743	4,958,437	0	0	0	0	0	0	0
<i>Reverse repurchase agreements⁴</i>										
35 Gross purchases	0	0	231,272	392,530	343,748	388,069	451,149	441,555	456,652	445,346
36 Gross sales	0	0	252,363	389,810	343,395	389,469	452,545	443,025	456,447	443,093
37 Net change in temporary transactions	-79,195	4,800	-8,653	-12,029	2	2,200	2,104	-8,731	-6,535	-497
38 Total net change in System Open Market Account	-63,877	46,295	45,589	-12,029	7,537	6,664	7,803	-4,971	-5,504	311

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

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

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

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

1.18 FEDERAL RESERVE BANKS Condition and Federal Reserve Note Statements¹

Millions of dollars

Account	Wednesday					End of month		
	2003					2003		
	July 30	Aug. 6	Aug. 13	Aug. 20	Aug. 27	June	July	Aug.
Consolidated condition statement								
ASSETS								
1 Gold certificate account	11,039	11,039	11,039	11,039	11,039	11,040	11,039	11,039
2 Special drawing rights certificate account	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
3 Coin	869	870	888	897	887	942	878	881
4 Securities, repurchase agreements, and loans	679,257	671,427	672,451	693,288	682,842	684,646	682,057	689,066
5 Securities held outright	652,866	653,034	653,288	653,526	653,681	652,128	652,913	653,909
6 U.S. Treasury ²	652,856	653,024	653,278	653,516	653,671	652,118	652,903	653,899
7 Bills ³	239,726	239,892	240,142	240,376	240,528	238,965	239,773	240,754
8 Notes and bonds, nominal ³	398,853	398,853	398,853	398,853	398,853	398,853	398,853	398,853
9 Notes and bonds, inflation-indexed ³	12,814	12,814	12,814	12,814	12,814	12,814	12,814	12,814
10 Inflation compensation ⁴	1,463	1,465	1,469	1,472	1,476	1,485	1,462	1,478
11 Federal agency ⁵	10	10	10	10	10	10	10	10
12 Repurchase agreements ⁶	26,250	18,250	19,000	39,500	29,000	31,750	29,000	35,000
13 Loans	141	143	164	262	161	768	145	158
14 Items in process of collection	7,843	9,337	9,284	7,556	7,586	2,330	6,558	5,997
15 Bank premises	1,586	1,586	1,587	1,590	1,590	1,580	1,586	1,590
16 Other assets	38,377	38,431	38,805	35,154	35,389	37,195	38,004	35,729
17 Denominated in foreign currencies ^b	17,707	17,717	17,770	17,646	17,511	17,849	17,598	17,654
18 All other ^c	20,670	20,714	21,035	17,509	17,878	19,346	20,406	18,075
19 Total assets	741,172	734,891	736,255	751,724	741,534	739,932	742,321	746,503
LIABILITIES								
20 Federal Reserve notes, net of F.R. Bank holdings	660,686	662,226	662,014	661,727	663,418	659,552	660,167	666,113
21 Reverse repurchase agreements ⁸	19,316	19,062	19,138	20,344	19,119	22,080	19,827	20,190
22 Deposits	33,151	25,188	27,215	42,103	31,731	35,806	35,972	33,793
23 Depository institutions	25,879	18,340	20,690	35,188	25,927	27,720	29,041	28,898
24 U.S. Treasury, general account	6,174	6,400	5,720	6,533	5,441	6,939	6,356	4,589
25 Foreign official	852	141	525	81	81	898	318	81
26 Other	246	307	281	301	282	249	258	225
27 Deferred availability cash items	8,275	8,543	7,844	7,667	7,355	2,596	6,681	6,155
28 Other liabilities and accrued dividends ⁹	2,151	2,125	2,159	2,162	2,204	2,227	2,143	2,195
29 Total liabilities	723,578	717,144	718,370	734,003	723,825	722,262	724,789	728,446
CAPITAL ACCOUNTS								
30 Capital paid in	8,719	8,721	8,724	8,725	8,748	8,657	8,719	8,750
31 Surplus	8,363	8,380	8,380	8,380	8,380	8,356	8,327	8,380
32 Other capital accounts	513	646	780	617	580	657	486	927
33 Total capital	17,594	17,747	17,884	17,722	17,708	17,670	17,532	18,057
MEMO								
34 Marketable securities held in custody for foreign official and international accounts ^{10,11}	930,019	935,715	937,857	945,863	949,401	945,930	936,251	951,036
35 U.S. Treasury	746,813	753,009	751,156	759,937	761,587	760,406	754,101	765,022
36 Federal agency	183,207	182,707	186,701	185,925	187,814	185,524	182,150	186,013
37 Securities lent to dealers	2,534	4,784	2,689	2,196	2,346	4,950	2,390	2,631
Federal Reserve notes and collateral statement								
38 Federal Reserve notes outstanding	774,095	775,502	777,982	779,566	780,878	766,845	774,672	780,991
39 Less: Notes held by F.R. Banks not subject to collateralization	108,713	108,511	111,177	113,140	112,697	102,691	109,856	110,234
40 Federal Reserve notes to be collateralized	665,381	666,991	666,805	666,426	668,181	664,155	664,816	670,757
41 Collateral held against Federal Reserve notes	665,381	666,991	666,805	666,426	668,181	664,155	664,816	670,757
42 Gold certificate account	11,039	11,039	11,039	11,039	11,039	11,040	11,039	11,039
43 Special drawing rights certificate account	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
44 U.S. Treasury and agency securities pledged ¹¹	652,142	652,217	653,145	653,187	654,942	650,915	651,577	657,518
45 Other eligible assets	0	1,534	420	0	0	0	0	0
MEMO								
46 Total U.S. Treasury and agency securities ¹¹	679,116	671,284	672,288	693,026	682,681	683,878	681,913	688,909
47 Less: face value of securities under reverse repurchase agreements ¹²	19,321	19,067	19,142	20,349	19,124	22,086	19,831	20,198
48 U.S. Treasury and agency securities eligible to be pledged	659,795	652,217	653,145	672,677	663,558	661,792	662,081	668,711

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

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

3. Face value of the securities

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

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

6. Valued daily at market exchange rates.

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

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

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

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

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

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

1.19 FEDERAL RESERVE BANKS Maturity Distribution of Loans and Securities

Millions of dollars

Type of holding and maturity	Wednesday					End of month		
	2003					2003		
	July 30	Aug. 6	Aug. 13	Aug. 20	Aug. 27	June	July	Aug.
1 Total loans	141	143	164	262	161	768	145	158
2 Within 15 days	116	37	40	261	138	752	99	109
3 16 days to 90 days	25	106	123	1	23	16	45	48
4 91 days to 1 year	0	0	0	0	0	0	0	0
5 Total U.S. Treasury securities¹	652,856	653,024	653,278	653,516	653,671	652,118	652,903	653,899
6 Within 15 days	46,048	51,281	52,151	49,409	50,191	27,419	36,979	35,599
7 16 days to 90 days	141,180	137,369	136,584	135,851	135,304	153,840	134,047	138,773
8 91 days to 1 year	159,660	161,900	162,065	160,914	160,830	157,337	172,745	172,179
9 Over 1 year to 5 years	179,349	177,684	177,685	180,032	180,033	186,886	184,345	180,033
10 Over 5 years to 10 years	46,654	44,824	44,825	50,383	50,384	46,661	44,823	50,384
11 Over 10 years	79,965	79,966	79,967	76,928	76,929	79,974	79,965	76,930
12 Total federal agency securities	10	10	10	10	10	10	10	10
13 Within 15 days	0	0	0	0	0	0	0	0
14 16 days to 90 days	0	0	0	0	0	0	0	0
15 91 days to 1 year	10	10	10	10	10	10	10	10
16 Over 1 year to 5 years	0	0	0	0	0	0	0	0
17 Over 5 years to 10 years	0	0	0	0	0	0	0	0
18 Over 10 years	0	0	0	0	0	0	0	0
19 Total repurchase agreements²	26,250	18,250	19,000	39,500	29,000	31,750	29,000	35,000
20 Within 15 days	24,250	15,250	14,000	32,500	24,000	23,750	24,000	26,000
21 16 days to 90 days	2,000	3,000	5,000	7,000	5,000	8,000	5,000	9,000
22 Total reverse repurchase agreements²	19,316	19,062	19,138	20,344	19,119	22,080	19,827	20,190
23 Within 15 days	19,316	19,062	19,138	20,344	19,119	22,080	19,827	20,190
24 16 days to 90 days	0	0	0	0	0	0	0	0

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

1. Includes the original face value of inflation-indexed securities and compensation that adjusts for the effect of inflation on the original face value of such securities.

2. Cash value of agreements classified by remaining maturity of the agreements.

1.20 AGGREGATE RESERVES OF DEPOSITORY INSTITUTIONS AND MONETARY BASE¹

Billions of dollars, averages of daily figures

Item	1999 Dec.	2000 Dec.	2001 Dec.	2002 Dec.	2003								
					Jan.	Feb.	Mar.	Apr.	May	June	July	Aug	
	Seasonally adjusted												
ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ²													
1 Total reserves ³	41.81	38.54	41.24	40.22	40.73	40.82	40.97	40.81	40.99	42.80	43.93	46.29	
2 Nonborrowed reserves ⁴	41.49	38.33	41.18	40.14	40.70	40.80	40.95	40.78	40.93	42.63	43.80	45.97	
3 Required reserves	40.51	37.11	39.60	38.21	39.02	38.86	39.34	39.27	39.37	40.94	42.00	42.52	
4 Monetary base ⁵	593.16	584.77	635.62	681.90	685.72	691.31	695.14	698.23	701.18	703.17	703.53	709.21	
	Not seasonally adjusted												
5 Total reserves ⁶	41.89	38.53	41.20	40.13	42.85	41.94	40.60	41.16	41.79	41.86	43.58	46.07	
6 Nonborrowed reserves	41.57	38.32	41.13	40.05	42.83	41.91	40.57	41.14	41.73	41.70	43.44	45.74	
7 Required reserves ⁷	40.59	37.10	39.55	38.12	41.15	39.97	38.96	39.63	40.17	40.00	41.65	42.30	
8 Monetary base ⁸	600.72	590.06	639.91	686.23	688.33	690.25	693.91	697.83	701.58	703.33	705.80	709.18	
NOT ADJUSTED FOR CHANGES IN RESERVE REQUIREMENTS ⁹													
9 Total reserves ¹⁰	41.65	38.47	41.08	40.27	42.87	41.94	40.60	41.17	41.80	41.87	43.59	46.10	
10 Nonborrowed reserves	41.33	38.26	41.01	40.19	42.84	41.91	40.58	41.14	41.75	41.71	43.46	45.77	
11 Required reserves	40.36	37.05	39.43	38.26	41.16	39.97	38.96	39.64	40.18	40.02	41.67	42.32	
12 Monetary base ¹¹	608.02	596.98	648.74	697.15	699.25	701.04	705.04	709.10	712.76	714.36	717.01	720.49	
13 Excess reserves ¹²	1.30	1.43	1.65	2.01	1.71	1.97	1.64	1.53	1.62	1.85	1.92	3.77	
14 Borrowings from the Federal Reserve	.32	.21	.07	.08	.03	.03	.02	.03	.06	.16	.13	.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 1.10.)

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

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

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

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

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

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

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

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

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

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

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

1.21 MONEY STOCK MEASURES¹

Billions of dollars, averages of daily figures

Item	1999 Dec.	2000 Dec.	2001 Dec.	2002 Dec.	2003			
					May	June	July	Aug.
Seasonally adjusted								
<i>Measures²</i>								
1 M1	1,121.4	1,084.7	1,172.9	1,210.4	1,258.3	1,272.2	1,277.8	1,285.3
2 M2	4,649.7	4,931.5	5,444.6	5,791.8	5,966.2	6,043.6	6,092.1	6,132.2
3 M3	6,534.9	7,099.4	8,004.5	8,522.7	8,706.1 ¹	8,772.1 ¹	8,932.9 ¹	8,956.7
<i>M1 components</i>								
4 Currency ³	517.7	531.5	581.9	627.3	645.8	646.5	646.2	649.2
5 Travelers checks ⁴	8.3	8.0	7.8	7.5	7.5	7.9	8.2	8.0
6 Demand deposits ⁵	352.1	306.9	326.1	297.1	315.4	322.5	322.5	321.9
7 Other checkable deposits ⁶	243.4	238.2	257.2	278.5	289.6	295.3	300.9	306.2
<i>Nontransaction components</i>								
8 In M2 ⁷	3,528.3	3,846.8	4,271.7	4,581.4	4,737.9	4,771.4	4,814.3	4,846.9
9 In M3 only ⁸	1,885.1	2,167.9	2,559.9	2,730.9	2,709.9 ⁹	2,728.5 ⁹	2,840.9 ⁹	2,824.4
<i>Commercial banks</i>								
10 Savings deposits, including MMDAs	1,288.8	1,422.9	1,734.6	2,047.9	2,168.4	2,227.6	2,279.8	2,315.8
11 Small time deposits ¹⁰	634.6	699.5	634.2	591.0	571.6	566.4	557.4	549.6
12 Large time deposits ^{10,11}	652.2	718.3	671.1	676.6	691.1	687.3	775.0	773.4
<i>Thrift institutions</i>								
13 Savings deposits, including MMDAs	452.0	454.3	572.4	714.5	793.3	802.0	816.3	831.4
14 Small time deposits ⁹	319.5	344.8	339.1	302.2	291.7	288.5	285.0	281.0
15 Large time deposits ¹⁰	91.9	103.0	114.9	117.3	116.9	118.0	121.4	123.0
<i>Money market mutual funds</i>								
16 Retail	833.4	925.4	991.5	925.9	892.8	886.9	875.8	869.2
17 Institution only	634.8	788.8	1,190.3	1,234.5	1,124.8	1,143.8	1,183.9	1,164.6
<i>Repurchase agreements and eurodollars</i>								
18 Repurchase agreements ¹²	335.7	363.5	375.0	474.6	517.5	520.2	495.1	491.6
19 Eurodollars ¹²	170.5	194.3	208.6	227.9	259.5 ¹	259.1 ¹	265.4 ¹	271.9
Not seasonally adjusted								
<i>Measures²</i>								
20 M1	1,147.8	1,112.1	1,202.9	1,240.3	1,251.8	1,269.4	1,274.2	1,279.2
21 M2	4,676.8	4,966.9	5,487.6	5,841.1	5,961.6	6,012.6	6,058.1	6,111.5
22 M3	6,577.5	7,154.0	8,076.3	8,600.3	8,681.8 ¹	8,741.1 ¹	8,874.3 ¹	8,906.7
<i>M1 components</i>								
23 Currency ³	521.7	535.6	585.4	630.6	646.5	647.7	648.7	650.4
24 Travelers checks ⁴	8.4	8.1	7.9	7.7	7.5	7.7	7.8	7.8
25 Demand deposits ⁵	371.7	326.7	348.1	317.5	308.0	318.8	319.9	320.9
26 Other checkable deposits ⁶	246.0	241.6	261.5	284.5	289.7	295.2	297.8	300.0
<i>Nontransaction components</i>								
27 In M2 ⁷	3,529.0	3,854.8	4,284.6	4,600.8	4,709.8	4,743.3	4,783.8	4,832.3
28 In M3 only ⁸	1,900.7	2,187.1	2,588.7	2,759.2	2,720.3 ⁹	2,728.5 ⁹	2,816.2 ⁹	2,795.2
<i>Commercial banks</i>								
29 Savings deposits, including MMDAs	1,288.7	1,427.5	1,742.4	2,060.4	2,177.5	2,217.5	2,263.9	2,307.3
30 Small time deposits ¹⁰	635.6	700.6	635.1	591.7	571.0	565.8	557.2	549.9
31 Large time deposits ^{10,11}	653.6	718.5	670.0	675.0	696.9	691.8	774.9 ¹	772.2
<i>Thrift institutions</i>								
32 Savings deposits, including MMDAs	451.9	455.8	573.0	718.9	789.4	798.3	810.7	828.4
33 Small time deposits ⁹	320.0	345.4	339.6	302.5	291.3	288.1	284.9	281.1
34 Large time deposits ¹⁰	92.1	103.0	114.7	117.0	117.9	118.8	121.4	122.8
<i>Money market mutual funds</i>								
35 Retail	832.7	925.5	992.5	927.4	880.6	873.5	867.2	865.6
36 Institution only	648.6	806.1	1,218.3	1,262.3	1,118.9	1,131.0	1,161.6	1,144.1
<i>Repurchase agreements and eurodollars</i>								
37 Repurchase agreements ¹²	334.7	364.2	376.5	476.4	525.0	529.5	496.6	488.1
38 Eurodollars ¹²	171.7	195.2	209.1	228.5	261.5 ¹	257.4 ¹	261.8 ¹	267.9

Footnotes appear on following page.

NOTES TO TABLE 1.21

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12. Includes both overnight and term.

1.26 COMMERCIAL BANKS IN THE UNITED STATES Assets and Liabilities¹

A. All commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2002		2003						2003			
	Aug.	Feb. [†]	Mar. [†]	Apr. [†]	May. [†]	June. [†]	July. [†]	Aug.	Aug. 6	Aug. 13	Aug. 20	Aug. 27
	Seasonally adjusted											
Assets												
1 Bank credit	5,661.4	5,962.1	5,992.5	6,027.0	6,134.1	6,195.8	6,237.1	6,223.3	6,252.8	6,230.4	6,203.3	6,208.0
2 Securities in bank credit	1,629.5	1,754.1	1,766.1	1,778.7	1,837.4	1,862.3	1,817.4	1,775.0	1,800.5	1,764.2	1,771.4	1,767.8
3 U.S. government securities	943.7	1,059.4	1,072.2	1,104.4	1,135.2	1,151.4	1,114.9	1,076.4	1,107.1	1,062.9	1,065.6	1,071.5
4 Other securities	685.8	694.7	693.9	674.3	702.2	710.9	702.5	698.5	693.5	701.3	705.8	696.4
5 Loans and leases in bank credit ²	4,031.9	4,208.0	4,226.4	4,248.3	4,296.7	4,333.5	4,419.7	4,448.3	4,452.3	4,466.2	4,431.9	4,440.2
6 Commercial and industrial	978.4 [†]	953.4	947.8	946.9	938.8	927.0	930.3	922.4	923.7	921.7	921.6	923.9
7 Real estate	1,903.7 [†]	2,079.9	2,095.0	2,111.1	2,133.9	2,156.7	2,194.6	2,239.8	2,242.0	2,237.6	2,234.3	2,234.7
8 Revolving home equity	197.3	222.7	230.5	234.7	238.2	244.5	248.7	253.1	251.3	252.2	253.3	254.1
9 Other	1,706.4 [†]	1,857.2	1,864.5	1,876.4	1,895.7	1,912.2	1,945.9	1,986.7	1,990.7	1,985.4	1,981.0	1,980.6
10 Consumer	574.3	591.8	586.9	584.6	589.9	595.8	596.2	596.9	594.5	595.7	597.7	597.9
11 Security ³	176.9	181.3	193.6	190.6	210.3	212.2	214.8	207.0	210.7	226.2	194.9	201.3
12 Other loans and leases	398.5	401.6	403.1	415.1	423.8	441.9	483.8	482.2	481.5	485.1	483.2	482.5
13 Interbank loans	304.1	304.2	313.1	304.4	316.3	319.7	321.1	321.3	319.1	334.4	325.7	323.2
14 Cash assets ⁴	320.3	318.3	323.6	319.7	318.3	331.4	336.4	343.8	334.1	338.0	345.4	350.5
15 Other assets ⁵	504.2	535.2	525.0	528.7	546.1	549.6	555.2	568.3	573.7	575.6	568.3	552.0
16 Total assets⁶	6,714.9	7,043.3	7,077.7	7,104.6	7,239.4	7,321.2	7,374.6	7,385.4	7,418.5	7,402.2	7,366.3	7,357.6
Liabilities												
17 Deposits	4,462.5	4,535.3	4,585.6	4,612.6	4,643.4	4,702.4	4,748.0	4,799.6	4,797.1	4,828.0	4,779.2	4,784.2
18 Transaction	598.6	613.7	619.4	632.4	634.1	639.3	655.3	655.1	625.7	648.4	664.3	695.6
19 Nontransaction	3,863.9	3,921.6	3,966.3	3,980.2	4,009.3	4,063.1	4,092.7	4,144.5	4,171.4	4,179.6	4,114.9	4,088.6
20 Large time	1,046.6	995.2	1,001.6	985.5	999.2	1,003.3	1,020.9	1,031.6	1,040.9	1,034.8	1,027.4	1,023.8
21 Other	2,817.3	2,926.4	2,964.7	2,994.7	3,010.2	3,059.8	3,071.8	3,112.9	3,130.5	3,144.8	3,087.4	3,068.4
22 Borrowings	1,290.6	1,368.7	1,389.8	1,396.7	1,438.2	1,478.1	1,515.0	1,517.9	1,559.8	1,532.4	1,496.0	1,501.8
23 From banks in the U.S.	403.7	388.1	397.3	397.1	389.8	408.6	410.9	416.4	428.3	418.4	416.1	411.3
24 From others	886.8	980.6	992.6	999.6	1,048.4	1,069.5	1,104.0	1,101.5	1,131.4	1,114.0	1,079.8	1,090.5
25 Net due to related foreign offices	87.3 [†]	144.3	135.8	139.3	146.5	126.4	143.0	126.8	120.5	99.5	144.2	143.1
26 Other liabilities	430.3	455.4	449.8	455.0	479.0	489.3	458.6	448.5	449.8	455.4	446.5	427.7
27 Total liabilities	6,270.7[†]	6,503.7	6,561.0	6,603.5	6,707.1	6,796.2	6,864.6	6,892.7	6,927.2	6,915.4	6,865.8	6,856.8
28 Residual (assets less liabilities) ⁷	444.2 [†]	539.6	516.7	501.2	532.3	524.9	510.1	492.7	491.3	486.8	500.5	500.8
	Not seasonally adjusted											
Assets												
29 Bank credit	5,642.6	5,965.5	5,981.3	6,021.6	6,128.8	6,192.3	6,212.2	6,203.3	6,235.0	6,210.2	6,180.5	6,181.0
30 Securities in bank credit	1,622.9	1,763.2	1,771.1	1,776.5	1,835.1	1,856.2	1,802.1	1,767.7	1,792.1	1,754.5	1,762.9	1,760.2
31 U.S. government securities	940.2	1,065.7	1,072.2	1,104.3	1,133.2	1,146.7	1,106.8	1,072.5	1,102.8	1,057.1	1,061.0	1,067.0
32 Other securities	682.7	697.5	693.9	672.2	702.0	709.5	695.3	695.2	689.3	697.4	701.8	693.3
33 Loans and leases in bank credit ²	4,019.7	4,202.2	4,210.2	4,245.1	4,293.7	4,336.2	4,410.1	4,435.6	4,442.9	4,455.7	4,417.7	4,420.8
34 Commercial and industrial	974.3 [†]	951.5	949.2	950.7	942.5	931.0	931.4	918.6	922.7	918.4	917.8	917.2
35 Real estate	1,903.7 [†]	2,075.7	2,086.0	2,107.5	2,137.7	2,158.0	2,193.0	2,239.8	2,240.5	2,240.0	2,233.5	2,234.4
36 Revolving home equity	197.4	223.0	228.4	234.4	239.4	245.4	248.7	253.2	251.0	252.3	253.5	254.5
37 Other	1,706.3 [†]	1,852.6	1,857.6	1,873.1	1,898.3	1,912.6	1,944.3	1,986.6	1,989.5	1,987.8	1,980.1	1,979.9
38 Consumer	571.0	595.0	584.7	581.8	588.7	592.4	590.6	593.2	588.0	591.0	594.7	596.1
39 Credit cards and related plans	224.1	225.8	219.6	215.6	221.5	223.2	219.9	220.0	217.0	218.3	221.2	221.2
40 Other	346.9	369.2	365.0	366.2	367.2	369.3	370.7	373.3	371.0	372.7	373.5	375.0
41 Security ³	172.4	183.0	189.2	189.8	202.6	210.8	208.7	201.7	207.9	222.2	188.5	194.7
42 Other loans and leases	398.4 [†]	397.2	401.2	415.3	422.1	444.0	486.3	482.2	483.7	484.1	483.2	478.4
43 Interbank loans	298.2	301.4	319.5	315.5	312.0	320.9	316.6	320.2	332.4	329.7	320.9	305.3
44 Cash assets ⁴	304.6	318.8	312.8	318.0	314.7	322.2	325.7	327.2	319.0	315.7	325.9	323.8
45 Other assets ⁵	501.1	532.6	524.1	528.1	544.0	544.2	553.4	564.7	572.7	572.9	562.5	544.2
46 Total assets⁶	6,671.3	7,041.4	7,061.0	7,108.0	7,223.9	7,304.1	7,333.0	7,339.3	7,383.6	7,352.2	7,313.4	7,278.1
Liabilities												
47 Deposits	4,413.8	4,556.2	4,592.8	4,637.7	4,636.4	4,691.4	4,718.6	4,749.6	4,771.6	4,779.6	4,720.4	4,698.3
48 Transaction	583.8	606.1	611.0	638.3	623.9	633.9	646.6	638.7	614.8	630.4	644.2	663.4
49 Nontransaction	3,830.0	3,950.2	3,981.8	3,999.4	4,012.5	4,057.6	4,072.0	4,110.9	4,156.8	4,149.2	4,076.2	4,034.9
50 Large time	1,028.8	1,005.8	1,004.3	989.9	1,002.8	1,001.4	1,009.8	1,015.5	1,027.5	1,018.2	1,010.4	1,008.1
51 Other	2,801.2	2,944.3	2,977.4	3,009.5	3,009.6	3,056.2	3,062.2	3,095.4	3,129.3	3,131.1	3,065.8	3,026.8
52 Borrowings	1,273.5	1,370.9	1,386.2	1,400.8	1,443.9	1,477.2	1,507.9	1,497.9	1,542.7	1,508.7	1,477.7	1,476.5
53 From banks in the U.S.	399.4	391.6	400.7	401.2	392.2	406.8	407.6	411.9	425.7	413.7	412.9	404.3
54 From others	874.1	979.3	985.5	999.6	1,051.8	1,070.4	1,100.4	1,086.1	1,117.0	1,095.0	1,064.8	1,072.2
55 Net due to related foreign offices	85.4 [†]	149.6	133.9	130.2	146.0	123.5	133.6	125.1	95.3	95.3	142.5	148.8
56 Other liabilities	428.8	461.7	446.0	442.5	478.2	486.1	448.7	446.7	441.2	450.7	444.9	433.3
57 Total liabilities	6,201.4	6,538.4	6,558.9	6,611.2	6,704.5	6,778.3	6,808.9	6,819.4	6,867.5	6,834.3	6,785.4	6,756.9
58 Residual (assets less liabilities) ⁷	469.8 [†]	503.0	502.1	496.8	519.3	525.8	524.1	519.9	516.1	517.8	528.0	521.2

Footnotes appear on p. A21.

A16 Domestic Financial Statistics □ November 2003

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

B. Domestically chartered commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2002		2003						2003			
	Aug.	Feb.	Mar.	Apr. ²	May ²	June ²	July ²	Aug.	Aug. 6	Aug. 13	Aug. 20	Aug. 27
	Seasonally adjusted											
<i>Assets</i>												
1 Bank credit	5,041.4 ²	5,315.2 ²	5,329.0	5,372.0	5,464.6	5,523.6	5,587.2	5,592.8	5,618.9	5,594.8	5,583.8	5,573.6
2 Securities in bank credit	1,381.4	1,474.8	1,482.3 ²	1,501.4	1,548.8	1,573.9	1,549.7	1,507.5	1,341.2	1,495.6	1,502.8	1,498.4
3 U.S. government securities	862.0	942.7	949.7	980.2	1,007.8	1,027.1	1,000.4	969.0	998.3	953.6	959.9	965.8
4 Other securities	519.4	532.0 ²	532.6	521.1	541.0	546.8	549.3	538.5	542.9	542.0	543.0	532.6
5 Loans and leases in bank credit ²	3,660.0 ²	3,840.4 ²	3,846.7	3,870.6	3,915.7	3,949.7	4,037.5	4,085.2	4,077.7	4,099.2	4,081.0	4,075.2
6 Commercial and industrial	789.3 ²	779.3 ²	776.2 ²	774.7	768.4	763.7	767.6	766.1	765.3	764.6	766.4	768.1
7 Real estate	1,884.8 ²	2,060.1 ²	2,075.1 ²	2,092.1	2,114.6	2,137.3	2,175.2	2,220.7	2,222.7	2,218.3	2,215.4	2,215.8
8 Revolving home equity	197.3	222.7	230.5	234.7	238.2	244.5	248.7	253.1	251.3	252.2	253.3	254.1
9 Other	1,687.6 ²	1,837.4 ²	1,844.6 ²	1,857.4	1,876.4	1,892.8	1,926.5	1,967.6	1,971.4	1,966.2	1,962.1	1,961.7
10 Consumer	574.3	591.8 ²	586.9	584.6	589.9	595.8	596.2	596.9	594.5	595.7	597.7	597.9
11 Security ³	85.4	73.1 ²	72.2	72.4	91.4	90.3	95.9	95.4	95.2	110.3	92.3	87.7
12 Other loans and leases	326.1	336.0 ²	336.3 ²	346.8	351.4	362.6	402.6	406.1	400.1	410.3	409.1	405.7
13 Interbank loans	286.2	277.2	285.8	282.0	291.7	289.0	288.0	293.7	300.2	306.6	290.7	290.0
14 Cash assets ⁴	272.5	279.6	279.7	270.0	267.3	277.1	282.4	289.4	280.3	283.7	291.4	296.0
15 Other assets ⁵	476.5 ²	500.7 ²	495.0 ²	496.2	509.5	512.9	522.0	532.0	536.4	535.9	529.6	518.9
16 Total assets⁶	6,001.9	6,296.6²	6,313.6²	6,345.4	6,458.0	6,527.6	6,605.0	6,632.3	6,661.0	6,645.2	6,619.7	6,602.7
<i>Liabilities</i>												
17 Deposits	3,964.8	4,092.5	4,137.2	4,178.0	4,210.0	4,259.8	4,294.6	4,344.4	4,337.2	4,366.9	4,325.1	4,334.0
18 Transaction	588.5	603.5	607.9	612.2	623.3	627.9	643.8	643.3	514.6	636.9	652.5	682.7
19 Nontransaction	3,376.3	3,489.0	3,529.4	3,565.8	3,586.7	3,631.9	3,650.8	3,701.1	3,722.6	3,730.0	3,672.6	3,651.4
20 Large time	565.0	583.5	583.6	582.2	595.7	590.5	586.4	600.3	501.8	600.4	598.0	598.5
21 Other	2,811.3	2,905.5	2,945.8	2,974.5	2,991.0	3,041.4	3,064.4	3,100.8	3,120.8	3,129.6	3,074.5	3,052.9
22 Borrowings	1,076.7	1,093.8	1,096.7	1,098.9	1,133.1	1,162.4	1,217.9	1,224.3	1,251.5	1,224.9	1,218.1	1,217.9
23 From banks in the U.S.	382.4	357.0	363.6	369.7	358.5	373.9	374.2	382.5	394.7	382.1	383.8	379.1
24 From others	694.3	736.7	733.1 ²	729.2	774.6	788.5	843.8	841.7	856.8	842.8	834.3	838.8
25 Net due to related foreign offices	173.5 ²	222.7	219.6 ²	212.2	224.3	208.3	229.0	230.3	225.2	221.6	240.7	235.7
26 Other liabilities	332.7	355.8	355.0	364.4	372.2	375.8	349.8	332.4	342.9	335.6	325.4	312.3
27 Total liabilities	5,547.7	5,764.8²	5,808.5	5,853.5	5,939.7	6,006.2	6,091.3	6,131.4	6,156.7	6,149.0	6,109.2	6,100.0
28 Residual (assets less liabilities) ⁷	454.2 ²	531.8 ²	505.1 ²	492.0	518.4	521.4	513.6	500.9	504.3	496.2	510.6	502.7
	Not seasonally adjusted											
<i>Assets</i>												
29 Bank credit	5,028.8	5,314.1 ¹	5,319.6	5,366.7	5,464.0	5,523.5	5,569.8	5,579.3	5,605.8	5,579.6	5,567.9	5,554.4
30 Securities in bank credit	1,374.8	1,483.9 ¹	1,487.3	1,499.2	1,546.6	1,567.8	1,534.5	1,500.2	1,532.8	1,485.9	1,494.3	1,490.8
31 U.S. government securities	858.5	949.1	954.7	980.1	1,005.8	1,022.4	992.3	965.1	994.0	947.9	955.3	961.3
32 Other securities	516.4	534.9	532.6	519.1	540.8	545.4	542.2	535.2	538.8	538.0	539.0	529.5
33 Loans and leases in bank credit ²	3,653.9 ²	3,830.2 ²	3,832.3 ²	3,867.5	3,917.4	3,955.8	4,035.3	4,079.0	4,073.0	4,093.6	4,073.5	4,063.6
34 Commercial and industrial	786.6 ²	775.9 ²	776.0 ²	779.4	774.0	768.2	769.6	763.5	765.6	762.4	763.5	763.1
35 Real estate	1,884.8 ²	2,055.9 ²	2,066.1 ²	2,088.5	2,118.4	2,138.5	2,173.6	2,220.8	2,221.2	2,220.8	2,214.6	2,215.5
36 Revolving home equity	197.4	223.0	228.4	234.4	239.4	245.4	248.7	253.2	251.0	252.3	253.5	254.5
37 Other	1,687.5 ²	1,832.9 ²	1,837.7 ²	1,854.0	1,879.0	1,893.2	1,924.9	1,967.5	1,970.2	1,968.5	1,961.1	1,961.0
38 Consumer	571.0	595.0 ²	584.7 ²	581.8	588.7	592.4	590.6	593.2	588.0	591.0	594.7	596.1
39 Credit cards and related plans	224.1	225.8	219.6	215.6	221.5	223.2	219.9	220.0	217.0	218.3	221.2	221.2
40 Other	346.9	369.2 ²	365.0	366.2	367.2	369.3	370.7	373.3	371.0	372.7	373.5	375.0
41 Security ³	84.3	72.0	71.9	71.3	86.0	91.4	94.6	94.2	94.1	108.6	90.6	86.1
42 Other loans and leases	327.2 ²	331.4 ²	333.6 ²	346.5	350.3	365.1	406.8	407.3	404.1	410.8	410.2	402.7
43 Interbank loans	280.4	274.4	292.3	293.0	287.5	290.3	283.4	287.9	299.5	301.9	285.9	272.1
44 Cash assets ⁴	258.8	279.1	270.1	270.4	265.3	270.5	274.6	275.0	267.7	263.9	274.1	271.3
45 Other assets ⁵	473.7	497.6 ²	493.4 ²	495.8	507.3	508.9	521.4	528.9	536.1	534.1	524.6	511.2
46 Total assets⁶	5,966.8	6,288.7²	6,299.2²	6,351.3	6,448.8	6,518.0	6,574.7	6,595.4	6,634.1	6,603.5	6,576.5	6,533.2
<i>Liabilities</i>												
47 Deposits	3,933.1	4,103.3	4,140.3	4,197.1	4,197.6	4,250.7	4,275.0	4,309.9	4,324.9	4,334.5	4,282.8	4,262.4
48 Transaction	574.0	595.8	599.8	627.7	613.5	622.8	635.3	627.3	604.0	619.2	632.7	650.9
49 Nontransaction	3,359.1	3,507.4	3,540.5	3,569.4	3,584.1	3,627.9	3,639.7	3,682.6	3,720.9	3,715.3	3,650.1	3,611.5
50 Large time	563.7	584.4	582.1	580.4	593.9	590.0	584.7	598.9	601.1	598.9	596.7	596.2
51 Other	2,795.4	2,923.0	2,958.4	2,989.1	2,990.2	3,037.8	3,055.0	3,083.7	3,119.9	3,116.4	3,053.4	3,015.2
52 Borrowings	1,059.7	1,095.9 ²	1,093.0	1,103.1	1,138.9	1,161.4	1,210.9	1,204.3	1,234.5	1,201.2	1,199.8	1,192.6
53 From banks in the U.S.	378.1	360.5	367.0	373.8	360.8	372.1	370.8	378.0	377.4	377.4	380.6	372.1
54 From others	681.6	735.4	726.0	729.3	778.0	789.4	840.1	826.3	842.4	823.9	819.2	820.5
55 Net due to related foreign offices	173.3	226.9 ²	215.5 ²	203.5	223.5	207.3	222.9	230.0	221.1	218.6	240.9	240.5
56 Other liabilities	332.2	361.2	349.7	352.2	371.1	374.2	342.4	331.9	338.1	332.0	325.5	317.1
57 Total liabilities	5,498.3	5,787.3	5,798.5	5,855.9	5,931.0	5,993.5	6,051.2	6,076.1	6,118.6	6,086.3	6,049.1	6,012.6
58 Residual (assets less liabilities) ⁷	468.4 ²	501.4 ²	500.6 ²	495.4	517.7	524.5	523.5	519.3	515.5	517.2	527.4	520.6

Footnotes appear on p. A21.

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

C. Large domestically chartered commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2002	2003							2003			
	Aug. [†]	Feb. [†]	Mar. [†]	Apr. [†]	May [†]	June [†]	July [†]	Aug.	Aug. 6	Aug. 13	Aug. 20	Aug. 27
	Seasonally adjusted											
Assets												
1 Bank credit	2,762.9	2,931.7	2,929.1	2,949.3	3,024.5	3,059.6	3,096.3	3,082.8	3,112.9	3,089.5	3,070.1	3,060.2
2 Securities in bank credit	738.1	805.5	803.2	810.1	856.6	880.6	847.4	801.7	836.1	789.4	796.7	791.8
3 U.S. government securities	428.0	479.8	476.6	493.3	520.0	536.0	503.0	467.6	495.7	451.0	457.7	466.7
4 Trading account	47.8	54.5	41.8	40.7	43.6	38.7	37.6	33.5	32.7	29.1	29.4	36.8
5 Investment account	380.1	425.3	434.7	452.6	476.4	497.4	465.3	434.1	463.0	422.0	428.3	429.9
6 Other securities	310.1	325.7	326.6	316.8	336.6	344.6	344.4	334.1	340.4	338.4	339.0	325.1
7 Trading account	174.9	172.6	171.6	161.5	183.4	188.1	173.2	162.2	167.8	165.6	165.3	155.7
8 Investment account	135.3	153.1	155.0	155.3	153.2	156.5	171.2	171.9	172.6	172.7	173.7	169.4
9 State and local government	28.1	29.6	30.1	30.9	31.3	32.2	32.3	31.4	31.5	31.5	31.3	31.4
10 Other	107.2	123.5	124.9	124.4	121.9	124.3	138.9	140.5	141.2	141.2	142.4	138.0
11 Loans and leases in bank credit ²	2,024.7	2,126.2	2,125.9	2,139.2	2,167.9	2,179.0	2,248.9	2,281.1	2,276.8	2,300.1	2,273.5	2,268.4
12 Commercial and industrial	499.8	482.0	478.2	476.0	468.2	461.6	464.1	458.9	459.3	458.4	458.7	459.7
13 Bankers acceptances .....	.0	.0	.0	.0	.0	.0	.0	.0	n.a.	n.a.	n.a.	n.a.
14 Other	499.8	482.0	478.2	476.0	468.2	461.6	464.1	458.9	459.3	458.4	458.7	459.7
15 Real estate	908.7	1,030.6	1,037.9	1,043.6	1,058.3	1,065.9	1,089.9	1,123.4	1,126.1	1,124.7	1,116.6	1,116.3
16 Revolving home equity	125.2	142.4	147.8	150.4	152.7	156.1	159.8	163.6	162.2	163.0	163.8	164.4
17 Other	783.5	888.2	890.1	893.3	905.6	909.7	930.1	959.7	963.9	961.7	952.8	951.9
18 Consumer	311.4	317.5	313.8	312.3	312.5	314.2	311.7	312.7	311.3	311.9	311.6	315.1
19 Security ³	78.4	65.0	64.1	64.3	82.6	80.9	86.6	86.0	85.8	100.9	83.0	78.1
20 Federal funds sold to and repurchase agreements with broker-dealers	67.1	54.3	52.6	52.4	63.0	63.5	68.7	66.8	67.5	78.8	64.0	60.0
21 Other	11.3	10.7	11.4	11.8	19.5	17.4	17.9	19.2	18.3	22.1	19.0	18.2
22 State and local government	13.0	12.3	12.5	12.4	12.4	12.7	13.0	13.3	12.8	13.7	13.2	13.4
23 Agricultural	8.3	7.9	7.9	7.7	7.5	7.4	7.3	7.4	7.3	7.4	7.4	7.5
24 Federal funds sold to and repurchase agreements with others	17.6	24.5	24.0	25.2	27.1	28.5	25.8	24.2	22.2	24.9	24.2	24.9
25 All other loans	67.3	75.6	77.1	88.2	89.5	97.2	140.5	145.8	142.4	148.7	149.5	144.1
26 Lease-financing receivables	120.3	110.8	110.5	109.4	109.8	110.7	109.9	109.4	109.6	109.5	109.2	109.3
27 Interbank loans	191.0	162.2	171.8	171.1	171.0	165.1	168.8	178.5	186.6	192.3	175.4	171.1
28 Federal funds sold to and repurchase agreements with commercial banks	98.8	91.2	100.3	99.1	100.8	97.7	97.7	99.0	108.1	115.4	95.9	80.5
29 Other	92.2	71.0	71.5	72.0	70.2	67.4	71.1	79.5	78.5	76.9	79.5	90.6
30 Cash assets ⁴	151.3	151.1	148.3	135.8	132.9	140.4	142.1	146.7	139.4	141.2	150.2	149.1
31 Other assets ⁵	333.0	355.2	347.6	347.2	356.5	359.2	364.2	367.7	367.6	369.1	367.7	361.6
32 Total assets⁶	3,394.3	3,555.4	3,551.8	3,559.4	3,640.6	3,680.2	3,727.9	3,731.6	3,763.0	3,747.7	3,719.2	3,697.6
Liabilities												
33 Deposits	1,919.1	1,996.4	2,015.3	2,039.8	2,046.6	2,075.9	2,093.6	2,128.0	2,120.8	2,142.1	2,117.0	2,122.6
34 Transaction	288.2	290.8	291.0	296.2	297.3	300.2	307.2	304.1	286.5	303.8	309.5	325.4
35 Nontransaction	1,630.8	1,705.5	1,724.3	1,743.6	1,749.2	1,775.7	1,786.5	1,823.9	1,834.2	1,838.4	1,807.5	1,797.2
36 Large time	265.5	273.7	269.1	267.2	279.1	271.1	268.9	283.2	284.0	281.2	282.5	282.3
37 Other	1,365.3	1,431.9	1,455.2	1,476.4	1,470.2	1,504.6	1,517.5	1,540.7	1,550.2	1,557.2	1,525.0	1,514.8
38 Borrowings	738.0	693.4	699.6	697.4	722.9	746.7	794.2	785.9	821.5	793.6	773.5	767.8
39 From banks in the U.S.	261.7	199.6	208.0	212.3	203.6	216.7	213.9	213.4	228.7	218.2	209.4	199.6
40 From others	476.4	493.9	491.6	485.1	519.3	530.0	580.3	572.6	592.8	575.4	564.1	568.2
41 Net due to related foreign offices	165.0	210.2	208.9	199.3	211.9	196.3	217.2	218.3	214.1	212.8	228.9	220.4
42 Other liabilities	268.2	280.1	275.4	284.9	292.2	296.5	269.2	251.2	261.4	255.0	243.4	231.9
43 Total liabilities	3,090.3	3,180.1	3,199.2	3,221.4	3,273.5	3,315.3	3,374.2	3,383.4	3,417.7	3,403.5	3,362.8	3,342.7
44 Residual (assets less liabilities) ⁷	303.9	375.4	352.6	338.0	367.1	364.9	353.6	348.1	345.3	344.1	356.4	354.9

Footnotes appear on p. A21.

A18 Domestic Financial Statistics □ November 2003

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

C. Large domestically chartered commercial banks—Continued

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2002	2003							2003			
	Aug. ¹	Feb. ¹	Mar. ¹	Apr. ¹	May ¹	June ¹	July ¹	Aug.	Aug. 6	Aug. 13	Aug. 20	Aug. 27
	Not seasonally adjusted											
Assets												
45 Bank credit	2,753.0	2,933.8	2,923.0	2,945.8	3,025.4	3,061.9	3,084.0	3,072.5	3,106.4	3,077.4	3,057.8	3,042.3
46 Securities in bank credit	733.0	813.8	805.5	806.4	855.1	874.9	834.0	796.2	830.4	781.7	790.7	784.6
47 U.S. government securities	426.0	485.3	478.8	491.7	518.8	531.8	496.7	465.4	494.1	447.2	455.7	462.6
48 Trading account	47.6	55.1	42.1	40.6	43.5	38.4	37.2	33.3	32.6	28.8	29.2	36.4
49 Investment account	378.4	430.2	436.8	451.1	475.3	493.3	459.5	432.1	461.5	418.4	426.5	426.1
50 Mortgage-backed securities	306.7	331.3	334.7	354.4	380.2	389.4	364.1	335.5	366.2	321.9	329.9	329.1
51 Other	71.7	98.8	102.0	96.7	95.0	103.9	95.4	96.6	95.3	96.5	96.5	97.0
52 One year or less	17.3	22.9	24.4	24.6	23.2	24.3	24.1	24.4	24.0	24.5	24.7	24.2
53 One to five years	42.5	57.4	57.3	55.2	55.2	57.3	51.2	52.5	52.3	51.1	52.7	53.2
54 More than five years	11.9	18.6	20.3	16.9	16.7	22.3	20.1	19.7	19.0	21.0	19.1	19.6
55 Other securities	307.1	328.5	326.7	314.7	336.3	343.1	337.3	330.8	336.2	334.4	335.1	322.0
56 Trading account	173.1	174.1	171.7	160.5	183.2	187.3	169.6	160.6	165.7	163.7	163.4	154.2
57 Investment account	133.9	154.4	155.0	154.3	153.1	155.8	167.7	170.2	170.5	170.7	171.7	167.8
58 State and local government	27.8	29.8	30.1	30.7	31.3	32.1	31.6	31.1	31.1	31.2	30.9	31.1
59 Other	106.1	124.6	124.9	123.6	121.8	123.8	136.1	139.1	139.4	139.6	140.8	136.7
60 Loans and leases in bank credit ²	2,019.9	2,120.0	2,117.5	2,139.4	2,170.3	2,187.0	2,250.0	2,276.3	2,276.1	2,295.7	2,267.0	2,257.7
61 Commercial and industrial	498.4	480.0	478.1	478.6	471.2	463.9	465.3	457.5	460.2	457.1	456.9	456.5
62 Bankers acceptances	.0	.0	.0	.0	.0	.0	.0	.0	n.a.	n.a.	n.a.	n.a.
63 Other	498.4	480.0	478.1	478.6	471.2	463.9	465.3	457.5	460.2	457.1	456.9	456.5
64 Real estate	909.3	1,026.4	1,031.1	1,041.8	1,062.7	1,068.3	1,090.0	1,124.2	1,127.0	1,127.4	1,116.6	1,115.8
65 Revolving home equity	125.6	142.7	146.1	150.3	153.8	157.1	160.3	164.2	162.4	163.4	164.3	165.1
66 Other	465.6	560.3	561.2	569.8	588.3	591.6	613.2	643.5	648.3	647.5	635.2	634.2
67 Commercial	318.1	323.4	323.8	321.7	320.5	319.7	316.5	316.6	316.3	316.5	317.1	316.6
68 Consumer	309.2	320.7	314.3	312.9	313.4	314.3	309.7	310.2	308.3	309.1	309.3	313.0
69 Credit cards and related plans	114.9	109.8	105.9	103.5	103.9	104.9	100.0	99.7	98.7	98.7	99.0	101.9
70 Other	194.3	210.9	208.4	209.4	209.6	209.4	209.8	210.5	209.6	210.5	210.2	211.0
71 Security ³	77.3	63.9	63.5	62.9	77.3	82.1	85.4	84.8	84.5	99.2	81.4	76.9
72 Federal funds sold to and repurchase agreements with broker-dealers	66.2	53.4	52.2	51.4	59.0	64.5	67.8	65.9	66.5	77.5	62.7	59.0
73 Other	11.1	10.6	11.3	11.6	18.3	17.6	17.6	18.9	18.0	21.7	18.6	17.9
74 State and local government	13.0	12.3	12.5	12.4	12.4	12.7	13.0	13.3	12.8	13.7	13.2	13.4
75 Agricultural	8.4	7.8	7.8	7.7	7.6	7.5	7.4	7.5	7.4	7.5	7.5	7.5
76 Federal funds sold to and repurchase agreements with others	17.6	34.5	24.0	25.2	27.1	28.5	25.8	24.2	22.2	24.9	24.2	24.9
77 All other loans	67.5	72.3	74.9	88.0	88.9	99.3	143.9	146.2	144.7	148.1	149.8	141.6
78 Lease-financing receivables	119.2	112.1	111.2	109.8	109.8	110.3	109.4	108.4	108.9	108.7	108.2	108.1
79 Interbank loans	186.0	160.4	171.9	174.4	171.7	169.3	168.9	173.3	182.0	187.8	172.3	161.0
80 Federal funds sold to and repurchase agreements with commercial banks	96.4	90.3	100.4	101.0	101.2	100.2	97.8	96.2	105.4	112.7	94.2	75.8
81 Other	89.6	70.2	71.5	73.4	70.5	69.1	71.1	77.1	76.5	75.1	78.1	85.2
82 Cash assets ⁴	141.6	151.0	143.3	138.5	132.0	136.0	136.6	137.1	130.6	128.5	139.3	133.9
83 Other assets ⁵	330.3	352.1	345.9	346.8	354.3	355.2	363.6	364.7	367.3	367.2	362.7	353.9
84 Total assets⁶	3,366.8	3,552.2	3,538.9	3,561.5	3,639.0	3,678.1	3,709.7	3,703.3	3,742.4	3,716.4	3,687.6	3,646.7
Liabilities												
85 Deposits	1,904.3	2,000.4	2,013.4	2,047.2	2,042.2	2,076.3	2,087.7	2,111.6	2,117.6	2,127.7	2,096.4	2,083.0
86 Transaction	277.2	286.5	286.6	302.4	293.0	297.4	301.3	291.9	277.1	291.3	295.8	303.4
87 Nontransaction	1,627.2	1,713.9	1,726.7	1,744.9	1,749.2	1,778.9	1,786.4	1,819.7	1,840.5	1,836.4	1,800.6	1,779.6
88 Large time	264.2	274.6	267.6	265.3	273.7	270.7	267.3	281.8	283.3	279.7	281.2	280.1
89 Other	1,362.9	1,439.3	1,459.1	1,479.5	1,471.9	1,508.3	1,519.1	1,537.9	1,557.3	1,556.7	1,519.4	1,499.5
90 Borrowings	721.0	695.6	696.0	701.6	728.7	745.7	787.1	765.9	804.5	769.9	755.2	742.5
91 From banks in the U.S.	257.3	203.1	211.4	216.4	205.9	214.8	210.5	208.8	226.1	213.4	206.2	192.6
92 From nonbanks in the U.S.	463.7	492.5	484.6	485.1	522.7	530.9	576.6	557.1	578.4	556.5	549.0	549.9
93 Net due to related foreign offices	164.9	214.3	204.8	190.7	211.0	195.2	211.1	218.0	210.0	209.7	229.2	225.2
94 Other liabilities	267.7	285.6	270.1	272.7	291.0	294.8	261.9	250.7	256.6	251.5	243.6	236.7
95 Total liabilities	3,057.9	3,195.9	3,184.3	3,212.1	3,273.0	3,312.2	3,347.8	3,346.2	3,388.7	3,358.7	3,324.4	3,287.3
96 Residual (assets less liabilities) ⁷	308.9	356.3	354.6	349.4	366.1	365.9	361.9	357.0	353.8	357.6	363.2	359.4

Footnotes appear on p. A21.

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

D. Small domestically chartered commercial banks

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2002	2003							2003			
	Aug. ¹	Feb. ¹	Mar. ¹	Apr. ¹	May ¹	June ¹	July ¹	Aug.	Aug. 6	Aug. 13	Aug. 20	Aug. 27
Seasonally adjusted												
<i>Assets</i>												
1 Bank credit	2,278.6	2,383.5	2,399.9	2,422.7	2,440.1	2,463.9	2,490.9	2,509.9	2,506.0	2,505.2	2,513.7	2,513.5
2 Securities in bank credit	643.3	669.3	679.1	691.3	692.3	693.3	702.3	705.8	705.1	706.2	706.2	706.6
3 U.S. government securities	434.0	463.0	473.1	486.9	487.8	491.1	497.5	501.4	502.5	502.6	502.2	499.1
4 Other securities	209.3	206.3	206.0	204.3	204.4	202.3	204.9	204.4	202.5	203.6	204.0	207.5
5 Loans and leases in bank credit ²	1,635.3	1,714.2	1,720.8	1,731.4	1,747.9	1,770.6	1,788.6	1,804.1	1,800.9	1,799.1	1,807.5	1,806.8
6 Commercial and industrial	289.4	297.3	298.0	298.7	300.2	302.1	303.4	307.3	306.0	306.2	307.7	308.4
7 Real estate	976.2	1,029.5	1,037.2	1,048.5	1,056.3	1,071.4	1,085.2	1,097.3	1,096.6	1,093.6	1,098.8	1,099.5
8 Revolving home equity	72.1	80.3	82.7	84.3	85.5	88.4	88.9	89.4	89.1	89.2	89.5	89.7
9 Other	904.1	949.2	954.5	964.1	970.7	983.0	996.4	1,007.9	1,007.5	1,004.4	1,009.3	1,009.8
10 Consumer	262.9	274.3	273.2	272.3	277.4	281.6	284.6	284.2	283.2	283.8	286.1	282.8
11 Security ³	7.1	8.2	8.1	8.2	8.9	9.4	9.3	9.4	9.4	9.4	9.3	9.6
12 Other loans and leases	99.7	104.9	104.3	103.8	105.1	106.1	106.0	105.9	105.8	106.0	105.6	106.6
13 Interbank loans	95.1	115.0	114.0	110.9	120.7	123.9	119.2	115.3	113.6	114.3	115.2	118.9
14 Cash assets ⁴	121.2	128.5	131.4	134.2	134.4	136.7	140.3	142.7	140.9	142.5	141.3	147.0
15 Other assets ⁵	143.5	145.5	147.4	149.0	152.9	153.7	157.8	164.3	168.8	166.9	161.9	157.3
16 Total assets⁶	2,607.7	2,741.2	2,761.8	2,786.0	2,817.4	2,847.5	2,877.1	2,900.7	2,898.0	2,897.6	2,900.6	2,905.1
<i>Liabilities</i>												
17 Deposits	2,045.7	2,096.2	2,122.0	2,138.2	2,163.4	2,183.9	2,201.0	2,216.4	2,216.4	2,224.8	2,208.1	2,211.5
18 Transaction	300.3	312.7	316.9	325.0	326.0	327.7	336.7	339.2	328.0	333.2	343.0	357.3
19 Nontransaction	1,745.5	1,783.5	1,805.1	1,813.2	1,837.5	1,856.2	1,864.3	1,877.2	1,888.4	1,891.6	1,865.1	1,854.2
20 Large time	299.5	309.8	314.5	315.1	316.6	319.4	317.4	317.1	317.8	319.2	315.5	316.1
21 Other	1,446.0	1,473.7	1,490.6	1,498.1	1,520.8	1,536.8	1,546.9	1,560.1	1,570.6	1,572.4	1,549.5	1,538.1
22 Borrowings	338.7	400.3	397.0	401.5	410.2	415.7	423.8	438.4	430.0	431.3	444.6	450.1
23 From banks in the U.S.	120.7	157.4	155.6	157.4	154.9	157.3	160.3	169.2	166.0	163.9	174.4	179.5
24 From others	218.0	242.9	241.5	244.2	255.3	258.4	263.5	269.2	264.0	267.4	270.2	270.6
25 Net due to related foreign offices	8.5	12.6	10.7	12.8	12.4	12.0	11.8	12.0	11.1	8.9	11.8	15.3
26 Other liabilities	64.5	75.7	79.6	79.5	80.1	79.3	80.5	81.2	81.5	80.5	81.9	80.4
27 Total liabilities	2,457.4	2,584.7	2,609.3	2,632.0	2,666.2	2,690.9	2,717.1	2,747.9	2,739.0	2,745.5	2,746.4	2,757.3
28 Residual (assets less liabilities) ⁷	150.3	156.4	152.5	154.0	151.2	156.5	160.0	152.8	159.0	152.1	154.2	147.8
Not seasonally adjusted												
<i>Assets</i>												
29 Bank credit	2,275.8	2,380.3	2,396.6	2,420.9	2,438.5	2,461.6	2,485.8	2,506.7	2,499.4	2,502.1	2,510.1	2,512.1
30 Securities in bank credit	641.8	670.1	681.8	692.8	691.4	692.9	700.5	704.0	702.5	704.2	703.6	706.2
31 U.S. government securities	432.5	463.8	475.8	488.4	487.0	490.7	495.6	499.7	499.9	500.7	499.6	498.7
32 Other securities	209.3	206.3	206.0	204.3	204.4	202.3	204.9	204.4	202.5	203.6	204.0	207.5
33 Loans and leases in bank credit ²	1,634.0	1,710.2	1,714.8	1,728.1	1,747.1	1,768.7	1,785.3	1,802.7	1,797.0	1,797.9	1,806.5	1,805.9
34 Commercial and industrial	288.2	295.8	297.9	300.9	302.7	304.3	304.3	306.0	305.4	305.4	306.5	306.6
35 Real estate	975.5	1,029.6	1,035.0	1,046.7	1,055.7	1,070.2	1,083.6	1,096.5	1,094.2	1,093.4	1,097.9	1,099.7
36 Revolving home equity	71.8	80.4	82.3	84.1	85.6	88.3	88.4	89.1	88.6	88.9	89.1	89.4
37 Other	903.7	949.2	952.8	962.6	970.2	981.9	995.1	1,007.5	1,005.6	1,004.5	1,008.8	1,010.3
38 Consumer	261.7	274.3	270.3	268.8	275.3	278.1	280.9	283.1	279.7	281.8	285.4	283.2
39 Credit cards and related plans	109.2	116.0	113.7	112.1	117.7	118.3	120.0	120.3	118.3	119.7	122.1	119.2
40 Other	152.5	158.2	156.6	156.8	157.6	159.8	160.9	162.8	161.4	162.2	163.3	164.0
41 Security ³	7.1	8.0	8.4	8.4	8.7	9.3	9.2	9.4	9.6	9.4	9.2	9.1
42 Other loans and leases	101.5	102.5	103.2	103.3	104.6	106.8	107.3	107.7	108.1	107.9	107.4	107.3
43 Interbank loans	94.4	114.0	120.5	118.6	115.7	120.9	114.5	114.5	117.6	114.1	113.6	111.1
44 Cash assets ⁴	117.1	128.1	126.8	131.9	133.3	134.5	138.0	138.0	137.1	135.4	134.8	137.5
45 Other assets ⁵	143.5	145.5	147.4	149.0	152.9	153.7	157.8	164.3	168.8	166.9	161.9	157.3
46 Total assets⁶	2,600.0	2,736.6	2,760.3	2,789.7	2,809.7	2,840.0	2,865.0	2,892.1	2,891.6	2,887.2	2,888.8	2,886.5
<i>Liabilities</i>												
47 Deposits	2,028.8	2,102.9	2,127.0	2,149.9	2,155.4	2,174.3	2,187.3	2,198.3	2,207.3	2,206.8	2,186.4	2,179.4
48 Transaction	296.8	309.3	313.2	325.3	320.5	325.4	334.0	335.3	326.9	327.9	336.9	347.6
49 Nontransaction	1,732.0	1,793.6	1,813.8	1,824.6	1,834.9	1,848.9	1,853.3	1,863.0	1,880.4	1,878.9	1,849.5	1,831.9
50 Large time	299.5	309.8	314.5	315.1	316.6	319.4	317.4	317.1	317.8	319.2	315.5	316.1
51 Other	1,432.5	1,483.8	1,499.2	1,509.5	1,518.2	1,529.6	1,535.9	1,545.8	1,562.6	1,559.7	1,533.9	1,515.8
52 Borrowings	338.7	400.3	397.0	401.5	410.2	415.7	423.8	438.4	430.0	431.3	444.6	450.1
53 From banks in the U.S.	120.7	157.4	155.6	157.4	154.9	157.3	160.3	169.2	166.0	163.9	174.4	179.5
54 From others	218.0	242.9	241.5	244.2	255.3	258.4	263.5	269.2	264.0	267.4	270.2	270.6
55 Net due to related foreign offices	8.5	12.6	10.7	12.8	12.4	12.0	11.8	12.0	11.1	8.9	11.8	15.3
56 Other liabilities	64.5	75.7	79.6	79.5	80.1	79.3	80.5	81.2	81.5	80.5	81.9	80.4
57 Total liabilities	2,440.4	2,591.5	2,614.3	2,643.7	2,658.1	2,681.4	2,703.4	2,729.9	2,729.9	2,727.5	2,724.7	2,725.3
58 Residual (assets less liabilities) ⁷	159.6	145.1	146.0	146.0	151.6	158.6	161.6	162.2	161.7	159.6	164.2	161.2

Footnotes appear on p. A21.

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

E. Foreign-related institutions

Billions of dollars

Account	Monthly averages							Wednesday figures				
	2002	2003						2003				
	Aug.	Feb.	Mar. ¹	Apr. ¹	May ¹	June ¹	July ¹	Aug.	Aug. 6	Aug. 13	Aug. 20	Aug. 27
	Seasonally adjusted											
<i>Assets</i>												
1 Bank credit	619.9	646.9 ¹	663.5	655.0	669.6	672.3	649.9	630.6	533.9	635.6	619.4	634.4
2 Securities in bank credit	248.1	279.3 ¹	283.8	277.3	288.5	288.4	267.7	267.5	259.3	268.6	268.6	269.4
3 U.S. government securities	81.8	116.7 ¹	122.5	124.2	127.4	124.3	114.5	107.4	108.8	109.2	105.7	105.7
4 Other securities	166.3	162.7	161.3	153.1	161.2	164.1	153.2	160.0	150.5	159.4	162.8	163.7
5 Loans and leases in bank credit ²	371.9	367.6	379.7	377.7	381.0	383.9	382.2	363.1	374.6	367.0	350.9	365.0
6 Commercial and industrial	189.1	174.1	171.7	172.2	170.4	163.3	162.7	156.3	158.4	157.1	155.2	155.8
7 Real estate	18.9	19.7	19.8	19.0	19.3	19.4	19.4	19.1	19.3	19.3	18.9	18.9
8 Security ³	91.5	108.2 ¹	121.4	118.1	118.9	121.8	118.9	111.6	115.5	115.9	102.6	113.5
9 Other loans and leases	72.4	65.6	66.7	68.3	72.4	79.3	81.2	76.2	81.4	74.7	74.1	76.8
10 Interbank loans	17.9	27.0	27.2	22.4	24.6	30.7	33.1	32.4	32.9	27.8	35.0	33.2
11 Cash assets ⁴	47.8	38.7	43.9	49.7	51.1	54.3	54.0	54.3	53.8	54.3	54.0	54.5
12 Other assets ⁵	27.7	34.5 ¹	30.0	32.5	36.6	36.7	33.2	36.3	37.3	39.6	38.6	33.2
13 Total assets⁶	712.9	746.7¹	764.1	759.2	781.4	793.5	769.7	753.2	757.5	756.9	746.6	754.8
<i>Liabilities</i>												
14 Deposits	497.6	442.8 ¹	448.4	434.6	433.4	442.6	453.4	455.2	459.9	461.1	454.1	450.1
15 Transaction	10.1	10.3	11.5	11.2	10.8	11.4	11.4	11.8	11.1	11.5	11.8	12.9
16 Nontransaction	487.5	432.6	436.9	423.4	422.6	431.2	442.0	443.4	448.8	449.6	442.3	437.2
17 Borrowings	213.8	275.0 ¹	293.2	297.7	305.1	315.8	297.0	293.6	308.3	307.5	277.9	283.9
18 From banks in the U.S.	21.3	31.1	33.7	27.4	31.3	34.7	36.8	33.8	33.7	36.3	32.4	32.2
19 From others	192.5	243.9 ¹	259.5	270.3	273.7	281.1	260.3	259.8	274.6	271.2	245.5	251.7
20 Net due to related foreign offices	-86.2	-78.4	-83.8	-72.9	-77.9	-81.9	-86.0	-103.5	-104.6	-122.1	-96.5	-92.7
21 Other liabilities	97.6	99.6 ¹	94.7	90.6	106.8	113.5	108.9	116.1	106.9	119.9	121.2	115.4
22 Total liabilities	722.9	738.9¹	752.5	750.0	767.4	790.0	773.3	761.4	770.4	766.3	756.6	756.7
23 Residual (assets less liabilities) ⁷	-10.0	7.8 ¹	11.6	9.2	13.9	3.5	-3.6	-8.2	-13.0	-9.4	-10.0	-1.9
	Not seasonally adjusted											
<i>Assets</i>												
24 Bank credit	613.9 ¹	651.4 ¹	661.7	654.9	664.8	668.8	642.4	624.0	629.2	630.7	612.7	626.6
25 Securities in bank credit	248.1	279.3 ¹	283.8	277.3	288.5	288.4	267.7	267.5	259.3	268.6	268.6	269.4
26 U.S. government securities	81.8	116.7 ¹	122.5	124.2	127.4	124.3	114.5	107.4	108.8	109.2	105.7	105.7
27 Trading account	13.0	36.4	37.2	39.8	43.1	43.2	40.5	39.6	38.9	40.7	38.8	38.7
28 Investment account	68.7	80.3 ¹	85.4	84.4	84.3	81.1	74.0	67.9	69.9	68.5	66.9	67.0
29 Other securities	166.3	162.7	161.3	153.1	161.2	164.1	153.2	160.0	150.5	159.4	162.8	163.7
30 Trading account	110.6	101.9 ¹	101.6	97.9	105.2	105.8	95.8	99.8	92.2	99.1	101.8	103.0
31 Investment account	55.8	60.7	59.7	55.2	56.0	58.3	57.3	60.2	58.4	60.3	61.0	60.8
32 Loans and leases in bank credit ²	365.8	372.0	377.9	377.6	376.3	380.4	374.8	356.6	369.8	362.0	344.1	357.2
33 Commercial and industrial	187.7	175.6	173.2	171.3	168.6	162.8	161.8	155.0	157.1	156.0	154.4	154.1
34 Real estate	18.9	19.7	19.8	19.0	19.3	19.4	19.4	19.1	19.3	19.3	18.9	18.9
35 Security ³	88.1	111.0	117.3	118.5	116.6	119.3	114.1	107.5	113.8	113.5	97.9	108.6
36 Other loans and leases	71.2	65.7	67.6	68.8	71.8	78.9	79.5	74.9	79.6	73.3	72.9	75.7
37 Interbank loans	17.9	27.0	27.2	22.4	24.6	30.7	33.1	32.4	32.9	27.8	35.0	33.2
38 Cash assets ⁴	45.8	39.7	42.7	47.5	49.4	51.8	51.1	52.1	51.3	51.8	51.9	52.4
39 Other assets ⁵	27.4	35.0 ¹	30.7	32.4	36.7	35.3	32.1	35.8	36.6	38.8	37.9	33.1
40 Total assets⁶	704.5	752.7¹	761.8	756.7	775.1	786.1	758.2	743.9	749.5	748.6	737.0	744.9
<i>Liabilities</i>												
41 Deposits	480.7	453.0	452.4	440.6	438.8	440.8	443.7	439.7	446.6	445.1	437.6	435.9
42 Transaction	9.8	10.3	11.1	10.6	10.4	11.0	11.4	11.5	10.8	11.2	11.5	12.5
43 Nontransaction	470.8	442.7 ¹	441.3	430.0	428.4	429.7	432.3	428.3	435.8	433.9	426.1	423.4
44 Borrowings	213.8	275.0 ¹	293.2	297.7	305.1	315.8	297.0	293.6	308.3	307.5	277.9	283.9
45 From banks in the U.S.	21.3	31.1	33.7	27.4	31.3	34.7	36.8	33.8	33.7	36.3	32.4	32.2
46 From others	192.5	243.9 ¹	259.5	270.3	273.7	281.1	260.3	259.8	274.6	271.2	245.5	251.7
47 Net due to related foreign offices	-87.9	-77.3	-81.6	-73.3	-77.5	-83.7	-89.3	-104.9	-109.1	-123.3	-98.5	-91.7
48 Other liabilities	96.5	100.4 ¹	96.3	90.3	107.1	111.9	106.3	114.9	103.1	118.8	119.4	116.3
49 Total liabilities	703.1	751.1	760.3	755.3	773.5	784.8	757.6	743.3	748.9	748.0	736.4	744.3
50 Residual (assets less liabilities) ⁷	1.4	1.6 ¹	1.5	1.5	1.6	1.3	6	.6	.6	6	.6	.6

Footnotes appear on p. A21.

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

F. Memo items

Billions of dollars

Account	Monthly averages								Wednesday figures			
	2002	2003							2003			
	Aug.	Feb.	Mar.	Apr.	May ¹	June ²	July ³	Aug.	Aug. 6	Aug. 13	Aug. 20	Aug. 27
	Not seasonally adjusted											
MEMO												
<i>Large domestically chartered banks, adjusted for mergers</i>												
1 Revaluation gains on off-balance-sheet items ⁴	112.3	116.8	115.1	105.7	128.1	135.0	112.5	96.5	98.6	97.0	96.4	92.3
2 Revaluation losses on off-balance-sheet items ⁴	94.2	94.9	91.3	81.4	105.1	110.0	85.3	79.4	80.5	79.8	80.7	76.7
3 Mortgage-backed securities ⁹	340.4	377.0 ⁶	381.4	400.8	427.1	436.7	412.7	387.6	417.3	374.6	382.8	379.9
4 Pass-through	254.2 ⁷	276.9	276.2	288.6 ⁶	314.3	324.8	301.5	274.1	299.8	258.6	269.6	271.9
5 CMO, REMIC, and other	86.3	100.0	105.1	112.2	112.9	111.9	111.1	113.5	117.5	116.0	113.2	108.0
6 Net unrealized gains (losses) on available-for-sale securities ¹⁰	9.1	11.7	11.7	10.1 ¹	11.2	12.8	6.8	-.3	.7	-.1	.4	-.6
7 Off-shore credit to U.S. residents ¹¹	19.0	18.2	18.2	17.5	17.3	16.6	15.5	14.7	15.3	14.6	14.0	15.5
8 Securitized consumer loans ¹²	143.3 ¹	151.0 ¹	152.9 ¹	154.6 ¹	155.3	157.3	161.6	162.5	162.6	162.5	162.8	162.3
9 Credit cards and related plans	125.5	134.8	136.7	138.7	139.4	140.6	144.0	144.5	144.3	144.3	144.8	144.5
10 Other	17.8 ¹	16.2 ¹	16.1 ¹	15.9 ¹	15.9	16.6	17.5	18.0	18.3	18.2	18.0	17.9
11 Securitized business loans ¹²	17.8 ¹	17.2 ¹	15.8 ¹	10.0	10.2	9.9	8.4	7.2	7.8	7.8	6.8	6.8
<i>Small domestically chartered commercial banks, adjusted for mergers</i>												
12 Mortgage-backed securities ⁹	297.2	314.4 ¹	325.5 ¹	336.1 ¹	337.1	336.8	332.0	330.3	329.6	332.0	330.1	329.0
13 Securitized consumer loans ¹²	201.7 ¹	203.8 ¹	202.4 ¹	204.6 ¹	204.3	204.0	200.6	201.8	201.8	201.7	200.5	202.8
14 Credit cards and related plans	199.0	195.8	194.3	196.7 ¹	196.5	196.3	193.0	194.2	194.2	194.1	192.9	195.2
15 Other	2.7 ¹	8.0 ¹	8.1 ¹	7.9 ¹	7.8	7.7	7.6	7.6	7.6	7.6	7.6	7.6
<i>Foreign-related institutions</i>												
16 Revaluation gains on off-balance-sheet items ⁴	65.0	67.1	65.4	64.9	73.6	72.6	65.3	65.9	62.5	65.4	66.3	67.9
17 Revaluation losses on off-balance-sheet items ⁴	64.6	64.9	63.6	62.4	72.6	72.6	64.9	64.9	61.2	64.2	65.6	66.9
18 Securitized business loans ¹²	9.1	4.6	4.1	3.3	3.0	2.5	1.5	1.4	1.5	1.4	1.4	1.4

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12. Total amount outstanding

1.32 COMMERCIAL PAPER OUTSTANDING

Millions of dollars, seasonally adjusted, end of period

Item	Year ending December					2003					
	1998	1999	2000	2001	2002	Feb.	Mar.	Apr.	May	June	July
1 All issuers	1,163,303	1,403,023	1,619,274	1,458,870	1,347,997	1,346,782	1,341,270	1,342,147	1,365,704	1,324,911	1,347,286
Financial companies ¹											
2 Dealer-placed paper, total ²	614,142	786,643	963,070	967,748	976,163	952,868	946,773	961,002	1,003,088	974,116	994,384
3 Directly placed paper, total ³	322,030	337,240	312,771	266,276	217,787	239,037	244,504	232,879	222,597	219,960	218,311
4 Nonfinancial companies ⁴	227,132	279,140	343,433	224,847	154,047	154,876	149,993	148,266	140,020	130,835	134,591

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

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

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

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

1.33 PRIME RATE CHARGED BY BANKS Short-Term Business Loans¹

Percent per year

Date of change	Rate	Period	Average rate	Period	Average rate	Period	Average rate
2000—Jan. 1	8.50	2000	9.23	2001—Jan.	9.05	2002—Jan.	4.75
Feb. 3	8.75	2001	6.91	Feb.	8.50	Feb.	4.75
Mar. 22	9.00	2002	4.67	Mar.	8.32	Mar.	4.75
May 17	9.50			Apr.	7.80	Apr.	4.75
		2000—Jan.	8.50	May	7.24	May	4.75
2001—Jan. 4	9.00	Feb.	8.73	June	6.98	June	4.75
Feb. 1	8.50	Mar.	8.83	July	6.75	July	4.75
Mar. 21	8.00	Apr.	9.00	Aug.	6.67	Aug.	4.75
Apr. 19	7.50	May	9.24	Sept.	6.28	Sept.	4.75
May 16	7.00	June	9.50	Oct.	5.53	Oct.	4.75
June 28	6.75	July	9.50	Nov.	5.10	Nov.	4.35
Aug. 22	6.50	Aug.	9.50	Dec.	4.84	Dec.	4.25
Sept. 18	6.00	Sept.	9.50			2003—Jan.	4.25
Oct. 3	5.50	Oct.	9.50			Feb.	4.25
Nov. 7	5.00	Nov.	9.50			Mar.	4.25
Dec. 12	4.75	Dec.	9.50			Apr.	4.25
						May	4.25
2002—Nov. 7	4.25					June	4.22
						July	4.00
2003—June 27	4.00					Aug.	4.00
						Sept.	4.00

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

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

1.35 INTEREST RATES Money and Capital Markets

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

Item	2000	2001	2002	2003				2003, week ending				
				May	June	July	Aug.	Aug. 1	Aug. 8	Aug. 15	Aug. 22	Aug. 29
MONEY MARKET INSTRUMENTS												
1 Federal funds ^{1,2,3}	6.24	3.88	1.67	1.26	1.22	1.01	1.03	1.04	0.97	0.98	1.18	1.00
2 Discount window primary credit ^{2,4}	n.a.	n.a.	n.a.	2.25	2.20	2.00	2.00	2.00	2.00	2.00	2.00	2.00
<i>Commercial paper^{3,5,6}</i>												
Nonfinancial												
3 1-month	6.27	3.78	1.67	1.21	1.06	1.01	1.03	1.02	1.03	1.03	1.04	1.02
4 2-month	6.29	3.68	1.67	1.20	1.03	1.02	1.03	1.04	1.03	1.03	1.03	1.03
5 3-month	6.31	3.65	1.69	1.19	1.01	1.01	1.04	1.03	1.03	1.04	1.05	1.04
Financial												
6 1-month	6.28	3.80	1.68	1.24	1.08	1.02	1.04	1.04	1.04	1.04	1.05	1.04
7 2-month	6.30	3.71	1.69	1.22	1.04	1.03	1.05	1.04	1.05	1.05	1.06	1.05
8 3-month	6.33	3.65	1.70	1.20	1.02	1.03	1.06	1.04	1.05	1.06	1.07	1.07
<i>Certificates of deposit, secondary market^{3,7}</i>												
9 1-month	6.35	3.84	1.72	1.26	1.10	1.05	1.07	1.07	1.07	1.07	1.06	1.07
10 3-month	6.46	3.71	1.73	1.22	1.04	1.05	1.08	1.07	1.08	1.08	1.08	1.09
11 6-month	6.59	3.66	1.81	1.19	1.02	1.06	1.13	1.10	1.13	1.13	1.13	1.14
12 Eurodollar deposits, 3-month ^{3,8}	6.45	3.70	1.73	1.21	1.03	1.04	1.07	1.05	1.06	1.07	1.07	1.07
<i>U.S. Treasury bills</i>												
Secondary market ^{3,5}												
13 4-week	n.a.	2.43	1.60	1.06	0.96	0.88	0.93	0.92	0.90	0.92	0.94	0.97
14 3-month	5.82	3.40	1.61	1.07	0.92	0.90	0.95	0.95	0.94	0.94	0.95	0.98
15 6-month	5.90	3.34	1.68	1.08	0.92	0.95	1.03	1.00	1.02	1.03	1.03	1.04
U.S. TREASURY NOTES AND BONDS												
<i>Constant maturities⁹</i>												
16 1-year	6.11	3.49	2.00	1.18	1.01	1.12	1.31	1.22	1.26	1.29	1.33	1.35
17 2-year	6.26	3.83	2.64	1.42	1.23	1.47	1.86	1.71	1.77	1.82	1.89	1.98
18 3-year	6.22	4.09	3.10	1.75	1.51	1.93	2.44	2.27	2.32	2.41	2.47	2.55
19 5-year	6.16	4.56	3.82	2.52	2.27	2.87	3.37	3.31	3.24	3.35	3.39	3.49
20 7-year	6.20	4.88	4.30	3.07	2.84	3.45	3.96	3.91	3.84	3.97	3.99	4.04
21 10-year	6.03	5.02	4.61	3.57	3.33	3.98	4.45	4.40	4.34	4.49	4.47	4.49
22 20-year	6.23	5.63	5.43	4.52	4.34	4.92	5.39	5.34	5.34	5.45	5.39	5.38
23 Treasury long-term average ^{10,11} 25 years and above	n.a.	n.a.	5.41	4.61	4.45	5.00	5.41	5.38	5.38	5.48	5.41	5.37
STATE AND LOCAL NOTES AND BONDS												
<i>Moody's series¹²</i>												
24 Aaa	5.58	5.01	4.87	4.16	4.07	4.59	4.82	4.91	4.85	4.97	4.67	4.80
25 Baa	6.19	5.75	5.64	4.91	4.68	5.17	5.42	5.47	5.45	5.57	5.27	5.40
26 Bond Buyer series ¹³	5.71	5.15	5.04	4.41	4.33	4.74	5.10	5.07	5.06	5.18	5.10	5.07
CORPORATE BONDS												
27 Seasoned issues, all industries ¹⁴	7.98	7.49	7.10	5.88	5.70	6.13	6.46	6.44	6.44	6.52	6.46	6.43
<i>Rating group</i>												
28 Aaa ¹⁵	7.62	7.08	6.49	5.22	4.97	5.49	5.88	5.84	5.83	5.93	5.89	5.87
29 Aa	7.83	7.26	6.93	5.85	5.72	6.07	6.31	6.33	6.31	6.36	6.29	6.28
30 A	8.11	7.67	7.18	6.08	5.92	6.35	6.64	6.62	6.62	6.69	6.63	6.61
31 Baa	8.37	7.95	7.80	6.38	6.19	6.62	7.01	6.97	6.98	7.07	7.02	6.97
MEMO												
32 Dividend-price ratio ¹⁶ Common stocks	1.15	1.32	1.61	1.72	1.64	1.64	1.67	1.67	1.69	1.69	1.66	1.65

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

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

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

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

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

5. Quoted on a discount basis.

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

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

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

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

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

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

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

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

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

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

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

SOURCE: U.S. Department of the Treasury.

1.36 STOCK MARKET Selected Statistics

Indicator	2000	2001	2002	2002	2003							
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Prices and trading volume (averages of daily figures)												
<i>Common stock prices (indexes)</i>												
1 New York Stock Exchange (Dec. 31, 1965 = 50)	6,806.46	6,407.95	5,571.46	5,075.76	5,055.78	4,738.56	4,724.22	4,977.45	5,269.96	5,583.60	5,567.94	5,580.87
2 Industrial	809.40	749.46	656.44	593.15	587.78	553.90	558.10	583.74	613.26	649.25	648.00	651.19
3 Transportation	414.73	444.45	430.63	401.39	394.60	367.55	366.90	395.85	425.12	441.81	445.29	451.31
4 Utility	478.99	377.72	260.50	236.71	236.42	214.64	211.45	221.06	238.33	254.16	244.67	238.06
5 Finance	552.48	596.61	554.88	519.72	522.51	485.72	486.71	522.05	549.91	579.48	588.81	582.20
6 Standard & Poor's Corporation (1941-43 = 10) ¹	1,427.22	1,194.18	993.94	899.18	895.84	837.62	846.62	890.03	935.96	988.00	992.54	989.53
7 American Stock Exchange (Aug. 31, 1973 = 50) ²	922.22	879.08	860.11	823.77	824.64	818.84	822.34	837.92	894.74	962.46	959.26	960.50
<i>Volume of trading (thousands of shares)</i>												
8 New York Stock Exchange	1,026,867	1,216,529	1,411,689	1,210,332	1,441,846	1,302,011	1,403,742	1,381,580	1,455,858	1,472,560	1,412,818	1,175,615
9 American Stock Exchange	51,437	68,074	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Customer financing (millions of dollars, end-of-period balances)												
10 Margin credit at broker-dealers ³	198,790	150,450	134,380	134,380	134,910	134,030	135,910	140,450	146,380	148,550	148,450	149,660
<i>Free credit balances at brokers⁴</i>												
11 Margin accounts ⁵	100,680	101,640	95,690	95,690	96,430	95,400	90,830	88,770	88,540	87,920	91,210	88,040
12 Cash accounts	84,400	78,040	73,340	73,340	66,200	67,260	68,860	70,080	71,270	74,350	76,170	72,000
Margin requirements (percent of market value and effective date) ⁶												
	Mar. 11, 1968		June 8, 1968		May 6, 1970		Dec. 6, 1971		Nov. 24, 1972		Jan. 3, 1974	
13 Margin stocks	70		80		65		55		65		50	
14 Convertible bonds	50		60		50		50		50		50	
15 Short sales	70		80		65		55		65		50	

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

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

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

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

5. Series initiated in June 1984.

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

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

1.40 FEDERAL DEBT SUBJECT TO STATUTORY LIMITATION

Billions of dollars, end of month

Item	2001			2002			2003		
	June 30	Sept. 30	Dec. 31	Mar. 31	June 30	Sept. 30	Dec. 31	Mar. 31	June 30
1 Federal debt outstanding	5,753.9	5,834.5	5,970.3	6,032.4	6,153.3	6,255.4	6,433.0	6,487.7	6,697.1
2 Public debt securities	5,726.8	5,807.5	5,943.4	6,006.0	6,126.5	6,228.2	6,405.7	6,460.8	6,670.1
3 Held by public	3,274.2	3,338.7	3,393.8	3,443.7	3,463.5	3,552.6	3,647.4	3,710.8	3,816.3
4 Held by agencies	2,452.6	2,468.8	2,549.7	2,562.4	2,662.9	2,675.6	2,758.3	2,750.0	2,853.8
5 Agency securities	27.1	27.0	26.8	26.4	26.8	27.2	27.3	26.9	27.0
6 Held by public	27.1	27.0	26.8	26.4	26.8	27.2	27.3	26.9	27.0
7 Held by agencies	.0	.0	.0	.0	.0	.0	.0	.0	.0
8 Debt subject to statutory limit	5,645.0	5,732.6	5,871.4	5,935.1	6,058.3	6,161.4	6,359.4	6,400.0	6,625.5
9 Public debt securities	5,644.8	5,732.4	5,871.2	5,935.0	6,058.1	6,161.1	6,359.1	6,399.8	6,625.3
10 Other debt ¹	.2	.2	.3	.2	.2	.3	.3	.2	.2
MEMO									
11 Statutory debt limit	5,950.0	5,950.0	5,950.0	5,950.0	6,400.0	6,400.0	6,400.0	6,400.0	7,384.0

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

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

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

Billions of dollars, end of period

Type and holder	1999	2000	2001	2002	2002		2003	
					Q3	Q4	Q1	Q2
1 Total gross public debt	5,776.1	5,662.2	5,943.4	6,405.7	6,228.2	6,405.7	6,460.8	6,670.1
<i>By type</i>								
2 Interest-bearing	5,766.1	5,618.1	5,930.8	6,391.4	6,216.3	6,391.4	6,474.0	6,656.5
3 Marketable	3,281.0	2,966.9	2,982.9	3,205.1	3,136.6	3,205.1	3,331.8	3,379.0
4 Bills	737.1	646.9	811.3	888.8	868.3	888.8	955.0	927.8
5 Notes	1,784.5	1,557.3	1,413.9	1,580.8	1,521.5	1,580.8	1,622.9	1,713.7
6 Bonds	643.7	626.5	602.7	588.7	592.9	588.7	585.7	582.4
7 Inflation-indexed notes and bonds ¹	100.7	121.2	140.1	146.9	138.9	146.9	153.2	155.0
8 Nonmarketable ²	2,485.1	2,651.2	2,947.9	3,186.3	3,079.6	3,186.3	3,142.2	3,277.6
9 State and local government series	165.7	151.0	146.3	153.4	144.3	153.4	148.8	140.5
10 Foreign issues ³	31.3	27.2	15.4	11.2	12.5	11.2	12.2	11.7
11 Government	31.3	27.2	15.4	11.2	12.5	11.2	12.2	11.7
12 Public	.0	.0	.0	.0	.0	.0	.0	.0
13 Savings bonds and notes	179.4	176.9	181.5	184.8	185.6	184.8	187.3	189.9
14 Government account series ⁴	2,078.7	2,266.1	2,574.8	2,806.9	2,707.3	2,806.9	2,763.8	2,905.5
15 Non-interest-bearing	10.0	44.2	12.7	14.3	12.0	14.3	13.8	13.6
<i>By holder⁵</i>								
16 U.S. Treasury and other federal agencies and trust funds	2,064.2	2,270.1	2,572.2	2,757.8	2,701.3	2,757.8	2,763.3	2,853.3
17 Federal Reserve Banks ⁶	478.0	511.7	551.7	629.4	604.2	629.4	641.5	652.1
18 Private investors	3,233.9	2,880.4	2,819.5	3,018.5	2,924.8	3,018.5	3,056.0	3,164.7
19 Depository institutions	248.7	201.5	181.5	222.6	210.4	222.6	153.1	144.8
20 Mutual funds	228.6	220.8	257.5	279.0	255.6	279.0	296.3	298.5
21 Insurance companies	123.4	110.2	105.7	133.9	126.8	133.9	151.2	161.7
22 State and local treasuries ⁷	266.8	236.2	256.5	274.2	269.4	274.2	306.2	318.5
Individuals								
23 Savings bonds	186.4	184.8	190.3	194.9	193.3	194.9	196.9	199.1
24 Pension funds	321.0	304.1	281.6	289.9	284.9	289.9	244.2	254.5
25 Private	109.8	108.4	104.2	113.6	110.9	113.6	66.9	69.1
26 State and Local	211.2	195.7	177.4	176.3	174.1	176.3	177.2	185.4
27 Foreign and international ⁸	1,268.7	1,034.2	1,053.1	1,212.7	1,167.1	1,212.7	1,254.6	1,355.3
28 Other miscellaneous investors ⁹	590.3	588.7	493.3	433.8	429.9	433.8	443.4	n.a.

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

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

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

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

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

6. U.S. Treasury securities bought outright by Federal Reserve Banks, see *Bulletin* table I.18.

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

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

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

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

1.42 U.S. GOVERNMENT SECURITIES DEALERS Transactions¹

Millions of dollars, daily averages

Item	2003			2003, week ending								
	May	June	July	July 2	July 9	July 16	July 23	July 30	Aug. 6	Aug. 13	Aug. 20	Aug. 27
<i>By type of security</i>												
1 U.S. Treasury bills	48,474	50,058	38,948	55,708	45,238	34,925	29,761	40,126	40,435	34,249	34,815	44,759
<i>Treasury coupon securities by maturity</i>												
2 Three years or less	167,853	152,654	143,806	165,529	122,801	123,842	138,491	164,430	207,652	137,279	105,718	130,553
3 More than three but less than or equal to six years	139,291	131,546	137,381	153,869	130,356	118,553	125,366	155,688	155,179	140,241	92,726	114,815
4 More than six but less than or equal to eleven years	117,206	106,432	131,663	111,966	122,596	125,941	120,954	152,760	183,990	156,274	94,188	93,774
5 More than eleven years	36,907	31,439	31,296	32,948	29,077	28,365	26,363	36,986	47,739	28,541	22,577	20,017
6 Inflation-indexed ²	4,303	2,949	6,157	2,666	11,622	7,639	4,498	3,707	4,420	3,029	3,318	2,843
<i>Federal agency and government-sponsored enterprises</i>												
7 Discount notes	60,395	62,416	52,616 ^r	64,852	50,285	52,219	48,328	52,289	62,536	60,422	56,696	47,979
<i>Coupon securities by maturity</i>												
8 Three years or less	11,262	13,029	11,854 ^r	12,786	9,687	11,484	12,064	13,121	13,116	11,799	11,489	11,299
9 More than three years but less than or equal to six years	10,180	10,171	8,078 ^r	11,133	5,060	5,751	12,237	7,761	6,465	5,548	3,768	3,642
10 More than six years but less than or equal to eleven years	7,723	9,211	6,822	5,889	5,598	8,417	6,383	6,657	8,628	6,174	3,564	4,190
11 More than eleven years	1,078	1,486	1,048	1,311	911	1,042	981	1,039	1,478	897	625	469
12 Mortgage-backed	255,830	228,360	242,916	216,071	327,320	271,103	202,235	199,351	239,283	311,505	167,495	104,888
<i>Corporate securities</i>												
13 One year or less	121,358	140,708	129,914	165,464	126,939	134,641	124,979	118,830	127,184	130,215	148,655	129,006
14 More than one year	23,053	21,940	20,616	22,144	16,891	21,652	22,150	20,597	19,707	16,832	15,134	14,020
<i>By type of counterparty</i>												
<i>With interdealer broker</i>												
15 U.S. Treasury	236,729	219,499	222,140	230,978	208,710	201,354	204,364	251,770	302,845	227,331	162,456	186,503
<i>Federal agency and government-sponsored enterprises</i>												
17 Mortgage-backed	10,429	11,148	8,211	9,131	6,695	7,829	9,099	8,357	9,182	7,809	6,301	5,980
18 Corporate	71,749	62,176	64,153	61,368	77,196	66,859	61,978	55,577	57,774	75,236	51,455	27,525
	532	581	587	595	372	505	630	776	676	592	601	466
<i>With other</i>												
19 U.S. Treasury	277,305	255,580	267,111	291,708	252,981	237,910	241,070	301,927	376,570	272,282	190,886	220,258
<i>Federal agency and government-sponsored enterprises</i>												
20 U.S. Treasury	80,208	85,166	72,207 ^r	86,838	64,846	71,084	70,895	72,511	83,039	77,031	69,841	61,598
21 Mortgage-backed	184,080	166,185	178,763	154,703	250,124	204,244	140,257	143,774	181,508	236,269	116,041	77,363
22 Corporate	143,879	162,067	149,944	187,012	143,458	155,789	146,500	138,652	146,214	146,455	163,188	142,561

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

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

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

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

1.43 U.S. GOVERNMENT SECURITIES DEALERS Positions and Financing¹

Millions of dollars

Item, by type of security	2003			2003, week ending							
	May	June	July	July 2	July 9	July 16	July 23	July 30	Aug. 6	Aug. 13	Aug. 20
Net outright positions ²											
1 U.S. Treasury bills	10,092	9,882	10,596	-721	7,986	6,445	17,917	11,936	19,935	21,752	21,314
Treasury coupon securities by maturity											
2 Three years or less	-12,954	-11,958	-18,548	-12,044	-20,746	-26,386	-13,692	-17,454	-2,969	-9,011	-12,258
3 More than three years but less than or equal to six years	-42,497	-45,702	-54,366	-52,478	-50,779	-53,573	-58,291	-56,769	-44,503	-39,039	-42,893
4 More than six but less than or equal to eleven years	-8,149	-11,295	-18,655	-21,939	-18,959	-18,430	-18,715	-17,893	-16,455	-13,698	-10,152
5 More than eleven	3,180	680	4,869	2,551	4,440	4,797	4,738	6,455	2,835	1,742	3,593
6 Inflation-indexed	-127	854	911	848	1,524	1,134	-93	1,085	988	622	-30
Federal agency and government-sponsored enterprises											
7 Discount notes	62,728	61,088	59,856	64,831	67,610	66,300	57,106	49,592	41,628	53,754	42,795
Coupon securities, by maturity											
8 Three years or less	20,165	17,246	15,782	17,688	17,293	17,562	13,110	15,413	10,228	12,736	14,789
9 More than three years but less than or equal to six years	4,807	2,400	4,399	2,104	3,842	4,364	4,727	5,704	1,714	806	588
10 More than six but less than or equal to eleven years	3,875	4,057	5,336	4,516	4,648	7,256	5,834	4,137	3,262	3,304	2,470
11 More than eleven	2,366	2,748	2,204	2,898	2,454	2,340	2,143	1,771	1,569	1,635	1,545
12 Mortgage-backed	42,381	55,930	57,244	65,442	61,991	62,210	61,753	45,610	22,725	19,517	19,391
Corporate securities											
13 One year or less	25,518	33,054	32,644 ⁴	32,457	22,859	36,888	38,722	32,083	33,190	40,351	29,484
14 More than one year	58,309	58,821	65,577 ⁴	56,260	52,296	55,365	75,715	79,440	80,653	81,434	80,703
Financing ¹											
Securities in, U.S. Treasury											
15 Overnight and continuing	694,287	739,231	726,387	745,495	734,326	734,833	711,835	714,798	756,459	688,920	724,763
16 Term	881,597	944,185	937,832	831,069	871,586	922,611	978,365	997,897	1,017,424	1,021,876	849,260
Federal agency and government-sponsored enterprises											
17 Overnight and continuing	152,445	151,751	147,727	144,996	152,938	151,908	145,151	140,723	154,493	162,483	158,073
18 Term	243,263	254,853	245,668	239,480	244,501	248,488	248,088	244,102	240,508	244,190	230,255
Mortgage-backed securities											
19 Overnight and continuing	42,935	36,223	37,704	31,989	41,047	35,677	38,519	37,599	34,959	41,193	44,250
20 Term	247,674	249,278	253,576	247,109	250,192	247,779	261,280	256,505	256,354	250,742	242,453
Corporate securities											
21 Overnight and continuing	68,094	71,329	76,154	73,975	75,059	76,486	76,948	76,580	77,312	76,186	75,442
22 Term	27,031	28,474	30,092	29,879	30,474	30,264	29,930	29,804	29,791	29,847	30,339
MEMO											
Reverse repurchase agreements											
23 Overnight and continuing	482,620	510,880	472,181	482,902	483,051	476,612	457,947	465,221	491,999	448,293	471,250
24 Term	1,220,752	1,297,890	1,288,014	1,177,830	1,226,445	1,271,003	1,332,263	1,343,545	1,359,981	1,364,600	1,179,112
Securities out, U.S. Treasury											
25 Overnight and continuing	674,535	711,222	686,520	690,942	688,981	695,254	673,657	683,907	707,630	647,169	685,678
26 Term	801,453	849,957	832,743	739,089	771,753	813,745	868,056	889,446	935,844	939,314	762,225
Federal agency and government-sponsored enterprises											
27 Overnight and continuing	297,432	295,952	286,946	287,582	298,345	289,818	283,984	277,779	270,689	285,503	273,716
28 Term	186,301	195,981	190,018	185,252	192,686	195,836	188,841	184,957	183,815	190,915	178,610
Mortgage-backed securities											
29 Overnight and continuing	357,464	356,571	372,739	352,456	348,669	390,005	391,859	368,093	359,630	382,491	360,126
30 Term	147,596	141,975	160,896	138,058	146,109	158,812	173,779	171,387	161,045	171,184	175,097
Corporate securities											
31 Overnight and continuing	146,125	156,474	159,712	163,253	154,736	163,731	158,566	160,971	158,525	163,204	152,417
32 Term	25,505	26,437	27,191	23,959	25,444	27,989	28,007	27,500	32,432	31,792	31,862
MEMO											
Repurchase agreements											
33 Overnight and continuing	1,262,067	1,305,120	1,276,928	1,264,178	1,261,107	1,318,921	1,275,855	1,257,702	1,261,321	1,248,439	1,237,390
34 Term	1,106,335	1,163,284	1,164,237	1,045,353	1,090,292	1,149,272	1,210,387	1,226,689	1,264,172	1,282,554	1,104,971

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

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

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

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

1.44 FEDERAL AND FEDERALLY SPONSORED CREDIT AGENCIES Debt Outstanding

Millions of dollars, end of period

Agency	1999	2000	2001	2002	2003				
					Feb.	Mar.	Apr.	May	June
1 Federal and federally sponsored agencies	1,616,492	1,851,632	2,121,057	2,351,039	n.a.	n.a.	n.a.	n.a.	n.a.
2 Federal agencies	26,376	25,666	276	2	26,408	26,886	26,450	26,500	27,015
3 Defense Department ¹	6	6	6	6	6	6	6	6	6
4 Export-Import Bank ^{2,3}	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
5 Federal Housing Administration ⁴	126	255	26,828	26,828	152	166	195	218	227
6 Government National Mortgage Association certificates of participation ⁵	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
7 Postal Service ⁶	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
8 Tennessee Valley Authority	26,370	25,660	270	270	26,402	26,880	26,444	26,494	27,009
9 United States Railway Association ⁶	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
10 Federally sponsored agencies ⁷	1,590,116	1,825,966	2,120,781	2,351,037	n.a.	n.a.	n.a.	n.a.	n.a.
11 Federal Home Loan Banks	529,005	594,404	623,740	674,841	684,495	687,573	706,215	717,900	712,447
12 Federal Home Loan Mortgage Corporation	360,711	426,899	565,071	648,894	n.a.	n.a.	n.a.	n.a.	n.a.
13 Federal National Mortgage Association	547,619	642,700	763,500	851,000	871,000	873,500	871,500	876,200	884,100
14 Farm Credit Banks ⁸	68,883	74,181	76,673	85,088	86,045	86,802	87,591	89,007	89,130
15 Student Loan Marketing Association ⁹	41,988	45,375	48,350	47,900	50,900	49,100	51,200	54,200	52,700
16 Financing Corporation ¹⁰	8,170	8,170	8,170	8,170	8,170	8,170	8,170	8,170	8,170
17 Farm Credit Financial Assistance Corporation ¹¹	1,261	1,261	1,261	1,261	1,261	1,261	1,261	1,261	1,261
18 Resolution Funding Corporation ¹²	29,996	29,996	29,996	29,996	29,996	29,996	29,996	29,996	29,996
MEMO									
19 Federal Financing Bank debt¹³	42,152	40,575	39,096	37,017	35,794	35,780	35,808	36,383	36,361
<i>Lending to federal and federally sponsored agencies</i>									
20 Export-Import Bank ³	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
21 Postal Service ⁶	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
22 Student Loan Marketing Association	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
23 Tennessee Valley Authority	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
24 United States Railway Association ⁶	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<i>Other lending¹⁴</i>									
25 Farmers Home Administration	6,665	5,275	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
26 Rural Electrification Administration	14,085	13,126	13,876	14,489	14,750	14,750	14,760	14,793	15,383
27 Other	21,402	22,174	25,220	22,528	21,044	21,030	21,048	21,590	20,978

1. Consists of mortgages assumed by the Defense Department between 1957 and 1963 under family housing and homeowners assistance programs.

2. Includes participation certificates reclassified as debt beginning Oct. 1, 1976.

3. On-budget since Sept. 30, 1976.

4. Consists of debentures issued in payment of Federal Housing Administration insurance claims. Once issued, these securities may be sold privately on the securities market.

5. Certificates of participation issued before fiscal year 1969 by the Government National Mortgage Association acting as trustee for the Farmers Home Administration; the Department of Health, Education, and Welfare; the Department of Housing and Urban Development; the Small Business Administration; and the Veterans Administration.

6. Off-budget.

7. Includes outstanding noncontingent liabilities: notes, bonds, and debentures. Includes Federal Agriculture Mortgage Corporation; therefore, details do not sum to total. Some data are estimated.

8. Excludes borrowing by the Farm Credit Financial Assistance Corporation, which is shown on line 17.

9. Before late 1982, the association obtained financing through the Federal Financing Bank (FFB). Borrowing excludes that obtained from the FFB, which is shown on line 22.

10. The Financing Corporation, established in August 1987 to recapitalize the Federal Savings and Loan Insurance Corporation, undertook its first borrowing in October 1987.

11. The Farm Credit Financial Assistance Corporation, established in January 1988 to provide assistance to the Farm Credit System, undertook its first borrowing in July 1988.

12. The Resolution Funding Corporation, established by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, undertook its first borrowing in October 1989.

13. The FFB, which began operations in 197-, is authorized to purchase or sell obligations issued, sold, or guaranteed by other federal agencies. Because FFB incurs debt solely for the purpose of lending to other agencies, its debt is not included in the main portion of the table to avoid double counting.

14. Includes FFB purchases of agency assets and guaranteed loans; the latter are loans guaranteed by numerous agencies, with the amounts guaranteed by any one agency generally being small. The Farmers Home Administration entry consists exclusively of agency assets, whereas the Rural Electrification Administration entry consists of both agency assets and guaranteed loans.

1.45 NEW SECURITY ISSUES State and Local Governments

Millions of dollars

Type of issue or issuer, or use	2000	2001	2002	2003							
				Jan.	Feb. ¹	Mar. ¹	Apr. ¹	May ¹	June ¹	July ¹	Aug.
1 All issues, new and refunding¹	180,403	292,027	364,073²	27,138	30,171	28,096	34,911	36,029	48,346	33,146	25,711
<i>By type of issue</i>											
2 General obligation	64,475	118,554	145,323	8,112	12,772	9,794	14,815	13,073	23,789	12,595	7,142
3 Revenue	115,928	170,047	214,788	17,049	17,399	18,303	20,095	22,956	24,557	20,551	18,569
<i>By type of issuer</i>											
4 State	19,944	30,099	33,931	1,927	3,604	1,277	5,521	2,808	14,411	2,924	2,185
5 Special district or statutory authority ²	121,185	197,462	259,070	17,979	20,893	19,777	23,911	22,879	26,458	22,008	17,074
6 Municipality, county, or township	39,273	61,040	67,121	5,290	5,674	7,043	5,478	10,342	7,477	8,215	6,452
7 Issues for new capital	154,257	200,363	243,212²	18,809¹	20,339	15,944	24,708	21,243	36,037	22,142	18,421
<i>By use of proceeds</i>											
8 Education	38,665	50,054	57,894	4,823	7,067	5,354	7,591	7,128	6,111	4,967	6,696
9 Transportation	19,730	21,411	22,093	1,417	1,625	1,233	3,479	1,891	2,049	2,637	3,089
10 Utilities and conservation	11,917	21,917	33,404	2,196	183	599	842	1,008	2,021	361	746
11 Social welfare	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
12 Industrial aid	7,122	6,607	7,227	422	1,118	1,602	1,828	3,209	1,787	2,462	1,776
13 Other purposes	47,309	55,733	73,033	7,400	7,189	3,724	8,396	5,603	19,880	6,864	3,718

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

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

1.46 NEW SECURITY ISSUES U.S. Corporations

Millions of dollars

Type of issue, offering, or issuer	2000	2001	2002	2002	2003						
				Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July
1 All issues¹	1,079,727	1,541,821	1,429,298	127,061	127,304	134,957	155,821	125,223	170,003	179,615	126,114
2 Bonds²	944,810	1,413,267	1,318,863	120,183	120,177	127,818	149,928	116,861	161,265	163,726	116,806
<i>By type of offering</i>											
3 Sold in the United States	822,012	1,356,879	1,232,618	114,332	113,951	118,567	144,315	114,277	149,437	147,835	104,875
4 Sold abroad	122,798	56,389	86,246	5,851	6,226	9,250	5,613	2,585	11,828	15,890	11,931
MEMO											
5 Private placements, domestic	19,442 ²	24,415 ¹	18,870 ¹	2,064 ¹	4,553 ¹	1,087 ¹	1,760 ¹	1,189 ¹	1,804 ¹	4,140 ¹	n.a.
<i>By industry group</i>											
6 Nonfinancial	258,804	459,560	282,484	20,751	28,461	26,991	27,514	22,153	48,353	52,139	28,425
7 Financial	686,006	953,707	1,036,379	99,433	91,716	100,826	122,414	94,708	112,912	111,587	88,381
8 Stocks³	311,941	230,632	170,673	6,878	7,127	7,139	5,893	8,362	8,738	15,889	9,308
<i>By type of offering</i>											
9 Public	134,917	128,554	110,435	6,878	7,127	7,139	5,893	8,362	8,738	15,889	9,308
10 Private placement ⁴	177,024	102,078	60,238	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<i>By industry group</i>											
11 Nonfinancial	118,369	77,577	62,115	4,154	3,793	2,679	1,053	1,592	3,075	4,727	3,333
12 Financial	16,548	50,977	48,320	2,724	3,334	4,460	4,840	6,770	5,663	11,162	5,975

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

2. Monthly data include 144(a) offerings.

3. Monthly data cover only public offerings.

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

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

A30 Domestic Financial Statistics □ November 2003

1.47 OPEN-END INVESTMENT COMPANIES Net Sales and Assets¹

Millions of dollars

Item	2001	2002 ¹	2003							
			Jan.	Feb.	Mar.	Apr.	May	June	July ¹	Aug.
1 Sales of own shares ²	1,806,474	1,825,840	152,647	122,321	140,643	141,465	142,688	157,773	153,832	138,802
2 Redemptions of own shares	1,677,266	1,702,676	138,951	113,643	129,337	112,109	118,794	130,024	139,690	125,177
3 Net sales ³	129,208	123,164	13,696	8,678	11,306	29,356	23,894	27,749	14,142	13,625
4 Assets ⁴	4,689,624	4,119,322	4,060,568	4,031,818	4,059,934	4,327,560	4,563,023	4,653,085	4,714,516	4,828,207
5 Cash ⁵	219,620	208,479	212,792	199,546	214,146	230,032	232,836	236,547	220,372	227,507
6 Other	4,470,004	3,910,843	3,847,776	3,832,272	3,845,788	4,097,528	4,330,187	4,416,538	4,494,144	4,600,700

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

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

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

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

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

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

1.51 DOMESTIC FINANCE COMPANIES Assets and Liabilities¹

Billions of dollars, end of period; not seasonally adjusted

Account	2000	2001	2002	2001	2002				2003	
				Q4	Q1	Q2	Q3	Q4	Q1	Q2
ASSETS										
1 Accounts receivable, gross ²	958.7	948.3	945.4	948.3	930.0	941.9	945.6	945.4	934.9	947.9
2 Consumer	328.0	340.1	315.6	340.1	329.8	332.0	334.5	315.6	307.1	308.6
3 Business	458.4	447.0	455.3	447.0	443.0	449.4	445.5	455.3	453.9	455.8
4 Real estate	172.3	161.3	174.5	161.3	157.2	160.5	165.5	174.5	173.9	183.4
5 Less: Reserves for unearned income	69.7	60.6	57.0	60.6	59.5	58.5	58.0	57.0	54.2	53.8
6 Reserves for losses	16.7	21.0	23.8	21.0	21.5	21.6	22.0	23.8	24.0	24.5
7 Accounts receivable, net	872.3	866.7	864.5	866.7	849.0	861.9	865.6	864.5	856.7	869.6
8 All other	461.5	523.4	584.7	523.4	515.2	530.6	558.0	584.7	610.9	655.9
9 Total assets	1,333.7	1,390.1	1,449.3	1,390.1	1,364.2	1,392.5	1,423.6	1,449.3	1,467.7	1,525.5
LIABILITIES AND CAPITAL										
10 Bank loans	35.9	50.8	48.0	50.8	49.4	56.9	74.9	48.0	47.3	53.2
11 Commercial paper	238.8	158.6	141.5	158.6	137.0	130.8	143.1	141.5	127.3	145.3
<i>Debt</i>										
12 Owed to parent	102.5	99.2	88.2	99.2	82.6	83.3	82.9	88.2	87.7	96.6
13 Not elsewhere classified	502.2	567.4	624.9	567.4	574.4	597.2	584.9	624.9	639.1	657.9
14 All other liabilities	301.8	325.5	339.0	325.5	329.1	331.5	343.4	339.0	344.4	359.1
15 Capital, surplus, and undivided profits	152.5	188.6	207.6	188.6	191.7	192.9	194.5	207.6	221.9	213.5
16 Total liabilities and capital	1,333.7	1,390.1	1,449.3	1,390.1	1,364.2	1,392.5	1,423.6	1,449.3	1,467.7	1,525.5

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

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

1.52 DOMESTIC FINANCE COMPANIES Owned and Managed Receivables¹

Billions of dollars, amounts outstanding

Type of credit	2000	2001	2002	2003					
				Feb. ^f	Mar. ^f	Apr. ^f	May	June ^f	July
Seasonally adjusted									
1 Total	1,186.3^f	1,248.1^f	1,275.9^f	1,275.7	1,283.1	1,290.3	1,297.1^f	1,286.0	1,291.5
2 Consumer	465.0 ^f	514.8 ^f	518.6 ^f	518.3	521.7	525.3	523.6 ^f	516.8	516.2
3 Real estate	198.9	207.7	216.5	215.6	215.4	220.4	224.6	224.1	231.9
4 Business	522.3	525.6	540.9	541.8	546.0	544.6	548.9	545.1	543.5
Not seasonally adjusted									
5 Total	1,192.8^f	1,255.3^f	1,283.4^f	1,276.0	1,286.3	1,293.4	1,297.4^f	1,293.1	1,288.0
6 Consumer	469.0 ^f	519.7 ^f	523.9 ^f	518.6	518.2	521.7	519.1 ^f	516.2	516.2
7 Motor vehicle loans	141.6	173.9	160.2	162.4	156.2	160.9	162.8 ^f	166.6	172.7
8 Motor vehicle leases	108.2	103.5	83.3	80.3	81.8	81.2	79.0	76.7	74.8
9 Revolving ²	37.6	31.5	38.9	37.9	36.3	37.6	34.5 ^f	34.6	35.0
10 Other ³	41.3 ^f	32.7 ^f	38.7 ^f	39.8	40.9	42.4	42.5 ^f	43.1	42.0
Securitized assets ⁴									
11 Motor vehicle loans	97.1	131.9	151.9 ^f	148.6	152.1	149.4	150.3 ^f	146.5	143.6
12 Motor vehicle leases	6.6 ^f	6.8	5.7 ^f	5.6	6.2	6.1	6.0 ^f	6.0	5.9
13 Revolving	19.6	25.0	31.1 ^f	30.1	30.7	30.6	30.7	29.5	29.2
14 Other	17.1	14.3	14.0 ^f	13.8	13.9	13.6	13.2 ^f	13.2	12.9
15 Real estate	198.9	207.7	216.5	215.6	215.4	220.4	224.6	224.1	231.9
16 One- to four-family	130.6	120.1	135.0	134.3	133.9	138.8	143.0	142.5	150.7
17 Other	41.7	41.2	39.5	39.9	40.1	40.4	40.7	40.9	40.8
Securitized real estate assets ⁴									
18 One- to four-family	24.7 ^f	40.7	39.7 ^f	39.1	39.2	38.9	38.6 ^f	38.4	38.1
19 Other	1.9 ^f	5.7	2.2	2.2	2.2	2.2	2.2	2.2	2.2
20 Business	525.0	527.9	543.0	541.9	552.8	551.4	553.7	552.9	539.9
21 Motor vehicles	75.5	54.0	60.7	60.3	65.3	64.1	68.0	69.9	61.9
22 Retail loans	18.3	16.1	15.4	14.8	16.3	16.8	17.1	17.2	17.7
23 Wholesale loans ⁵	39.7	20.3	29.3	30.5	34.0	34.5	36.1	38.4	30.0
24 Leases	17.6	17.6	16.0	15.0	15.0	12.8	14.8	14.2	14.2
25 Equipment	283.5	289.4	292.1	288.9	287.5	286.0	284.5	283.4	281.0
26 Loans	70.2	77.8	83.3	80.3	78.0	79.0	77.6	77.5	76.3
27 Leases	213.3	211.6	208.8	208.6	209.5	207.0	207.0	205.9	204.7
28 Other business receivables ⁶	99.4	103.5	102.5	104.4	101.1	103.0	103.1	102.6	102.9
Securitized assets ⁴									
29 Motor vehicles	37.8	50.1	50.2	50.9	53.1	53.1	52.2	50.0	46.7
30 Retail loans	3.2 ^f	5.1	2.4 ^f	2.3	2.2	2.2	2.2 ^f	2.2	2.2
31 Wholesale loans	32.5 ^f	42.5	45.9 ^f	46.8	48.6	48.6	47.8 ^f	45.6	42.5
32 Leases	2.2 ^f	2.5	1.9 ^f	1.8	2.2	2.2	2.2 ^f	2.1	2.1
33 Equipment	23.1	23.2	20.2	19.4	21.9	21.4	21.6	23.5	23.7
34 Loans	15.5 ^f	16.4	13.0 ^f	12.3	12.2	11.8	12.0 ^f	12.9	13.1
35 Leases	7.6 ^f	6.8	7.2	7.1	9.7	9.6	9.6 ^f	10.6	10.6
36 Other business receivables ⁶	5.6 ^f	7.7	17.4 ^f	18.0	23.9	23.9	24.2 ^f	23.6	23.8

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

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

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

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

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

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

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

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

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

1.53 MORTGAGE MARKETS Mortgages on New Homes

Millions of dollars except as noted

Item	2000	2001	2002	2003						
				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)	234.5	245.0	261.1	235.1	252.9	266.0	275.3	283.3	283.4	280.1
2 Amount of loan (thousands of dollars)	177.0	184.2	197.0	179.3	184.2	205.0	210.7	213.7	214.4	212.1
3 Loan-to-price ratio (percent)	77.4	77.3	77.8	78.0	76.2	78.8	78.7	78.0	78.2	78.0
4 Maturity (years)	29.2	28.8	28.9	28.3	28.2	29.0	28.8	28.8	28.7	28.5
5 Fees and charges (percent of loan amount) ² . . . . .	.70	.67	.62	.37	.40	.62	.61	.64	.62	.66
<i>Yield (percent per year)</i>										
6 Contract rate	7.41	6.90	6.35	5.76	5.69	5.83	5.66	5.42	5.44	5.68
7 Effective rate ³	7.52	7.00	6.44	5.82	5.75	5.92	5.75	5.51	5.53	5.77
8 Contract rate (HUD series) ⁴	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
SECONDARY MARKETS										
<i>Yield (percent per year)</i>										
9 FHA mortgages (section 203) ⁵	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
10 GNMA securities ⁶	7.57	6.36	5.81	5.03	4.94	4.97	4.55	4.27	5.02	5.48
Activity in secondary markets										
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
<i>Mortgage holdings (end of period)</i>										
11 Total	610,122	707,015	790,800	816,747	815,964	817,894	815,560	812,467	836,104	863,170
12 FHA/VA insured	61,539	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
13 Conventional	548,583	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
14 Mortgage transactions purchased (during period)	154,231	270,384	370,641	40,420	34,304	43,028	43,749	41,182	72,447	82,656
<i>Mortgage commitments (during period)</i>										
15 Issued ⁷	163,689	304,084	400,327	52,479	42,005	42,906	75,569	79,172	n.a.	n.a.
16 To sell ⁸	11,786	7,586	12,268	1,241	2,457	1,479	1,785	3,657	n.a.	n.a.
FEDERAL HOME LOAN MORTGAGE CORPORATION										
<i>Mortgage holdings (end of period)⁸</i>										
17 Total	385,693	491,719	568,173	561,534	569,522	568,975	572,801	586,361	595,202	615,986
18 FHA/VA insured	3,332	3,506	4,573	3,796	3,540	n.a.	n.a.	n.a.	n.a.	n.a.
19 Conventional	382,361	488,213	563,600	557,738	565,982	n.a.	n.a.	n.a.	n.a.	n.a.
<i>Mortgage transactions (during period)</i>										
20 Purchases	174,043	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
21 Sales	166,901	389,611	547,046	41,831	59,065	51,737	66,175	58,124	70,269	91,198
22 Mortgage commitments contracted (during period) ⁹	169,231	417,434	620,981	48,446	69,200	n.a.	n.a.	n.a.	n.a.	n.a.

1. Weighted averages based on sample surveys of mortgages originated by major institutional lender groups for purchase of newly built homes; compiled by the Federal Housing Finance Board in cooperation with the Federal Deposit Insurance Corporation.
 2. Includes all fees, commissions, discounts, and "points" paid by the borrower or the seller to obtain a loan.
 3. Average effective interest rate on loans closed for purchase of newly built homes, assuming prepayment at the end of ten years.
 4. Average contract rate on new commitments for conventional first mortgages; from U.S. Department of Housing and Urban Development (HUD). Based on transactions on the first day of the subsequent month.
 5. Average gross yield on thirty-year, minimum-downpayment first mortgages insured by the Federal Housing Administration (FHA) for immediate delivery in the private secondary market. Based on transactions on first day of subsequent month.

6. Average net yields to investors on fully modified pass-through securities backed by mortgages and guaranteed by the Government National Mortgage Association (GNMA), assuming prepayment in twelve years on pools of thirty-year mortgages insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs.
 7. Does not include standby commitments issued, but includes standby commitments converted.
 8. Includes participation loans as well as whole loans.
 9. Includes conventional and government-underwritten loans. The Federal Home Loan Mortgage Corporation's mortgage commitments and mortgage transactions include activity under mortgage securities swap programs, whereas the corresponding data for the Federal National Mortgage Association exclude swap activity.

1.54 MORTGAGE DEBT OUTSTANDING¹

Millions of dollars, end of period

Type of holder and property	1999	2000	2001	2002				2003
				Q1	Q2	Q3	Q4	Q1
1 All holders	6,315,447	6,884,942	7,585,319	7,752,374	7,967,494	8,201,739	8,459,605	8,671,432
<i>By type of property</i>								
2 One- to four-family residences	4,787,225	5,205,428	5,738,111	5,877,230	6,049,571	6,247,731	6,459,308	6,641,409
3 Multifamily residences	368,742	403,724	449,704	457,381	468,374	476,708	488,428	496,475
4 Nonfarm, nonresidential	1,056,516	1,166,933	1,281,168	1,299,634	1,329,097	1,353,685	1,387,110	1,407,138
5 Farm	102,964	108,858	116,336	118,130	120,452	123,614	124,759	126,410
<i>By type of holder</i>								
6 Major financial institutions	2,394,271	2,618,969	2,791,076	2,790,860	2,861,224	2,981,790	3,089,824	3,166,701
7 Commercial banks ²	1,495,420	1,660,054	1,789,819	1,799,118	1,873,362	1,962,198	2,058,426	2,099,352
8 One- to four-family	879,576	965,635	1,023,851	1,017,001	1,070,513	1,143,985	1,222,056	1,244,823
9 Multifamily	67,665	77,803	84,851	86,676	90,745	90,930	94,178	96,830
10 Nonfarm, nonresidential	516,333	582,577	645,619	659,452	675,119	689,481	704,167	718,996
11 Farm	31,846	34,039	35,498	35,990	36,985	37,802	38,025	38,703
12 Savings institutions ³	668,064	722,974	758,236	748,349	742,744	773,652	781,378	815,873
13 One- to four-family	548,222	594,221	620,579	606,662	599,377	625,402	631,392	662,858
14 Multifamily	59,309	61,258	64,592	65,192	66,016	68,668	68,679	69,577
15 Nonfarm, nonresidential	60,063	66,965	72,534	73,945	76,799	79,022	80,730	82,669
16 Farm	470	529	531	550	552	560	577	589
17 Life insurance companies	230,787	235,941	243,021	243,393	245,118	245,939	250,019	251,476
18 One- to four-family	5,934	4,903	4,931	4,938	5,162	5,176	4,657	4,684
19 Multifamily	32,818	33,681	35,631	35,671	35,818	35,921	36,816	36,975
20 Nonfarm, nonresidential	179,048	183,757	188,376	188,699	190,050	190,698	195,040	196,232
21 Farm	12,987	13,600	14,083	14,085	14,088	14,144	13,506	13,585
22 Federal and related agencies	320,054	344,225	376,999	385,027	396,091	412,014	432,790	455,606
23 Government National Mortgage Association	7	6	8	8	8	8	5	6
24 One- to four-family	7	6	8	8	8	8	5	6
25 Multifamily	0	0	0	0	0	0	0	0
26 Farmers Home Administration ⁴	73,871	73,323	72,452	72,362	71,970	72,030	72,377	69,988
27 One- to four-family	16,506	16,372	15,824	15,665	15,273	15,139	14,908	14,652
28 Multifamily	11,741	11,733	11,712	11,707	11,692	11,686	11,669	11,654
29 Nonfarm, nonresidential	41,355	41,070	40,965	41,134	41,188	41,439	42,101	40,993
30 Farm	4,268	4,148	3,952	3,855	3,817	3,766	3,700	3,590
31 Federal Housing Admin. and Dept. of Veterans Affairs	3,712	3,507	3,290	3,361	3,473	2,973	3,854	3,824
32 One- to four-family	1,851	1,308	1,260	1,255	1,252	1,252	1,262	1,255
33 Multifamily	1,861	2,199	2,031	2,105	2,218	1,721	2,592	2,569
34 Resolution Trust Corporation	0	0	0	0	0	0	0	0
35 One- to four-family	0	0	0	0	0	0	0	0
36 Multifamily	0	0	0	0	0	0	0	0
37 Nonfarm, nonresidential	0	0	0	0	0	0	0	0
38 Farm	0	0	0	0	0	0	0	0
39 Federal Deposit Insurance Corporation	152	45	13	7	22	13	46	118
40 One- to four-family	25	7	2	1	4	2	7	19
41 Multifamily	29	9	3	1	4	2	9	23
42 Nonfarm, nonresidential	98	29	8	4	14	8	30	76
43 Farm	0	0	0	0	0	0	0	0
44 Federal National Mortgage Association	149,422	155,626	169,908	176,051	180,491	184,191	185,797	195,633
45 One- to four-family	141,195	144,150	155,060	160,300	164,038	167,006	172,226	180,829
46 Multifamily	8,227	11,476	14,848	15,751	16,453	17,185	13,571	14,804
47 Federal Land Banks	34,187	36,326	40,885	41,981	42,951	44,782	46,257	46,974
48 One- to four-family	2,012	2,137	2,406	2,470	2,527	2,635	2,722	2,764
49 Farm	32,175	34,189	38,479	39,511	40,424	42,147	43,535	44,210
50 Federal Home Loan Mortgage Corporation	56,676	59,240	62,792	59,624	58,872	60,934	63,887	64,388
51 One- to four-family	44,321	42,871	40,309	35,955	34,062	34,616	35,851	35,880
52 Multifamily	12,355	16,369	22,483	23,669	24,810	26,318	28,036	28,508
53 Mortgage pools or trusts ⁵	2,946,546	3,226,058	3,700,582	3,854,494	3,971,458	4,052,418	4,161,020	4,265,292
54 Government National Mortgage Association	582,263	611,553	591,368	587,204	583,745	567,386	537,888	515,822
55 One- to four-family	565,189	592,624	569,460	564,108	559,549	542,208	512,098	489,063
56 Multifamily	17,074	18,929	21,908	23,096	24,196	25,178	25,790	26,759
57 Federal Home Loan Mortgage Corporation	749,081	822,310	948,409	1,012,478	1,053,261	1,058,176	1,082,062	1,073,016
58 One- to four-family	744,619	816,602	940,933	1,005,136	1,045,981	1,050,899	1,072,990	1,064,114
59 Multifamily	4,462	5,708	7,476	7,342	7,280	7,277	9,072	8,902
60 Federal National Mortgage Association	960,883	1,057,750	1,290,351	1,355,404	1,404,594	1,458,945	1,538,287	1,637,474
61 One- to four-family	924,941	1,016,398	1,238,125	1,301,374	1,349,442	1,402,929	1,478,610	1,576,495
62 Multifamily	35,942	41,352	52,226	54,030	55,152	56,016	59,677	60,979
63 Farmers Home Administration ⁴	0	0	0	0	0	0	0	0
64 One- to four-family	0	0	0	0	0	0	0	0
65 Multifamily	0	0	0	0	0	0	0	0
66 Nonfarm, nonresidential	0	0	0	0	0	0	0	0
67 Farm	0	0	0	0	0	0	0	0
68 Private mortgage conduits	654,319	734,445	870,454	899,408	929,858	967,911	1,002,783	1,038,980
69 One- to four-family ⁶	455,021	499,834	591,200	616,300	638,300	669,300	691,600	725,100
70 Multifamily	41,952	47,529	53,537	53,918	55,234	56,582	59,034	59,169
71 Nonfarm, nonresidential	157,346	187,082	225,717	229,190	236,324	242,029	252,149	254,711
72 Farm	0	0	0	0	0	0	0	0
73 Individuals and others ⁷	654,576	695,691	716,662	721,993	738,721	755,517	775,971	783,833
74 One- to four-family	456,009	492,429	506,669	514,560	525,893	540,187	558,434	564,262
75 Multifamily	75,076	75,457	78,252	78,085	78,639	79,127	79,228	79,478
76 Nonfarm, nonresidential	102,274	105,453	107,949	105,210	109,604	111,008	112,894	114,361
77 Farm	21,217	22,352	23,792	24,138	24,585	25,194	25,415	25,733

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

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

3. Includes savings banks and savings and loan associations.

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

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

6. Includes securitized home equity loans.

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

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

1.55 CONSUMER CREDIT¹

Millions of dollars, amounts outstanding, end of period

Holder and type of credit	2000	2001	2002	2003					
				Feb. ¹	Mar. ¹	Apr. ¹	May ¹	June ¹	July
Seasonally adjusted									
1 Total	1,559,532	1,666,816	1,726,120	1,743,989	1,746,797	1,757,537	1,768,250	1,768,401	1,774,431
2 Revolving	667,395	701,285	712,002	718,771	720,594	723,272	727,892	726,620	726,947
3 Nonrevolving ²	892,137	965,531	1,014,118	1,025,219	1,026,203	1,034,264	1,040,358	1,041,781	1,047,484
Not seasonally adjusted									
4 Total	1,593,116	1,701,856	1,761,968	1,742,983	1,736,533	1,746,056	1,756,349	1,759,279	1,763,092
<i>By major holder</i>									
5 Commercial banks	541,470	558,421	587,165	581,501	575,275	576,936	582,413	584,294	582,383
6 Finance companies	219,848	236,559	232,269	232,890	225,229	231,262	228,853	231,939	237,173
7 Credit unions	184,434	189,570	195,744	195,003	196,441	198,237	200,321	202,012	204,060
8 Savings institutions	64,557	69,070	68,494	68,444	68,418	70,116	71,871	73,570	73,452
9 Nonfinancial business	82,662	67,955	56,894	49,564	48,479	47,715	48,132	47,599	47,165
10 Pools of securitized assets ³	500,145	580,281	621,402	615,581	622,692	621,790	624,759	619,866	618,858
<i>By major type of credit⁴</i>									
11 Revolving	693,020	727,297	737,993	718,991	713,465	719,469	723,449	723,462	721,107
12 Commercial banks	218,063	224,878	230,990	218,844	212,452	213,069	217,685	217,453	214,712
13 Finance companies	37,627	31,538	38,948	37,947	36,334	37,609	34,498	34,608	35,047
14 Credit unions	22,226	22,265	22,228	21,096	20,722	20,883	20,964	21,076	21,196
15 Savings institutions	16,560	17,767	16,225	16,064	15,980	17,022	18,099	19,141	18,919
16 Nonfinancial business	42,430	29,790	19,221	14,203	13,666	13,112	13,293	12,908	12,657
17 Pools of securitized assets ³	356,114	401,059	410,381	410,837	414,311	417,773	418,910	418,276	418,575
18 Nonrevolving	900,096	974,559	1,023,975	1,023,992	1,023,069	1,026,587	1,032,900	1,035,817	1,041,986
19 Commercial banks	323,407	333,543	356,175	362,657	362,823	363,866	364,728	366,841	367,672
20 Finance companies	182,221	205,021	193,321	194,944	188,895	193,653	194,355	197,331	202,125
21 Credit unions	162,208	167,305	173,516	173,907	175,719	177,354	179,357	180,936	182,864
22 Savings institutions	47,997	51,303	52,269	52,380	52,438	53,094	53,773	54,429	54,533
23 Nonfinancial business	40,232	38,165	37,673	35,361	34,813	34,603	34,839	34,691	34,508
24 Pools of securitized assets ³	144,031	179,222	211,021	204,744	208,381	204,017	205,849	201,590	200,283

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

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

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

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

1.56 TERMS OF CONSUMER CREDIT¹

Percent per year except as noted

Item	2000	2001	2002	2003						
				Jan.	Feb.	Mar.	Apr.	May	June	July
INTEREST RATES										
<i>Commercial banks²</i>										
1 48-month new car	9.34	8.50	7.54	n.a.	7.11	n.a.	n.a.	7.05	n.a.	n.a.
2 24-month personal	13.90	13.22	12.25	n.a.	11.70	n.a.	n.a.	12.19	n.a.	n.a.
<i>Credit card plan</i>										
3 All accounts	15.71	14.89	13.42	n.a.	13.20	n.a.	n.a.	12.90	n.a.	n.a.
4 Accounts assessed interest	14.91	14.44	13.09	n.a.	12.85	n.a.	n.a.	12.82	n.a.	n.a.
<i>Auto finance companies</i>										
5 New car	6.61	5.65	4.29	3.13	3.99	3.83	2.51	2.40	2.93	3.28
6 Used car	13.55	12.18	10.74	10.37	10.43	10.16	9.91	9.82	9.81	9.77
OTHER TERMS³										
<i>Maturity (months)</i>										
7 New car	54.9	55.1	56.8	58.5	59.2	59.5	60.1	60.7	62.4	62.7
8 Used car	57.0	57.5	57.5	57.5	57.7	57.8	57.7	57.7	57.8	57.8
<i>Loan-to-value ratio</i>										
9 New car	92	91	94	96	97	96	97	97	97	95
10 Used car	99	100	100	100	99	99	99	99	100	100
<i>Amount financed (dollars)</i>										
11 New car	20,923	22,822	24,747	26,443	24,864	25,152	27,540	27,920	26,945	26,129
12 Used car	14,058	14,416	14,532	14,499	14,231	14,253	14,475	14,568	14,567	14,632

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

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

3. At auto finance companies.

1.57 FUNDS RAISED IN U.S. CREDIT MARKETS¹

Billions of dollars; quarterly data at seasonally adjusted annual rates

Transaction category or sector	1997	1998	1999	2000	2001	2001	2002				2003	
						Q4	Q1	Q2	Q3	Q4	Q1	Q2
Nonfinancial sectors												
1 Total net borrowing by domestic nonfinancial sectors	788.1	1,041.9	1,030.9	853.5	1,114.4	1,163.5	992.5	1,628.8	1,338.3	1,539.0	1,243.4	2,523.8
<i>By sector and instrument</i>												
2 Federal government	23.1	-52.6	-71.2	-295.9	-5.6	43.4	39.8	526.0	265.7	198.5	79.9	888.2
3 Treasury securities	23.2	-34.6	-71.0	-294.9	-5.0	44.2	41.6	524.2	264.2	198.1	81.5	887.7
4 Budget agency securities and mortgages	-1	2.0	-2	-1.0	-5	-7	-1.8	1.8	1.6	4	-1.6	.5
5 Nonfederal	765.0	1,094.5	1,102.1	1,149.3	1,120.0	1,120.1	952.6	1,102.8	1,072.5	1,340.5	1,163.5	1,635.6
<i>By instrument</i>												
6 Commercial paper	13.7	24.4	37.4	48.1	-88.3	45.5	-144.4	-81.7	-17.4	-13.2	-15.2	-87.3
7 Municipal securities and loans	56.9	84.2	54.4	23.6	122.9	174.6	76.8	196.1	154.2	216.1	90.3	189.4
8 Corporate bonds	150.5	235.2	217.8	161.3	340.5	325.0	253.6	191.4	-29.0	114.4	178.6	309.6
9 Bank loans n.e.c.	106.4	109.8	82.9	101.8	-82.0	-165.3	-16.4	-192.1	-124.5	-15.3	-55.3	-63.9
10 Other loans and advances	43.1	68.5	26.1	84.5	1.8	-119.7	-38.0	65.1	61.2	-3	-14.5	80.7
11 Mortgages	322.4	485.8	563.3	563.9	699.1	725.7	702.8	825.8	920.4	1,045.9	886.7	1,141.0
12 Home	258.3	384.6	424.4	418.2	532.7	533.1	602.4	658.6	780.4	843.5	763.8	951.4
13 Multifamily residential	7.2	23.3	35.2	32.9	45.6	54.3	28.5	41.7	31.7	67.1	33.3	50.5
14 Commercial	53.8	71.3	98.0	106.2	113.4	131.6	65.0	116.5	95.2	130.8	83.2	127.8
15 Farm	3.1	6.5	5.8	6.5	7.5	6.8	6.9	9.1	13.1	4.6	6.4	11.3
16 Consumer credit	72.0	86.7	120.2	166.2	126.0	134.5	118.1	98.2	107.6	-7.1	93.0	66.2
<i>By borrowing sector</i>												
17 Household	330.8	450.8	498.6	558.8	614.6	596.7	720.9	689.7	791.0	885.6	837.2	1,000.2
18 Nonfinancial business	392.7	576.1	565.0	575.1	399.6	381.2	162.9	229.7	140.2	267.2	252.1	460.3
19 Corporate	291.8	408.4	377.2	380.1	235.3	231.8	47.3	88.5	-2.9	107.6	134.2	311.5
20 Nonfarm noncorporate	94.7	159.7	182.4	184.1	156.8	141.1	110.3	132.7	128.8	156.3	113.4	146.0
21 Farm	6.2	8.0	5.5	10.9	7.5	8.3	5.3	8.5	14.2	3.4	4.6	2.8
22 State and local government	41.5	67.7	38.5	15.5	105.8	142.1	68.9	183.4	141.3	187.7	74.2	175.1
23 Foreign net borrowing in United States	71.8	31.2	13.0	57.0	-49.7	3.3	65.1	2.1	-44.0	1.1	18.4	-48.4
24 Commercial paper	3.7	7.8	16.3	31.7	-14.2	5.9	66.8	36.5	3.9	37.3	52.6	73.5
25 Bonds	61.4	22.8	1.9	15.2	-24.5	17.0	-14.5	-54.0	-35.3	-30.1	-29.4	-93.5
26 Bank loans n.e.c.	8.5	6.6	.5	11.4	-7.3	-16.3	13.9	22.0	-11.7	-2.9	-4.0	-31.4
27 Other loans and advances	-1.8	-6.0	-5.7	-1.3	-3.7	-3.3	-1.2	-2.4	-1.0	-3.2	-8	3.0
28 Total domestic plus foreign	859.9	1,073.1	1,043.9	910.5	1,064.6	1,166.9	1,057.5	1,630.9	1,294.2	1,540.0	1,261.8	2,475.4
Financial sectors												
29 Total net borrowing by financial sectors	662.2	1,085.6	1,073.5	821.8	934.0	964.4	866.1	867.2	858.5	1,102.7	1,002.6	871.8
<i>By instrument</i>												
30 Federal government-related	212.9	470.9	592.0	433.5	629.3	591.8	691.1	487.8	420.8	616.4	452.0	460.4
31 Government-sponsored enterprise securities	98.4	278.3	318.2	234.1	290.8	306.5	191.3	141.7	249.1	321.5	179.7	209.8
32 Mortgage pool securities	114.6	192.6	273.8	199.4	338.5	285.3	499.8	346.1	171.6	294.9	272.3	250.6
33 Loans from U.S. government	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
34 Private	449.3	614.7	481.6	388.3	304.7	372.6	175.0	379.4	437.7	486.4	550.6	411.4
35 Open market paper	166.7	161.0	176.2	127.7	-61.9	-13.6	-178.3	-109.1	84.3	-77.3	58.8	-93.6
36 Corporate bonds	218.9	310.2	207.5	212.3	317.3	361.1	351.1	434.6	194.4	684.4	432.5	497.7
37 Bank loans n.e.c.	13.3	28.5	-14.4	-4	13.1	17.7	-6	31.2	81.9	-107.9	-42.7	21.0
38 Other loans and advances	35.6	90.2	107.1	42.5	34.9	8.9	-3.8	15.8	71.9	-17.4	105.5	-17.0
39 Mortgages	14.9	24.8	5.1	6.2	1.3	-1.6	6.6	7.0	5.3	4.7	-3.5	3.3
<i>By borrowing sector</i>												
40 Commercial banking	46.1	72.9	67.2	60.0	52.9	44.1	24.4	12.6	62.3	100.3	76.1	85.1
41 Savings institutions	19.7	52.2	48.0	27.3	7.4	-68.6	-33.1	-12.2	37.1	-46.7	48.2	-30.3
42 Credit unions	.1	.6	2.2	.0	1.5	4.4	2.4	2.0	3.1	.4	2.8	1.6
43 Life insurance companies	.2	.7	.7	-.7	.6	1.4	2.4	1.2	2.0	2.5	4.4	1.5
44 Government-sponsored enterprises	98.4	278.3	318.2	234.1	290.8	306.5	191.3	141.7	249.1	321.5	179.7	209.8
45 Federally related mortgage pools	114.6	192.6	273.8	199.4	338.5	285.3	499.8	346.1	171.6	294.9	272.3	250.6
46 Issuers of asset-backed securities (ABSs)	202.2	321.4	212.3	201.9	292.3	416.8	258.3	230.6	195.8	389.9	315.2	286.7
47 Finance companies	57.8	57.1	70.7	81.9	1.3	-23.6	-28.9	83.9	110.9	7.4	-2	153.8
48 Mortgage companies	-4.6	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
49 Real estate investment trusts (REITs)	39.6	62.7	6.3	2.7	2.5	7.8	7.4	25.3	27.7	18.6	17.5	12.9
50 Brokers and dealers	8.1	7.2	-17.2	15.6	1.4	-18.9	-15.7	17.5	15.2	-24.0	38.4	-16.2
51 Funding corporations	79.9	40.0	91.5	-4	-55.2	9.1	-42.2	18.5	-16.4	37.8	48.0	-83.6

A36 Domestic Financial Statistics □ November 2003

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

Billions of dollars; quarterly data at seasonally adjusted annual rates

Transaction category or sector	1997	1998	1999	2000	2001	2001	2002				2003	
						Q4	Q1	Q2	Q3	Q4	Q1	Q2
All sectors												
52 Total net borrowing, all sectors	1,522.2	2,158.7	2,117.4	1,732.3	1,998.7	2,131.2	1,923.6	2,498.1	2,152.7	2,642.7	2,264.4	3,347.2
53 Open market paper	184.1	193.1	229.9	207.6	-164.4	37.8	-255.9	-154.3	70.8	-53.3	96.3	-107.5
54 U.S. government securities	236.0	418.3	520.7	137.6	623.8	635.2	730.9	1,013.8	686.5	814.9	531.9	1,348.6
55 Municipal securities	56.9	84.2	54.4	23.6	122.9	174.6	76.8	195.1	154.2	216.1	90.3	189.4
56 Corporate and foreign bonds	430.8	568.2	427.3	388.7	633.3	703.2	590.2	572.0	130.0	768.6	581.7	713.7
57 Bank loans n.e.c.	128.2	145.0	69.0	112.8	-76.2	-164.0	-3.0	-139.0	-54.4	-126.1	-102.0	-74.3
58 Other loans and advances	76.9	152.7	127.5	125.6	32.9	-114.2	-43.0	78.6	132.2	-20.9	90.1	66.7
59 Mortgages	337.3	510.6	568.5	570.1	700.4	724.1	709.4	832.8	925.7	1,050.6	883.2	1,144.3
60 Consumer credit	72.0	86.7	120.2	166.2	126.0	134.5	118.1	98.2	107.6	-7.1	93.0	66.2
Funds raised through mutual funds and corporate equities												
61 Total net issues	218.7	166.1	191.5	238.4	305.0	406.4	437.0	276.5	-83.6	291.0	288.7	400.4
62 Corporate equities	-46.5	-113.4	2	3.4	103.6	150.5	50.1	176.5	-120.7	84.1	99.6	52.0
63 Nonfinancial corporations	-77.4	-215.5	-110.4	-118.2	-47.4	-4.2	-11.0	15.5	-141.2	-30.9	-80.1	-57.6
64 Foreign shares purchased by U.S. residents	57.6	101.4	114.3	106.7	109.1	83.9	-7.0	77.4	-51.3	51.6	132.5	56.0
65 Financial corporations	-26.7	8	-3.7	14.9	41.9	70.9	68.1	83.6	71.8	63.4	47.2	53.6
66 Mutual fund shares	265.1	279.5	191.2	235.0	201.4	255.9	386.9	100.0	37.1	206.9	189.1	348.4

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

1.58 SUMMARY OF FINANCIAL TRANSACTIONS¹

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

Transaction category or sector	1997	1998	1999	2000	2001	2001					2002		2003	
						Q4	Q1	Q2	Q3	Q4	Q1	Q2		
NET LENDING IN CREDIT MARKETS²														
1 Total net lending in credit markets	1,522.2	2,158.7	2,117.4	1,732.3	1,998.7	2,131.2	1,923.6	2,498.1	2,152.7	2,642.7	2,264.4	3,347.2		
2 Domestic nonfederal nonfinancial sectors	15.5	250.9	257.1	-13.7	27.1	172.6	100.4	292.0	-116.4	132.6	-353.9	20.1		
3 Household	25.5	119.1	247.1	-33.6	-7	145.3	48.9	257.6	-170.5	127.2	-326.4	-67.5		
4 Nonfinancial corporate business	-12.7	-16.0	-15.6	19.4	-12.4	-17.1	69.3	-11.4	33.5	-42.4	54.9	34.4		
5 Nonfarm noncorporate business	2.6	13.3	-2.9	1.3	2.0	2.0	3.3	3.3	2.8	4.0	-2	4.1		
6 State and local governments	.1	134.5	28.4	-8	38.1	42.4	-21.1	42.5	17.8	43.8	-82.1	49.1		
7 Federal government	3.2	11.7	6.5	11.6	6.0	-1.5	9.3	-3.7	31.1	3.1	-18.3	-1.4		
8 Rest of the world	259.6	167.7	96.6	129.5	234.6	274.7	248.0	458.0	393.9	351.0	359.5	1,055.8		
9 Financial sectors	1,243.9	1,728.4	1,757.3	1,604.8	1,731.0	1,685.4	1,565.9	1,751.8	1,844.1	2,156.0	2,277.1	2,272.7		
10 Monetary authority	38.3	21.1	25.7	33.7	39.9	85.1	81.6	43.4	67.3	118.7	32.3	25.0		
11 Commercial banking	324.3	305.6	312.2	357.9	205.2	314.6	188.9	384.3	624.0	420.4	349.0	616.3		
12 U.S.-chartered banks	274.9	312.1	318.6	339.5	191.6	275.0	168.2	343.8	599.9	463.3	305.6	547.7		
13 Foreign banking offices in United States	40.2	-11.6	-17.0	23.9	-6	-7.8	2.1	33.7	21.8	-32.8	23.3	12.2		
14 Bank holding companies	5.4	-9	6.2	-12.2	4.2	13.6	12.0	1.9	-1.6	.2	20.8	39.7		
15 Banks in U.S.-affiliated areas	3.7	6.0	4.4	6.7	10.0	33.9	6.6	4.9	4.0	-10.2	-7	16.8		
16 Savings institutions	-4.7	36.2	67.7	56.2	42.8	73.1	12.3	-23.5	80.3	72.5	189.4	88.0		
17 Credit unions	16.8	18.9	27.5	28.0	41.5	60.5	58.3	61.8	6.1	44.4	43.5	71.2		
18 Bank personal trusts and estates	-25.0	-12.8	27.8	.8	-28.1	1.0	.9	.8	.8	.8	-19.3	-17.6		
19 Life insurance companies	104.8	76.9	53.5	57.9	130.9	81.3	278.1	206.6	279.0	168.2	276.0	216.0		
20 Other insurance companies	25.2	5.8	-3.0	-8.7	9.0	28.5	36.7	35.4	21.7	65.6	57.7	42.9		
21 Private pension funds	45.7	-26.1	14.1	31.3	6.7	-20.9	47.1	22.1	40.2	.2	7.3	39.5		
22 State and local government retirement funds	67.1	72.1	46.9	54.6	-17.7	-2.7	70.5	-54.5	-10.4	60.7	.1	62.7		
23 Money market mutual funds	87.5	244.0	182.0	143.0	246.0	49.1	-239.1	-87.5	-75.7	301.2	-187.0	214.0		
24 Mutual funds	80.9	127.3	48.4	21.0	126.0	139.3	243.3	41.9	162.7	118.4	220.2	213.0		
25 Closed-end funds	-2.9	5.2	8.5	-6.3	6.9	16.3	24.4	-2.6	-1.7	17.0	31.1	24.1		
26 Government-sponsored enterprises	106.3	314.0	291.3	256.4	309.0	335.3	236.7	130.1	203.5	277.8	302.7	112.6		
27 Federally related mortgage pools	114.6	192.6	273.8	199.4	338.5	285.3	499.8	346.1	171.6	294.9	272.3	250.6		
28 Asset-backed securities issuers (ABSs)	163.8	281.7	194.1	172.1	266.2	394.1	234.1	208.4	173.2	368.1	291.4	266.1		
29 Finance companies	23.1	77.3	97.1	108.6	-4.8	-99.6	-26.5	42.2	83.9	-14.8	-2.4	56.6		
30 Mortgage companies	-9.1	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0		
31 Real estate investment trusts (REITs)	20.2	-5.1	-2.6	-7.1	6.7	14.0	26.3	31.8	27.7	6.7	-8.6	31.0		
32 Brokers and dealers	14.9	6.8	-34.7	68.9	92.4	-110.5	-219.5	402.8	-208.6	138.8	19.6	1.3		
33 Funding corporations	50.4	-15.8	124.0	35.0	-95.8	60.4	6.1	-45.0	165.2	-324.3	374.5	-43.3		
RELATION OF LIABILITIES TO FINANCIAL ASSETS														
34 Net flows through credit markets	1,522.2	2,158.7	2,117.4	1,732.3	1,998.7	2,131.2	1,923.6	2,498.1	2,152.7	2,642.7	2,264.4	3,347.2		
<i>Other financial sources</i>														
35 Official foreign exchange	.7	6.6	-8.7	-4	4.3	.2	-3.0	12.9	24.6	4.9	4.9	.6		
36 Special drawing rights certificates	-5	.0	-3.0	-4.0	.0	.0	.0	.0	.0	.0	.0	.0		
37 Treasury currency	5	.6	1.0	2.4	1.3	.0	.9	.6	2.4	.0	.6	1.6		
38 Foreign deposits	107.7	6.5	61.1	134.2	30.7	9.6	-43.8	66.1	53.0	20.3	-73.7	78.6		
39 Net interbank transactions	-19.7	-31.8	15.0	15.1	-28.0	24.5	3.3	-166.5	62.4	170.0	-4.1	-123.5		
40 Checkable deposits and currency	41.2	47.3	151.2	-71.4	204.3	278.1	-200.5	210.2	208.0	-43.7	271.3	94.2		
41 Small time and savings deposits	97.1	152.4	45.1	188.8	267.2	329.7	288.3	215.6	323.4	257.2	261.6	437.6		
42 Large time deposits	122.5	91.8	131.1	116.2	68.6	77.8	270.0	34.8	36.8	-140.2	191.6	43.4		
43 Money market fund shares	155.9	287.2	249.1	233.3	428.6	379.8	-312.5	104.2	-196.6	337.6	-441.4	186.0		
44 Security repurchase agreements	120.9	91.3	169.8	113.2	22.3	-138.3	119.4	362.4	-91.1	29.2	-50.4	564.3		
45 Corporate equities	-46.5	-113.4	.2	3.4	103.6	150.5	50.1	176.5	-120.7	84.1	99.6	52.0		
46 Mutual fund shares	265.1	279.5	191.2	235.0	201.4	255.9	386.9	100.0	37.1	206.9	189.1	348.4		
47 Trade payables	139.8	106.4	268.5	419.5	-73.4	-126.1	194.8	48.9	126.2	157.1	141.4	202.4		
48 Security credit	111.0	103.2	104.4	146.1	3.1	-383.7	-190.7	-131.9	-69.6	44.1	229.8	641.8		
49 Life insurance reserves	59.3	48.0	50.8	50.2	77.2	119.6	54.0	71.4	60.8	54.2	94.0	70.0		
50 Pension fund reserves	201.4	217.4	181.8	209.0	210.8	158.0	148.8	191.7	287.2	232.7	269.5	245.5		
51 Taxes payable	22.3	19.6	30.7	32.8	17.4	-55.2	7.2	40.5	53.8	7.2	55.2	45.1		
52 Investment in bank personal trusts	-53.0	-46.1	-8.1	56.6	-59.9	-57.7	-3.7	-2.4	-2.1	-1.3	-79.9	-43.7		
53 Noncorporate proprietors' equity	-40.7	-57.8	-62.4	-11.5	-18.6	8.4	1.5	-32.9	-83.9	-40.9	-22.1	8.0		
54 Miscellaneous	496.9	953.3	1,125.5	1,371.8	683.1	200.5	120.3	641.9	876.1	160.6	789.2	908.8		
55 Total financial sources	3,304.2	4,320.6	4,811.9	4,972.6	4,142.8	3,362.7	2,815.1	4,442.2	3,740.4	4,182.8	4,190.5	7,108.5		
<i>Liabilities not identified as assets (-)</i>														
56 Treasury currency	-2	-1	-7	-1.2	-1	.0	-1.5	-9	1.1	-1.1	-2	.5		
57 Foreign deposits	106.2	-8.5	42.8	78.5	11.1	-46.9	-87.1	99.1	23.9	36.7	-70.4	112.7		
58 Net interbank liabilities	-19.9	3.8	.1	20.4	17.2	22.6	39.8	-13.0	16.7	-15.1	6.1	-42.2		
59 Security repurchase agreements	63.2	57.7	35.7	122.6	-53.9	-166.2	156.9	227.6	-291.8	-62.0	112.2	292.4		
60 Taxes payable	28.0	19.7	11.7	26.2	22.0	34.6	17.9	-52.2	21.5	-55.6	-20.2	-12.4		
61 Miscellaneous	-285.5	-208.5	-279.7	-527.2	-341.2	-278.7	-336.8	15.2	98.9	75.3	-329.2	129.1		
<i>Floats not included in assets (-)</i>														
62 Federal government checkable deposits	-2.7	2.6	-7.4	9.0	5.7	-91.8	15.1	77.1	-40.3	-51.7	153.1	-104.9		
63 Other checkable deposits	-3.9	-3.1	-8	1.7	4.5	5.7	6.1	7.1	7.6	8.4	9.0	9.7		
64 Trade credit	-25.5	-43.3	6.8	22.4	-6.5	73.6	-26.6	-53.6	-14.8	18.5	-3.8	24.3		
65 Total identified to sectors as assets	3,397.9	4,452.4	4,955.0	5,192.2	4,414.1	3,749.3	2,987.9	4,097.1	3,865.4	4,181.8	4,291.9	6,649.1		

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

2. Excludes corporate equities and mutual fund shares.

1.59 SUMMARY OF CREDIT MARKET DEBT OUTSTANDING¹

Billions of dollars, end of period

Transaction category or sector	1998	1999	2000	2001	2001		2002				2003	
					Q4	Q1	Q2	Q3	Q4	Q1	Q2	
Nonfinancial sectors												
1 Total credit market debt owed by domestic nonfinancial sectors	16,240.8	17,306.5	18,171.0	19,286.0	19,286.0	19,530.4	19,842.6	20,182.9	20,655.2	20,953.2	21,486.6	
<i>By sector and instrument</i>												
2 Federal government	3,752.2	3,681.0	3,385.1	3,379.5	3,379.5	3,430.3	3,451.4	3,540.8	3,637.0	3,700.6	3,806.9	
3 Treasury securities	3,723.7	3,652.7	3,357.8	3,352.7	3,352.7	3,404.0	3,424.6	3,513.6	3,609.8	3,673.7	3,779.9	
4 Budget agency securities and mortgages	28.5	28.3	27.3	26.8	26.8	26.3	26.8	27.2	27.3	26.9	27.0	
5 Nonfederal	12,488.7	13,625.5	14,785.9	15,906.5	15,906.5	16,100.1	16,391.2	16,642.1	17,018.1	17,252.7	17,679.7	
<i>By instrument</i>												
6 Commercial paper	193.0	230.3	278.4	190.1	190.1	167.5	148.4	142.2	126.0	127.1	107.5	
7 Municipal securities and loans	1,402.9	1,457.2	1,480.9	1,603.7	1,603.7	1,627.5	1,682.0	1,707.9	1,764.5	1,791.8	1,844.9	
8 Corporate bonds	1,846.0	2,063.9	2,225.1	2,565.6	2,565.6	2,629.0	2,679.9	2,669.6	2,698.2	2,742.9	2,820.3	
9 Bank loans n.e.c.	1,150.2	1,233.2	1,335.0	1,253.5	1,253.5	1,240.1	1,195.0	1,162.2	1,166.5	1,141.8	1,129.5	
10 Other loans and advances	826.1	852.4	936.9	938.7	938.7	934.7	948.1	955.0	960.7	962.3	979.8	
11 Mortgages	5,640.4	6,238.1	6,802.0	7,501.1	7,501.1	7,665.4	7,879.6	8,112.8	8,369.4	8,578.9	8,872.6	
12 Home	4,362.9	4,787.2	5,205.4	5,738.1	5,738.1	5,877.2	6,049.6	6,247.9	6,459.3	6,638.0	6,884.2	
13 Multifamily residential	307.9	343.4	376.4	421.9	421.9	429.1	439.5	447.4	458.7	467.1	479.7	
14 Commercial	873.0	1,005.1	1,111.4	1,224.7	1,224.7	1,241.0	1,270.1	1,293.9	1,326.6	1,347.4	1,379.4	
15 Farm	96.6	102.3	108.9	116.3	116.3	118.1	120.4	123.6	124.8	126.4	129.3	
16 Consumer credit	1,430.1	1,550.4	1,727.7	1,853.7	1,853.7	1,835.8	1,861.1	1,892.5	1,932.9	1,907.8	1,925.1	
<i>By borrowing sector</i>												
17 Households	6,012.0	6,511.0	7,080.8	7,695.4	7,695.4	7,812.5	7,996.6	8,200.1	8,467.2	8,610.8	8,874.2	
18 Nonfinancial business	5,338.3	5,937.7	6,512.8	6,913.0	6,913.0	6,967.6	7,024.0	7,048.0	7,107.5	7,175.0	7,289.8	
19 Corporate	3,790.7	4,202.2	4,582.4	4,818.3	4,818.3	4,845.7	4,864.2	4,854.1	4,872.9	4,912.5	4,987.7	
20 Nonfarm noncorporate	1,383.7	1,566.1	1,750.2	1,907.0	1,907.0	1,934.7	1,968.0	1,999.0	2,039.0	2,067.5	2,104.1	
21 Farm	163.9	169.4	180.2	187.7	187.7	187.1	191.8	194.9	195.6	194.9	198.1	
22 State and local government	1,138.3	1,176.9	1,192.3	1,298.1	1,298.1	1,320.0	1,370.6	1,394.0	1,443.4	1,466.9	1,515.7	
23 Foreign credit market debt held in United States	639.3	652.5	709.5	659.7	659.7	675.9	674.1	665.7	665.8	669.8	656.9	
24 Commercial paper	72.9	89.2	120.9	106.7	106.7	123.6	130.2	134.0	142.8	155.7	173.1	
25 Bonds	450.6	452.5	467.7	443.2	443.2	439.6	426.1	417.3	409.8	402.4	379.0	
26 Bank loans n.e.c.	58.7	59.2	70.5	63.2	63.2	66.7	72.2	69.3	68.6	67.6	59.7	
27 Other loans and advances	57.1	51.6	50.3	46.6	46.6	46.0	45.5	45.1	44.6	44.1	45.0	
28 Total credit market debt owed by nonfinancial sectors, domestic and foreign	16,880.1	17,958.9	18,880.5	19,945.7	19,945.7	20,206.3	20,516.6	20,848.6	21,320.9	21,623.0	22,143.5	
Financial sectors												
29 Total credit market debt owed by financial sectors	6,543.6	7,617.2	8,439.0	9,370.3	9,370.3	9,565.8	9,778.0	9,982.6	10,293.9	10,520.9	10,734.1	
<i>By instrument</i>												
30 Federal government-related	3,292.0	3,884.0	4,317.4	4,944.1	4,944.1	5,116.9	5,238.8	5,344.0	5,498.1	5,611.1	5,726.2	
31 Government-sponsored enterprise securities	1,273.6	1,591.7	1,825.8	2,114.0	2,114.0	2,161.8	2,197.2	2,259.5	2,339.9	2,384.8	2,437.2	
32 Mortgage pool securities	2,018.4	2,292.2	2,491.6	2,830.1	2,830.1	2,955.1	3,041.6	3,084.5	3,158.2	3,226.3	3,289.0	
33 Loans from U.S. government	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	
34 Private	3,251.6	3,733.2	4,121.5	4,426.2	4,426.2	4,448.9	4,539.2	4,638.6	4,795.8	4,909.8	5,007.8	
35 Open market paper	906.7	1,082.9	1,210.7	1,148.8	1,148.8	1,090.9	1,046.9	1,049.5	1,078.7	1,076.5	1,036.5	
36 Corporate bonds	1,878.7	2,086.3	2,298.5	2,615.8	2,615.8	2,707.4	2,823.6	2,878.9	3,031.9	3,144.7	3,276.2	
37 Bank loans n.e.c.	105.8	91.5	91.1	104.2	104.2	102.3	110.6	130.3	105.3	92.9	98.7	
38 Other loans and advances	288.7	395.8	438.3	473.2	473.2	462.4	470.6	491.0	489.8	506.5	506.5	
39 Mortgages	71.6	76.7	82.9	84.2	84.2	85.9	87.6	88.9	90.1	89.2	90.1	
<i>By borrowing sector</i>												
40 Commercial banks	188.6	230.0	266.7	296.0	296.0	295.8	310.2	318.7	325.6	324.8	336.7	
41 Bank holding companies	193.5	219.3	242.5	266.1	266.1	269.0	264.2	271.8	286.4	302.8	319.0	
42 Savings institutions	212.4	260.4	287.7	295.1	295.1	280.5	275.3	286.3	281.4	287.2	277.1	
43 Credit unions	1.1	3.4	3.4	4.9	4.9	5.5	6.0	6.8	6.9	7.6	8.0	
44 Life insurance companies	2.5	3.2	2.5	3.1	3.1	3.7	4.0	4.5	5.1	6.3	6.6	
45 Government-sponsored enterprises	1,273.6	1,591.7	1,825.8	2,114.0	2,114.0	2,161.8	2,197.2	2,259.5	2,339.9	2,384.8	2,437.2	
46 Federally related mortgage pools	2,018.4	2,292.2	2,491.6	2,830.1	2,830.1	2,955.1	3,041.6	3,084.5	3,158.2	3,226.3	3,289.0	
47 Issuers of asset-backed securities (ABSs)	1,398.0	1,610.3	1,812.3	2,104.6	2,104.6	2,161.4	2,220.6	2,272.8	2,373.2	2,444.1	2,517.5	
48 Brokers and dealers	42.5	25.3	40.9	42.3	42.3	38.4	42.8	46.6	40.6	50.2	46.2	
49 Finance companies	625.5	696.1	778.0	779.2	779.2	763.8	788.9	808.0	822.6	813.6	856.3	
50 Mortgage companies	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	
51 Real estate investment trusts (REITs)	158.8	165.1	167.8	170.2	170.2	172.1	178.4	185.3	190.0	194.4	197.6	
52 Funding corporations	412.6	504.0	503.7	448.4	448.4	442.6	432.8	421.5	447.9	462.7	426.8	
All sectors												
53 Total credit market debt, domestic and foreign	23,423.8	25,576.1	27,319.4	29,316.0	29,316.0	29,772.1	30,294.7	30,831.2	31,614.9	32,143.9	32,877.5	
54 Open market paper	1,172.6	1,402.4	1,610.0	1,445.6	1,445.6	1,382.0	1,325.5	1,325.7	1,347.5	1,359.2	1,317.1	
55 U.S. government securities	7,044.2	7,564.9	7,702.5	8,323.6	8,323.6	8,547.2	8,690.2	8,884.8	9,135.1	9,311.7	9,533.1	
56 Municipal securities	1,402.9	1,457.2	1,480.9	1,603.7	1,603.7	1,627.5	1,682.0	1,707.9	1,764.5	1,791.8	1,844.9	
57 Corporate and foreign bonds	4,175.4	4,602.6	4,991.4	5,624.7	5,624.7	5,776.1	5,926.6	5,965.8	6,139.9	6,290.0	6,475.5	
58 Bank loans n.e.c.	1,314.8	1,383.8	1,496.6	1,421.0	1,421.0	1,409.1	1,377.8	1,361.7	1,340.4	1,302.3	1,287.9	
59 Other loans and advances	1,171.9	1,299.9	1,425.5	1,458.4	1,458.4	1,443.1	1,464.3	1,491.1	1,495.1	1,512.9	1,531.3	
60 Mortgages	5,712.0	6,314.8	6,884.9	7,585.3	7,585.3	7,751.3	7,967.2	8,201.7	8,459.5	8,668.2	8,962.6	
61 Consumer credit	1,430.1	1,550.4	1,727.7	1,853.7	1,853.7	1,835.8	1,861.1	1,892.5	1,932.9	1,907.8	1,925.1	

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

1.60 SUMMARY OF FINANCIAL ASSETS AND LIABILITIES¹

Billions of dollars except as noted, end of period

Transaction category or sector	1998	1999	2000	2001	2001		2002				2003	
					Q4	Q1	Q2	Q3	Q4	Q1	Q2	
CREDIT MARKET DEBT OUTSTANDING²												
1 Total credit market assets	23,423.8	25,576.1	27,319.4	29,316.0	29,316.0	29,772.1	30,294.7	30,831.2	31,614.9	32,143.9	32,877.5	
2 Domestic nonfederal nonfinancial sectors	3,304.8	3,622.8	3,572.5	3,585.9	3,585.9	3,594.8	3,652.9	3,601.4	3,644.0	3,539.0	3,528.7	
3 Household	2,256.3	2,564.4	2,490.1	2,475.8	2,475.8	2,493.8	2,539.0	2,477.1	2,497.6	2,422.1	2,384.9	
4 Nonfinancial corporate business	241.5	226.0	249.4	237.1	237.1	231.6	229.5	238.9	249.3	239.5	249.4	
5 Nonfarm noncorporate business	67.5	64.6	65.9	67.9	67.9	68.7	69.6	70.3	71.3	71.2	72.2	
6 State and local governments	739.4	767.8	767.0	805.1	805.1	800.6	814.7	815.1	825.9	806.2	822.2	
7 Federal government	221.5	261.1	272.7	278.7	278.7	281.0	280.1	287.9	288.7	284.1	283.7	
8 Rest of the world	2,273.5	2,306.8	2,476.9	2,724.3	2,724.3	2,789.5	2,900.9	3,003.2	3,131.0	3,223.9	3,484.7	
9 Financial sectors	17,624.1	19,385.4	20,997.4	22,727.1	22,727.1	23,106.8	23,460.8	23,938.7	24,551.1	25,096.9	25,580.3	
10 Monetary authority	452.5	478.1	511.8	551.7	551.7	575.4	590.7	604.2	629.4	641.5	652.1	
11 Commercial banking	4,336.1	4,648.3	5,006.3	5,210.5	5,210.5	5,231.3	5,328.3	5,476.2	5,614.9	5,673.6	5,829.1	
12 U.S.-chartered banks	3,761.4	4,080.0	4,419.5	4,610.1	4,610.1	4,629.3	4,719.7	4,858.4	5,003.9	5,055.6	5,198.1	
13 Foreign banking offices in United States	504.5	487.4	511.3	510.7	510.7	507.7	512.6	521.2	516.9	519.0	517.9	
14 Bank holding companies	26.5	32.7	20.5	24.7	24.7	27.7	28.1	27.7	27.8	33.0	42.9	
15 Banks in U.S.-affiliated areas	43.8	48.3	55.0	65.0	65.0	66.6	67.9	68.8	66.3	66.1	70.3	
16 Savings institutions	964.7	1,032.4	1,088.6	1,131.4	1,131.4	1,134.7	1,130.9	1,153.8	1,166.8	1,214.4	1,238.8	
17 Credit unions	324.2	351.7	379.7	421.2	421.2	434.3	452.9	455.3	463.9	473.2	494.2	
18 Bank personal trusts and estates	194.1	222.0	222.8	194.7	194.7	195.0	195.2	195.4	195.6	190.8	186.4	
19 Life insurance companies	1,828.0	1,886.0	1,943.9	2,074.8	2,074.8	2,141.2	2,192.3	2,265.7	2,307.8	2,373.0	2,426.7	
20 Other insurance companies	521.1	518.2	509.4	518.4	518.4	527.6	536.4	541.9	558.3	572.7	583.4	
21 Private pension funds	621.1	635.2	666.5	673.1	673.1	684.9	690.4	700.5	700.5	702.3	712.2	
22 State and local government retirement funds	704.6	751.4	806.0	788.4	788.4	806.0	792.4	789.8	804.9	805.0	820.6	
23 Money market mutual funds	965.9	1,147.8	1,290.9	1,536.9	1,536.9	1,496.9	1,419.6	1,405.7	1,511.6	1,485.5	1,480.3	
24 Mutual funds	1,028.4	1,076.8	1,097.8	1,223.8	1,223.8	1,276.8	1,291.6	1,334.5	1,365.4	1,412.0	1,469.8	
25 Closed-end funds	98.4	106.9	100.6	107.4	107.4	113.5	112.9	112.4	116.7	124.5	130.5	
26 Government-sponsored enterprises	1,252.3	1,543.5	1,807.1	2,114.3	2,114.3	2,163.8	2,200.2	2,253.0	2,320.9	2,387.0	2,419.0	
27 Federally related mortgage pools	2,018.4	2,292.2	2,491.6	2,830.1	2,830.1	2,955.1	3,041.6	3,084.5	3,158.2	3,226.3	3,289.0	
28 Asset-backed securities (ABSs) issuers	1,219.4	1,413.6	1,585.7	1,851.9	1,851.9	1,902.6	1,956.2	2,002.9	2,097.8	2,162.8	2,231.0	
29 Finance companies	645.5	742.6	851.2	846.4	846.4	834.4	848.2	860.8	867.6	861.1	879.2	
30 Mortgage companies	32.1	32.1	32.1	32.1	32.1	32.1	32.1	32.1	32.1	32.1	32.1	
31 Real estate investment trusts (REITs)	45.5	42.9	35.8	42.5	42.5	49.1	57.0	63.9	65.6	63.5	71.2	
32 Brokers and dealers	189.4	154.7	223.6	316.0	316.0	299.6	352.6	335.2	344.4	390.9	340.2	
33 Funding corporations	152.3	276.0	311.0	216.7	216.7	206.3	191.2	214.6	167.2	236.2	225.5	
RELATION OF LIABILITIES TO FINANCIAL ASSETS												
34 Total credit market debt	23,423.8	25,576.1	27,319.4	29,316.0	29,316.0	29,772.1	30,294.7	30,831.2	31,614.9	32,143.9	32,877.5	
<i>Other liabilities</i>												
35 Official foreign exchange	60.1	50.1	46.1	46.8	46.8	45.7	47.2	53.1	55.8	57.6	58.9	
36 Special drawing rights certificates	9.2	6.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	
37 Treasury currency	19.9	20.9	23.2	24.5	24.5	24.7	24.8	25.5	25.5	25.6	26.0	
38 Foreign deposits	624.9	686.1	820.3	851.0	851.0	840.1	856.6	869.8	874.9	856.5	876.1	
39 Net interbank liabilities	189.4	202.4	221.2	191.4	191.4	162.4	131.4	150.7	205.9	175.5	155.6	
40 Checkable deposits and currency	1,333.3	1,484.5	1,413.1	1,603.2	1,603.2	1,518.1	1,571.9	1,610.7	1,646.7	1,680.4	1,703.5	
41 Small time and savings deposits	2,626.5	2,671.6	2,860.4	3,127.6	3,127.6	3,236.7	3,256.4	3,336.8	3,398.7	3,502.5	3,575.0	
42 Large time deposits	805.3	936.4	1,052.6	1,121.1	1,121.1	1,178.9	1,188.7	1,199.9	1,171.5	1,209.1	1,222.4	
43 Money market fund shares	1,329.7	1,578.8	1,812.1	2,240.7	2,240.7	2,203.3	2,151.2	2,105.9	2,223.9	2,156.2	2,120.8	
44 Security repurchase agreements	913.8	1,083.6	1,196.8	1,231.8	1,231.8	1,262.4	1,343.1	1,313.7	1,336.8	1,323.1	1,453.5	
45 Mutual fund shares	3,613.1	4,538.5	4,434.6	4,135.5	4,135.5	4,247.0	3,926.6	3,452.3	3,639.4	3,591.0	4,072.6	
46 Security credit	572.2	676.6	822.7	825.9	825.9	778.0	745.6	738.8	738.8	796.6	957.4	
47 Life insurance reserves	718.3	783.9	819.1	880.0	880.0	894.2	901.2	902.9	920.9	941.2	975.2	
48 Pension fund reserves	8,210.5	9,067.6	9,070.9	8,681.1	8,681.1	8,812.9	8,329.4	7,725.4	8,005.7	7,923.8	8,562.9	
49 Trade payables	2,073.8	2,342.3	2,761.8	2,688.4	2,688.4	2,715.3	2,717.9	2,767.1	2,820.1	2,834.2	2,874.4	
50 Taxes payable	170.7	201.4	234.2	251.6	251.6	259.7	265.8	281.7	278.8	298.6	306.4	
51 Investment in bank personal trusts	1,001.0	1,130.4	1,095.8	960.7	960.7	963.2	893.5	811.6	840.9	806.3	858.4	
52 Miscellaneous	8,298.5	9,294.9	10,470.7	11,177.0	11,177.0	11,267.0	11,556.2	12,003.5	11,704.3	11,952.4	11,837.6	
53 Total liabilities	55,993.9	62,332.2	66,477.2	69,356.5	69,356.5	70,183.9	70,204.6	70,170.3	71,505.6	72,276.6	74,516.6	
<i>Financial assets not included in liabilities (+)</i>												
54 Gold and special drawing rights	21.6	21.4	21.6	21.8	21.8	21.9	22.3	22.8	23.2	22.4	22.8	
55 Corporate equities	15,547.3	19,522.8	17,627.0	15,316.0	15,316.0	15,243.6	13,344.2	10,951.6	11,875.2	11,422.2	13,253.6	
56 Household equity in noncorporate business	4,279.4	4,510.0	4,743.3	4,824.6	4,824.6	4,848.0	4,912.8	4,974.3	5,020.1	5,069.5	5,105.0	
<i>Liabilities not identified as assets (-)</i>												
57 Treasury currency	-6.4	-7.1	-8.5	-8.6	-8.6	-8.9	-9.1	-8.9	-9.1	-9.2	-9.1	
58 Foreign deposits	525.5	568.2	646.6	657.7	657.7	636.0	660.7	666.7	675.9	658.3	686.5	
59 Net interbank transactions	-26.5	-28.5	-4.3	11.1	11.1	21.9	17.5	16.5	15.3	19.3	6.9	
60 Security repurchase agreements	230.6	266.4	388.9	348.6	348.6	401.4	463.9	380.7	356.2	397.6	477.1	
61 Taxes payable	121.2	129.4	146.3	121.7	121.7	110.7	163.6	155.0	154.9	144.8	152.4	
62 Miscellaneous	-1,934.5	-2,331.6	-3,422.0	-3,594.1	-3,594.1	-3,472.3	-3,502.4	-3,396.0	-3,504.0	-3,520.5	-3,787.7	
<i>Floata not included in assets (-)</i>												
63 Federal government checkable deposits	-3.9	-9.8	-2.3	-12.3	-12.3	-9.6	-9.3	-14.8	-11.7	27.4	-17.1	
64 Other checkable deposits	23.1	22.3	24.0	28.6	28.6	26.3	31.4	25.8	35.9	34.2	40.1	
65 Trade credit	84.8	95.6	122.0	115.5	115.5	61.0	15.0	9.8	96.4	47.1	19.7	
66 Totals identified to sectors as assets	76,110.3	86,905.3	90,179.0	90,988.8	90,988.8	91,677.9	89,795.0	87,418.1	89,717.7	90,106.5	94,422.0	

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

2. Excludes corporate equities and mutual fund shares.

2.12 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION¹

Seasonally adjusted

Series	2002		2003		2002		2003		2002		2003	
	Q3	Q4	Q1	Q2 ¹	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2 ¹
	Output (1997=100)				Capacity (percent of 1997 output)				Capacity utilization rate (percent) ²			
1 Total industry	111.4	110.4	110.5	109.4	146.2	146.6	147.0	147.4	76.2	75.3	75.2	74.2
2 Manufacturing	112.3	111.2	111.0	110.3	151.1	151.4	151.7	152.0	74.3	73.5	73.2	72.6
3 Manufacturing (NAICS)	112.6	111.5	111.3	110.4	152.5	152.8	153.2	153.6	73.8	73.0	72.6	71.9
4 Durable manufacturing	122.3	121.4	121.2	120.2	173.4	174.2	175.0	176.0	70.5	69.7	69.3	68.3
5 Primary metal	85.9	86.0	83.9	80.1	111.4	110.8	110.7	110.8	77.1	77.6	75.8	72.2
6 Fabricated metal products	99.5	98.9	97.1	95.3	139.4	139.6	139.8	139.9	71.3	70.8	69.4	68.1
7 Machinery	88.7	86.7	87.2	87.8	129.9	129.9	129.8	129.6	68.3	66.7	67.2	67.7
8 Computer and electronic products	222.6	224.4	227.8	231.9	355.4	360.3	365.9	372.1	62.6	62.3	62.3	62.3
9 Electrical equipment, appliances, and components	97.7	96.8	95.7	94.8	128.6	128.2	128.0	127.8	75.9	75.5	74.7	74.2
10 Motor vehicles and parts	121.7	120.0	120.5	116.7	147.1	148.4	149.9	151.4	82.7	80.8	80.4	77.0
11 Aerospace and miscellaneous transportation equipment	85.9	85.1	85.8	86.3	145.3	145.1	145.1	145.1	59.1	58.7	59.1	59.5
12 Nondurable manufacturing	100.1	98.8	98.5	97.7	127.5	127.3	127.2	127.1	78.5	77.6	77.4	76.9
13 Food, beverage, and tobacco products	100.1	98.8	98.3	98.3	125.7	125.6	125.5	125.2	79.7	78.7	78.3	78.5
14 Textile and product mills	82.9	81.2	79.1	77.1	111.7	111.1	110.6	110.0	74.2	73.1	71.5	70.1
15 Paper	95.7	95.8	93.5	93.6	114.0	113.8	113.5	113.2	84.0	84.2	82.4	82.7
16 Petroleum and coal products	102.3	102.8	102.5	102.4	115.2	115.7	116.1	116.5	88.7	88.9	88.3	87.8
17 Chemical	106.4	104.1	105.4	105.0	141.2	141.3	141.5	141.7	75.3	73.7	74.5	74.1
18 Plastics and rubber products	107.3	105.6	105.3	104.1	133.6	132.9	132.4	131.6	80.4	79.4	79.5	79.1
19 Other manufacturing (non-NAICS)	106.0	106.0	107.0	107.7	129.5	128.7	128.2	127.8	81.8	82.3	83.4	84.3
20 Mining	93.5	93.7	93.1	92.9	110.1	110.2	110.3	110.4	84.9	85.1	84.4	84.1
21 Electric and gas utilities	112.5	111.5	114.3	110.2	127.6	129.7	131.5	133.1	88.2	86.0	86.9	82.8
MEMOS												
22 Computers, communications equipment, and semiconductors	295.5	300.4	306.4	316.1	475.3	483.3	493.3	504.9	62.2	62.2	62.1	62.6
23 Total excluding computers, communications equipment, and semiconductors	101.3	100.3	100.3	99.1	130.5	130.6	130.8	131.1	77.6	76.8	76.6	75.6
24 Manufacturing excluding computers, communications equipment, and semiconductors	100.5	99.4	99.1	98.2	132.6	132.6	132.6	132.7	75.8	75.0	74.7	74.0

2.12 OUTPUT, CAPACITY, AND CAPACITY UTILIZATION¹—Continued

Seasonally adjusted

Series	1973	1975	Previous cycle ³		Latest cycle ⁴		2002	2003					
	High	Low	High	Low	High	Low	Aug.	Mar.	Apr.	May ⁵	June ⁶	July ⁶	Aug. ⁶
	Capacity utilization rate (percent) ²												
1 Total industry	88.8	74.0	86.6	70.8	85.1	78.6	76.1	74.8	74.3	74.3	74.1	74.6	74.6
2 Manufacturing	88.0	71.6	86.3	68.6	85.5	77.2	74.3	73.1	72.5	72.5	72.6	72.9	72.7
3 Manufacturing (NAICS)	88.1	71.4	86.3	67.9	85.5	77.0	73.9	72.4	71.8	71.9	71.9	72.2	72.1
4 Durable manufacturing	88.9	69.6	87.0	63.1	84.5	73.4	70.8	68.7	68.2	68.3	68.4	69.0	68.8
5 Primary metal	100.9	68.9	91.3	47.2	95.3	75.2	78.7	73.5	72.1	72.0	72.7	73.3	70.9
6 Fabricated metal products	91.8	69.6	83.1	61.7	80.1	71.0	71.2	68.8	68.4	68.1	67.8	68.3	68.1
7 Machinery	94.2	74.2	92.8	58.3	84.7	72.9	68.8	67.4	67.3	67.8	68.0	67.3	67.7
8 Computer and electronic products	87.0	66.9	89.8	77.3	81.5	76.4	62.7	62.3	62.1	62.4	62.5	63.1	64.0
9 Electrical equipment, appliances, and components	99.3	68.5	91.9	64.4	87.5	75.0	76.2	74.4	73.4	74.7	74.5	75.0	75.2
10 Motor vehicles and parts	95.3	55.3	96.2	45.2	90.0	56.6	82.9	78.7	77.4	76.3	77.3	79.6	77.3
11 Aerospace and miscellaneous transportation equipment	75.0	66.3	84.6	69.8	88.9	81.9	59.4	59.1	59.2	59.8	59.5	59.8	60.1
12 Nondurable manufacturing	87.5	72.5	85.7	75.6	86.9	81.8	78.4	77.6	76.9	77.0	76.9	76.9	76.9
13 Food, beverage, and tobacco products	85.9	78.0	84.3	80.2	85.5	81.3	79.6	78.3	78.1	78.5	78.8	78.6	78.6
14 Textile and product mills	89.8	62.8	90.1	72.3	91.1	77.1	73.9	72.2	70.7	70.0	69.6	68.7	68.0
15 Paper	97.4	74.7	95.6	81.3	94.0	85.4	84.0	83.4	82.1	83.0	83.1	83.6	83.9
16 Petroleum and coal products	93.2	81.0	92.3	71.1	88.9	82.5	89.2	89.3	87.9	89.2	86.3	87.4	88.5
17 Chemical	85.0	68.9	83.0	67.9	85.6	80.8	75.2	74.8	74.7	73.7	73.9	74.0	73.9
18 Plastics and rubber products	96.3	61.6	90.5	70.5	91.2	77.1	80.3	79.9	78.5	79.6	79.3	80.0	80.0
19 Other manufacturing (non-NAICS)	85.7	75.7	88.1	85.7	90.2	79.1	81.7	84.5	83.9	84.0	85.0	83.8	83.5
20 Mining	93.6	87.6	94.2	78.6	85.6	83.3	85.3	84.1	84.2	83.9	84.3	84.5	84.6
21 Electric and gas utilities	96.2	82.7	87.9	77.2	92.6	84.2	86.5	84.6	84.5	83.4	80.4	83.2	84.4
MEMOS													
22 Computers, communications equipment, and semiconductors	84.5	63.1	89.9	75.6	80.4	74.6	62.4	62.4	62.4	62.5	62.9	63.4	64.3
23 Total excluding computers, communications equipment, and semiconductors	89.1	74.3	86.6	70.5	85.5	78.8	77.6	76.2	75.7	75.6	75.4	75.9	75.8
24 Manufacturing excluding computers, communications equipment, and semiconductors	88.3	71.9	86.3	68.1	86.1	77.3	75.9	74.5	73.9	74.0	74.1	74.3	74.1

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

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

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

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

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

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

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value¹

Monthly data seasonally adjusted

Group	2002 pro- por- tion	2002 avg.	2002					2003							
			Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May ^a	June ^a	July ^a	Aug. ^a
Index (1997=100)															
MAJOR MARKETS															
1 Total IP	100.0	110.5	111.3	111.2	110.6	110.8	109.9	110.7	110.7	110.1	109.5	109.5	109.3	110.1	110.2
Market groups															
2 Final products and nonindustrial supplies	59.8	109.3	109.8	109.8	109.1	109.3	108.2	109.1	109.3	108.7	108.2	108.4	108.3	108.8	108.9
3 Consumer goods	30.5	107.5	107.8	107.9	107.0	107.8	106.6	107.7	107.8	107.2	106.8	106.7	106.6	107.2	107.1
4 Durable	7.5	117.3	119.3	118.7	117.0	121.0	117.8	120.5	118.5	117.9	116.9	116.6	117.7	120.3	118.7
5 Automotive products	4.3	125.4	130.6	129.3	125.9	132.4	125.9	131.3	128.8	127.4	125.9	124.3	126.9	131.8	129.1
6 Home electronics	0.3	142.9	135.4	142.6	140.1	145.3	152.7	145.9	152.0	154.7	152.5	153.8	153.3	156.7	
7 Appliances, furniture, carpeting	1.3	106.9	104.5	104.6	104.9	107.1	107.7	105.4	105.5	105.7	106.0	108.6	107.5	108.1	108.1
8 Miscellaneous goods	1.6	98.5	98.3	97.8	98.2	98.3	98.7	98.7	96.9	96.2	94.9	95.4	95.2	94.3	93.5
9 Non-durable	22.9	104.1	103.8	104.2	103.6	103.3	102.8	103.4	104.1	103.6	103.3	103.2	102.9	102.9	103.1
10 Non-energy	19.0	102.6	102.4	102.6	102.0	101.3	100.8	101.1	101.6	101.7	101.3	101.3	101.7	101.0	100.8
11 Foods and tobacco	10.3	99.5	99.2	99.1	98.7	97.9	97.4	97.6	97.2	97.2	97.0	97.4	97.6	97.2	97.0
12 Clothing	1.0	72.4	71.3	72.1	70.2	70.6	69.9	69.7	69.1	68.0	66.1	65.9	64.1	62.8	61.5
13 Chemical products	4.8	119.1	119.0	119.5	118.3	118.0	116.9	117.9	120.2	120.6	120.8	119.8	121.5	120.2	120.2
14 Paper products	2.3	108.1	108.4	109.8	110.0	108.8	109.0	108.3	110.2	111.0	110.0	110.3	111.6	110.1	109.8
15 Energy	4.0	112.0	111.6	112.8	111.8	114.0	113.3	115.7	117.2	113.8	113.9	113.4	109.1	113.1	113.5
16 Business equipment	9.7	107.3	108.1	106.9	106.0	106.1	104.6	105.6	105.9	105.5	104.8	105.1	105.4	105.7	106.3
17 Transit	1.7	81.2	81.1	79.7	77.3	77.9	75.4	75.7	74.5	73.9	73.9	73.5	73.1	73.5	72.2
18 Information processing	3.1	153.8	153.7	152.1	153.1	152.8	152.7	155.1	156.3	158.0	156.6	157.7	158.2	159.2	162.4
19 Industrial and other	4.9	91.5	92.9	92.0	91.2	91.1	89.7	90.4	90.8	89.9	89.2	89.4	90.0	90.0	90.3
20 Defense and space equipment	2.2	101.2	101.9	102.0	102.5	101.7	102.3	104.1	104.8	105.2	104.7	106.3	106.7	107.2	108.6
21 Construction supplies	6.8	104.0	104.8	104.5	104.2	103.8	102.4	102.3	101.8	101.4	101.0	101.5	101.4	101.6	101.9
22 Business supplies	10.3	121.9	122.6	123.6	123.1	122.5	121.9	122.8	123.7	122.5	121.3	121.8	120.9	121.7	122.2
23 Materials	40.2	112.2	113.6	113.4	112.8	113.1	112.4	113.0	112.8	112.1	111.4	111.1	110.9	112.1	112.1
24 Non-energy	30.5	115.8	117.4	117.2	116.7	116.7	115.6	116.0	115.9	115.4	114.5	114.4	114.5	115.3	115.0
25 Durable	18.6	128.0	130.0	129.5	129.8	129.7	128.1	129.1	128.6	127.6	126.6	127.0	127.3	128.8	128.2
26 Consumer parts	4.2	110.8	112.3	112.4	111.7	114.6	111.1	113.8	111.9	110.9	110.5	109.5	110.0	112.4	110.4
27 Equipment parts	5.9	182.6	186.3	185.7	185.7	185.3	184.4	186.0	186.2	186.3	188.1	189.3	191.6	193.2	
28 Other	8.4	97.1	98.3	97.7	98.0	97.2	96.4	96.3	96.3	95.0	93.6	93.9	93.8	94.4	93.7
29 Non-durable	11.9	97.0	98.2	98.3	97.1	97.0	96.5	96.2	96.4	96.7	95.9	95.3	95.0	95.0	95.1
30 Textile	0.8	77.6	77.8	78.4	77.2	77.0	75.3	74.1	74.2	73.8	72.2	70.7	70.1	68.2	67.7
31 Paper	3.0	94.8	96.1	96.7	96.8	96.9	95.8	94.4	93.6	94.8	92.8	93.5	92.9	93.5	93.7
32 Chemical	4.2	99.1	100.7	100.2	98.2	97.9	97.3	98.3	99.2	99.3	99.3	96.7	95.9	96.9	96.9
33 Energy	9.7	98.7	99.3	99.1	98.4	99.4	99.7	100.9	100.8	99.2	99.2	98.6	97.7	99.8	100.4
SPECIAL AGGREGATES															
34 Total excluding computers, communication equipment, and semiconductors	94.7	100.5	101.2	101.2	100.5	100.6	99.8	100.5	100.5	99.8	99.2	99.1	98.9	99.6	99.5
35 Total excluding motor vehicles and parts	92.9	110.0	110.5	110.5	110.0	109.8	109.3	109.8	110.1	109.5	108.9	109.0	108.7	109.3	109.6
Gross value (billions of 1996 dollars, annual rates)															
36 Final products and nonindustrial supplies	59.8	2,801.4	2,822.7	2,818.9	2,794.7	2,817.8	2,783.5	2,808.6	2,807.2	2,791.9	2,777.2	2,780.7	2,773.3	2,799.3	2,801.2
37 Final products	42.7	2,022.5	2,039.1	2,032.4	2,011.7	2,037.3	2,010.7	2,028.9	2,019.7	2,011.2	2,010.8	2,009.9	2,030.1	2,028.6	
38 Consumer goods	30.5	1,386.5	1,396.0	1,394.3	1,379.2	1,402.0	1,384.1	1,399.9	1,395.8	1,388.6	1,382.6	1,380.3	1,377.7	1,394.4	1,391.5
39 Equipment total	12.2	626.9	634.6	628.7	623.5	624.4	615.8	620.9	622.5	620.9	618.4	621.1	623.6	625.8	628.1
40 Nonindustrial supplies	17.1	778.9	783.6	786.7	783.3	780.5	772.8	776.4	778.3	772.0	765.7	769.8	763.1	768.8	772.4

2.13 INDUSTRIAL PRODUCTION Indexes and Gross Value¹—Continued

Monthly data seasonally adjusted

Group	NAICS code ²	2002 proportion	2002 avg.	2002					2003								
				Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May ^a	June ^a	July ^a	Aug. ^a	
Index (1997=100)																	
INDUSTRY GROUPS																	
41	Manufacturing		84.6	111.4	112.4	112.1	111.4	111.6	110.6	111.1	111.1	110.9	110.1	110.2	110.4	110.9	110.7
42	Manufacturing (NAICS)		79.3	111.7	112.8	112.4	111.7	112.0	110.8	111.5	111.3	111.0	110.2	110.4	110.5	111.1	111.0
43	Durable manufacturing		43.4	121.1	122.7	122.0	121.5	122.2	120.5	121.9	121.3	120.5	119.8	120.2	120.6	121.8	121.6
44	Wood products		1.4	100.5	102.5	100.7	99.2	98.3	96.9	97.4	96.5	95.9	95.7	95.7	96.5	98.2	98.2
45	Nonmetallic mineral products	321	2.5	107.9	108.5	109.8	109.3	110.2	108.0	109.7	108.0	108.1	108.5	109.0	109.0	109.2	110.3
46	Primary metal	331	2.5	85.6	87.6	85.0	87.6	86.2	84.1	85.0	85.2	81.3	79.8	79.8	80.6	81.4	78.9
47	Fabricated metal products	332	6.1	99.0	99.3	99.4	99.8	98.7	98.3	97.9	97.1	96.1	95.7	95.2	94.9	95.6	95.3
48	Machinery	333	5.3	87.9	89.4	88.2	86.8	87.4	85.8	86.7	87.4	87.5	87.2	87.9	88.1	87.2	87.6
49	Computer and electronic products	334	8.1	220.4	223.0	223.2	224.2	224.5	224.5	226.6	227.5	229.3	229.6	232.3	233.9	237.4	242.3
50	Electrical equipment, appliances, and components	335	2.4	97.7	98.0	96.5	96.6	97.0	96.9	95.7	96.1	95.2	93.9	95.4	95.1	95.7	95.9
51	Motor vehicles and parts	3361-3	7.1	117.3	122.0	121.1	118.3	123.9	117.8	122.9	120.0	118.4	116.9	115.6	117.5	121.5	118.4
52	Aerospace and miscellaneous transportation equipment	3364-9	3.3	87.6	86.3	85.7	85.5	84.8	85.2	86.0	85.6	85.7	85.9	86.7	86.4	86.7	87.2
53	Furniture and related products	337	1.7	101.3	100.5	101.4	100.7	100.6	98.9	98.8	98.6	97.3	97.0	97.4	97.2	98.5	97.9
54	Miscellaneous	339	3.1	109.5	110.2	109.1	109.3	108.6	110.0	109.5	109.4	108.4	106.7	106.7	106.3	105.6	105.0
55	Nonurable manufacturing		35.9	99.5	100.0	100.0	99.1	98.9	98.3	98.2	98.5	98.6	97.8	97.8	97.6	97.6	97.6
56	Food, beverage, and tobacco products	311,2	11.7	100.2	100.0	99.9	99.5	98.6	98.3	98.5	98.2	98.2	97.9	98.3	98.6	98.3	98.2
57	Textile and product mills	313,4	1.3	82.5	82.5	82.3	81.3	81.7	80.8	78.4	79.2	79.7	77.9	77.0	76.5	75.4	74.4
58	Apparel and leather	315,6	1.1	72.2	71.2	71.8	70.2	70.5	69.7	69.7	69.0	68.0	66.1	65.9	64.1	63.0	61.7
59	Paper	322	3.1	94.4	95.8	96.1	95.7	96.8	95.0	93.0	93.0	94.6	93.0	93.9	93.9	94.4	94.6
60	Printing and support	323	2.7	97.8	98.6	99.9	99.5	98.4	98.9	99.1	97.7	96.3	94.8	94.5	94.2	93.6	93.4
61	Petroleum and coal products	324	1.9	102.9	102.7	101.0	99.4	103.9	105.0	102.0	101.8	103.8	102.4	104.0	100.7	102.1	103.6
62	Chemical	325	10.2	105.1	106.2	106.1	104.6	104.2	103.4	104.4	106.0	105.8	105.7	104.4	104.8	105.0	104.8
63	Plastics and rubber products	326	3.9	106.0	107.3	107.2	106.4	105.8	104.6	104.9	105.3	105.6	103.5	104.7	104.1	104.8	104.7
64	Other manufacturing (non-NAICS)	1133,5111	5.3	105.5	105.8	107.1	106.7	105.4	105.9	105.3	107.5	108.1	107.3	107.3	108.5	106.8	106.4
65	Mining	21	6.0	93.8	93.9	92.2	92.3	93.6	95.2	93.6	92.8	92.8	93.0	92.7	93.1	93.4	93.5
66	Utilities	2211,2	9.3	110.2	110.4	113.3	112.1	112.1	110.5	115.0	116.3	111.7	112.1	111.1	107.4	111.5	113.6
67	Electric	2211	8.1	111.8	112.2	115.8	113.7	113.3	112.2	116.8	118.0	113.6	113.7	112.7	108.7	113.9	116.1
68	Natural gas	2212	1.3	97.5	100.8	99.9	103.6	105.8	101.6	105.4	107.5	101.2	103.3	102.3	100.1	99.0	100.0
69	Manufacturing excluding computers, communications equipment, and semiconductors		79.3	99.8	100.6	100.4	99.7	99.8	98.8	99.3	99.2	98.9	98.1	98.2	98.3	98.6	98.3
70	Manufacturing excluding motor vehicles and parts		77.5	110.9	111.5	111.3	110.8	110.5	109.9	110.1	110.3	110.2	109.5	109.8	109.8	110.0	110.1

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

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

2. North American Industry Classification System.

3.10 U.S. INTERNATIONAL TRANSACTIONS Summary

Millions of dollars; quarterly data seasonally adjusted except as noted¹

Item credits or debits	2000	2001	2002	2002			2003	
				Q2	Q3	Q4	Q1 ^a	Q2 ^a
1 Balance on current account	-411,458	-393,745	-480,861	-122,827	-122,724	-128,586	-138,707	-138,671
2 Balance on goods and services	-375,384	-357,819	-418,038	-104,888	-106,980	-116,116	-121,629	-123,408
3 Exports	1,070,054	1,007,580	974,107	243,696	247,815	246,151	247,377	247,991
4 Imports	-1,445,438	-1,365,399	-1,392,145	-348,584	-354,795	-362,267	-369,006	-371,399
5 Income, net	19,605	10,689	-3,970	-4,458	-1,747	2,966	191	1,679
6 Investment, net	24,191	15,701	1,271	-3,106	-481	4,306	1,567	2,984
7 Direct	94,929	106,485	93,475	21,410	21,914	26,225	22,077	22,823
8 Portfolio	-70,738	-90,784	-92,204	-24,516	-22,395	-21,919	-20,510	-19,839
9 Compensation of employees	-4,586	-5,012	-5,241	-1,352	-1,266	-1,340	-1,376	-1,305
10 Unilateral current transfers, net	-55,679	-46,615	-58,853	-13,481	-13,997	-15,436	-17,269	-16,942
11 Change in U.S. government assets other than official reserve assets, net (increase, -)	-941	-486	-32	42	-27	-180	-70	-323
12 Change in U.S. official reserve assets (increase, -)	-290	-4,911	-3,681	-1,843	-1,416	-812	83	-170
13 Gold	0	0	0	0	0	0	0	0
14 Special drawing rights (SDRs)	-722	-630	-475	-107	-132	-127	897	-102
15 Reserve position in International Monetary Fund	2,308	-3,600	-2,632	-1,607	-1,136	-541	-644	86
16 Foreign currencies	-1,876	-681	-574	-129	-148	-144	-170	-154
17 Change in U.S. private assets abroad (increase, -)	-568,567	-344,542	-175,272	-126,766	31,155	-43,910	-101,344	-106,172
18 Bank-reported claims ²	-148,657	-134,945	-21,357	-69,254	52,999	-4,954	-27,795	-60,603
19 Nonbank-reported claims	-138,790	-4,997	-31,880	-16,210	-11,862	-1,922	-11,998	-22,789
20 U.S. purchase of foreign securities, net	-121,908	-84,637	15,801	-5,843	21,641	-5,364	-27,146	9,240
21 U.S. direct investments abroad, net	-159,212	-119,963	-137,836	-35,459	-31,623	-31,670	-34,405	-32,020
22 Change in foreign official assets in United States (increase, +)	37,724	5,104	94,860	47,552	8,992	32,210	40,978	57,580
23 U.S. Treasury securities	-10,233	10,745	43,144	15,138	1,415	27,630	22,288	33,232
24 Other U.S. government obligations	40,909	20,920	30,377	6,568	10,885	5,628	9,480	3,290
25 Other U.S. government liabilities ³	-1,825	-2,309	137	365	46	-95	-437	-32
26 Other U.S. liabilities reported by U.S. banks ²	5,746	-29,978	17,594	24,575	-4,607	-2,094	8,321	20,385
27 Other foreign official assets ³	3,127	5,726	3,608	906	835	1,141	1,326	705
28 Change in foreign private assets in United States (increase, +)	988,415	760,427	612,123	173,690	132,486	165,238	201,026	197,693
29 U.S. bank-reported liabilities ⁴	116,971	118,379	91,126	23,948	20,448	54,176	16,723	33,245
30 U.S. nonbank-reported liabilities	170,672	67,489	72,142	24,610	-8,102	8,863	74,848	3,189
31 Foreign private purchases of U.S. Treasury securities, net	-76,949	-7,438	96,217	14,218	57,505	12,705	14,568	61,139
32 U.S. currency flows	1,129	23,783	21,513	7,183	2,556	7,249	4,927	1,458
33 Foreign purchases of other U.S. securities, net	455,318	406,633	291,492	104,187	45,880	66,964	55,574	86,525
34 Foreign direct investments in United States, net	321,274	151,581	39,633	-456	14,199	15,281	34,386	12,137
35 Capital account transactions, net ⁵	-799	-1,062	-1,285	-286	-364	-358	-388	-325
36 Discrepancy	-44,084	-20,785	-45,852	30,438	-48,102	-23,602	-1,578	-9,612
37 Due to seasonal adjustment				2,091	-12,409	1,744	9,479	702
38 Before seasonal adjustment	-44,084	-20,785	-45,852	28,347	-35,693	-25,346	-11,057	-10,314
MEMO								
<i>Changes in official assets</i>								
39 U.S. official reserve assets (increase, -)	-290	-4,911	-3,681	-1,843	-1,416	-812	83	-170
40 Foreign official assets in United States, excluding line 25 (increase, +)	39,549	7,413	94,723	47,187	8,528	32,305	41,415	57,612
41 Change in Organization of Petroleum Exporting Countries official assets in United States (part of line 22)	12,000	-1,725	-8,132	838	-1,286	851		

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

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

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

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

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

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

3.12 U.S. RESERVE ASSETS

Millions of dollars, end of period

Asset	2000	2001	2002	2003							
				Feb.	Mar.	Apr.	May	June	July	Aug.	Sept. ^a
1 Total	67,647	68,654	79,006	78,579	80,049	80,405	82,287	81,660	80,620	80,422	84,431
2 Gold stock ¹	11,046	11,045	11,043	11,043	11,043	11,043	11,044	11,044	11,043	11,043	11,043
3 Special drawing rights ^{2,3}	10,539	10,774	12,166	11,368	11,392	11,476	11,880	11,720	11,646	11,619	12,062
4 Reserve position in International Monetary Fund ²	14,824	17,854	21,979	21,686	22,858	22,738	23,214	23,210	22,746	22,463	24,067
5 Foreign currencies ⁴	31,238	28,981	33,818	34,482	34,756	35,148	36,149	35,686	35,185	35,297	37,259

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

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

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

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

4. Valued at current market exchange rates.

3.13 FOREIGN OFFICIAL ASSETS HELD AT FEDERAL RESERVE BANKS¹

Millions of dollars, end of period

Asset	2000	2001	2002	2003							
				Feb.	Mar.	Apr.	May	June	July	Aug.	Sept. ^P
1 Deposits	215	61	136	224	254	313	79	898	318	81	803
<i>Held in custody</i>											
2 U.S. Treasury securities ²	594,094	592,630	678,106	700,341	710,955	702,041	727,142	747,089	743,308	754,469	765,940
3 Earmarked gold ¹	9,451	9,099	9,045	9,045	9,045	9,040	9,031	9,004	9,004	8,977	8,971

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	2001	2002	2003						
			Jan.	Feb.	Mar.	Apr.	May	June	July ^P
1 Total¹	984,713³	1,078,219	1,083,965	1,107,987	1,116,675⁵	1,114,979⁵	1,165,946	1,173,997⁵	1,183,814
<i>By type</i>									
2 Liabilities reported by banks in the United States ²	120,571 ⁴	144,080	140,071	151,605	149,443 ⁵	150,701 ⁵	174,748	169,538 ⁵	170,061
3 U.S. Treasury bills and certificates ³	161,719	190,375	194,762	196,344	206,153 ⁵	200,462 ⁵	210,033	209,957	205,809
U.S. Treasury bonds and notes									
4 Marketable	454,306	464,115	464,427	469,250	470,572 ⁵	470,151 ⁵	484,900	499,945	513,030
5 Nonmarketable ⁴	3,411	2,769	2,786	2,803	2,821 ⁵	2,839 ⁵	2,857	2,876	2,894
6 U.S. securities other than U.S. Treasury securities ⁵	244,706	276,880	281,919	287,985	287,686 ⁵	290,826 ⁵	293,408	291,681	292,020
<i>By area</i>									
7 Europe ¹	243,307 ⁵	271,250	269,290	281,471	276,924 ⁵	273,557 ⁵	288,567	279,405	280,628
8 Canada	13,440	11,120	10,496	9,837	10,154 ⁵	9,746 ⁵	9,942	9,998	9,791
9 Latin America and Caribbean	71,103	63,022	61,794	62,998	62,743 ⁵	62,909 ⁵	65,355	71,097 ⁵	73,228
10 Asia	632,466 ⁵	704,126	715,996	725,120	740,799 ⁵	740,298 ⁵	774,801	782,656 ⁵	790,345
11 Africa	15,167	15,338	14,589	15,939	15,215 ⁵	15,834 ⁵	15,656	15,829	15,788
12 Other countries	9,228	13,361	11,798	12,620	10,838 ⁵	12,633 ⁵	11,623	15,010	14,032

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 government, as follows: Mexico, beginning March 1990, 30-year maturity issue; Venezuela, beginning December 1990, 30-year maturity issue; Argentina, beginning April 1993, 30-year maturity issue.

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

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

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

Payable in Foreign Currencies

Millions of dollars, end of period

Item	1999	2000	2001	2002		2003	
				Sept.	Dec.	Mar. ²	June
1 Banks' own liabilities	88,537	77,779	79,363	81,719	80,543	88,566	74,441
2 Deposits	n.a.	n.a.	n.a.	n.a.	n.a.	50,582	43,505
3 Other liabilities	n.a.	n.a.	n.a.	n.a.	n.a.	37,984	30,936
4 Banks' own claims	67,365	56,912	74,640	82,647	71,724	81,239	90,927
5 Deposits	34,426	23,315	44,094	47,779	34,287	36,710	42,129
6 Other claims	32,939	33,597	30,546	34,868	37,437	44,529	48,798
7 Claims of banks' domestic customers²	20,826	24,411	17,631	20,475	35,923³	27,706	33,984
8 Deposits	n.a.	n.a.	n.a.	n.a.	n.a.	5,065	4,742
9 Other claims	n.a.	n.a.	n.a.	n.a.	n.a.	22,641	29,242

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

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

3.17 LIABILITIES TO FOREIGNERS Reported by Banks in the United States¹

Payable in U.S. dollars

Millions of dollars, end of period

Item	2000	2001	2002	2003						
				Jan.	Feb. ^r	Mar. ^r	Apr.	May	June ^r	July ^o
BY HOLDER AND TYPE OF LIABILITY										
1 Total, all foreigners	1,511,410	1,630,417^r	1,832,746	1,782,342	2,046,103	2,111,858	2,176,528^r	2,201,176^r	2,204,628	2,272,846
2 Banks' own liabilities	1,077,636	1,174,976 ^r	1,288,991	1,239,613	1,489,690	1,556,084	1,610,113 ^r	1,612,078 ^r	1,599,273	1,677,669
By type of liability										
3 Deposits ²	221,248	188,005 ^r	175,220	169,503	793,540	812,983	828,057 ^r	812,186 ^r	853,125	867,369
4 Other	171,401	194,680 ^r	246,568	267,627	696,150	743,101	782,056 ^r	799,892 ^r	746,148	810,300
5 Of which: repurchase agreements ³	0	151,071 ^r	190,134	208,959	306,051	339,673	378,842	390,974	362,515	410,221
6 Banks' custody liabilities ⁴	433,774	455,441	543,755	542,729	556,413	555,774	566,415 ^r	589,098 ^r	605,355	595,177
By type of liability										
7 U.S. Treasury bills and certificates ⁵	177,846	186,115	229,827	231,872	234,657	245,932	242,661 ^r	252,088 ^r	251,555	249,347
8 Other negotiable and readily transferable instruments ⁶	145,840	139,807	163,091	160,148	172,475	170,054	180,034 ^r	195,085 ^r	206,514	205,129
9 Of which: negotiable time certificates of deposit held in custody for foreigners	34,217	20,440	25,821	25,448	28,328	28,780	31,450	33,543	43,272	43,854
10 Of which: short-term agency securities ⁷	0	59,781	72,731	67,427	75,354	73,988	77,063 ^r	85,337 ^r	82,404	81,069
11 Other	110,088	129,519	150,837	150,709	150,709	139,788	143,720	141,925	147,286	140,701
12 Nonmonetary international and regional organizations ⁸	12,543	10,830	13,467	14,624	12,085	9,377	9,003	8,962	11,781	15,127
13 Banks' own liabilities	12,140	10,169	12,362	13,921	11,439	9,331	8,950	8,946	11,678	15,079
14 Deposits ²	6,287	3,791	5,298	5,298	3,844	2,640	3,086	3,197	4,524	4,798
15 Other	5,853	6,378	6,593	8,623	7,595	6,691	5,864	5,749	7,154	10,281
16 Banks' custody liabilities ⁴	403	661	1,105	703	646	46	53	16	103	48
17 U.S. Treasury bills and certificates ⁵	252	600	1,089	687	621	4	33	3	13	13
18 Other negotiable and readily transferable instruments ⁶	149	61	16	16	25	30	20	13	70	35
19 Other	2	0	0	0	0	12	0	0	20	0
20 Official institutions ⁹	297,603	282,290 ^r	334,455	334,833	347,949	355,596	351,163	384,781	379,495	375,870
21 Banks' own liabilities	96,989	80,970 ^r	93,884	93,790	100,320	95,943	95,358	110,867	104,923	110,075
22 Deposits ²	39,525	21,987 ^r	20,733	17,378	25,762	22,532	24,026	22,586	23,046	22,390
23 Other	57,464	58,983 ^r	73,151	76,412	74,558	73,411	71,332	88,281	81,877	87,685
24 Banks' custody liabilities ⁴	200,614	201,320	240,571	241,043	247,629	259,653	255,805	273,914	274,572	265,795
25 U.S. Treasury bills and certificates ⁵	153,010	161,719	190,375	194,762	196,344	206,153	200,462	210,033	209,957	205,809
26 Other negotiable and readily transferable instruments ⁶	47,366	38,531	50,132	45,285	50,763	52,615	55,189	63,217	59,535	57,770
27 Other	238	1,070	64	996	522	885	154	664	5,080	2,216
28 Banks ¹⁰	972,932	1,052,626 ^r	1,176,534	1,116,543	1,240,818	1,275,229	1,320,808 ^r	1,313,038 ^r	1,327,614	1,372,439
29 Banks' own liabilities	821,306	914,034 ^r	981,645	921,792	1,046,855	1,092,972	1,129,310 ^r	1,119,652 ^r	1,124,178	1,168,599
30 Deposits ²	82,426	68,218 ^r	56,200	53,156	654,965	678,722	690,506 ^r	677,685 ^r	712,724	726,956
31 Other	53,893	53,525 ^r	58,422	66,153	391,890	414,250	438,804 ^r	441,967 ^r	411,454	441,643
32 Banks' custody liabilities ⁴	151,626	138,592 ^r	194,889	194,751	193,963	182,257	191,498	193,386	203,436	203,840
33 U.S. Treasury bills and certificates ⁵	16,023	11,541	21,311	20,244	18,171	20,715	21,989	20,269	20,342	22,917
34 Other negotiable and readily transferable instruments ⁶	36,036	24,059	46,770	48,614	52,390	48,295	51,753	57,564	65,799	67,179
35 Other	99,567	102,992	126,808	125,893	123,402	113,247	117,756	115,553	117,295	113,744
36 Other foreigners ¹¹	228,332	284,671 ^r	308,290	316,342	445,251	471,656	495,554 ^r	494,395 ^r	485,738	509,410
37 Banks' own liabilities	147,201	169,803 ^r	201,100	210,110	331,076	357,838	376,495 ^r	372,613 ^r	358,494	383,916
38 Deposits ²	93,010	94,009 ^r	92,698	93,671	108,969	109,089	110,439 ^r	108,718 ^r	112,831	113,225
39 Other	54,191	75,794 ^r	108,402	116,439	222,107	248,749	266,056	263,895 ^r	245,663	270,691
40 Banks' custodial liabilities	81,131	114,868	107,190	106,232	114,175	113,818	119,059 ^r	121,782 ^r	127,244	125,494
41 U.S. Treasury bills and certificates ⁵	8,561	12,255	17,052	16,179	19,521	19,060	20,177 ^r	21,783 ^r	21,243	20,608
42 Other negotiable and readily transferable instruments ⁶	62,289	77,156	66,173	66,233	69,297	69,114	73,072 ^r	74,291 ^r	81,110	80,145
43 Other	10,281	25,457	23,965	23,820	25,357	25,644	25,810	25,708	24,891	24,741
MEMO										
44 Own foreign offices ¹²	684,987	792,291	867,203	802,483	1,010,614	1,049,774	1,106,286 ^r	1,096,156 ^r	1,093,643	1,154,618

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

2. Non-negotiable deposits and brokerage balances.

3. Data available beginning January 2001.

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

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

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

7. Data available beginning January 2001.

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

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

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

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

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

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

Payable in U.S. dollars

Millions of dollars, end of period

Item	2000	2001	2002	2003							
				Jan.	Feb. ¹	Mar. ¹	Apr. ¹	May ¹	June	July ²	
AREA OR COUNTRY											
45 Total, all foreigners	1,511,410	1,630,417³	1,832,746	1,782,342	2,046,103	2,111,858	2,176,528	2,201,176	2,204,628⁴	2,272,846	
46 Foreign countries	1,498,867	1,619,587³	1,819,279	1,767,718	4,068,036	4,204,962	4,335,050	4,384,428	4,385,694⁴	4,515,438	
47 Europe	446,788	520,438 ³	627,537	560,622	709,950	730,110	723,739	762,373	733,119 ⁵	786,550	
48 Austria	2,692	2,473	2,330	2,186	2,125	2,110	2,125	2,472	4,437	4,330	
49 Belgium ¹¹	33,399	6,546 ¹	8,610	4,668	5,454	7,743	6,669	4,100	4,082	4,999	
50 Denmark	3,000	3,618 ¹	4,880	6,497	6,603	6,751	5,088	7,091	5,040	2,727	
51 Finland	1,411	1,446	1,693	2,583	1,861	1,861	1,007	2,291	2,159	3,315	
52 France	37,833	49,056	39,636	36,731	39,682	39,886	41,281	46,728	44,871	45,400	
53 Germany	35,519	22,318 ¹	34,394	31,977	39,695	43,698	42,498	44,155	45,825	51,694	
54 Greece	2,011	2,307	2,975	3,205	2,925	2,019	1,397	1,634	2,096	1,961	
55 Italy	5,072	6,215 ¹	4,826	4,421	4,814	4,984	6,355	5,940	6,766	6,894	
56 Luxembourg ¹³	0	16,667 ³	28,623	30,538	36,005	32,933	36,774	38,558	37,615	37,979	
57 Netherlands	7,047	12,363 ³	10,705	10,550	16,259	13,710	15,207	16,066	15,522	13,238	
58 Norway	2,305	3,727	18,867	17,723	10,936	14,163	13,866	15,479	14,985	20,939	
59 Portugal	2,403	4,033	3,574	3,448	2,889	2,802	2,906	2,735	2,168	2,145	
60 Russia	19,018	20,800	23,147	24,378	27,648	28,918	30,656	35,062	34,316	33,504	
61 Spain	7,787	8,811	14,030	14,849	16,066	13,923	14,180	15,853	11,973	8,873	
62 Sweden	6,497	3,375	4,654	3,767	4,006	4,611	6,816	6,309	5,731	4,086	
63 Switzerland	74,635	66,382 ²	131,489	105,350	119,474	114,471	100,341	113,568	119,598 ¹	135,420	
64 Turkey	7,548	7,474	12,130	12,754	11,973	10,996	11,214	12,253	12,540	13,933	
65 United Kingdom	167,757	204,107 ³	181,840	168,426	280,193	305,077	305,229	310,581	275,430 ¹	316,444	
66 Channel Islands and Isle of Man ¹⁴	0	36,024 ³	45,728	26,327	23,068	21,772	21,475	23,487	21,740 ¹	21,633	
67 Yugoslavia ¹⁵	276	309	301	353	337	332	237	183	183	157	
68 Other Europe and other former U.S.S.R. ¹⁶	30,578	41,938 ¹	52,962	49,891	57,732	58,351	58,353	57,828	66,052 ²	56,879	
69 Canada	30,982	27,240 ³	24,955	27,880	28,618	32,059	29,209	31,867	36,031	37,044	
70 Latin America	120,041	118,025	107,042	106,106	104,360	105,098	107,168	105,979	107,722 ¹	106,803	
71 Argentina	19,451	10,704	11,218	11,253	10,611	10,711	10,002	9,769	9,884 ¹	10,406	
72 Brazil	10,852	14,169	10,037	10,586	11,004	12,168	11,256	12,695	16,253 ¹	15,805	
73 Chile	5,892	4,939	6,064	5,591	5,808	5,714	5,063	5,535	4,725	4,682	
74 Colombia	4,542	4,695	4,158	4,147	4,897	4,458	4,726	4,653	4,617	4,517	
75 Ecuador	2,112	2,390	2,299	2,397	2,247	2,377	2,256	2,217	2,237	2,373	
76 Guatemala	1,601	1,882	1,381	1,436	1,485	1,411	1,543	1,504	1,546 ¹	1,399	
77 Mexico	32,166	39,871	36,149	36,888	35,000	36,376	38,823	35,139	33,738 ¹	32,719	
78 Panama	4,240	3,610	3,845	3,972	4,172	3,735	3,713	3,690	4,234 ¹	4,139	
79 Peru	1,427	1,359	1,363	1,364	1,368	1,340	1,382	1,618	1,572	1,532	
80 Uruguay	3,003	3,172	2,806	2,681	2,480	2,772	2,905	2,905	3,150 ¹	3,139	
81 Venezuela	24,730	24,974	21,883	19,951	19,634	18,250	19,147	20,156	19,761 ¹	20,436	
82 Other Latin America ¹⁷	10,025	6,260	5,839	5,840	5,654	5,786	6,352	6,019	6,085 ¹	5,656	
83 Caribbean	573,337	194,744 ³	194,158	206,063	210,983	223,186	211,602	222,491	228,737 ¹	210,503	
84 Bahamas	189,298	174,472	163,052	169,978	165,869	175,738	161,240	169,514	174,207 ¹	156,214	
85 Bermuda	9,636	10,469 ³	23,780	27,421	38,133	40,552	43,422	45,774	43,954	43,584	
86 British West Indies ¹⁸	367,197	0	0	0	0	0	0	0	0	0	
87 Cayman Islands ¹⁸	0	439,190 ³	512,570	516,117	622,246	651,323	738,272	689,027	703,610 ¹	738,596	
88 Cuba	90	88	93	93	207	91	92	92	93	88	
89 Jamaica	794	1,182	829	883	855	1,000	929	837	790	707	
90 Netherlands Antilles	5,428	3,264	5,001	6,329	4,535	4,432	4,600	5,071	8,289	8,949	
91 Trinidad and Tobago	894	1,269	1,405	1,359	1,384	1,373	1,320	1,203	1,404	961	
92 Other Caribbean ¹⁷	0	12,113 ³	11,341	11,057	11,814	11,913	12,377	13,014	15,806 ¹	16,520	
93 Asia	305,554	290,923 ³	318,048	318,865	320,107	326,222	319,078	342,178	336,985 ¹	333,114	
94 China											
94 Mainland	16,531	10,486 ¹	15,504	13,544	13,705	17,620	14,998	15,622	17,389 ¹	19,373	
95 Taiwan	17,352	17,561 ¹	18,625	22,147	24,171	20,229	21,428	23,214	20,785 ¹	20,836	
96 Hong Kong	26,462	26,003 ¹	33,032	36,777	35,816	32,991	34,496	35,193 ¹	35,781	35,781	
97 India	4,530	3,676 ¹	7,951	8,074	8,844	8,683	9,279	9,394	7,942 ¹	8,343	
98 Indonesia	8,514	12,383	14,109	12,858	12,419	11,943	12,039	11,891	10,478	8,857	
99 Israel	8,053	7,870	7,231	9,638	10,226	11,807	10,902	10,269	9,706 ¹	10,026	
100 Japan	150,415	154,887 ¹	161,329	162,110	166,425	175,245	166,063	179,918	175,120 ¹	173,526	
101 Korea (South)	7,955	8,977 ¹	8,932	7,410	7,062	6,950	6,873	7,935	9,152 ¹	9,393	
102 Philippines	2,316	1,772	1,793	1,364	1,536	1,774	1,560	1,869	1,575 ¹	1,980	
103 Thailand	3,117	4,743	7,605	6,666	5,035	5,289	5,741	5,293	5,534 ¹	4,729	
104 Middle Eastern oil-exporting countries ¹⁹	23,763	18,095 ¹	16,364	15,176	12,198	9,858	10,370	14,447	15,784 ¹	13,771	
105 Other	36,546	24,450 ¹	25,573	23,101	22,670	23,833	25,329	28,292	28,327 ¹	26,499	
106 Africa	10,824	11,233 ³	12,240	11,177	14,404	12,994	13,605	13,184	13,063 ¹	12,839	
107 Egypt	2,621	2,778	2,652	2,494	3,624	3,549	3,607	3,536	3,295	2,958	
108 Morocco	139	274	306	259	346	283	210	281	234	350	
109 South Africa	1,010	711 ¹	1,114	725	2,406	1,807	2,019	2,172	2,028	2,067 ¹	
110 Congo (formerly Zaire)	4	4	2	3	5	3	4	4	6	7	
111 Oil-exporting countries ²⁰	4,052	4,377	4,370	4,126	4,552	3,987	4,146	3,701	3,581	3,579	
112 Other	2,998	3,089 ¹	3,796	3,570	3,471	3,365	3,619	3,490	3,919	3,878	
113 Other countries	11,341	5,681 ¹	11,388	9,831	11,536	9,576	12,475	12,101	17,774 ¹	15,750	
114 Australia	10,070	9,332	9,332	8,237	9,120	6,842	9,854	9,497	14,351	13,198	
115 New Zealand ²¹	0	232 ¹	1,796	1,320	1,940	2,175	2,123	2,039	2,959 ¹	2,252	
116 All other	1,271	412	260	274	476	559	498	565	464 ¹	300	
117 Nonmonetary international and regional organizations	12,543	10,830	13,467	14,624	12,085	9,377	9,003	8,962	11,781	15,127	
118 International ²²	11,270	9,331	11,282	12,859	10,217	7,955	7,919	7,782	10,726	12,908	
119 Latin American regional ²³	740	480	507	372	547	686	296	339	373	1,616	
120 Other regional ²⁴	533	935	1,611	1,299	1,216	633	614	693	621	553	

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

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

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

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

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

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

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

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

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

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

23. Principally the Inter-American Development Bank.

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

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

Payable in U.S. dollars

Millions of dollars, end of period

Area or country	2000	2001	2002	2003						
				Jan.	Feb. ¹	Mar. ¹	Apr. ¹	May ¹	June ¹	July ¹
1 Total, all foreigners	904,642	1,052,066²	1,088,165	1,083,390	1,225,960	1,307,012	1,332,093	1,328,441	1,359,795	1,380,362
2 Foreign countries	899,956	1,047,120²	1,084,488	1,080,231	2,445,198	2,605,964	2,654,934	2,649,522	2,708,728	2,753,684
3 Europe	378,115	462,418²	484,047	446,105	521,896	542,014	540,062	570,450	588,835	611,431
4 Austria	2,926	5,280 ²	3,603	4,334	4,142	4,538	4,875	4,165	4,339	5,898
5 Belgium ²	5,399	6,491 ²	6,044	6,273	6,286	7,653	8,120	4,722	6,741	6,987
6 Denmark	3,272	1,105	1,109	1,563	428	748	648	495	1,737	1,314
7 Finland	7,382	10,350	8,518	9,832	9,191	9,462	11,893	8,130	9,191	7,447
8 France	40,035	60,866 ²	47,705	45,914	48,395	46,458	54,726	52,852	55,435	56,055
9 Germany	36,834	30,044 ²	22,481	23,395	22,526	22,260	19,908	20,453	22,996	27,264
10 Greece	646	367 ²	477	296	295	314	234	214	207	190
11 Italy	7,629	4,205	3,753	3,177	3,011	4,022	4,536	4,133	6,251	6,101
12 Luxembourg ²	0	1,323 ²	3,407	3,901	4,360	3,149	4,472	6,436	6,214	5,955
13 Netherlands	17,043	16,039 ²	23,133	19,188	16,031	21,169	18,128	19,769	18,731	20,280
14 Norway	5,012	6,236	13,885	18,606	9,809	11,091	11,672	11,039	15,866	21,058
15 Portugal	1,382	1,603	2,226	2,356	2,342	1,929	2,260	2,457	2,406	2,331
16 Russia	517	594	877	1,025	729	1,107	699	755	815	863
17 Spain	2,603	3,260	5,371	4,154	3,258	2,485	2,916	2,374	2,117	1,626
18 Sweden	9,226	12,756 ²	15,889	15,329	15,458	16,310	16,860	16,184	15,615	14,721
19 Switzerland	82,085	87,350 ²	126,958	87,562	101,204	106,937	81,562	98,530	103,425	103,083
20 Turkey	3,059	2,124	2,112	2,021	2,069	2,280	2,441	2,531	2,196	2,379
21 United Kingdom	144,938	201,185 ²	173,996	167,820	238,510	238,279	247,496	262,408	262,936	273,284
22 Channel Islands and Isle of Man ³	0	4,478	17,457	24,393	27,785	35,018	38,641	44,454	44,692	45,857
23 Yugoslavia ⁴	50	0	0	0	0	0	0	0	0	0
24 Other Europe and other former U.S.S.R. ⁵	8,077	6,762	5,046	4,966	6,067	6,805	7,974	8,349	6,925	8,738
25 Canada	39,837	54,421	60,521	65,085	65,990	57,348	58,995	53,892	49,774	53,729
26 Latin America	76,561	69,762	56,642	54,482	55,547	56,089	54,765	56,179	55,634	54,815
27 Argentina	11,519	10,763	6,783	6,663	6,625	6,152	6,080	5,923	6,005	5,493
28 Brazil	20,567	19,434	15,419	14,520	15,358	15,921	15,341	16,392	16,548	16,620
29 Chile	5,815	5,317	5,250	5,077	5,290	5,299	5,342	5,301	5,276	5,751
30 Colombia	4,370	3,602	2,614	2,406	2,712	2,650	2,587	2,480	2,422	2,309
31 Ecuador	635	495	457	439	434	491	482	485	479	441
32 Guatemala	1,244	1,495	892	896	831	970	841	799	773	770
33 Mexico	17,415	16,522	15,658	15,268	14,994	14,792	14,629	15,416	14,640	14,331
34 Panama	2,933	3,061	1,915	1,730	1,861	1,887	1,964	1,903	1,986	1,696
35 Peru	2,807	2,185	1,441	1,403	1,438	1,400	1,448	1,493	1,541	1,479
36 Uruguay	673	447	255	255	308	324	322	313	335	328
37 Venezuela	3,518	3,077	3,254	3,202	3,175	3,301	3,196	3,127	3,201	3,052
38 Other Latin America ⁶	5,065	3,364	2,734	2,623	2,521	2,902	2,533	2,547	2,428	2,545
39 Caribbean	319,403	366,319²	381,637	402,454	470,012	524,385	547,902	521,751	541,396	537,759
40 Bahamas	114,090	101,034	95,584	97,456	86,312	92,186	86,031	91,506	96,660	89,217
41 Bermuda	9,260	7,900	9,902	12,511	17,034	23,343	21,351	21,552	21,965	23,973
42 British West Indies ⁷	189,289	0	0	0	0	0	0	0	0	0
43 Cayman Islands ⁷	0	245,750 ²	265,000	281,641	354,238	397,575	429,181	396,974	410,091	411,299
44 Cuba	0	0	0	0	0	0	0	0	0	0
45 Jamaica	355	418	321	304	349	381	376	309	327	377
46 Netherlands Antilles	5,801	6,729	6,690	6,445	7,658	6,751	7,009	7,104	7,134	6,736
47 Trinidad and Tobago	608	931	889	865	966	884	848	852	837	796
48 Other Caribbean ⁸	0	3,557	3,251	3,232	3,455	3,265	3,106	3,454	4,382	5,361
49 Asia	77,829	85,990²	93,487	103,096	101,607	114,350	117,240	115,304	109,509	110,761
50 China	1,606	2,073	1,057	4,799	1,884	9,419	7,819	4,731	6,988	10,860
51 Mainland	2,247	4,433 ²	3,772	6,563	5,703	8,272	5,349	5,689	5,395	6,452
52 Taiwan	6,669	10,035 ²	7,258	6,490	5,683	5,020	4,788	5,549	7,056	5,070
53 Hong Kong	1,914	1,348	1,235	1,128	1,194	1,077	1,187	1,375	1,432	1,432
54 India	2,178	1,752	1,770	1,223	1,074	1,064	997	993	935	970
55 Indonesia	2,729	4,296	4,660	5,182	3,328	3,110	4,014	3,971	4,333	4,722
56 Israel	34,974	34,136 ²	47,600	48,818	56,269	58,395	63,247	62,399	62,048	54,784
57 Japan	7,776	10,653 ²	11,118	14,473	13,938	13,047	14,841	13,237	7,058	12,988
58 Korea (South)	1,784	2,587	2,137	2,424	1,536	2,040	1,862	1,651	1,502	1,343
59 Philippines	1,381	2,499	1,167	830	707	1,393	1,263	1,658	1,222	1,317
60 Middle Eastern oil-exporting countries ⁸	9,346	7,882	7,952	8,004	6,405	7,110	6,871	7,271	6,019	5,551
61 Other	5,225	4,196	4,261	3,162	3,896	4,542	5,112	6,968	5,578	5,272
62 Africa	2,094	2,146²	1,977	1,945	1,992	2,051	1,850	1,777	1,743	1,565
63 Egypt	201	416	487	511	544	558	551	446	412	411
64 Morocco	204	53	53	53	45	49	42	41	43	43
65 South Africa	309	761 ²	617	545	577	565	468	546	526	381
66 Congo (formerly Zaire)	0	0	0	0	0	0	0	0	0	0
67 Oil-exporting countries ⁹	471	167	222	240	224	257	215	129	218	182
68 Other	909	696	598	596	602	622	574	558	544	548
69 Other countries	6,117	6,064²	6,177	7,064	5,555	6,745	6,653	5,408	7,473	6,782
70 Australia	5,868	5,677 ²	5,566	6,212	5,033	5,944	5,892	4,594	6,583	6,023
71 New Zealand ¹⁰	0	349	569	833	507	705	640	668	794	641
72 All other	249	38	42	19	15	96	121	146	96	118
73 Nonmonetary international and regional organizations¹¹	4,686	4,946	3,677	3,159	3,361	4,030	4,626	3,680	5,431	3,520

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

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

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

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

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

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

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

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

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

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

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

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

Payable in U.S. dollars

Millions of dollars, end of period

Type of claim	2000	2001 ¹	2002	2003						
				Jan.	Feb. ²	Mar. ²	Apr. ²	May ²	June ²	July ²
1 Total claims reported by banks	1,095,869	1,259,328	1,306,306	.	.	1,574,897	.	.	1,656,804	
2 Banks' own claims on foreigners	904,642	1,052,066	1,088,165	1,083,390	1,225,960	1,307,012	1,332,093	1,328,441	1,359,795	1,380,362
3 Foreign official institutions ²	37,907	50,618	52,198	62,004	39,635	48,472	47,620	48,816	44,242	52,078
4 Foreign banks ³	725,380	844,865	873,077	854,787	923,129	964,407	987,276	977,851	1,004,189	1,023,183
5 Other foreigners ⁴	141,355	156,583	162,890	166,599	263,196	294,133	297,197	301,774	311,364	305,101
6 Claims on banks' domestic customers ⁵	191,227	207,262	218,141			267,885			297,009	.
7 Non-negotiable deposits	100,352	82,566	80,269			107,789			121,784	.
8 Negotiable CDs						83,845			88,511	.
9 Other short-term negotiable instruments ⁶	78,147	114,287	131,780			58,025			71,454	.
10 Other claims	12,728	10,409	6,092			18,226			15,260	.
MEMO										
11 Non-negotiable deposits ⁷					447,703	465,861	497,268	463,085	476,342	482,956
12 Negotiable CDs ⁷					2,221	2,621	1,741	2,198	771	1,456
13 Other short-term negotiable instruments ⁷					9,791	13,513	13,853	13,210	15,562	11,427
14 Other claims ⁷	n.a.	n.a.	n.a.	n.a.	766,245	825,017	819,231	849,948	867,120	884,523
15 Own foreign offices ⁸	630,137	744,498	795,060	768,492	898,051	940,502	956,935	951,671	972,181	975,331
16 Loans collateralized by repurchase agreements ⁹		137,979	161,585	185,804	245,798	287,043	311,728	319,597	310,598	345,043

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

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

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

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

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

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

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

7. Data available beginning February 2003.

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

9. Data available beginning January 2001.

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

Millions of dollars, end of period

Type of liability, and area or country	1999	2000	2001	2001	2002				2003
				Dec.	Mar.	June	Sept.	Dec.	Mar. ^P
1 Total	53,020	73,904	66,679	66,679	74,887	70,431	68,225	67,664	73,558
<i>By type</i>									
2 Financial liabilities	27,980	47,419	41,034	41,034	46,408	42,326	41,311	39,561	45,119
3 Short-term negotiable securities ¹	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	21,415
4 Other liabilities ¹	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	23,704
<i>Of which:</i>									
5 Borrowings ¹	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	6,398
6 Repurchase agreements ¹	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	19,181
<i>By currency</i>									
7 U.S. dollars	n.a.	25,246	18,763	n.a.	20,454	22,350	18,913	18,844	18,363
8 Foreign currency ²	n.a.	22,173	22,271	n.a.	25,954	20,776	22,398	20,717	26,756
9 Canadian dollars	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	527
10 Euros	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	12,336
11 United Kingdom pounds sterling	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	7,209
12 Japanese yen	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2,880
13 All other currencies	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	3,804
<i>By area or country</i>									
<i>Financial liabilities</i>									
14 Europe	23,241	34,172	31,806	31,806	39,379	35,004	34,809	34,335	35,800
15 Belgium-Luxembourg	31	147	154	154	119	120	232	144	1,164
16 France	1,659	1,480	2,841	2,841	3,531	4,071	3,517	5,243	2,782
17 Germany	1,974	2,168	2,344	2,344	2,982	2,522	2,865	2,923	3,343
18 Netherlands	1,996	2,016	1,954	1,954	1,946	1,935	1,915	1,825	1,797
19 Switzerland	147	104	94	94	84	61	61	61	19
20 United Kingdom	16,521	26,362	22,852	22,852	28,694	24,338	24,303	22,531	25,539
<i>MEMO:</i>									
21 Euro area ³	n.a.	7,587	8,798	n.a.	9,991	10,107	10,369	11,211	10,100
22 Canada	284	411	955	955	1,067	1,378	583	591	492
23 Latin America and Caribbean	892	4,125	2,858	2,858	1,547	1,332	1,088	1,504	3,816
24 Bahamas	1	6	157	157	5	5	0	23	334
25 Bermuda	5	1,739	960	960	836	526	588	990	3,046
26 Brazil	126	148	35	35	35	38	65	65	127
27 British West Indies ⁴	492	406	1,627	1,627	612	1,300	377	365	n.a.
28 Cayman Islands	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	25
29 Mexico	25	26	36	36	27	25	26	31	29
30 Venezuela	0	2	2	2	1	5	1	1	0
31 Asia	3,437	7,965	5,042	5,042	4,020	4,498	4,450	2,932	4,303
32 Japan	3,142	6,216	3,269	3,269	3,299	2,387	2,447	1,832	2,043
33 Middle Eastern oil-exporting countries ⁵	4	12	10	10	15	14	16	14	17
34 Africa	28	52	53	53	122	120	128	131	116
35 Oil-exporting countries ⁶	0	0	5	5	91	91	91	91	91
36 All other ⁷	98	694	320	320	273	294	253	68	592

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

Millions of dollars, end of period

Type of liability, and area or country	1999	2000	2001	2001	2002				2003
				Dec.	Mar.	June	Sept.	Dec.	Mar. ^f
37 Commercial liabilities	25,040	26,485	25,645	25,645	28,479	27,605	26,914	28,103	28,439
38 Trade payables	12,834	14,293	11,781	11,781	15,119	14,205	13,819	14,699	15
39 Advance payments and other liabilities	n.a.	12,192	13,864	n.a.	13,360	13,400	13,095	13,404	14
<i>By currency</i>									
40 Payable in U.S. dollars	23,722	23,685	24,162	24,162	26,715	26,004	25,621	26,243	24,879
41 Payable in foreign currencies ²	1,318	2,800	1,483	1,483	1,764	1,601	1,293	1,860	3,560
42 Canadian dollars	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	114
43 Euros	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,074
44 United Kingdom pounds sterling	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	661
45 Japanese yen	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	242
46 All other currencies	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,469
<i>By area or country</i>									
Commercial liabilities									
47 Europe	9,262	9,629	9,219	9,219	8,168	8,015	8,065	8,257	8,794
48 Belgium-Luxembourg	140	293	99	99	105	94	134	141	186
49 France	672	979	734	734	713	827	718	765	867
50 Germany	1,131	1,047	905	905	584	570	855	807	n.a.
51 Netherlands	507	300	1,163	1,163	236	312	506	590	732
52 Switzerland	626	502	790	790	648	749	592	433	548
53 United Kingdom	3,071	2,847	2,279	2,279	2,747	2,551	2,317	2,649	2,895
MEMO									
54 Euro area ³	n.a.	4,518	5,141	n.a.	3,673	3,718	4,258	4,200	4,350
55 Canada	1,775	1,933	1,622	1,622	1,802	2,027	1,570	1,588	1,768
56 Latin America and Caribbean	2,310	2,381	2,727	2,727	3,515	2,817	2,923	3,073	3,035
57 Bahamas	22	31	52	52	23	12	14	51	59
58 Bermuda	152	281	591	591	433	422	468	538	519
59 Brazil	145	114	290	290	277	320	290	253	246
60 British West Indies ⁴	48	76	45	45	67	46	47	36	n.a.
61 Cayman Islands	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	80
62 Mexico	887	841	899	899	1,518	1,015	1,070	1,170	1,091
63 Venezuela	305	284	166	166	281	204	327	177	143
64 Asia	9,886	10,983	10,517	10,517	13,116	12,866	12,462	13,382	13,121
65 Japan	2,609	2,757	2,581	2,581	4,281	4,143	4,031	4,292	4,137
66 Middle Eastern oil-exporting countries ⁵	2,493	2,832	2,639	2,598	3,289	3,432	3,857	3,979	3,546
67 Africa	950	948	836	836	1,000	916	876	827	927
68 Oil-exporting countries ⁶	499	483	436	436	454	349	445	405	423
69 All other ⁷	881	611	724	724	878	964	1,018	976	794
MEMO									
70 Financial liabilities to foreign affiliates ⁸	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	12,917

1. Data available beginning March 2003.

2. Foreign currency detail available beginning March 2003.

3. Comprises Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Portugal, and Spain. As of December 2001, also includes Greece.

4. Beginning March 2003, data for the Cayman Islands replaced data for the British West Indies.

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

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

7. Includes nonmonetary international and regional organizations.

8. Data available beginning March 2003. Includes financial liabilities to foreign affiliates of insurance underwriting subsidiaries of Bank/Financial Holding Companies and other financial intermediaries. These data are not included in lines 1-6 above.

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

Millions of dollars, end of period

Type of claim, and area or country	1999	2000	2001	2001	2002				2003
				Dec.	Mar.	June	Sept.	Dec.	Mar. ^f
1 Total	76,642	90,157	113,082	113,082	115,969	116,608	112,784	102,566	111,109
<i>By type</i>									
2 Financial claims	40,231	53,031	81,287	81,287	85,359	87,331	84,038	71,389	81,687
3 Non-negotiable deposits	n.a.	23,374	29,801	n.a.	41,813	42,136	38,074	27,064	43,459
4 Negotiable securities	n.a.	29,657	51,486	n.a.	43,546	45,195	45,964	44,325	5,729
Of which:									
5 Negotiable CDs ¹	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	216
6 Other claims	21,665	29,657	51,486	51,486	43,568	45,188	45,959	44,064	32,499
Of which:									
7 Loans ¹	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	12,674
8 Repurchase agreements ¹	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5,669
<i>By currency</i>									
9 U.S. dollars	n.a.	46,157	74,471	n.a.	79,722	82,353	79,307	65,070	74,609
10 Foreign currency ²	n.a.	6,874	6,816	n.a.	5,637	4,978	4,731	6,319	7,078
11 Canadian dollars	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	604
12 Euros	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	3,055
13 United Kingdom pounds sterling	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2,083
14 Japanese yen	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	880
15 All other currencies	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	456
<i>By area or country</i>									
<i>Financial claims</i>									
16 Europe	13,023	23,136	26,118	26,118	36,032	37,003	32,139	29,018	34,599
17 Belgium-Luxembourg	529	296	625	625	751	797	656	722	1,494
18 France	967	1,206	1,450	1,450	3,489	3,921	3,854	3,247	3,253
19 Germany	504	848	1,068	1,068	4,114	3,972	4,292	4,245	6,240
20 Netherlands	1,229	1,396	2,138	2,138	3,253	3,995	4,024	3,648	4,355
21 Switzerland	643	699	589	589	308	1,010	1,135	383	1,497
22 United Kingdom	7,561	15,900	16,510	16,510	17,982	16,133	11,454	10,663	11,203
<i>MEMO:</i>									
23 Euro area ³	n.a.	5,580	8,626	n.a.	16,903	18,589	18,542	17,281	20,251
24 Canada	2,553	4,576	6,193	6,193	5,471	5,537	5,485	5,013	5,060
25 Latin America and Caribbean	18,206	19,317	41,201	41,201	34,979	37,489	38,800	29,612	31,802
26 Bahamas	1,593	1,353	976	976	1,197	1,332	715	1,038	757
27 Bermuda	11	19	918	918	611	704	1,157	724	387
28 Brazil	1,476	1,827	2,127	2,127	1,892	2,036	2,226	2,286	2,324
29 British West Indies ⁴	12,099	12,596	32,965	32,965	27,328	29,569	30,837	21,528	n.a.
30 Cayman Islands	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	25,225
31 Mexico	1,798	2,448	3,075	3,075	2,777	2,823	2,871	2,921	1,780
32 Venezuela	48	87	83	83	79	60	71	104	161
33 Asia	5,457	4,697	6,430	6,430	6,414	5,754	6,041	5,358	7,596
34 Japan	3,262	1,631	1,604	1,604	2,051	1,146	1,481	1,277	1,226
35 Middle Eastern oil-exporting countries ⁵	23	80	135	135	79	78	88	79	68
36 Africa	286	411	414	414	390	431	379	395	358
37 Oil-exporting countries ⁶	15	57	49	49	51	64	29	25	26
38 All other ⁷	706	894	931	931	2,073	1,117	1,194	1,993	2,272

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

Millions of dollars, end of period

Type of claim, and area or country	1999	2000	2001	2001	2002				2003
				Dec.	Mar.	June	Sept.	Dec.	Mar. ⁹
39 Commercial claims	36,411	37,126	31,795	31,795	30,610	29,277	28,746	31,177	29,422
40 Trade receivables	32,602	33,104	27,513	27,513	25,845	24,716	24,171	26,385	24,713
41 Advance payments and other claims	3,809	4,022	4,282	4,282	4,765	4,561	4,575	4,792	4,709
<i>By currency</i>									
42 Payable in U.S. dollars	34,204	33,401	29,393	29,393	26,864	25,361	25,441	26,481	22,304
43 Payable in foreign currencies ²	2,207	3,725	2,402	2,402	3,746	3,916	3,305	4,696	7,118
44 Canadian dollars	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	385
45 Euros	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,803
46 United Kingdom pounds sterling	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,451
47 Japanese yen	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	278
48 All other currencies	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	3,201
<i>By area or country</i>									
Commercial claims									
49 Europe	16,389	15,938	14,022	14,022	12,935	12,314	12,680	14,187	13,329
50 Belgium-Luxembourg	316	452	268	268	272	207	254	269	228
51 France	2,236	3,095	2,921	2,921	2,883	2,828	2,972	3,164	2,803
52 Germany	1,960	1,982	1,658	1,658	1,198	1,163	1,158	1,202	1,285
53 Netherlands	1,429	1,729	529	529	642	832	1,089	1,490	1,128
54 Switzerland	610	763	611	611	436	472	404	503	449
55 United Kingdom	5,827	4,502	3,833	3,833	3,579	3,387	3,236	3,727	3,749
MEMO									
56 Euro area ³	n.a.	8,819	7,961	n.a.	7,237	7,106	7,707	8,580	8,082
57 Canada	2,757	3,502	2,818	2,818	2,760	2,752	2,623	2,790	2,550
58 Latin America and Caribbean	5,959	5,851	4,859	4,859	4,912	4,530	4,324	4,346	4,773
59 Bahamas	20	37	42	42	42	28	35	31	61
60 Bermuda	390	376	369	369	422	214	270	287	545
61 Brazil	905	957	954	954	837	829	862	750	737
62 British West Indies ⁴	181	137	95	95	73	26	12	19	n.a.
63 Cayman Islands	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	59
64 Mexico	1,678	1,507	1,391	1,391	1,225	1,283	1,184	1,259	1,094
65 Venezuela	439	328	288	288	312	316	340	288	231
66 Asia	9,165	9,630	7,849	7,849	7,513	7,309	6,778	7,324	5,981
67 Japan	2,074	2,796	2,006	2,006	1,975	2,064	2,083	2,341	1,432
68 Middle Eastern oil-exporting countries ⁵	1,573	1,024	850	833	657	889	819	818	614
69 Africa	631	672	645	645	630	605	637	584	636
70 Oil-exporting countries ⁶	171	180	88	88	109	94	107	95	139
71 All other ⁷	1,537	1,533	1,602	1,602	1,860	1,767	1,704	1,946	2,153
MEMO									
72 Financial claims on foreign affiliates ⁸	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	11,915

1. Data available beginning March 2003.

2. Foreign currency detail available beginning March 2003.

3. Comprises Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Portugal, and Spain. As of December 2001, also includes Greece.

4. Beginning March 2003, data for the Cayman Islands replaced data for the British West Indies.

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

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

7. Includes nonmonetary international and regional organizations.

8. Data available beginning March 2003. Includes financial liabilities to foreign affiliates of insurance underwriting subsidiaries of Bank/Financial Holding Companies and other financial intermediaries. These data are not included in lines 1-8 above.

3.24 FOREIGN TRANSACTIONS IN SECURITIES

Millions of dollars

Transaction, and area or country	2001	2002	2003							
			Jan.-July	Jan.	Feb.	Mar.	Apr.	May	June	July ^a
U.S. corporate securities										
Stocks										
1 Foreign purchases	3,051,332	3,203,259	1,740,365	216,731	201,408	236,668	213,275	273,263	311,954	267,066
2 Foreign sales	2,934,942	3,153,816	1,729,004	219,527	203,486	233,828	228,918	266,670	301,646	274,929
3 Net purchases, or sales (-)	116,390	49,443	11,361	-2,796	-2,078	2,840	4,357	6,593	10,308	-7,863
4 Foreign countries	116,187	49,496	11,416	-2,773	-2,080	2,860	4,360	6,597	10,325	-7,873
5 Europe	88,099	33,004	5,462	-2,186	1,900	1,360	250	1,526	8,129	-5,517
6 France	5,914	2,127	1,960	206	270	1,816	-1,647	642	-882	1,555
7 Germany	8,415	-129	2,333	-63	-65	-780	-118	-260	4,452	-833
8 Netherlands	10,919	4,535	1,004	366	-75	651	-1,090	262	921	-31
9 Switzerland	3,456	2,655	-2,863	-724	-990	-22	98	-901	-562	238
10 United Kingdom	38,493	15,173	-7,433	-2,761	1,938	-258	777	-1,181	1,928	-7,876
11 Channel Islands and Isle of Man ¹	-698	-255	-145	-2	-17	-42	46	-30	-65	-35
12 Canada	10,984	7,432	2,320	1,481	-1,594	2,376	2,540	-435	2,385	-4,433
13 Latin America and Caribbean	-5,154	-15,422	-1,418	-3,104	-2,253	-1,538	1,230	4,575	-1,198	870
14 Middle East ²	1,789	-1,293	-340	-72	-21	-51	-7	29	-68	-150
15 Other Asia	20,726	22,672	6,649	1,287	2,774	478	-73	612	770	801
16 Japan	6,788	12,337	-630	561	1,008	-60	-1,093	-677	-597	228
17 Africa	-366	-72	97	38	-9	-29	68	-37	101	-35
18 Other countries	109	3,175	-1,354	-217	-2,877	264	352	327	206	591
19 Nonmonetary international and regional organizations	203	-53	-55	-23	2	-20	-3	-4	-17	10
BONDS ³										
20 Foreign purchases	1,942,690	2,549,132	2,107,274	228,232	207,404	307,241	306,305	381,880 ^a	352,299	323,913
21 Foreign sales	1,556,745	2,171,786	1,822,373	180,540	184,293	263,003	254,370	322,432	322,074	285,661
22 Net purchases, or sales (-)	385,945	377,346	284,901	47,692	23,111	44,238	41,935	59,448 ^a	30,225	38,252
23 Foreign countries	385,379	377,083	285,336	47,836	23,276	44,307	41,525	59,684 ^a	30,720	37,988
24 Europe	195,412	167,140	133,893	27,938	16,528	20,639	25,295	21,452 ^a	5,072	16,969
25 France	5,028	3,771	1,754	1,092	63	142	116	112	-77	306
26 Germany	12,362	5,149	1,071	545	999	-180	-68	143	-631	263
27 Netherlands	1,538	-406	1,637	118	611	-2	-614	317	74	1,133
28 Switzerland	5,721	8,521	5,824	1,154	859	1,034	1,263	366	346	802
29 United Kingdom	152,772	109,836	84,448	15,960	6,826	14,772	16,951	13,911	5,040	10,988
30 Channel Islands and Isle of Man ¹	2,000	11,173	18,395	5,420	1,533	4,138	3,091	3,320	9	884
31 Canada	4,595	-1,037	1,112	-892	193	1,169	-894	1,428	-236	344
32 Latin America and Caribbean	77,019	82,837	67,772	6,564	-6,379	10,217	1,978	25,924 ^a	12,604	16,864
33 Middle East ²	2,337	2,315	1,104	591	42	37	31	-277 ^a	170	510
34 Other Asia	106,400	121,470	79,668	13,593	12,767	11,038	15,586	10,929 ^a	12,314	3,441
35 Japan	33,687	48,482	25,925	4,025	4,566	1,456	8,549	3,885 ^a	4,712	-1,268
36 Africa	760	860	1,553	53	80	779	147	110	241	143
37 Other countries	-1,144	3,498	234	-11	45	428	-618	118	555	-283
38 Nonmonetary international and regional organizations	566	263	-435	-144	-165	-69	410	-236	-495	264
Foreign securities										
39 Stocks, net purchases, or sales (-)	-50,113	-1,629	-34,955	-6,893	-4,474	-5,363	2,073	-10,800	-5,231 ^a	-4,267
40 Foreign purchases	1,397,664	1,260,278	716,148	94,622	83,683	91,096	100,054	99,777	116,975 ^a	129,941
41 Foreign sales	1,447,777	1,261,907	751,103	101,515	88,157	96,459	97,981	110,577	122,206 ^a	134,208
42 Bonds, net purchases, or sales (-)	30,502	28,406	36,277	-1,915	4,493	7,315	-2,416	14,049	11,738	3,013
43 Foreign purchases	1,160,102	1,377,020	1,213,840	140,513	122,893	166,837	135,970	230,256	209,730	207,641
44 Foreign sales	1,129,600	1,348,614	1,177,563	142,428	118,400	159,522	138,386	216,207	197,992	204,628
45 Net purchases, or sales (-), of stocks and bonds	-19,611	26,777	1,322	-8,808	19	1,952	-343	3,249	6,507 ^a	-1,254
46 Foreign countries	-19,024	26,814	1,346	-8,829	-77	1,971	-256	3,270	6,485 ^a	-1,218
47 Europe	-12,108	15,407	4,824	-5,090	-1,592	6,270	4,409	1,593	3,575 ^a	-4,341
48 Canada	2,943	4,849	9,660	3,890	603	-302	-600	2,106	651 ^a	3,312
49 Latin America and Caribbean	4,315	4,562	-16,465	-7,886	862	-3,381	-7,450	1,289	4,438	-4,337
50 Asia	-11,869	1,591	3,611	-261	194	-971	3,456	-649	-1,456 ^a	3,298
51 Japan	-20,116	-9,119	-4,181	-1,233	-1,447	1,557	2,218	1,509	-4,009 ^a	-2,776
52 Africa	-558	-379	224	-55	-34	27	-11	5	139 ^a	153
53 Other countries	-1,747	784	-508	573	-110	328	-60	-1,074	-862 ^a	697
54 Nonmonetary international and regional organizations	-587	-37	-24	21	96	-19	-87	-21	22	-36

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

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

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

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

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

Area or country	2001	2002	2003							
			Jan.-July	Jan.	Feb.	Mar.	Apr.	May	June	July ²
1 Total estimated	18,514	120,537	166,483	2,819	-2,421	26,390	9,792	41,109	44,108	44,686
2 Foreign countries	19,200	118,526	167,168	2,436	-2,177	26,441	9,844	40,793	44,205	45,626
3 Europe	-20,604	43,008	53,836	1,958	-5,238	649	7,739	6,132	20,710	21,886
4 Belgium ²	-598	2,046	-250	3,371	-1,379	-2,722	218	77	-82	267
5 Germany	-1,668	-3,910	6,885	-1,183	-257	-270	1,148	3,449	874	3,124
6 Luxembourg ²	462	-1,609	1,156	75	358	83	33	-2	127	482
7 Netherlands	-6,728	-17,020	5,898	-4,085	1,360	959	4,425	2,216	659	364
8 Sweden	-1,190	2,923	1,821	422	190	522	-240	482	608	-163
9 Switzerland	1,412	-508	2,978	-86	-1,050	1,067	-784	749	1,700	1,382
10 United Kingdom	-7,279	60,995	29,698	1,313	-2,912	3,256	571	-523	8,439	19,554
11 Channel Islands and Isle of Man ³	-179	714	1,822	-11	9	37	140	550	973	124
12 Other Europe and former U.S.S.R	-4,836	-623	3,828	2,142	-1,557	-2,283	2,228	-866	7,412	-3,248
13 Canada	-1,634	-5,198	6,829	-698	-1,871	1,782	820	-1,317	4,102	4,011
14 Latin America and Caribbean	4,272	21,116	23,549	-1,891	3,384	11,179	-6,109	10,705	-1,690	7,971
15 Venezuela	290	-59	233	20	97	23	13	37	9	34
16 Other Latin America and Caribbean	14,726	21,955	23,204	2,676	2,323	8,550	-4,809	7,234	1,219	6,011
17 Netherlands Antilles	-10,744	-780	112	-4,587	964	2,606	-1,313	3,434	-2,918	1,926
18 Asia	36,332	55,850	77,860	2,630	2,287	12,246	7,178	25,236	18,693	9,590
19 Japan	16,114	30,730	51,642	3,512	5,580	-1,221	5,532	25,097	11,698	1,444
20 Africa	-880	841	259	84	-43	-16	127	-59	86	80
21 Other	1,714	2,909	4,835	353	-696	601	89	96	2,304	2,088
22 Nonmonetary international and regional organizations	-686	2,011	-685	383	-244	-51	-52	316	-97	-940
23 International	-290	1,642	-554	170	-130	-109	85	381	177	-1,128
24 Latin American Caribbean regional	41	-3	-123	-15	-38	-28	-37	-6	-3	4
MEMO										
25 Foreign countries	19,200	118,526	167,168	2,436	-2,177	26,441	9,844	40,793	44,205	45,626
26 Official institutions	3,474	9,809	48,915	312	4,823	1,322	-421	14,749	15,045	13,085
27 Other foreign	15,726	108,717	118,253	2,124	-7,000	25,119	10,265	26,044	29,160	32,541
Oil-exporting countries										
28 Middle East ⁴	865	-3,918	-6,955	509	-4,252	128	-2,772	-1,018	55	395
29 Africa ⁵	-2	29	1	0	0	0	0	0	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. Before January 2001, combined data reported for Belgium and Luxembourg.

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

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

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

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

Currency units per U.S. dollar except as noted

Item	2000	2001	2002	2003					
				Apr.	May	June	July	Aug.	Sept.
Exchange rates									
COUNTRY/CURRENCY UNIT									
1 Australia/dollar ²	58.15	51.69	54.37	61.00	64.68	66.52	66.07	65.18	66.35
2 Brazil/real	1.8301	2.3527	2.9213	3.1090	2.9517	2.8887	2.8833	3.0053	2.9204
3 Canada/dollar	1.4855	1.5487	1.5704	1.4582	1.3840	1.3525	1.3821	1.3963	1.3634
4 China, P.R./yuan	8.2784	8.2770	8.2770	8.2772	8.2769	8.2771	8.2773	8.2770	8.2772
5 Denmark/krone	8.0953	8.3323	7.8862	6.8381	6.4268	6.3620	6.5425	6.6653	6.5953
6 European Monetary Union/euro ³	0.9232	0.8952	0.9454	1.0862	1.1556	1.1674	1.1365	1.1155	1.1267
7 Greece/drachma	365.92	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
8 Hong Kong/dollar	7.7924	7.7997	7.7997	7.7996	7.7991	7.7988	7.7990	7.7990	7.7850
9 India/rupee	45.00	47.22	48.63	47.39	47.11	46.70	46.22	45.96	45.85
10 Japan/yen	107.80	121.57	125.22	119.90	117.37	118.33	118.70	118.66	114.80
11 Malaysia/ringgit	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000	3.8000
12 Mexico/peso	9.459	9.337	9.663	10.589	10.253	10.503	10.458	10.783	10.923
13 New Zealand/dollar ²	45.68	42.02	46.45	55.18	57.56	58.15	58.64	58.29	58.43
14 Norway/krone	8.8131	8.9964	7.9839	7.2032	6.8145	7.0093	7.2924	7.4096	7.2782
15 Singapore/dollar	1.7250	1.7930	1.7908	1.7771	1.7357	1.7351	1.7551	1.7533	1.7466
16 South Africa/rand	6.9468	8.6093	10.5176	7.6634	7.6604	7.8588	7.5458	7.3945	7.3060
17 South Korea/won	1,130.90	1,292.01	1,250.31	1,231.10	1,201.23	1,194.14	1,181.16	1,178.60	1,165.40
18 Sri Lanka/rupee	76.964	89.602	95.773	97.004	97.231	97.236	97.153	96.975	95.284
19 Sweden/krona	9.1735	10.3425	9.7233	8.4314	7.9213	7.8116	8.0929	8.2821	8.0426
20 Switzerland/franc	1.6904	1.6891	1.5567	1.3783	1.3111	1.3196	1.3611	1.3811	1.3743
21 Taiwan/dollar	31.260	33.824	34.536	34.824	34.697	34.633	34.396	34.318	33.995
21 Thailand/baht	40.210	44.532	43.019	42.929	42.217	41.675	41.808	41.656	40.483
23 United Kingdom/pound ²	151.56	143.96	150.25	157.39	162.24	166.09	162.21	159.39	161.55
24 Venezuela/bolivar	680.52	724.10	1,161.19	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00
Indexes ⁴									
NOMINAL									
25 Broad (January 1997=100) ⁵	119.68	126.08	127.19	122.54	118.54	117.93	119.11	120.43	119.03
26 Major currencies (March 1973=100) ⁶	98.31	104.28	102.85	93.98	89.67	88.68	90.42	91.48	89.68
27 Other important trading partners (January 1997=100) ⁷	130.34	136.36	141.42	145.15	142.75	143.07	142.84	144.32	144.06
REAL									
28 Broad (March 1973=100) ⁵	104.47 ^r	110.50 ^r	110.88 ^r	106.63 ^r	103.11 ^r	102.84 ^r	104.05 ^r	105.35 ^r	103.98
29 Major currencies (March 1973=100) ⁶	103.29 ^r	110.73	109.36	100.38 ^r	95.60 ^r	94.64 ^r	96.73 ^r	98.02 ^r	96.10
30 Other important trading partners (March 1973=100) ⁷	114.81 ^r	119.47 ^r	122.29 ^r	124.32 ^r	122.43 ^r	123.21 ^r	123.15 ^r	124.57 ^r	123.93

1. Averages of certified noon buying rates in New York for cable transfers. Data in this table also appear in the Board's G.5 (405) monthly statistical release. For ordering address, see inside front cover.

2. U.S. cents per currency unit.

3. The euro is reported in place of the individual euro area currencies. By convention, the rate is reported in U.S. dollars per euro. The bilateral currency rates can be derived from the euro rate by using the fixed conversion rates (in currencies per euro) as shown below:

Euro equals			
13.7603	Austrian schillings	1.936.27	Italian lire
40.3399	Belgian francs	40.3399	Luxembourg francs
5.94573	Finnish markkas	2.20371	Netherlands guilders
6.55957	French francs	200.482	Portuguese escudos
1.95583	German marks	166.386	Spanish pesetas
.787564	Irish pounds	340.750	Greek drachmas

4. Starting with the March 2003 *Bulletin*, revised index values resulting from the periodic revision of data that underlie the calculated trade weights are reported. For more information on the indexes of the foreign exchange value of the dollar, see *Federal Reserve Bulletin*, vol. 84 (October 1998), pp. 811-818.

5. Weighted average of the foreign exchange value of the U.S. dollar against the currencies of a broad group of U.S. trading partners. The weight for each currency is computed as an average of U.S. bilateral import shares from and export shares to the issuing country and as a measure of the importance to U.S. exporters of that country's trade in third country markets.

6. Weighted average of the foreign exchange value of the U.S. dollar against a subset of broad index currencies that circulate widely outside the country of issue. The weight for each currency is its broad index weight scaled so that the weights of the subset of currencies in the index sum to one.

7. Weighted average of the foreign exchange value of the U.S. dollar against a subset of broad index currencies that do not circulate widely outside the country of issue. The weight for each currency is its broad index weight scaled so that the weights of the subset of currencies in the index sum to one.

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4.20 DOMESTIC AND FOREIGN OFFICES Insured Commercial Bank Assets and Liabilities

Consolidated Report of Condition, June 30, 2003

Millions of dollars except as noted

Item	Total	Domestic total	Banks with foreign offices ¹		Banks with domestic offices only ²
			Total	Domestic	Total
1 Total assets	7,365,122	6,560,705	4,961,742	4,157,326	2,403,380
2 Cash and balances due from depository institutions	415,309	301,318	307,488	193,497	107,821
3 Cash items in process of collection, unposted debits, and currency and coin	n.a.	n.a.	138,708	136,093	n.a.
4 Cash items in process of collection and unposted debits	n.a.	n.a.	n.a.	114,356	n.a.
5 Currency and coin	n.a.	n.a.	n.a.	21,736	n.a.
6 Balances due from depository institutions in the United States	n.a.	n.a.	44,544	36,484	n.a.
7 Balances due from banks in foreign countries and foreign central banks	n.a.	n.a.	109,356	6,129	n.a.
8 Balances due from Federal Reserve Banks	n.a.	n.a.	14,880	14,792	n.a.
9 Total securities, held-to-maturity (amortized cost) and available-for-sale (fair value)	1,415,414	n.a.	815,480	n.a.	559,934
10 U.S. Treasury securities	60,756	n.a.	18,030	n.a.	22,726
11 U.S. government agency and corporation obligations (excludes mortgage-backed securities)	228,549	n.a.	92,620	n.a.	135,929
12 Issued by U.S. government agencies	8,344	n.a.	5,447	n.a.	2,896
13 Issued by U.S. government-sponsored agencies	220,206	n.a.	37,173	n.a.	133,033
14 Securities issued by states and political subdivisions in the United States	108,332	n.a.	36,906	n.a.	71,427
15 Mortgage-backed securities (MBS)	804,511	n.a.	552,137	n.a.	252,374
16 Pass-through securities	542,156	n.a.	397,689	n.a.	144,468
17 Guaranteed by GNMA	81,323	n.a.	58,970	n.a.	22,353
18 Issued by FNMA and FHLMC	453,986	n.a.	313,048	n.a.	120,938
19 Other pass-through securities	6,848	n.a.	5,671	n.a.	1,177
20 Other mortgage-backed securities (includes CMOs, REMICs, and stripped MBS)	262,355	n.a.	154,449	n.a.	107,906
21 Issued or guaranteed by FNMA, FHLMC or GNMA	179,796	n.a.	99,912	n.a.	79,883
22 Collateralized by MBS issued or guaranteed by FNMA, FHLMC, or GNMA	5,064	n.a.	3,905	n.a.	1,159
23 All other mortgage-backed securities	77,495	n.a.	50,632	n.a.	26,864
24 Asset-backed securities	91,773	n.a.	52,252	n.a.	39,521
25 Credit card receivables	38,010	n.a.	23,286	n.a.	14,724
26 Home equity lines	27,747	n.a.	17,672	n.a.	10,075
27 Automobile loans	11,647	n.a.	5,296	n.a.	6,351
28 Other consumer loans	1,561	n.a.	1,146	n.a.	415
29 Commercial and industrial loans	4,231	n.a.	1,423	n.a.	2,808
30 Other	8,578	n.a.	3,428	n.a.	5,149
31 Other debt securities	103,437	n.a.	73,986	n.a.	29,451
32 Other domestic debt securities	36,806	n.a.	13,170	n.a.	23,636
33 Foreign debt securities	66,631	n.a.	60,817	n.a.	5,814
34 Investments in mutual funds and other equity securities with readily determinable fair value	18,056	n.a.	9,549	n.a.	8,507
35 Federal funds sold and securities purchased under agreements to resell	371,429	315,529	272,596	216,696	98,833
36 Federal funds sold in domestic offices	191,456	191,456	102,573	102,573	88,883
37 Securities purchased under agreements to resell	179,973	124,073	170,023	114,123	9,950
38 Total loans and leases (gross) and lease-financing receivables (net)	4,216,839	3,919,500	2,697,380	2,400,041	1,519,459
39 Less: Unearned income on loans	3,415	2,322	2,355	1,262	1,060
40 Less: Loans and leases held for sale	275,613	n.a.	219,389	n.a.	56,224
41 Total loans and leases (net of unearned income)	3,937,811	n.a.	2,475,636	n.a.	1,462,175
42 Less: Allowance for loan and lease losses	74,761	n.a.	51,146	n.a.	23,615
43 Loans and leases, net of unearned income and allowance	3,863,050	n.a.	2,424,490	n.a.	1,438,560
<i>Total loans and leases, gross, by category</i>					
44 Loans secured by real estate	2,184,220	2,150,821	1,244,555	1,211,157	939,664
45 Construction and land development	n.a.	216,338	n.a.	102,520	113,818
46 Farmland	n.a.	39,660	n.a.	6,800	32,860
47 One- to four-family residential properties	n.a.	1,245,666	n.a.	818,981	426,685
48 Revolving, open-end loans, extended under lines of credit	n.a.	246,193	n.a.	169,627	76,565
<i>Closed-end loans secured by one- to four-family residential properties</i>					
49 Secured by first liens	n.a.	916,946	n.a.	602,382	314,564
50 Secured by junior liens	n.a.	82,527	n.a.	46,971	35,555
51 Multifamily (five or more) residential properties	n.a.	76,453	n.a.	38,095	38,358
52 Nonfarm nonresidential properties	n.a.	572,704	n.a.	244,761	327,943
53 Loans to depository institutions and acceptances of other banks	146,521	118,364	133,212	105,054	13,309
54 Commercial banks in the United States	n.a.	n.a.	82,982	69,310	n.a.
55 Other depository institutions in the United States	n.a.	n.a.	31,159	31,092	n.a.
56 Banks in foreign countries	n.a.	n.a.	19,071	4,652	n.a.
57 Loans to finance agricultural production and other loans to farmers	45,484	44,970	9,714	9,200	35,770
58 Commercial and industrial loans	882,981	755,360	641,956	514,335	241,024
59 U.S. addressees (domicile)	n.a.	n.a.	518,462	505,833	n.a.
60 Non-U.S. addressees (domicile)	n.a.	n.a.	123,494	8,502	n.a.
61 Loans to individuals for household, family, and other personal expenditures (includes purchased paper)	648,428	584,295	393,183	329,050	255,245
62 Credit cards	214,084	192,712	135,722	114,351	78,362
63 Other revolving credit plans	36,824	24,741	31,977	19,893	4,848
64 Other consumer loans (including single-payment, installment, and all student loans)	397,519	366,841	225,484	194,806	172,035
65 Obligations (other than securities) of states and political subdivisions in the United States (includes nonrated industrial development obligations)	22,390	22,390	13,494	13,494	8,896
66 All other loans	132,757	103,934	120,265	91,441	12,492
67 Loans to foreign governments and official institutions	6,083	2,310	6,043	2,269	41
68 Other loans	126,674	101,623	114,222	89,172	12,452
69 Loans for purchasing and carrying securities	n.a.	n.a.	n.a.	22,753	n.a.
70 All other loans (excludes consumer loans)	n.a.	n.a.	n.a.	66,419	n.a.
71 Lease-financing receivables	154,058	139,368	141,000	126,310	13,058
72 Trading assets	408,258	n.a.	403,979	n.a.	4,278
73 Premises and fixed assets (including capitalized leases)	79,928	n.a.	45,899	n.a.	34,029
74 Other real estate owned	4,628	n.a.	1,879	n.a.	2,749
75 Investments in unconsolidated subsidiaries and associated companies	9,067	n.a.	8,592	n.a.	475
76 Customers' liability on acceptances outstanding	5,869	n.a.	5,641	n.a.	228
77 Net due from own foreign offices, Edge Act and agreement subsidiaries, and IBFs	n.a.	n.a.	n.a.	30,137	n.a.
78 Intangible assets	128,559	n.a.	103,737	n.a.	24,822
79 Goodwill	89,810	n.a.	72,049	n.a.	17,761
80 Other intangible assets	38,748	n.a.	31,688	n.a.	7,061
81 All other assets	387,997	n.a.	312,571	n.a.	75,426

4.20 DOMESTIC AND FOREIGN OFFICES Insured Commercial Bank Assets and Liabilities—Continued

Consolidated Report of Condition, June 30, 2003

Millions of dollars except as noted

Item	Total	Domestic total	Banks with foreign offices ¹		Banks with domestic offices only ²
			Total	Domestic	Total
82 Total liabilities, minority interest, and equity capital	7,365,122	n.a.	4,961,742	n.a.	2,403,380
83 Total liabilities	6,693,648	5,889,231	4,529,565	3,725,149	2,164,083
84 Total deposits	4,884,358	4,206,743	3,128,274	2,450,659	1,756,085
85 Individuals, partnerships, and corporations (include all certified and official checks)	4,388,345	3,899,375	2,767,962	2,278,991	1,620,384
86 U.S. government	n.a.	31,372	n.a.	30,046	1,325
87 States and political subdivisions in the United States	n.a.	207,045	n.a.	95,416	111,630
88 Commercial banks and other depository institutions in the United States	104,890	55,990	82,517	33,616	22,373
89 Banks in foreign countries	125,741	11,933	125,382	11,575	358
90 Foreign governments and official institutions (including foreign central banks)	26,684	1,029	26,669	1,015	14
91 Total transaction accounts	n.a.	726,253	n.a.	388,319	337,934
92 Individuals, partnerships, and corporations (include all certified and official checks)	n.a.	621,037	n.a.	323,731	297,306
93 U.S. government	n.a.	3,578	n.a.	2,728	850
94 States and political subdivisions in the United States	n.a.	59,632	n.a.	28,284	31,348
95 Commercial banks and other depository institutions in the United States	n.a.	35,043	n.a.	26,815	8,229
96 Banks in foreign countries	n.a.	6,354	n.a.	6,163	190
97 Foreign governments and official institutions (including foreign central banks)	n.a.	609	n.a.	598	11
98 Total demand deposits	n.a.	549,025	n.a.	337,891	211,134
99 Total nontransaction accounts	n.a.	3,480,490	n.a.	2,062,340	1,418,150
100 Individuals, partnerships, and corporations (include all certified and official checks)	n.a.	3,278,338	n.a.	1,955,261	1,323,077
101 U.S. government	n.a.	27,794	n.a.	27,318	476
102 States and political subdivisions in the United States	n.a.	147,413	n.a.	67,131	80,282
103 Commercial banks and other depository institutions in the United States	n.a.	20,946	n.a.	6,802	14,144
104 Banks in foreign countries	n.a.	5,579	n.a.	5,411	168
105 Foreign governments and official institutions (including foreign central banks)	n.a.	420	n.a.	416	4
106 Federal funds purchased and securities sold under agreements to repurchase	603,750	563,669	468,306	428,225	135,444
107 Federal funds purchased in domestic offices	240,255	240,255	173,020	173,020	67,235
108 Securities sold under agreements to repurchase	363,495	323,413	295,286	255,205	68,208
109 Trading liabilities	253,765	n.a.	252,829	n.a.	935
110 Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases)	575,318	532,792	353,560	311,034	221,758
111 Banks' liability on acceptances executed and outstanding	5,876	4,119	5,648	3,891	228
112 Subordinated notes and debentures to deposits	96,629	n.a.	88,098	n.a.	8,531
113 Net due to own foreign offices, Edge Act and agreement subsidiaries, and IBFs	n.a.	n.a.	n.a.	137,855	n.a.
114 All other liabilities	273,952	n.a.	232,850	n.a.	41,102
115 Minority interest in consolidated subsidiaries	13,049	n.a.	11,071	n.a.	1,978
116 Total equity capital	658,425	n.a.	421,106	n.a.	237,319
MEMO					
117 Trading assets at large banks ²	407,964	205,524	403,741	201,301	4,223
118 U.S. Treasury securities (domestic offices)	n.a.	19,661	n.a.	19,446	215
119 U.S. government agency obligations (excluding MBS)	n.a.	10,156	n.a.	9,796	360
120 Securities issued by states and political subdivisions in the United States	n.a.	1,251	n.a.	987	264
121 Mortgage-backed securities	n.a.	8,151	n.a.	5,615	2,535
122 Other debt securities	n.a.	36,318	n.a.	36,042	276
123 Other trading assets	n.a.	21,118	n.a.	20,875	243
124 Trading assets in foreign offices	107,485	0	107,485	0	0
125 Revaluation gains on interest rate, foreign exchange rate, and other commodity and equity contracts	203,826	108,870	203,496	108,540	330
126 Total individual retirement (IRA) and Keogh plan accounts	n.a.	167,958	n.a.	74,194	93,764
127 Total brokered deposits	n.a.	249,650	n.a.	120,979	128,671
128 Fully insured brokered deposits	n.a.	166,380	n.a.	67,435	98,945
129 Issued in denominations of less than \$100,000	n.a.	91,759	n.a.	31,915	59,844
130 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.	74,621	n.a.	35,520	39,101
131 Money market deposit accounts (MMDAs)	n.a.	1,592,902	n.a.	1,085,851	507,051
132 Other savings deposits (excluding MMDAs)	n.a.	615,485	n.a.	362,129	253,355
133 Total time deposits of less than \$100,000	n.a.	678,587	n.a.	277,083	401,504
134 Total time deposits of \$100,000 or more	n.a.	593,517	n.a.	337,276	256,240
135 Number of banks	7,812	7,812	122	n.a.	7,690

NOTE. The notation "n.a." indicates the lesser detail available from banks that do not 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 US-affiliated insular areas; subsidiaries in foreign countries; all offices of Edge Act and agreement corporations wherever located; and international banking facility (IBF).

2. Components of "Trading Assets at Large Banks" are reported only by banks that reported trading assets of \$2 million or more any quarter of the preceding calendar year.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, August 4–8, 2003

A. Commercial and industrial loans made by all commercial banks¹

Maturity/repricing interval ² and risk of loans ³	Weighted-average effective loan rate (percent) ⁴	Amount of loans (millions of dollars)	Average loan size (thousands of dollars)	Weighted-average maturity ⁵	Percent of amount of loans (percent)			Commitment status	
					Secured by collateral	Subject to prepayment penalty	Prime based	Percent made under commitment	Average months since loan terms set ⁶
				Days					
LOAN RISK									
1 All commercial and industrial loans	3.15	58,650	422	567	37.5	22.4	34.8	78.1	12.8
2 Minimal risk	2.22	1,456	369	428	26.9	20.5	16.4	84.1	12.2
3 Low risk	2.63	12,925	1,222	582	14.1	23.3	21.4	81.1	4.7
4 Moderate risk	3.22	20,322	508	747	40.3	21.5	35.3	86.0	10.5
5 Other	3.60	14,729	315	399	51.4	23.5	38.1	76.0	17.3
<i>By maturity/repricing interval</i>									
6 Zero interval	4.40	15,484	253	841	41.1	11.5	66.9	86.1	12.2
7 Minimal risk	3.39	223	153	563	58.9	3.3	50.7	96.2	4.5
8 Low risk	4.39	3,894	1,096	1153	5.7	1.8	53.3	59.3	2.8
9 Moderate risk	4.27	6,199	282	936	40.5	13.1	71.3	96.0	11.0
10 Other	4.59	4,634	184	480	65.6	19.0	74.1	94.3	19.8
11 Daily	2.29	20,863	646	231	28.0	26.4	26.9	72.6	12.9
12 Minimal risk	1.43	537	2,178	51	3.6	33.9	14.9	94.4	2.6
13 Low risk	1.30	5,218	4,423	167	5.5	35.5	3.4	88.8	2.8
14 Moderate risk	2.26	4,963	1,051	390	27.9	22.2	18.6	83.5	6.3
15 Other	2.76	4,794	468	128	42.9	21.6	26.4	51.5	19.4
16 2 to 30 days	2.64	9,139	644	416	34.3	29.0	18.3	75.9	15.8
17 Minimal risk	1.58	331	2,105	158	14.7	17.1	3.6	82.9	41.0
18 Low risk	2.11	1,529	852	380	20.3	36.2	12.6	95.3	7.3
19 Moderate risk	2.73	3,396	1,103	559	37.3	28.2	18.3	83.3	15.2
20 Other	3.04	2,285	376	211	39.0	36.0	10.7	73.1	15.8
21 31 to 365 days	3.01	10,077	627	608	45.2	27.6	14.9	84.0	10.5
22 Minimal risk	2.33	229	186	663	60.7	8.8	7.4	70.9	6.3
23 Low risk	2.61	1,900	941	524	36.8	25.3	9.6	93.8	10.5
24 Moderate risk	2.84	4,392	801	695	51.3	29.6	16.6	82.8	8.1
25 Other	3.67	2,500	1,047	622	49.6	25.9	17.7	93.2	12.3
				Months					
26 More than 365 days	4.84	2,889	210	60	66.9	15.7	38.6	59.2	13.4
27 Minimal risk	4.85	134	160	61	38.9	24.2	10.8	48.5	4.4
28 Low risk	5.04	384	189	49	78.1	14.2	36.3	77.6	2.9
29 Moderate risk	4.49	1,275	298	61	58.3	14.9	34.0	64.2	19.6
30 Other	4.84	452	215	67	66.3	17.4	39.7	66.2	11.0
			Weighted-average risk rating ³	Weighted-average maturity/ repricing interval ⁵					
				Days					
SIZE OF LOAN (thousands of dollars)									
31 1–99	5.03	2,501	3.4	184	82.4	4.1	75.1	86.2	16.5
32 100–999	4.28	8,379	3.4	159	71.6	8.1	71.6	87.3	19.0
33 1,000–9,999	3.15	18,315	3.2	126	36.9	30.5	30.2	79.0	14.7
34 10,000 or more	2.67	29,455	2.9	59	24.2	23.1	23.7	74.1	9.1
							Average size (thousands of dollars)		
BASE RATE OF LOAN⁷									
35 Prime ⁸	4.59	20,385	3.2	92	56.6	4.0	206.0	89.9	14
36 Other	2.39	38,265	3.0	104	27.3	32.3	958.0	71.8	12

Footnotes appear at end of table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, August 4–8, 2003—Continued

B. Commercial and industrial loans made by all domestic banks¹

Maturity/repricing interval ² and risk of loans ³	Weighted-average effective rate loan rate (percent) ⁴	Amount of loans (millions of dollars)	Average loan size (thousands of dollars)	Weighted-average maturity ⁵	Percent of amount of loans (percent)			Commitment status	
					Secured by collateral	Subject to prepayment penalty	Prime based	Percent made under commitment	Average months since loan terms set ⁶
				Days					
LOAN RISK									
1 All commercial and industrial loans	3.40	44,558	330	692	42.7	12.3	43.6	81.6	12.9
2 Minimal risk	2.47	896	236	484	30.6	25.0	26.2	89.7	17.6
3 Low risk	2.70	11,305	1,118	596	13.9	19.9	23.8	79.4	4.3
4 Moderate risk	3.54	15,926	409	906	45.9	13.1	43.3	84.5	10.3
5 Other	4.19	9,023	201	590	67.0	4.8	58.1	88.6	17.1
<i>By maturity/repricing interval</i>									
6 Zero interval	4.57	13,608	226	936	46.0	2.0	73.3	84.2	9.0
7 Minimal risk	3.38	219	151	563	59.8	3.3	49.9	96.1	4.3
8 Low risk	4.39	3,836	1,103	1,158	5.7	1.4	53.0	58.6	2.6
9 Moderate risk	4.56	5,419	249	1,059	45.7	2.7	79.4	95.4	7.8
10 Other	4.82	3,605	146	576	82.3	1.8	89.3	92.7	15.7
11 Daily	2.41	14,375	462	328	30.8	20.9	37.8	80.5	15.7
12 Minimal risk	1.29	310	1,806	95	6.3	58.8	25.9	90.2	4.8
13 Low risk	1.27	4,669	4,371	166	2.2	31.9	3.9	87.5	3.2
14 Moderate risk	2.66	3,155	702	599	39.2	31.5	28.1	74.3	10.2
15 Other	3.46	1,950	200	334	51.0	2.8	60.9	77.6	23.9
16 2 to 30 days	2.78	6,401	487	535	40.0	11.8	22.7	79.9	17.6
17 Minimal risk	1.51	205	1,587	226	20.9	.1	5.9	100.0	54.4
18 Low risk	2.20	1,119	682	384	25.1	25.2	17.2	97.7	7.8
19 Moderate risk	2.83	2,650	959	670	38.4	13.2	20.7	83.7	14.6
20 Other	3.79	1,164	206	399	61.4	4.3	16.5	90.5	20.2
21 31 to 365 days	3.14	7,179	477	624	51.8	14.6	18.8	88.1	10.3
22 Minimal risk	3.57	68	57	205	39.1	3.0	25.1	62.6	10.6
23 Low risk	2.57	1,298	688	387	51.5	28.6	10.9	96.2	8.7
24 Moderate risk	2.93	3,371	649	763	53.5	13.5	20.5	83.4	7.6
25 Other	3.85	1,792	907	598	56.7	10.1	23.2	96.8	12.6
				Months					
26 More than 365 days	4.89	2,800	203	61	68.8	14.5	39.8	60.8	13.4
27 Minimal risk	5.54	93	111	69	56.2	34.9	15.6	70.0	4.4
28 Low risk	5.04	384	189	49	78.1	14.2	36.3	77.6	2.9
29 Moderate risk	4.52	1,234	289	62	60.3	12.0	35.2	66.4	19.6
30 Other	4.84	452	215	67	66.3	17.4	39.7	66.2	11.0
			Weighted-average risk rating ³	Weighted-average maturity/repricing interval ⁵					
				Days					
SIZE OF LOAN (thousands of dollars)									
31 1–99	5.04	2,476	3.4	185	82.8	3.9	75.2	86.1	16.5
32 100–999	4.33	7,830	3.4	169	75.0	5.5	74.0	87.2	19.1
33 1,000–9,999	3.52	11,733	3.2	175	49.9	13.2	42.0	85.7	16.5
34 10,000 or more	2.83	22,519	2.6	72	23.3	15.1	30.5	77.0	8.0
							Average size (thousands of dollars)		
BASE RATE OF LOAN⁷									
35 Prime ⁸	4.57	19,445	3.2	95	57.5	3.1	198.0	89.6	14.2
36 Other	2.48	25,113	2.8	143	31.2	19.4	681.0	75.4	11.7

Footnotes appear at end of table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, August 4–8, 2003—Continued

C. Commercial and industrial loans made by large domestic banks¹

Maturity/repricing interval ² and risk of loans ³	Weighted-average effective loan rate (percent) ⁴	Amount of loans (millions of dollars)	Average loan size (thousands of dollars)	Weighted-average maturity ⁵	Percent of amount of loans (percent)			Commitment status	
					Secured by collateral	Subject to prepayment penalty	Prime based	Percent made under commitment	Average months since loan terms set ⁶
				Days					
LOAN RISK									
1 All commercial and industrial loans	3.12	38,506	549	632	36.0	13.2	39.8	82.5	14.2
2 Minimal risk	1.75	656	1,035	308	26.1	29.1	22.4	94.2	22.4
3 Low risk	2.51	10,464	3,818	563	9.9	21.1	21.6	79.4	4.5
4 Moderate risk	3.28	13,762	806	811	39.4	13.6	38.9	87.7	10.8
5 Other	4.06	7,655	267	528	63.0	4.7	56.4	89.0	19.0
<i>By maturity/repricing interval</i>									
6 Zero interval	4.52	10,982	403	1,015	37.0	1.9	70.0	82.3	9.7
7 Minimal risk	2.87	118	302	696	80.0	5.5	58.6	93.5	7.3
8 Low risk	4.31	3,559	5,703	1,147	2.3	.5	50.3	56.8	2.5
9 Moderate risk	4.56	4,407	417	1,166	37.0	2.8	76.8	96.6	8.0
10 Other	4.82	2,741	208	603	78.5	1.9	87.3	92.3	18.3
11 Daily	2.24	13,549	480	326	27.1	22.0	34.1	79.9	16.7
12 Minimal risk	1.21	303	3,381	70	6.4	60.0	24.4	90.0	4.9
13 Low risk	1.25	4,652	6,103	164	1.9	32.0	3.5	87.6	3.2
14 Moderate risk	2.57	3,025	910	568	38.2	32.9	25.0	74.1	10.6
15 Other	3.43	1,918	204	317	50.5	2.8	60.3	78.3	24.1
16 2 to 30 days	2.58	5,616	660	506	35.6	13.3	20.2	81.1	19.6
17 Minimal risk	1.35	190	2,786	225	16.4	.1	.2	100.0	58.1
18 Low risk	2.20	938	1,041	422	25.2	30.0	17.1	97.5	9.3
19 Moderate risk	2.54	2,379	1,653	563	31.6	14.6	13.1	91.1	14.8
20 Other	3.56	886	248	432	58.2	5.6	19.4	87.7	27.2
21 31 to 365 days	2.90	6,590	2,315	577	49.4	14.5	16.0	89.7	10.9
22 Minimal risk	2.96	28	392	136	33.2	7.3	5.8	100.0	14.2
23 Low risk	2.20	1,179	3,300	392	48.9	31.4	8.5	98.7	9.2
24 Moderate risk	2.72	3,126	4,016	657	50.8	11.6	17.0	83.7	8.1
25 Other	3.80	1,743	1,481	573	56.1	10.3	22.3	97.2	12.8
				Months					
26 More than 365 days	3.81	1,577	808	39	49.2	12.9	46.8	80.3	17.7
27 Minimal risk	*	*	*	*	*	*	*	*	*
28 Low risk	3.03	136	1,417	38	38.2	33.5	35.0	98.7	6.3
28 Moderate risk	3.30	730	1,220	37	35.0	6.3	46.1	94.4	23.0
30 Other	4.37	306	438	35	50.7	6.5	51.4	82.9	12.7
			Weighted-average risk rating ³	Weighted-average maturity/ repricing interval ⁵					
				Days					
SIZE OF LOAN (thousands of dollars)									
31 1–99	4.34	1,316	3.7	56	78.7	5.6	79.4	91.8	25.2
32 100–999	3.98	5,418	3.5	63	68.8	5.5	74.9	93.5	23.5
33 1,000–9,999	3.32	10,082	3.2	89	45.9	13.7	40.9	89.2	18.0
34 10,000 or more	2.74	21,689	2.6	70	20.7	15.4	28.2	76.1	8.4
							Average size (thousands of dollars)		
BASE RATE OF LOAN⁷									
35 Prime ⁸	4.44	15,341	3.2	77	49.2	2.7	279.0	91.9	16
36 Other	2.25	23,165	2.7	71	27.3	20.2	1,530.0	76.3	12

Footnotes appear at end of table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, August 4–8, 2003—Continued

D. Commercial and industrial loans made by small domestic banks¹

Maturity/repricing interval ² and risk of loans ³	Weighted-average effective loan rate (percent) ⁴	Amount of loans (millions of dollars)	Average loan size (thousands of dollars)	Weighted-average maturity ⁵	Percent of amount of loans (percent)			Commitment status	
					Secured by collateral	Subject to prepayment penalty	Prime based	Percent made under commitment	Average months since loan terms set ⁶
				Days					
LOAN RISK									
1 All commercial and industrial loans	5.14	6,052	94	1,080	84.8	6.5	67.8	75.7	3.2
2 Minimal risk	4.44	240	76	1,021	42.7	13.8	36.7	77.5	1.5
3 Low risk	5.06	841	114	1,022	63.5	5.5	50.5	79.2	1.5
4 Moderate risk	5.19	2,164	99	1,538	87.8	10.0	71.3	64.1	5.2
5 Other	4.90	1,368	85	921	89.4	5.3	67.9	86.6	3.8
<i>By maturity/repricing interval</i>									
6 Zero interval	4.77	2,626	80	575	83.7	2.8	87.3	92.0	5.6
7 Minimal risk	3.97	101	95	268	36.2	.8	39.8	99.2	.9
8 Low risk	5.41	277	97	1,334	49.0	13.0	87.8	81.9	3.9
9 Moderate risk	4.55	1,012	91	527	83.5	2.2	90.9	90.0	7.0
10 Other	4.81	863	75	490	94.4	1.5	95.9	93.9	5.5
11 Daily	5.06	826	281	361	92.0	2.0	99.6	91.4	.9
12 Minimal risk	*	*	*	*	*	*	*	*	*
13 Low risk	5.22	17	56	769	84.9	.0	88.7	71.9	1.8
14 Moderate risk	4.66	130	111	1,262	64.4	.0	99.9	78.4	.9
15 Other	5.17	32	92	1,295	80.9	.0	99.3	36.7	3.3
16 2 to 30 days	4.21	785	170	727	71.5	1.2	40.4	71.1	1.6
17 Minimal risk	3.53	15	248	241	77.9	.0	77.6	100.0	8.7
18 Low risk	2.19	180	244	200	24.2	.0	18.3	99.2	.2
19 Moderate risk	5.38	271	205	1,603	97.9	.6	87.8	18.7	7.2
20 Other	4.53	277	133	314	72.0	.0	7.1	99.6	.3
21 31 to 365 days	5.75	589	48	1,158	78.6	15.6	49.9	70.5	1.4
22 Minimal risk	3.99	40	36	251	43.1	.0	38.4	36.6	3.7
23 Low risk	6.30	119	78	336	77.4	.8	35.3	70.8	.8
24 Moderate risk	5.61	245	55	2,113	88.5	36.5	64.3	79.3	1.1
25 Other	5.78	49	61	1,506	76.6	3.2	55.5	81.6	3.7
				Months					
26 More than 365 days	6.27	1,223	104	88	94.0	16.6	30.9	35.8	.6
27 Minimal risk	5.44	77	94	68	47.3	42.0	18.7	64.0	.0
28 Low risk	6.14	248	128	54	100.0	3.7	37.0	66.0	.1
29 Moderate risk	6.29	504	137	98	96.8	20.3	19.3	25.7	1.7
30 Other	5.82	146	104	133	99.0	40.2	15.2	31.2	.3
			Weighted-average risk rating ³	Weighted-average maturity/ repricing interval ²					
				Days					
SIZE OF LOAN (thousands of dollars)									
31 1–99	5.83	1,160	3.2	327	87.4	2.0	70.5	79.7	4.3
32 100–999	5.12	2,412	3.1	403	89.1	5.3	72.0	73.1	5.0
33 1,000–9,999	4.77	1,651	3.0	703	74.1	10.2	48.5	64.6	1.7
34 10,000 or more	*	*	*	*	*	*	*	*	*
							Average size (thousands of dollars)		
BASE RATE OF LOAN⁷									
35 Prime ⁸	5.08	4,104	3.1	161	88.5	4.7	96.0	80.8	4
36 Other	5.26	1,948	3.0	1,002	77.0	10.3	90.0	64.9	1

Footnotes appear at end of table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, August 4–8, 2003—Continued

E. Commercial and industrial loans made by U.S. branches and agencies of foreign banks¹

Maturity/repricing interval ² and risk of loans ³	Weighted-average effective loan rate (percent) ⁴	Amount of loans (millions of dollars)	Average loan size (thousands of dollars)	Weighted-average maturity ⁵	Percent of amount of loans (percent)			Commitment status	
				Days	Secured by collateral	Subject to prepayment penalty	Prime based	Percent made under commitment	Average months since loan terms set ⁶
LOAN RISK									
1 All commercial and industrial loans	2.38	14,092	3,417	184	21.0	54.5	6.7	66.9	12.3
2 Minimal risk	1.83	560	3,717	351	21.1	13.3	.6	75.2	1.8
3 Low risk	2.15	1,620	3,428	484	15.3	46.7	5.2	92.9	7.0
4 Moderate risk	2.07	4,396	4,000	180	20.0	51.7	6.1	91.5	11.3
5 Other	2.67	5,707	3,091	122	26.9	53.2	6.5	56.2	17.8
<i>By maturity/repricing interval</i>									
6 Zero interval	3.18	1,876	2,164	151	6.0	79.7	20.4	99.9	31.2
7 Minimal risk	*	*	*	*	*	*	*	*	*
8 Low risk	4.09	58	776	786	4.4	23.5	74.2	100.0	10.3
9 Moderate risk	2.29	780	2,958	85	4.2	85.4	15.0	100.0	31.6
10 Other	3.79	1,029	2,023	163	7.1	79.2	20.8	99.9	32.2
11 Daily	2.03	6,488	5,684	30	21.9	38.7	2.8	55.0	3.9
12 Minimal risk	1.63	228	3,023	1	.0	.0	.0	100.0	.0
13 Low risk	1.54	549	4,926	170	33.7	66.0	.0	99.9	.0
14 Moderate risk	1.56	1,808	7,995	51	8.2	6.0	2.1	99.5	1.2
15 Other	2.29	2,844	5,609	3	37.3	34.5	2.7	33.8	12.3
16 2 to 30 days	2.33	2,738	2,576	136	21.1	69.2	8.1	66.8	10.8
17 Minimal risk	*	*	*	*	*	*	*	*	*
18 Low risk	1.87	411	2,643	370	7.4	66.2	.0	88.6	5.8
19 Moderate risk	2.36	746	2,364	136	33.2	81.6	9.7	82.1	17.4
20 Other	2.27	1,121	2,716	40	15.6	68.9	4.6	55.1	8.4
21 31 to 365 days	2.69	2,898	2,840	567	28.8	59.7	5.3	73.8	11.2
22 Minimal risk	*	*	*	*	*	*	*	*	*
23 Low risk	2.70	602	4,618	827	5.0	18.0	6.7	88.6	14.7
24 Moderate risk	2.53	1,021	3,535	466	44.1	82.8	3.9	81.2	9.9
25 Other	3.21	708	1,715	683	31.7	65.8	3.8	84.0	11.6
				Months					
26 More than 365 days	*	*	*	*	*	*	*	*	*
27 Minimal risk	*	*	*	*	*	*	*	*	*
28 Low risk	*	*	*	*	*	*	*	*	*
28 Moderate risk	*	*	*	†	*	*	*	*	*
30 Other	*	*	*	*	*	*	*	*	*
				Weighted-average risk rating ³					
				Weighted-average maturity/repricing interval ⁵					
				Days					
SIZE OF LOAN (thousands of dollars)									
31 1–99	4.30	25	3.6	18	40.9	25.6	65.1	91.8	16.2
32 100–999	3.59	549	3.6	22	22.5	45.3	37.1	88.0	17.7
33 1,000–9,999	2.49	6,582	3.3	38	13.9	61.4	9.3	67.2	10.7
34 10,000 or more	2.18	6,937	3.6	19	27.5	48.7	1.6	64.8	13.3
							Average size (thousands of dollars)		
BASE RATE OF LOAN⁷									
35 Prime ⁸	4.88	941	3.6	20	38.3	21.0	890	96.0	12.9
36 Other	2.20	13,152	3.5	28	19.7	56.9	4,287	64.8	12.3

Footnotes appear at end of table.

4.23 TERMS OF LENDING AT COMMERCIAL BANKS Survey of Loans Made, August 4–8, 2003—Continued

F. Commercial and industrial loans by date pricing terms were set and commitment status

Date pricing terms were set and commitment status	Weighted-average effective loan rate ^a (percent)	Amount of loans (millions of dollars)	Average loan size (thousands of dollars)	Weighted-average risk rating ^a	Weighted-average maturity repricing interval ^b	Percent of amount of loans		
						Days	Secured by collateral	Subject to prepayment penalty	Prime based
<i>All commercial banks</i>								
1 During survey week	3.21	31,604	686	3.0	125	33.8	29.8	28.5
2 Not under commitment	2.88	12,867	611	3.3	203	33.0	29.3	16.0
3 Informal commitment	3.00	12,527	683	2.7	42	24.4	41.8	25.1
4 Formal commitment	4.32	6,210	927	3.2	130	54.8	6.8	61.3
Prior to survey week ^c								
5 Up to 90 days	2.62	6,774	340	2.6	85	35.7	9.0	35.4
6 91 to 365 days	3.57	5,109	190	3.2	50	62.4	9.7	49.0
7 More than 365 days	3.09	14,586	356	3.4	70	35.4	18.1	41.5
<i>Domestic banks</i>								
8 During survey week	3.66	22,173	508	2.8	165	38.9	21.0	38.8
9 Not under commitment	3.26	8,198	407	2.8	297	37.2	3.1	24.7
10 Informal commitment	3.55	8,250	486	2.6	56	31.5	52.6	34.7
11 Formal commitment	4.38	5,726	868	3.2	134	52.2	1.0	64.6
Prior to survey week ^c								
12 Up to 90 days	2.63	6,333	321	2.6	88	34.8	3.4	36.8
13 91 to 365 days	3.65	4,345	164	3.3	52	62.5	4.9	54.4
14 More than 365 days	3.17	11,129	280	3.3	88	44.4	3.7	51.6
<i>Large domestic banks</i>								
15 During survey week	3.30	18,313	2,045	2.8	71	29.3	23.9	34.2
16 Not under commitment	2.67	6,728	1,181	2.7	83	25.3	.9	18.4
17 Informal commitment	3.28	6,840	3,799	2.5	18	23.8	62.4	32.6
18 Formal commitment	4.21	4,745	3,253	3.2	131	43.1	1.1	59.0
Prior to survey week ^c								
19 Up to 90 days	2.27	5,477	545	2.6	63	27.6	2.7	29.8
20 91 to 365 days	3.47	3,769	260	3.3	56	58.7	5.0	49.4
21 More than 365 days	3.14	10,856	299	3.3	89	43.7	3.5	50.6
<i>Small domestic banks</i>								
22 During survey week	5.37	3,860	111	3.0	612	84.5	7.1	60.2
23 Not under commitment	5.95	1,469	102	2.9	1,278	91.5	13.1	53.5
24 Informal commitment	4.88	1,410	93	3.1	240	68.7	5.5	45.2
25 Formal commitment	5.19	981	191	3.1	151	96.7	.4	91.9
Prior to survey week ^c								
26 Up to 90 days	4.91	856	88	2.9	246	80.9	8.0	81.9
27 91 to 365 days	4.84	575	48	3.2	21	88.0	4.1	86.6
28 More than 365 days	4.36	273	78	3.3	44	74.0	10.0	90.2
<i>Foreign banks</i>								
29 During survey week	2.16	9,430	3,939	3.5	30	21.8	50.6	4.4
30 Not under commitment	2.22	4,669	5,049	4.3	38	25.6	75.3	.8
31 Informal commitment	1.93	4,277	3,121	2.9	16	10.6	20.8	6.4
32 Formal commitment	3.54	484	4,891	3.2	76	84.8	75.2	21.7
Prior to survey week ^c								
33 Up to 90 days	2.46	441	2,322	2.8	52	48.2	90.1	14.7
34 91 to 365 days	3.10	764	2,223	2.9	43	61.5	36.9	18.8
35 More than 365 days	2.83	3,457	2,889	3.7	14	6.2	64.5	9.1

NOTE: The Survey of Terms of Business Lending collects data on gross loan extensions made during the first full business week in the mid-month of each quarter. The authorized panel size for the survey is 348 domestically chartered commercial banks and 50 U.S. branches and agencies of foreign banks. The sample data are used to estimate the terms of loans extended during that week at all domestic commercial banks and all U.S. branches and agencies of foreign banks. Note that the terms on loans extended during the survey week may differ from those extended during other weeks of the quarter. The estimates reported here are not intended to measure the average terms on all business loans in bank portfolios.

1. As of March 31, 2001, assets of the large banks were at least \$4 billion. Median total assets for all insured banks were roughly \$80 million. Assets at all U.S. branches and agencies averaged \$2.7 billion.

2. The "maturity/repricing" interval measures the period from the date the loan is made until it first may be repriced or matures. For floating-rate loans that are subject to repricing at any time—such as many prime-based loans—the maturity/repricing interval is zero. For floating-rate loans that have a scheduled repricing interval, the maturity/repricing interval measures the number of days between the date the loan is made and the date on which it is next scheduled to reprice. For loans having rates that remain fixed until the loan matures (fixed-rate loans), the "maturity/repricing" interval measures the number of days between the date the loan is made and the date on which it matures. Loans that reprice daily mature or reprice on the business day after they are made. Owing to weekends and holidays, such loans may have "maturity/repricing" intervals in excess of one day; such loans are not included in the 2 to 30 day category.

3. A complete description of these risk categories is available at "http://www.federalreserve.gov/boarddocs/reportforms/ReportDetail.cfm?WhichFormId=FR_2028a/". The category "Moderate risk" includes the average loan, under average economic conditions, at the typical lender. The "Other" category includes loans rated "Acceptable" as

well as special mention or classified loans. The weighted-average risk rating published for loans in rows 31–36 are calculated by assigning a value of "1" to minimal risk loans; "2" to low risk loans; "3" to moderate risk loans; "4" to acceptable risk loans; and "5" to special mention and classified loans. These values are weighted by loan amount and exclude loans with no risk rating. Some of the loans in table rows 1, 6, 11, 16, 21, 26, and 31–36 are not rated for risk.

4. Effective (compounded) annual interest rates are calculated from the stated rate and other terms of the loans and weighted by loan amount. The standard error of the loan rate for all commercial and industrial loans in the current survey (line 1, column 1) is 0.10 percentage point. The chances are about two out of three that the average rate shown would differ by less than this amount from the average rate that would be found by a complete survey of the universe of all banks.

5. Average maturities are weighted by loan amount and exclude loans with no stated maturities.

6. For loans made under formal commitments, the average time interval between the date on which the loan pricing was set and the date on which the loan was made, weighted by the loan amount. For loans under informal commitment, the time interval is zero.

7. Prime-based loans are based on the lending bank's own prime rate, any other lender's prime rate, a combination of prime rates, or a publicly reported prime rate. Loans with "other" base rates include loan rates expressed in terms of any other base rate (e.g., the federal funds rate or LIBOR) and loans for which no base rate is used to determine the loan rate.

8. See the summary statistics table for the average reported prime rate weighted by dollar value of loans priced relative to a prime rate.

9. For loans made under formal commitments.

4.30 ASSETS AND LIABILITIES OF U.S. BRANCHES AND AGENCIES OF FOREIGN BANKS, JUNE 30, 2003¹

Millions of dollars except as noted

Item	All states ²		New York		California		Illinois	
	Total including IBFs ³	IBFs only ³	Total including IBFs	IBFs only	Total including IBFs	IBFs only	Total including IBFs	IBFs only
1 Total assets⁴	1,069,594	129,275	949,972	104,439	15,504	4,864	32,791	3,995
2 Claims on nonrelated parties	806,562	56,003	725,307	53,933	14,958	965	31,127	33
3 Cash and balances due from depository institutions	70,328	22,416	64,244	21,730	1,144	539	649	10
4 Cash items in process of collection and unposted debits	2,379	0	2,327	0	4	0	33	0
5 Currency and coin (U.S. and foreign)	11	n.a.	8	n.a.	1	n.a.	0	n.a.
6 Balances with depository institutions in United States	44,998	9,682	39,684	9,328	830	250	581	10
7 U.S. branches and agencies of other foreign banks (including their IBFs)	39,155	9,233	34,707	8,943	655	200	515	10
8 Other depository institutions in United States (including their IBFs)	5,842	448	4,977	385	175	50	66	0
9 Balances with banks in foreign countries and with foreign central banks	21,933	12,734	21,355	12,402	292	289	23	0
10 Foreign branches of U.S. banks	367	176	346	156	21	20	0	0
11 Banks in home country and home-country central banks	4,061	2,180	3,848	2,155	25	25	2	0
12 All other banks in foreign countries and foreign central banks	17,504	10,378	17,160	10,091	246	244	21	0
13 Balances with Federal Reserve Banks	1,007	n.a.	870	n.a.	17	n.a.	11	n.a.
14 Total securities and loans	409,111	24,987	355,152	23,717	13,532	407	23,192	23
15 Total securities, book value	133,245	5,086	125,626	4,789	1,545	251	4,121	1
16 U.S. Treasury	18,113	n.a.	16,534	n.a.	60	n.a.	1,484	n.a.
17 Obligations of U.S. government agencies and corporations	27,911	n.a.	27,216	n.a.	153	n.a.	427	n.a.
18 Other bonds, notes, debentures, and corporate stock (including state and local securities)	87,222	5,086	81,876	4,789	1,333	251	2,211	1
19 Securities of foreign governmental units	10,155	3,556	9,724	3,509	59	37	347	1
20 Mortgage-backed securities	29,326	0	27,999	0	280	0	594	0
21 Issued or guaranteed by U.S. government agencies	26,715	0	25,840	0	280	0	594	0
22 Other	2,611	0	2,159	0	0	0	0	0
23 Other asset-backed securities	10,045	59	9,009	59	0	0	0	0
24 All other	37,696	1,472	35,144	1,222	993	214	1,270	0
25 Federal funds sold	27,237	7,728	24,794	7,621	107	16	1,477	0
26 With depository institutions in the U.S.	18,645	2,623	16,269	2,582	107	16	1,477	0
27 With others	8,591	5,105	8,525	5,038	0	0	0	0
28 Securities purchased under agreements to resell	109,207	0	109,034	0	0	0	173	0
29 With depository institutions in the U.S.	18,774	0	18,774	0	0	0	0	0
30 With others	90,433	0	90,260	0	0	0	173	0
31 Total loans, gross	276,269	19,912	229,863	18,938	12,008	157	19,077	21
32 Less: Unearned income on loans	403	11	336	9	21	1	6	0
33 EQUALS: Loans, net	275,866	19,901	229,526	18,928	11,987	156	19,071	21
<i>Total loans, gross, by category</i>								
34 Real estate loans	19,318	51	15,188	51	3,230	0	50	0
35 Loans to depository institutions and acceptances of other banks	74,346	7,800	64,319	7,259	1,690	63	5,968	21
36 Commercial banks in United States (including their IBFs)	3,167	1,244	2,492	1,155	323	0	30	0
37 U.S. branches and agencies of other foreign banks	2,328	949	1,744	860	318	0	25	0
38 Other commercial banks in United States	840	295	747	295	5	0	5	0
39 Other depository institutions in United States (including their IBFs)	0	0	0	0	0	0	0	0
40 Banks in foreign countries	10,383	6,311	8,769	5,864	155	63	850	21
41 Foreign branches of U.S. banks	13	13	13	13	0	0	0	0
42 Other banks in foreign countries	10,370	6,298	8,756	5,852	155	63	850	21
43 Loans to other financial institutions	60,796	245	53,059	240	1,212	0	5,089	0
44 Commercial and industrial loans	163,279	10,555	133,260	10,155	6,935	81	11,906	0
45 U.S. addressees (domicile)	130,024	191	104,462	191	6,496	0	10,731	0
46 Non-U.S. addressees (domicile)	33,255	10,364	28,798	9,964	439	81	1,175	0
47 Loans to foreign governments and official institutions (including foreign central banks)	3,798	1,422	3,111	1,402	13	13	275	0
48 Loans for purchasing or carrying securities (secured and unsecured)	9,587	5	8,986	0	0	0	417	0
49 All other loans	5,214	79	4,646	72	139	0	87	0
50 Lease financing receivables (net of unearned income)	727	0	353	0	0	0	373	0
51 U.S. addressees (domicile)	686	0	353	0	0	0	333	0
52 Non-U.S. addressees (domicile)	40	0	0	0	0	0	40	0
53 Trading assets	145,290	170	129,103	170	24	0	4,535	0
54 U.S. Treasury and agency securities	33,525	0	33,496	0	2	0	0	0
55 Other trading assets	111,765	170	95,607	170	22	0	4,535	0
56 All other assets	45,390	701	42,981	694	152	3	1,100	0
57 Customers' liabilities on acceptances outstanding	408	n.a.	323	n.a.	42	n.a.	23	n.a.
58 U.S. addressees (domicile)	278	n.a.	215	n.a.	41	n.a.	20	n.a.
59 Non-U.S. addressees (domicile)	130	n.a.	108	n.a.	0	n.a.	2	n.a.
60 Other assets including other claims on nonrelated parties	44,982	701	42,658	694	110	3	1,077	0
61 Net due from related depository institutions ⁵	263,032	73,273	224,664	50,507	546	3,899	1,665	3,962
62 Net due from head office and other related depository institutions ⁵	263,032	n.a.	224,664	n.a.	546	n.a.	1,665	n.a.
63 Net due from establishing entity, head office, and other related depository institutions ⁵	n.a.	73,273	n.a.	50,507	n.a.	3,899	n.a.	3,962
64 Total liabilities⁴	1,069,594	129,275	949,972	104,439	15,504	4,864	32,791	3,995
65 Liabilities to nonrelated parties	957,177	110,823	858,832	86,342	8,603	4,733	28,075	3,972

Footnotes appear at end of table.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, June 30, 2003¹—Continued

Millions of dollars except as noted

Item	All states ²		New York		California		Illinois	
	Total excluding IBFs ³	IBFs only ³	Total excluding IBFs	IBFs only	Total excluding IBFs	IBFs only	Total excluding IBFs	IBFs only
66 Total deposits and credit balances	422,849	76,227	380,167	60,068	2,665	2,509	9,270	2,272
67 Individuals, partnerships, and corporations (including certified and official checks)	330,893	7,514	291,519	3,840	2,167	108	9,187	9
68 U.S. addressees (domicile)	315,065	167	281,486	167	1,178	0	9,054	0
69 Non-U.S. addressees (domicile)	15,827	7,347	10,033	3,673	989	108	133	9
70 Commercial banks in United States (including their IBFs)	59,065	8,428	56,859	7,605	447	134	0	340
71 U.S. branches and agencies of other foreign banks	17,931	7,220	17,523	6,499	37	134	0	340
72 Other commercial banks in United States	41,134	1,207	39,336	1,107	410	0	0	0
73 Banks in foreign countries	6,896	30,362	6,700	23,337	32	1,518	35	905
74 Foreign branches of U.S. banks	1,304	2,620	1,304	2,256	0	154	0	9
75 Other banks in foreign countries	5,592	27,742	5,397	21,082	32	1,364	35	896
76 Foreign governments and official institutions (including foreign central banks)	5,974	29,921	5,891	25,284	11	750	1	1,018
77 All other deposits and credit balances	20,022	3	19,198	0	8	0	47	0
78 Transaction accounts and credit balances (excluding IBFs)	11,786	n.a.	9,879	n.a.	157	n.a.	207	n.a.
79 Individuals, partnerships, and corporations (including certified and official checks)	9,353	n.a.	7,605	n.a.	113	n.a.	206	n.a.
80 U.S. addressees (domicile)	6,399	n.a.	6,001	n.a.	78	n.a.	199	n.a.
81 Non-U.S. addressees (domicile)	2,954	n.a.	1,604	n.a.	36	n.a.	7	n.a.
82 Commercial banks in United States (including their IBFs)	659	n.a.	658	n.a.	0	n.a.	0	n.a.
83 U.S. branches and agencies of other foreign banks	413	n.a.	413	n.a.	0	n.a.	0	n.a.
84 Other commercial banks in United States	245	n.a.	245	n.a.	0	n.a.	0	n.a.
85 Banks in foreign countries	1,123	n.a.	1,020	n.a.	32	n.a.	0	n.a.
86 Foreign branches of U.S. banks	0	n.a.	0	n.a.	0	n.a.	0	n.a.
87 Other banks in foreign countries	1,123	n.a.	1,020	n.a.	32	n.a.	0	n.a.
88 Foreign governments and official institutions (including foreign central banks)	282	n.a.	237	n.a.	7	n.a.	1	n.a.
89 All other deposits and credit balances	369	n.a.	359	n.a.	5	n.a.	0	n.a.
90 Nontransaction accounts (including MMDAs, excluding IBFs)	411,063	n.a.	370,288	n.a.	2,508	n.a.	9,063	n.a.
91 Individuals, partnerships, and corporations (including certified and official checks)	321,540	n.a.	283,914	n.a.	2,053	n.a.	8,981	n.a.
92 U.S. addressees (domicile)	308,667	n.a.	275,485	n.a.	1,100	n.a.	8,855	n.a.
93 Non-U.S. addressees (domicile)	12,873	n.a.	8,428	n.a.	953	n.a.	126	n.a.
94 Commercial banks in United States (including their IBFs)	58,406	n.a.	56,200	n.a.	447	n.a.	0	n.a.
95 U.S. branches and agencies of other foreign banks	17,518	n.a.	17,110	n.a.	37	n.a.	0	n.a.
96 Other commercial banks in United States	40,889	n.a.	39,091	n.a.	410	n.a.	0	n.a.
97 Banks in foreign countries	5,773	n.a.	5,680	n.a.	0	n.a.	35	n.a.
98 Foreign branches of U.S. banks	1,304	n.a.	1,304	n.a.	0	n.a.	0	n.a.
99 Other banks in foreign countries	4,469	n.a.	4,377	n.a.	0	n.a.	35	n.a.
100 Foreign governments and official institutions (including foreign central banks)	5,691	n.a.	5,654	n.a.	4	n.a.	0	n.a.
101 All other deposits and credit balances	19,653	n.a.	18,839	n.a.	3	n.a.	47	n.a.
102 IBF deposit liabilities	n.a.	76,227	n.a.	60,068	n.a.	2,509	n.a.	2,272
103 Individuals, partnerships, and corporations (including certified and official checks)	n.a.	7,514	n.a.	3,840	n.a.	108	n.a.	9
104 U.S. addressees (domicile)	n.a.	167	n.a.	167	n.a.	0	n.a.	0
105 Non-U.S. addressees (domicile)	n.a.	7,347	n.a.	3,673	n.a.	108	n.a.	9
106 Commercial banks in United States (including their IBFs)	n.a.	8,428	n.a.	7,605	n.a.	134	n.a.	340
107 U.S. branches and agencies of other foreign banks	n.a.	7,220	n.a.	6,499	n.a.	134	n.a.	340
108 Other commercial banks in United States	n.a.	1,207	n.a.	1,107	n.a.	0	n.a.	0
109 Banks in foreign countries	n.a.	30,362	n.a.	23,337	n.a.	1,518	n.a.	905
110 Foreign branches of U.S. banks	n.a.	2,620	n.a.	2,256	n.a.	154	n.a.	9
111 Other banks in foreign countries	n.a.	27,742	n.a.	21,082	n.a.	1,364	n.a.	896
112 Foreign governments and official institutions (including foreign central banks)	n.a.	29,921	n.a.	25,284	n.a.	750	n.a.	1,018
113 All other deposits and credit balances	n.a.	3	n.a.	0	n.a.	0	n.a.	0

Footnotes appear at end of table.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, June 30, 2003¹—Continued

Millions of dollars except as noted

Item	All states ²		New York		California		Illinois	
	Total including IBFs ³	IBFs only ³	Total including IBFs	IBFs only	Total including IBFs	IBFs only	Total including IBFs	IBFs only
114 Federal funds purchased	63,228	17,841	42,913	11,511	1,235	560	5,950	1,440
115 With depository institutions in the U.S.	28,657	4,323	17,075	1,815	1,006	453	2,631	305
116 With others	34,570	13,518	25,838	9,696	229	106	3,320	1,135
117 Securities sold under agreements to repurchase	189,699	2,325	188,786	2,325	238	0	582	0
118 With depository institutions in the U.S.	11,374	0	11,364	0	10	0	0	0
119 With others	178,324	2,325	177,421	2,325	228	0	582	0
120 Other borrowed money	66,595	13,786	57,868	11,821	1,789	1,656	4,664	259
121 Owed to nonrelated commercial banks in United States (including their IBFs)	9,847	2,209	9,267	1,965	298	196	216	38
122 Owed to U.S. offices of nonrelated U.S. banks	5,054	448	4,912	440	38	8	93	0
123 Owed to U.S. branches and agencies of nonrelated foreign banks	4,793	1,761	4,355	1,525	261	188	123	38
124 Owed to nonrelated banks in foreign countries	10,620	9,307	9,404	8,240	836	806	236	221
125 Owed to foreign branches of nonrelated U.S. banks	1,267	1,010	1,140	982	59	29	0	0
126 Owed to foreign offices of nonrelated foreign banks	9,353	8,297	8,264	7,258	777	777	236	221
127 Owed to others	46,128	2,270	39,197	1,616	655	653	4,213	0
128 All other liabilities	138,579	644	129,031	618	167	8	5,336	2
129 Branch or agency liability on acceptances executed and outstanding	445	n.a.	357	n.a.	42	n.a.	22	n.a.
130 Trading liabilities	98,501	46	91,554	45	9	0	3,890	1
131 Other liabilities to nonrelated parties	39,632	598	37,121	572	115	8	1,424	2
132 Net due to related depository institutions ⁵	112,417	18,452	91,139	18,097	6,901	131	4,717	22
133 Net due to head office and other related depository institutions ⁵	112,417	n.a.	91,139	n.a.	6,901	n.a.	4,717	n.a.
134 Net due to establishing entity, head office, and other related depository institutions ⁵	n.a.	18,452	n.a.	18,097	n.a.	131	n.a.	22
MEMO								
135 Holdings of own acceptances included in commercial and industrial loans	513	n.a.	348	n.a.	2	n.a.	99	n.a.
136 Commercial and industrial loans with remaining maturity of one year or less (excluding those in nonaccrual status)	69,198	n.a.	52,158	n.a.	3,821	n.a.	6,883	n.a.
137 Predetermined interest rates	28,772	0	18,590	0	1,752	0	5,331	0
138 Floating interest rates	40,426	n.a.	33,568	n.a.	2,068	n.a.	1,552	n.a.
139 Commercial and industrial loans with remaining maturity of more than one year (excluding those in nonaccrual status)	85,937	n.a.	74,098	n.a.	3,020	n.a.	4,509	n.a.
140 Predetermined interest rates	14,712	n.a.	13,124	n.a.	338	n.a.	419	n.a.
141 Floating interest rates	71,225	n.a.	60,974	n.a.	2,682	n.a.	4,090	n.a.

Footnotes appear at end of table.

4.30 ASSETS AND LIABILITIES of U.S. Branches and Agencies of Foreign Banks, June 30, 2003¹—Continued

Millions of dollars except as noted

Item	All states ²		New York		California		Illinois	
	Total excluding IBFs ³	IBFs only ³	Total excluding IBFs	IBFs only	Total excluding IBFs	IBFs only	Total excluding IBFs	IBFs only
142 Components of total nontransaction accounts, included in total deposits and credit balances	443,841	n.a.	400,439	n.a.	2,374	n.a.	10,254	n.a.
143 Time deposits of \$100,000 or more	404,433	n.a.	364,785	n.a.	2,374	n.a.	9,019	n.a.
144 Time CDs in denominations of \$100,000 or more with remaining maturity of more than 12 months	39,408	n.a.	35,654	n.a.	0	n.a.	1,235	n.a.
	All states ²		New York		California		Illinois	
	Total including IBFs ³	IBFs only ³	Total including IBFs	IBFs only	Total including IBFs	IBFs only	Total including IBFs	IBFs only
145 Immediately available funds with a maturity greater than one day included in other borrowed money	28,955	n.a.	27,068	n.a.	1,188	n.a.	514	n.a.
146 Number of reports filed ⁶	282	0	150	0	55	0	17	0

1. Data are aggregates of categories reported on the quarterly form FFIEC 002, "Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks." 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 IBF data have been reported for that item,

either because the item is not an eligible IBF asset or liability or because that level of detail is not reported for IBFs. From December 1981 through September 1985, IBF data were included in all applicable items reported.

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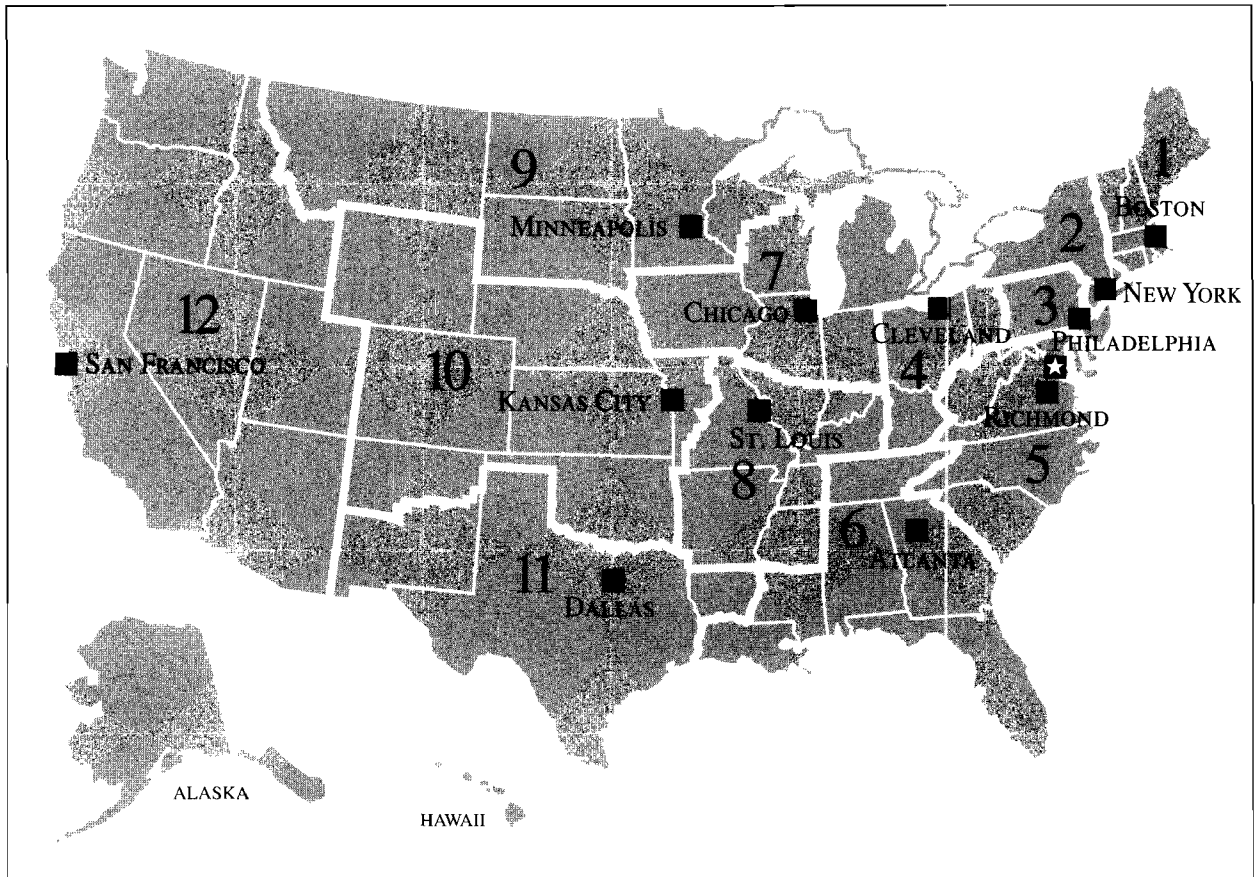
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Studies and papers on economic and financial subjects that are of general interest. Staff Studies 1–158, 161, 163, 165, 166, 168, and 169 are out of print, but photocopies of them are available. Staff Studies 165–174 are available on line at www.federalreserve.gov/pubs/staffstudies.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

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Maps of the Federal Reserve System



LEGEND

Both pages

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

Facing page

- Federal Reserve Branch city
- Branch boundary

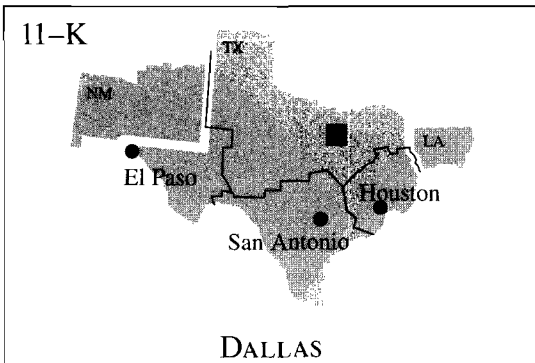
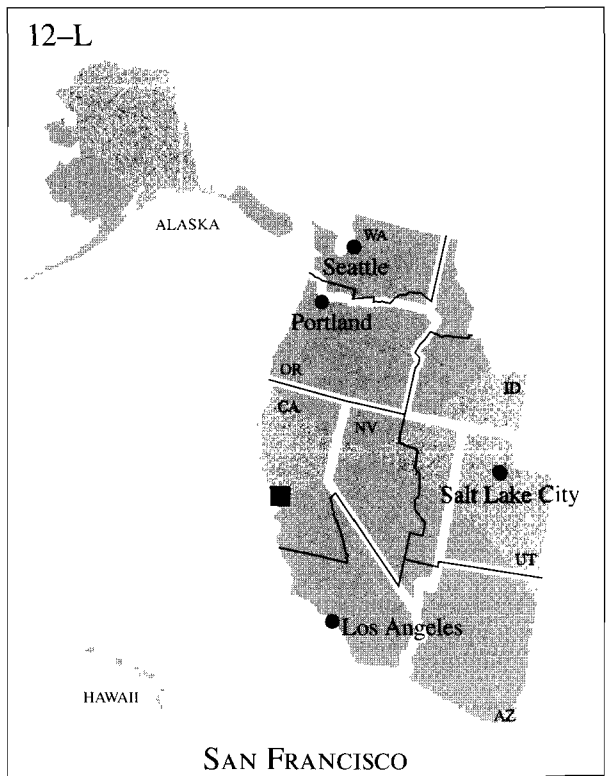
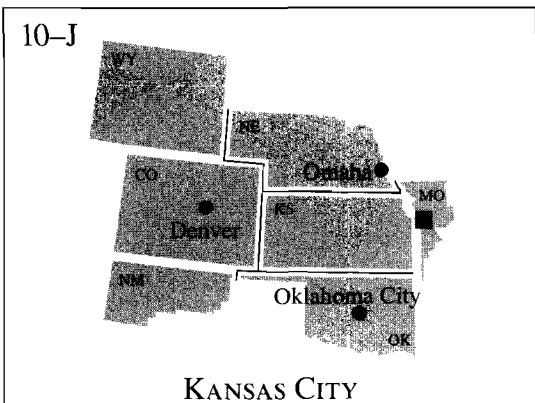
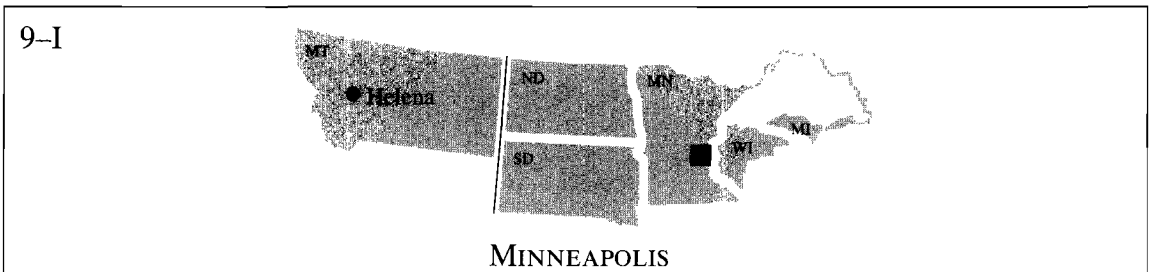
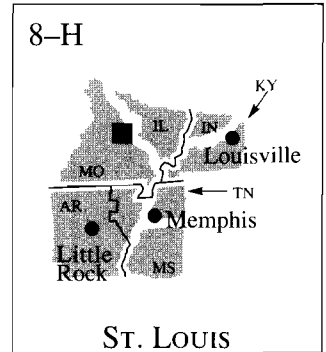
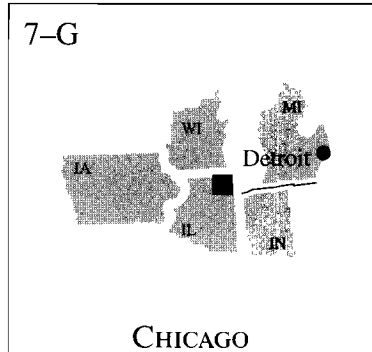
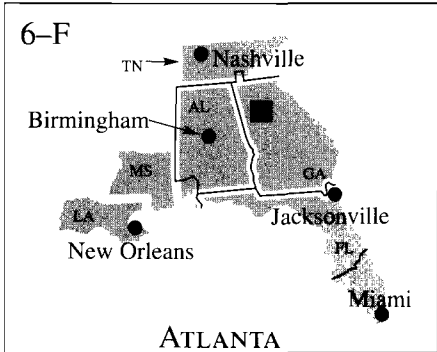
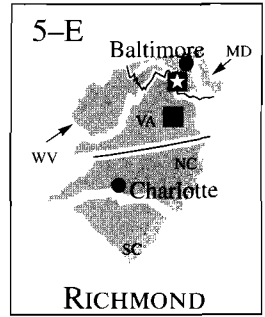
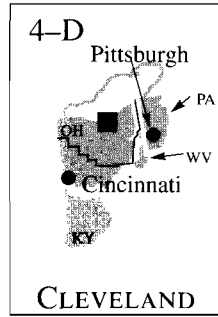
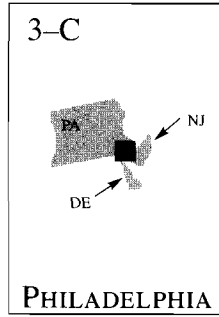
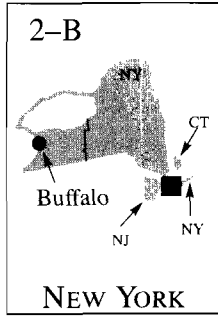
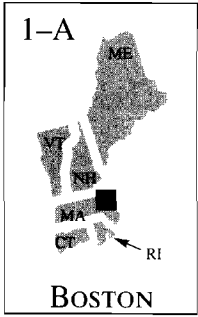
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The System serves commonwealths and territories as follows: the New York Bank serves the Commonwealth

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